

**Tuesday  
15 November 2022**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**Tuesday 15 November 2022**

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# House of Commons

*Tuesday 15 November 2022*

*The House met at half-past Eleven o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### TREASURY

*The Chancellor of the Exchequer was asked—*

#### Oxford-Cambridge Arc

1. **Iain Stewart** (Milton Keynes South) (Con): What recent steps he has taken with the Secretary of State for Levelling Up, Housing and Communities to deliver the economic growth potential of the Oxford-Cambridge arc. [902244]

**The Exchequer Secretary to the Treasury (James Cartlidge):** Oxford, Cambridge and, of course, Milton Keynes are part of a globally significant area with world-leading technology, life sciences and space sectors. However, their growth potential is constrained by poor connectivity, a lack of lab space and high housing costs. The Government are committed to working with local authorities and other stakeholders to unlock growth. The first section of East West Rail is in construction and will bring benefits to my hon. Friend's constituency in 2025.

**Iain Stewart:** I congratulate my hon. Friend on his appointment. A few weeks ago, the hon. Member for Cambridge (Daniel Zeichner) and I hosted an event for the East West main line partnership to launch its report, "Building Better Connections", which sets out the wider economic benefits of the arc as a whole and the rail line in particular. I urge my hon. Friend to read that report and assure me that any investment decisions will be based on the wider economic benefit, not just on a narrow cost-benefit analysis.

**James Cartlidge:** I am grateful to my hon. Friend for his fine words and welcome. We will consider that report with interest, and I was glad to hear about the event that he hosted with the hon. Member for Cambridge (Daniel Zeichner). I pay tribute to my hon. Friend as a long-standing champion not just of the East West Rail connection, but of the wider growth opportunity that links in with that. This is such an important area not only for international competitiveness, but for the UK economy. As he knows, the first section of East West Rail is already in construction and we will set out the next steps on the later stages shortly. I reassure him that we recognise the significant economic growth that the project could unlock by increasing connectivity and supporting the region's high productivity sectors.

**Mr Speaker:** In that case, let us bring in Daniel Zeichner, as the other party.

**Daniel Zeichner** (Cambridge) (Lab): I hear the answer, but this issue is so important not just for the arc, but for unlocking the transport and housing issues in a city such as Cambridge. On different days of the week, we get different views from different Secretaries of State. Can we hear what the Treasury's view is on the importance of restoring the rail link?

**James Cartlidge:** As a fellow East Anglian MP, it is great to see the hon. Member working in partnership with colleagues on these important matters for his constituency. He will know that the region was singled out by *The Economist* in August 2022 as being vital to invest in if the UK is to achieve growth and proper investment, and that East West Rail was a key recommendation in the National Infrastructure Commission's 2017 report to unlock the potential of the Oxford and Cambridge area, including Milton Keynes. That has not changed and we are committed to it.

#### Bolton: Public and Private Investment

2. **Yasmin Qureshi** (Bolton South East) (Lab): What recent estimate he has made of levels of (a) public and (b) private investment in Bolton. [902245]

**The Chief Secretary to the Treasury (John Glen):** The Government have made significant recent public investment in Bolton. For example, the first round of the levelling-up fund invested £20 million to create the Bolton College of Medical Sciences, and Bolton received £22.9 million from the towns fund to support its long-term economic and social regeneration. On the second part of the hon. Lady's question, the Government do not routinely make estimates of private investment in towns.

**Yasmin Qureshi:** Last week, I met the chief executive of Bolton and Bury citizens advice bureau. Among the many pieces of work that it does, it employs money advisers. However, the Money and Pensions Service—the arm's length body that funds citizens advice bureaux—is set to lose 10% of its funding. For my local branch, that means about £22,000, or the cost of one member of staff. With demand for its services doubling, given the energy and cost of living crises, how can the Chancellor push through those callous cuts to a scheme that supports some of the poorest and most vulnerable in Bolton? Will he reverse those cuts?

**John Glen:** The hon. Lady refers to the Money and Pensions Service. During the pandemic, additional Government grants were made available to support debt advisers. Some of that money was not used. There has been an attempt to look at how that money is distributed, but I would be happy to take this matter back and refer it to the Economic Secretary to see what can be done to give clarification.

**Sir Jake Berry** (Rossendale and Darwen) (Con): It is not just in Bolton but in the adjoining area of Darwen and Rossendale that we welcome public sector investment, such as the Darwen town deal, which is investing £100 million. However, we are keenly interested to hear what those on the Treasury Bench will do to support capital investment, particularly in manufacturing businesses. We hope that in the forthcoming autumn statement the Government will give some support to our great manufacturers in Lancashire.

**John Glen:** My right hon. Friend is absolutely right; it is critical that we maintain capital investment, use that money efficiently, focus on outputs and outcomes, and ensure that we set the conditions for growth in the economy.

### Cost of Energy: Support for Families

3. **James Grundy** (Leigh) (Con): What recent steps his Department has taken to support families with the cost of energy bills. [902246]

6. **Andrew Jones** (Harrogate and Knaresborough) (Con): What recent steps his Department has taken to support families with the cost of energy bills. [902251]

**The Chancellor of the Exchequer (Jeremy Hunt):** The Government have taken decisive action to support millions of households with the energy price guarantee, which caps the cost of energy at £2,500 for the average household. We are also spending £37 billion to support millions of low-income households.

**James Grundy:** Will my right hon. Friend tell me what the average household energy bill would have been if the Government had not intervened to help hard-working families across Britain?

**Jeremy Hunt:** I thank my hon. Friend for his informative question, because it allows me to say that with the energy price guarantee at £2,500, the average saving for consumers across the country—including his constituents in Leigh, for whom he is a formidable advocate—is £700.

**Andrew Jones:** I have received correspondence from park home residents about the £400 of support with their bills. I recognise and welcome the measures to limit prices, but these households are seeing their electricity bills go up alongside the cost of their heating oil or gas bottles. Can my right hon. Friend assure me that his Department and the Department for Business, Energy and Industrial Strategy are working together to get support to park home residents before the end of the year?

**Jeremy Hunt:** I, too, have park home residents in my constituency. It is very important that we treat them fairly and give them the help that we are giving others, so we have set up the energy bills support scheme alternative funding as a way of helping them. It is designed to give them the equivalent of the £400 that we are giving to people with more normal energy consumption patterns. I will write to my hon. Friend with more details.

**Sammy Wilson** (East Antrim) (DUP): BBC Radio 4 erroneously claimed this morning that energy payments to consumers in Northern Ireland would be held up because of the non-operation of the Assembly as a result of the Northern Ireland protocol. Ministers have worked with the Minister for the Economy in Northern Ireland and have made commitments that payments will be made before Christmas, but some senior civil servants seem to be seeking to use non-payment as a lever to get the Assembly back into operation. Will the Chancellor confirm, first, that money is available for

the package; secondly, that the energy companies are ready to deliver it; and thirdly, that the Government will keep their commitment to ensure that payments are made before Christmas? Will he also investigate whether civil servants are interfering in the political process in Northern Ireland?

**Jeremy Hunt:** I assure the right hon. Gentleman that we are absolutely determined to ensure that support gets out to everyone in the United Kingdom as quickly as possible this Christmas. I am absolutely not aware of any delay of the kind that he suggests, but I will happily make inquiries to make sure of that.

**Nick Smith** (Blaenau Gwent) (Lab): The cold weather payment is a lifeline for those on low incomes, but the current £25 rate was set in 2008. Today, it should be worth £37. Will the Chancellor collaborate with the Secretary of State for Work and Pensions and look into updating the figure in the light of the energy crisis?

**Jeremy Hunt:** I can reassure the hon. Gentleman that I have had extensive discussions with our excellent new Work and Pensions Secretary about how we support people on low incomes—precisely the vulnerable people that he is talking about. He will have to wait until Thursday for the details of our plan, but we have said that, in a very difficult time, protecting the most vulnerable will be our top priority.

**Mr Speaker:** I call the shadow Minister, James Murray.

**James Murray** (Ealing North) (Lab/Co-op): Two years ago, in a video entitled “Rishi Explains: Green Home Grants”, the current Prime Minister enthusiastically took credit for the green homes grant scheme. Six months later, the scheme collapsed and £1 billion was cut from its budget. The truth is that we have the draughtiest homes in Europe, but when it comes to insulating homes, the Government are nowhere to be seen. If the Government had followed our plan last year, 2 million of the coldest homes could already have been upgraded, saving households more than £2 billion on energy bills this year alone. Home insulation should be a no-brainer. Will the Chancellor explain why the Government will not follow Labour’s plans and get on with it?

**Jeremy Hunt:** There are all sorts of bigger reasons why we do not want to follow Labour’s plans, not least because they would bankrupt the economy. On the scheme to help people to insulate their homes, the picture that the hon. Gentleman presents is not correct. We are spending billions of pounds to help hundreds of thousands of families up and down the country to insulate their homes. We completely recognise that that is a vital part of our long-term energy policy.

**Mr Speaker:** I call the SNP spokesperson, Alison Thewliss.

**Alison Thewliss** (Glasgow Central) (SNP): I welcome this latest Chancellor to his place. Many of our constituents, such as my constituent Angela, have seen their bills double. Angela’s gas bill has gone up from £130 to £260 a month. She lives in a tiny, two-bedroom flat on carer’s allowance and personal independence payment, with a son who has a disability, and she simply cannot

afford these bills. Cornwall Insight has estimated that come March, when the energy support ends, the price cap will rise to £3,700. There has been talk of targeting support after that, but National Energy Action has pointed out the risk that many people who are already suffering in fuel poverty will be excluded. What reassurance can he give people out there whose bills are already unaffordable about what will happen in March?

**Jeremy Hunt:** I want to reassure the hon. Lady. My right hon. Friend the Chief Secretary to the Treasury spoke to John Swinney, the Scottish Finance Minister, yesterday. We are thinking very carefully about all these issues, but to correct any misunderstanding, let me add that the energy price support that we give to families will not end next April, and I will announce on Thursday what that support will be.

### Small and Medium-sized Enterprises

4. **Siobhan Baillie** (Stroud) (Con): What steps he is taking with Cabinet colleagues to reduce red tape for small and medium-sized enterprises. [902247]

7. **Craig Tracey** (North Warwickshire) (Con): What steps he is taking with Cabinet colleagues to reduce red tape for small and medium-sized enterprises. [902252]

11. **Dean Russell** (Watford) (Con): What steps he is taking with Cabinet colleagues to reduce red tape for small and medium-sized enterprises. [902256]

12. **Giles Watling** (Clacton) (Con): What steps he is taking with Cabinet colleagues to reduce red tape for small and medium-sized enterprises. [902257]

**The Economic Secretary to the Treasury (Andrew Griffith):** The Government are rightly reducing the burden of regulation for tens of thousands of small and medium-sized enterprises. Just a month ago, the presumption of exemption when Departments make regulations was extended from businesses with fewer than 50 employees to those with fewer than 500, and we expect 40,000 SMEs to benefit from that.

**Siobhan Baillie:** People in the Stroud district are looking for ways to improve the energy efficiency of their homes, but a constituent has raised with me the difficulty of securing finance for products such as solar photovoltaic and batteries. Will my hon. Friend agree to ensure that the Government work with me in looking into whether the Consumer Credit Act 1974 constitutes a barrier to banks providing finance for renewable energy solutions, and whether changes could be made to the Act to assist consumers and businesses without a cost to the taxpayer?

**Andrew Griffith:** My hon. Friend regularly champions the cause of her constituents with Ministers. The Government are committed to reforming the Consumer Credit Act, recognising the need for modernisation of this regulation. I hope that such reform can support the vital investment needed to improve the sustainability of homes in her constituency and across the UK.

**Craig Tracey:** As a former small business owner in the financial services sector, I know all too well how red tape and disproportionate regulation hamper competitors

in the industry, often to the detriment of consumers, particularly those who are vulnerable. The Financial Services and Markets Bill presents a great opportunity to ensure that our world-leading insurance and financial services industry remains globally competitive. Can the Minister confirm that he will take all possible steps to ensure that the Bill delivers to its full potential, with regulators being held more accountable for their decisions?

**Andrew Griffith:** I can give my hon. Friend that assurance. As he knows, the Government are committed to effective, efficient and proportionate regulation. He has advocated a number of amendments to that Bill, and I am giving them due consideration.

**Dean Russell:** A common concern for small business people I speak to, in Watford and beyond, is cash flow, which has a heavy impact on organisations, for instance when Governments make late payments. May I ask the Government to ensure that the announcement to be made this week sends the clear message that all Departments and local government bodies follow the prompt payment policy robustly and, whenever possible, encourage businesses to follow the prompt payment code, so that SMEs can be paid quickly and fully and do not suffer in the efforts to make efficiencies and savings?

**Andrew Griffith:** I know that my colleagues will join me in paying tribute to my hon. Friend for the time that he spends helping small businesses. As he says, the Government must lead by example on prompt payment. They are committed to paying 90% of valid invoices within five days and 100% within 30 days, which is absolutely right, and the Cabinet Office's Procurement Bill will ensure that that happens throughout the public sector.

**Giles Watling:** I recently attended a meeting with business leaders in Clacton who worry about being hamstrung on the global stage. We are going to be one of the highest payers of corporation tax anywhere. Does my hon. Friend agree that, despite recent financial upheavals, we must maintain our focus on growth and support our businesses, both large and small, by keeping a firm lid on corporation tax?

**Andrew Griffith:** I can assure my hon. Friend that the Government are on the side of small businesses and fiscal responsibly, and the introduction of the small profits rate will help the businesses that he talks about.

**Valerie Vaz** (Walsall South) (Lab): When the Government cut the red tape and open the box, they will find 2,400 pieces of retained EU law, so what are they going to do to help small businesses navigate all the legislation that is going to drop on them at the end of next year?

**Andrew Griffith:** I welcome the hon. Lady's conversion to the cause of easing the red tape that is buried within EU law. It is this Government's objective to use our new-found freedoms to create regulations that are appropriate for the businesses of this country and that will help us to grow and deliver the prosperity we need for public services.

**Chris Elmore** (Ogmore) (Lab): Some of our best SMEs are farmers and my constituency is blessed with many farms. Farmers regularly tell me that the duplication of forms is driving up prices and that pressures around



energy are increasing food prices, so can the Minister set out what more meaningful support he will be giving to farmers in my constituency and across the United Kingdom? At the minute, the Government are found wanting.

**Andrew Griffith:** Representing a rural constituency myself, I am familiar with the challenges to our food producers that the hon. Member talks about. I will ensure that the Secretary of State for Environment, Food and Rural Affairs writes to him setting out what we are doing to ensure that we continue to have security of food supply in this country.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): High street SMEs keep telling me how unfair the current business rate system is, and of course Labour agrees, so as we enter a Conservative recession, will the Chancellor follow Labour's lead by lifting the small business rate relief for 300,000 businesses to give our high street businesses the boost they need?

**Andrew Griffith:** The Government have committed to review business rates, but it would be wrong for me to pre-empt the outcome of that review here today.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): Following the mini-Budget, the former Chancellor promised to write to me about energy bill support for a small business in my constituency. That response has yet to materialise. Will the Chancellor please look into this and provide a response that I can share with my business, Equi's Ice Cream?

**Andrew Griffith:** I will ensure that the case the hon. Lady raises is responded to.

**Mr Speaker:** I call the Member without a tie, Ben Bradley.

#### **Autumn Statement: Financial Support for Local Councils**

5. **Ben Bradley** (Mansfield) (Con): If he will bring forward measures in his autumn statement to increase financial support for local councils. [902249]

**The Chief Secretary to the Treasury (John Glen):** The Government are committed to ensuring that local authorities are able to deliver vital public services. At the spending review last year, we provided councils with the largest annual increases in core funding in over a decade, and the Chancellor will set out further information on the Government's fiscal approach at the autumn statement on Thursday.

**Ben Bradley:** If we are ever to have a sustainable set of council services, we have to move money upstream into services that can help us tackle rising demand. That is the non-statutory stuff—prevention services in communities, such as children's services or youth centres, for example—but when budgets are tight, those non-statutory services are often the first to go, which removes councils' ability to intervene and manage demand. With that in mind, what can my right hon. Friend do to support councils by ensuring that we take a long-term approach to managing those public services rather than adopting counter-productive plans based only on short-term budget pressures?

**John Glen:** First, I would like to thank my hon. Friend for the four-page letter that he sent to the Secretary of State, which I have studied carefully. He makes some sensible suggestions and recognises the dynamics of different pots being used effectively within local government, and as a local authority leader himself, he is obviously on the frontline addressing these budgets. In last year's spending review we put money into supporting families and family hubs, and provided £500 million of "start for life" investment, but he makes a sensible point and on Thursday he will see how we are going to make that money work.

**Dame Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): My local authority of Hackney has suffered cuts of nearly 50% over the last decade or so, but it nevertheless delivers efficient public services. Money given to good local authorities can be more cost-effective and better value for money for the taxpayer, so will the Minister consider that as the Chancellor approaches Thursday?

**John Glen:** Absolutely, I will. Of course, it is not just about the cash settlement; it is about the interaction with other pots of money that are being spent, particularly in the health service, which is at the top of my mind and the Chancellor's mind as we concentrate on what to do on Thursday.

#### **Affordability of Housing: First-time Buyers**

8. **Mr Toby Perkins** (Chesterfield) (Lab): What recent assessment he has made of the affordability of housing for first-time buyers. [902253]

**The Economic Secretary to the Treasury (Andrew Griffith):** The Government are committed to helping as many first-time buyers on to the housing ladder as possible. We are investing £11.5 billion in building more of the affordable homes that the country needs. First-time buyers can access first-time buyer's relief for stamp duty land tax, which means that 90% of first-time buyers need pay no stamp duty at all.

**Mr Perkins:** For so many younger people, even those on really good wages, the idea of owning their own house is now a pipe dream. We have 1 million more people in private rented accommodation and, since 2010, 800,000 fewer under-45 households own their own home. What is it about 12 years of Conservative government that has been so brutal for young people with ambitions to own their own home?

**Andrew Griffith:** The Government are very conscious and very supportive of people's desire to own their own home, which is why we have made so many interventions on affordability. Underlying that is the strength of the economy, which offers great employment prospects for those who seek to work hard, to save and, ultimately, to purchase their own home. We are on their side.

**Mr Speaker:** I call the shadow Minister, Pat McFadden.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): The consequences of September's disastrous mini-Budget continue to be felt, as we will see in the autumn statement on Thursday—the third Budget statement in two months

from the fourth Chancellor since the summer, presided over by the fifth Prime Minister in six years. Whatever they represent, it is certainly not stability.

Mortgage rates are still well above what they were before the mini-Budget. I have a constituent who is a first-time buyer, and he is facing a £200-a-month increase on his mortgage quote compared with before the mini-Budget. Why should my constituent, and thousands like him, pay the price in their mortgage payments for the economic damage caused by the Government's recklessness?

**Andrew Griffith:** The right hon. Gentleman does this House and his constituents a great disservice with that characterisation, which did not mention once the tragedy of the events caused by Russia's invasion of Ukraine and the fact that we are coming off the back of an extraordinary intervention to protect this country, jobs and businesses from covid. In the future, when he characterises the economy, he owes it to all of us to be more proportionate.

**Mr McFadden:** I know that, after 12 years, the Government quite like stealing our ideas, such as the windfall tax and the energy price freeze, so let me offer a suggestion. High deposit demands, increased unaffordability due to price rises and, now, rising mortgage rates all mean it is increasingly difficult for first-time buyers to get on the property ladder, so will the Government consider Labour's proposal for a mortgage guarantee scheme, as operates in countries such as Canada, to help first-time buyers get on the property ladder and to protect them from negative equity in times of market turbulence? Would that not be a practical idea to stop people being trapped in the private rented sector and to help them buy a home of their own?

**Andrew Griffith:** Not only is that a good idea, it is a Conservative idea that we have already introduced. I am glad the right hon. Gentleman has belatedly latched on to it.

**Philip Dunne (Ludlow) (Con):** With interest rates rising around the world, many others countries are considering more imaginative ways of enabling those with mortgages to continue to pay. Will my hon. Friend look at the schemes operating in the United States that allow lenders to extend the duration of a mortgage to allow payments to remain on an even keel and, therefore, to remain more affordable for hard-pressed households?

**Andrew Griffith:** Yes, I will do that. My right hon. Friend is right to point to the fact that mortgage rates have been rising throughout the world. This Government will always be on the side of trying to protect people with mortgages. Lenders are responsible and are willing to extend. The advice is that people should always speak to their lender if they have difficulties. I will certainly look at the case he mentions.

### Economic Stability

9. **Ben Everitt (Milton Keynes North) (Con):** What steps his Department is taking to promote economic stability. [902254]

15. **Laura Farris (Newbury) (Con):** What steps he is taking to ensure sustainable public finances. [902260]

**The Chancellor of the Exchequer (Jeremy Hunt):** Inflation is the enemy of stability and this Government have acted decisively to bear down on it, including through the energy price guarantee, which will take up to 5% off the headline rate.

**Ben Everitt:** I was very grateful for the Chancellor's time last week when he listened to feedback from businesses in Milton Keynes about the economic situation and the situation they are in. As well as support for households, businesses, schools and councils, the main thing that came through all the things I managed to feed back to him last week was the need for certainty so that businesses can invest, forecast and plan. Will the package that he announces on Thursday contain a long enough period so that businesses can put that planning and investment into our economy, and we can grow our way to prosperity?

**Jeremy Hunt:** My hon. Friend is absolutely right; having run a business myself, I know that that certainty and stability is what gives the confidence to invest. I want to reassure him that what I talk about on Thursday will include our plan for growth over the next five years as well as our plan for stability. Both matter, but in the end, as Conservative Members know, wealth is not created by Governments—it is created by businesses.

**Laura Farris:** I know that my right hon. Friend is working intensively to ensure that the United Kingdom can meet its current spending obligations, but can he confirm that the same prudence extends to our national debt? Throughout the summer, my right hon. Friend the Prime Minister said repeatedly that we cannot allow debt to spiral and we cannot burden future generations with further debt. Does my right hon. Friend share the Prime Minister's commitment and will he use his statement on Thursday to set out a pathway to debt reduction?

**Jeremy Hunt:** My hon. Friend will know that Margaret Thatcher said that there is nothing moral about spending money you do not have, precisely because of what my hon. Friend says: it passes the burden on to future generations to pay it back. Currently, our debt to GDP ratio is about 98% and we are spending debt interest of £22 billion more in the year to date than at the same time last year—that is more than the entire budget of the Home Office. So I absolutely agree with her.

**Seema Malhotra (Feltham and Heston) (Lab/Co-op):** Our growth rate in the 12 years since 2010 has been just 1.4%, which is lower than the OECD average, and behind that of the USA, Canada and Germany. The public should have an answer to this: why does the Chancellor think that is?

**Jeremy Hunt:** What the public know is that unemployment is the lowest for nearly half a century under a Conservative Government.

**Chris Bryant (Rhondda) (Lab):** Energy inflation and food inflation are already making the finances of schools and local authorities almost unsustainable, with many in real fear of going bust in the next few months. May I urge the Chancellor, as he is thinking about Thursday, not to push this all down on to council tax, because many of the poorest areas of the country have the highest level of need and the fewest people who can afford to make additional contributions? So it would be entirely counterproductive to do that, and the ratchet effect could make local authorities even more unsustainable.

**Jeremy Hunt:** I hear what the hon. Gentleman says. It is going to be a very difficult announcement on Thursday, because we are going to be asking everyone to contribute more. But we will be asking people who have more to contribute even more, and that will be reflected in our decisions on council tax and every other tax as well.

**Mr Speaker:** You might save something for Thursday as well. *[Laughter.]*

**Dr Julian Lewis** (New Forest East) (Con): I was encouraged by the Economic Secretary's answer to the question from my right hon. Friend the Member for Ludlow (Philip Dunne) about mortgages. I know that the Chancellor believes that the restoration of economic stability is essential for mortgages to come under control in the future, but will he confirm that he will bring in imaginative plans to protect people who took out mortgages in good faith and now find them unaffordable?

**Jeremy Hunt:** I can absolutely give my right hon. Friend that confirmation. Indeed, I intend to meet a group of lenders later this month to discuss that very issue.

**Mr Gregory Campbell** (East Londonderry) (DUP): I think people understand the difficult choices that they and their Chancellor face come Thursday, but will the Chancellor ensure that the small and medium-sized enterprises across the United Kingdom that provide the backbone of our economy and employment opportunities are not forgotten?

**Jeremy Hunt:** I can absolutely give the hon. Gentleman that undertaking. We must remember that, for those businesses, very often the most insidious taxes are those that they have to pay before making any kind of profit, because those are the taxes that can make them go under. As the Conservative party—the party of small business—we will think very hard about their needs.

**Peter Grant** (Glenrothes) (SNP): Governments do not create wealth, says the Chancellor. Well, this Government certainly do not, nor did any of their predecessors.

Can the Chancellor tell us at what point in his predecessor's so-called plan for growth did he realise that it was a recipe for economic disaster? If, like everyone on the Opposition Benches, he realised that before his predecessor had sat down, why did it take him so long to speak up about it?

**Jeremy Hunt:** I did actually reverse most of those measures within three days of becoming Chancellor, so, among my many failings, the one thing I cannot be accused of doing is being slow to change things.

**Kit Malthouse** (North West Hampshire) (Con): As I understand it, the Chancellor is basing his fiscal strategy on Office for Budget Responsibility forecasts, but does he agree that the only thing we know for certain about those forecasts is that they are wrong?

**Jeremy Hunt:** We know that all economic forecasts are inaccurate, but that does not mean that it is better not to have a forecast than to have one. In defence of

the OBR, I would say that its forecasts are more accurate than the Government forecast that we used to use before it.

### HMRC Mileage Allowance Rates

10. **Dan Jarvis** (Barnsley Central) (Lab): If he will make an assessment with Cabinet colleagues of the potential merits of reviewing HMRC mileage allowance rates to promote retention and recruitment in the public sector. [902255]

**The Exchequer Secretary to the Treasury (James Cartlidge):** The Government keep the approved mileage allowance payment rate under review. As the rate is set using an average, it is more appropriate for some drivers than for others. Employers, including public sector employers, can agree to reimburse a different amount that better reflects their employee's circumstances.

**Dan Jarvis:** Petrol costs are up by a third since January, but mileage rates for keyworkers have now been frozen for a decade. That means, for example, that midwives attending home births, social workers safeguarding vulnerable children and palliative nurses providing end-of-life care cannot afford in many cases the petrol they need to do their jobs. Will the Minister look to increase the mileage allowance payment rates?

**James Cartlidge:** The hon. Gentleman makes a fair point. I think we are all conscious of the general increase in costs faced by keyworkers and all our workers, but let me make this point about the specific HMRC-approved mileage allowance payments rate. He will appreciate that, ultimately, it is there as an administrative convenience for both employers and employees. The employer can choose to pay more, though of course they would have to check the tax impact with the employee. We do sympathise about the cost of fuel, but that is why we took that crucial measure in the spring statement to cut the rate of duty on petrol and diesel by 5p a litre for 12 months. That is worth £2.4 billion for everyone who uses an internal combustion engine, whether in the public or the private sector.

**Andrew Selous** (South West Bedfordshire) (Con): I am sure that I am not the only Member to be concerned that, as MPs, we get considerably more than care workers doing domiciliary care visits. Can we try to even that out, so that some of the lowest-paid people in the public sector get a decent allowance?

**James Cartlidge:** My hon. Friend makes an important point. In my capacity as a constituency MP, I recently met with a domiciliary care company, and it is clear that this cost of running its vehicles is significant. I repeat the point that these approved mileage allowance payments are really there as an administrative convenience, so that employers can support their staff. Employers can pay more, but, obviously, there may be tax implications. The crucial point is that we have cut the tax on both petrol and diesel, and that tax cut was significant. It was only the second time in 20 years that we cut both the main rates of petrol and diesel.

### Energy Profits Levy

13. **Claire Hanna** (Belfast South) (SDLP): Whether he plans to review the surcharge rate of the energy profits levy. [902258]



**The Exchequer Secretary to the Treasury (James Cartlidge):** The energy profits levy was introduced from 26 May in response to sharp increases in oil and gas prices and to help fund cost of living support for UK households. It is an additional 25% surcharge on UK oil and gas profits. The Government have calculated that they expect the levy to raise more than £7 billion this financial year. All taxes are kept under review at all times.

**Claire Hanna:** Households and businesses are being crippled by energy costs, with support non-existent in the case of the Northern Ireland energy scheme. At the same time, Shell has reported quarterly profits of £8.2 billion and BP of more than £7 billion, but, under current rules, Shell is not expected to pay any windfall taxes in this year. It is encouraging that there is word that the Government are intending to extend the scope of the windfall tax, and it is not before time. Undoubtedly, there are difficult financial decisions to be taken, but this is not one of them. When even Shell is saying that this tax should be embraced, we know that the policy is in the wrong place. Will the Chancellor commit to increasing the scope of the levy and to closing loopholes on timing, share buybacks and the investment allowances that allow tax to be avoided by diverting profit into polluting and unsustainable fuels?

**James Cartlidge:** To be clear, the levy is an additional 25% surcharge on UK oil and gas profits on top of the existing 40% headline rate of tax, taking the combined rate of tax on those profits to 65%. The hon. Lady is right that the levy contributes to the support that will be going out to Northern Ireland; it will come in a month later, but will be backdated to 1 October, and it will include businesses as well as households.

### Floating Offshore Wind

14. **Stephen Kinnock** (Aberavon) (Lab): What fiscal steps he plans to take with Cabinet colleagues to support the development of floating offshore wind. [902259]

21. **Wera Hobhouse** (Bath) (LD): What fiscal steps the Government is taking to support the development of floating offshore wind. [902267]

**The Exchequer Secretary to the Treasury (James Cartlidge):** We are committed to developing floating offshore wind to support our energy security and net zero ambitions. The contracts for difference scheme has already supported the first-of-its-kind TwinHub project off the coast of Cornwall, which will deliver enough energy to power 45,000 homes. The floating offshore wind demonstration programme provided £31 million in grant funding to support many other new innovative projects.

**Stephen Kinnock:** Floating offshore wind has the potential to transform the economy and jobs market in my Aberavon constituency and across south Wales, but it will only happen if floating offshore wind substructures and other components are manufactured and assembled locally. There are two concerns: first, the Crown Estate is putting in place leasing criteria that seem to be about the highest bidder rather than maximising local value and content, and secondly, there are rumours flying

around that the Government may be cancelling the floating offshore wind manufacturing investment scheme, which will be fundamental to facilitating the whole programme. Will the Minister confirm that he will urge Crown Estates to maximise local content in the criteria and that the Government are 100% committed to the FLOWMIS programme?

**James Cartlidge:** The hon. Gentleman is a staunch campaigner for his constituency's ability to take advantage of this exciting new technology, and I pay tribute to him for that. As he knows, the Crown Estate works independently to manage the seabed and has an important role in the deployment of floating offshore wind. Its approach for the 4 GW leasing opportunity in the Celtic sea is focused on ensuring the development of this new technology market in the UK as quickly as possible. But, to be clear—cutting to his point about content—the Crown Estate has announced that for the first time it is reforming the tender process to consider supply chain plans, sending a clear signal to the market that UK content is important.

**Wera Hobhouse:** Many renewable energy projects are limited by a lack of grid capacity. We have more wind farms ready for investment in the coming decade than the rest of the world, but the grid is not ready. For future offshore wind projects, who will be paying for the grid connections?

**James Cartlidge:** This issue has certainly captured the imagination in East Anglia, where the hon. Lady may be aware that there are certain proposals to bring forward improvements in the grid, although that is ultimately the responsibility of National Grid. We need to address the grid, but I hope she will agree that the country has already made enormous progress in increasing capacity from offshore wind. She may be aware that in 2011 renewables made up just 9% of our electricity; that figure is now over 40%.

**Stephen Crabb** (Preseli Pembrokeshire) (Con): Floating offshore wind is emerging as a major new industry, both globally and for us in the UK, in places such as the Celtic sea. The key question for us is how much of the real economic value of that new industry stays here in the UK. To that end, I encourage my hon. Friend to meet Business, Energy and Industrial Strategy Ministers and the Crown Estate, to ensure that the leasing rounds are properly structured and that the contracts for difference process and other policy tools, such as the FLOWMIS port funding and the freeport policy hopefully coming to south Wales, are all properly aligned to deliver British content.

**James Cartlidge:** I repeat the point I made to the hon. Member for Aberavon (Stephen Kinnock) about content. I hope that addresses some of my right hon. Friend's concerns, but I am more than happy to meet him first and then feed back to other Ministers and see what more we can do. He is absolutely right that this is an extraordinarily positive opportunity and, if we seize it, it will deliver for parts of our country such as his constituency.

**Virginia Crosbie** (Ynys Môn) (Con): The BP Mona wind farm, 20 miles off the coast of Anglesey, will generate 1.5 GW of electricity and provide more than

1,500 construction jobs and £3.5 billion of investment in an area desperately in need of good-quality jobs. Will the Minister urge his colleagues in the Senedd to invest in the Holyhead breakwater so that BP Mona can move the project forward, and will he confirm that investment in Holyhead port is the responsibility of the Welsh Government, not the UK Government?

**James Cartledge:** I cannot think of a colleague who champions energy investment in their constituency quite as much as my hon. Friend. I can confirm that the port of Holyhead is a very important part of the wider transport and economic infrastructure of the UK. I know that the Minister for Aviation, Maritime and Security has written to her and specified quite clearly whose responsibility that is, and she is absolutely correct.

**Mr Speaker:** I call the shadow Minister, Abena Oppong-Asare.

**Abena Oppong-Asare** (Erith and Thamesmead) (Lab): The Government allow offshore wind but are still banning onshore wind. Ending the ban would give us a vital tool to reach net zero, make Britain a clean energy superpower, and open up new investment and growth opportunities. Keeping the onshore wind ban will make energy bills £16 billion higher between now and 2030. Why on earth are Ministers undermining green growth and cheaper energy by maintaining the self-defeating ban on onshore wind?

**James Cartledge:** The Government are committed to delivering cheaper, cleaner and more secure power. That is why we included onshore wind in the latest auction round for contracts for difference, which have delivered a 50% technology cost reduction since 2015. The Government recognise the range of community views on onshore wind, and it is important that we strike the right balance between community interests and securing a clean, green energy system for the future. That is why we have committed to consulting on developing local partnerships for supportive communities in England who wish to host new onshore wind infrastructure.

### Topical Questions

T1. [902281] **Rushanara Ali** (Bethnal Green and Bow) (Lab): If he will make a statement on his departmental responsibilities.

**The Chancellor of the Exchequer (Jeremy Hunt):** I will be speaking for rather a long time on Thursday—

**Mr Speaker:** That is subject to agreement as well.

**Jeremy Hunt:** May I start again and say that, subject to your agreement, Mr Speaker, I may be talking for rather a long time on Thursday, so I will be brief today? I will just say that, despite the difficulty of the package I will be announcing, I will sadly not be drinking any whisky as I do so.

**Rushanara Ali:** I thank the Chancellor for the work he is doing and congratulate him on his new post. We hope that he lasts the week, or maybe the fortnight. The Government scandalously allowed organised criminals and fraudsters to take billions of pounds of public

money through covid loan fraud as a result of the lack of proper checks. Estimates suggest that that has cost taxpayers £33 billion. Why should hardworking people pay for the Prime Minister's fraud failures when he was Chancellor, and for the mini-Budget fiasco of the former Prime Minister, the right hon. Member for South West Norfolk (Elizabeth Truss), who crashed the—

**Mr Speaker:** Order. These are topical questions and are meant to be brief.

**Jeremy Hunt:** Of course, there are lessons to be learned about the way those schemes were administered, but I am very proud that unemployment remains at a 50-year low because of the decisions that the Prime Minister took on the furlough scheme and Government-backed loans. That was the right thing to do.

**Sir David Evennett** (Bexleyheath and Crayford) (Con): I regularly visit small businesses and entrepreneurs across my constituency of Bexleyheath and Crayford. They are the backbone of our local economy, but like families, they have been badly hit by the cost of living. Will my right hon. Friend reassure me that this Government will do all they can to help small businesses across the country to thrive?

**Jeremy Hunt:** That is what Conservatives are all about so I am happy to give him that assurance. It is not just words; it is action: the halving of business rates for most retail, hospitality and leisure businesses; the freezing of the multiplier on business rates; the furlough scheme; the Government-backed loans and the energy price support that we are giving businesses. All that is because this Government back business.

**Mr Speaker:** I call the shadow Chancellor, Rachel Reeves.

**Rachel Reeves** (Leeds West) (Lab): Today's numbers show that real wages are down £1,000 a year. The Chancellor himself has admitted that the NHS is on the brink of collapse, and he is preparing for more stealth taxes on working people later this week. Getting our economy firing on all cylinders is essential for fixing this mess, so will the Chancellor tell the House where the UK is projected to finish in OECD growth rates over the next year?

**Jeremy Hunt:** May I say what a pleasure it is to do my first questions session with the right hon. Lady? I will very happily tell her about the international situation. Inflation is higher in Germany, the Netherlands, the eurozone and Italy. Our growth forecasts are falling less than the forecasts in Germany. Interest rates since the pandemic have gone up less here than in America, Canada and New Zealand.

"Despite what some...suggest, the recession has not been restricted to the UK, nor did it begin here."—[*Official Report*, 24 March 2010; Vol. 508, c. 249.]

Those are not my words, but those of Alistair Darling in 2010. If the right hon. Lady wants to be the next Chancellor, she should listen to the last Labour Chancellor.

**Rachel Reeves:** It would be nice if the Chancellor tried to answer some of the questions.

Out of 38 advanced OECD economies, the UK is forecast to finish last. That is 38th out of 38. All industrialised economies have had to face covid and the consequences of Russia's illegal war, yet our country is trailing behind because of Conservative choices and Conservative failure. There is an alternative. Why does not the Chancellor match Labour's ambitions for British industries in hydrogen, insulation, carbon capture, solar, nuclear and wind power to create new jobs here in Britain?

**Jeremy Hunt:** We will have many exchanges, so I ask the hon. Lady, when she picks a statistic about next year's growth, not to do so too selectively because this year, we have the fastest growth in the G7. Since 2010, we have had the third highest growth rate in the G7, and we have the lowest unemployment for more than 40 years. That is because Conservatives take the difficult decisions that are necessary to make our economy thrive.

T4. [902284] **Andrew Selous** (South West Bedfordshire) (Con): Given that we have an energy crisis, will the Government allow onshore wind where communities want it, require built-in photovoltaics, where they will work, on new homes, and allow solar farms on 3b land?

**The Exchequer Secretary to the Treasury (James Cartlidge):** Further to my previous answer, the Government are serious about delivering cheaper, cleaner and more secure power. That is why we included onshore wind and solar in the latest contracts for difference auction round, and we will include them in future rounds. The Government recognise the range of community views on onshore wind and the need to prioritise our most productive farmland for food production. It is important that the Government strike the right balance between community interests, food security and securing a clean, green energy system for the future. That is why the planning system is designed to take account of those issues.

**Mr Speaker:** I call SNP spokesperson, Alison Thewliss.

**Alison Thewliss** (Glasgow Central) (SNP): Thank you, Mr Speaker. Austerity is a damaging Tory political choice, which is responsible for 330,000 excess deaths. A responsible and compassionate Government would explore all options to avoid it. Will the Chancellor consider taxing share buy-backs, as the US and Canada have done? The Institute for Public Policy Research and Common Wealth have pointed out that oil and gas, financial services and other companies have funnelled their mega-profits into share buy-backs. Does the Chancellor agree that that is inexcusable when he wants to hike taxes on working people and slash public services?

**Jeremy Hunt:** The hon. Member had better listen to what we say on Thursday before she jumps to conclusions. We will approach the difficult situation that we face progressively. We will ask those who have more to give more. I advise her not to talk down the financial services and energy industries, which employ thousands of people in Scotland.

T6. [902286] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): As my right hon. Friend knows, Putin's illegal war in Ukraine has driven up energy prices across the world. The Government were therefore right

to support households throughout the country. What is the long-term plan to reduce our dependence on gas so that taxpayers do not have to subsidise energy bills?

**Jeremy Hunt:** My hon. Friend is absolutely right to point to the challenge of the past two years. Nationally, we are spending £140 billion more on energy. That is almost like supporting an entire second NHS. We have to have a long-term solution that is about energy independence and energy efficiency.

T2. [902282] **Ben Lake** (Ceredigion) (PC): The Chancellor will be aware of concerns about the adequacy of the £100 payment that the Government have proposed to support off-grid households with the cost of their heating. It is equally concerning that we still await details of when and how it will be paid, as well as the support that will be made available to off-grid businesses. When will the Government publish that information?

**James Cartlidge:** Like the hon. Gentleman, I represent a rural constituency, where probably the majority of households use heating oil. As he knows, the alternative fuel payment will ensure that all households that do not benefit from the energy price guarantee receive support for the cost of the fuel they use. We are currently consulting the Department for Business, Energy and Industrial Strategy on the timing and delivery mechanism for the alternative fuel payment. We are committed to delivering it this winter.

T10. [902290] **Jonathan Gullis** (Stoke-on-Trent North) (Con): FairFuelUK's latest survey of 17,000 motorists and hauliers shows that they continue to be punished by crippling and needlessly high fuel taxation, from which the Treasury has benefited to the tune of £3 billion. That is why I am backing the campaign of *The Sun* and FairFuelUK to keep the fuel duty cut at the very least. Does the Chancellor agree?

**James Cartlidge:** My hon. Friend, like *The Sun* newspaper, is a champion of motorists, hauliers and all those in his constituency who rely on petrol and diesel vehicles for their—[*Interruption.*] Opposition Members laugh, but my hon. Friend is standing up for his constituents and doing the right thing. He is absolutely right to highlight the huge tax cut we put in place in the spring statement, worth £2.4 billion, through 5p a litre off the duty rate on petrol and diesel for 12 months. Of course, I cannot make fiscal decisions at the Dispatch Box, but we do keep these matters under review.

T5. [902285] **Imran Hussain** (Bradford East) (Lab): Earlier this year, Bradford submitted a levelling-up fund bid—the only bid developed from the grassroots up by local community groups—to build three new community-led health centres that would deliver transformational benefits for Bradford and act to reverse the crippling health inequalities that we face. Ahead of the announcement on Thursday, does the Chancellor see that if he does not back grassroots, community-led transformational projects like this, it is clear that the Government's levelling-up agenda is truly dead?

**The Chief Secretary to the Treasury (John Glen):** The Government are completely committed to levelling up. As the hon. Gentleman knows, there is a second round



of bids for the levelling-up fund. The results will be announced in due course, but he has made a very effective representation on behalf of his constituents and local authority.

**Bob Blackman** (Harrow East) (Con): As chairman of the all-party parliamentary group on personal banking and fairer financial services, I have been in protracted correspondence with the Financial Conduct Authority about the Blackmore Bond scandal. Despite receiving more than 30 complaints and a whistleblower producing evidence, the FCA refused to investigate. I realise that it predates my hon. Friend's appointment, but will he investigate this and force the FCA to take action?

**The Economic Secretary to the Treasury (Andrew Griffith)**: I thank my hon. Friend for raising this case. It was, sadly, outside the FCA perimeter, but I would be happy to meet him, because I understand that it raises important issues for him and his constituents.

T7. [902287] **David Linden** (Glasgow East) (SNP): It is not just individual mortgage payers who are impacted by increasing borrowing costs; that is a particular problem for housing associations such as Parkhead Housing Association, which I spoke to this morning. Previously, housing associations were able to borrow at fixed rates of 25 and 30 years, but that has been reduced. Would the Chancellor be willing to meet me, to look at how we can pursue this with lenders, to ensure that we do not stifle competition when it comes to building housing association properties?

**Jeremy Hunt**: We are looking carefully at that issue, and I would be happy for the hon. Gentleman to meet one of my Ministers.

**Alexander Stafford** (Rother Valley) (Con): I welcomed the Chancellor's predecessor to Rother Valley in the summer, to show him Dinnington high street and the money that was needed to upgrade it. He agreed to meet me further about levelling up. Will the Chancellor come to Rother Valley and Dinnington high street to see the levelling-up fund money that we need when the bid is in, and will he look kindly on our bid and make sure the whole of Rother Valley is levelled up?

**John Glen**: I am aware of my hon. Friend's outstanding bid, and I would be happy to visit him to discuss the needs of his community and all the work he has done over the last couple of years to stand up for his constituents and secure investment in his community.

T8. [902288] **Mr Virendra Sharma** (Ealing, Southall) (Lab): My constituent registered with a regulated firm and invested in the financial product that an FCA-regulated broker recommended. My constituent and her father both lost money on the fraudulent product that the broker recommended. Does the Minister agree that the FCA should step in and support victims of scams, and will he empower and instruct the FCA and other regulators to be more aggressive in their support of the defrauded?

**Andrew Griffith**: I will happily meet the hon. Member to understand more details of the case. It is important that the FCA provides protection for consumers. That is one of the objectives of the Financial Services and Markets Bill, which is currently going through Parliament.

**Nicola Richards** (West Bromwich East) (Con): OnSide's youth centres do an incredible job of transforming people's lives, and I think young people in my constituency deserve that opportunity too. Will the Chancellor support my calls for the levelling-up fund to be spent on that important project in West Bromwich?

**John Glen**: I am aware of the outstanding bid from my hon. Friend's constituency. I cannot reveal the outcome of the deliberations on that competitive process, but I will be looking carefully at her bid and liaising with other Ministers on the outcome of that round.

T9. [902289] **Sarah Champion** (Rotherham) (Lab): Last week, over 100,000 civil servants from the Public and Commercial Services Union voted to take industrial action following attacks on their jobs. For the first time ever, the Royal College of Nursing has voted to strike over pay. Lecturers, health workers, teachers, postal and transport workers—all people who aim to support this country—are suffering because of the cost of living crisis and the former Prime Minister's £30 billion ideological rant. The autumn statement needs to show that working people are being listened to. Will it do that, or will it just punish them?

**Jeremy Hunt**: I believe it will do that, because the cost of living crisis is at the top of our minds. We recognise the hard work that public servants do in a whole range of sectors and, as I know, with my background, in the health service as well. We must tread a fine line, however, because if we give inflation-busting pay awards to people who may deserve them and may be working extremely hard, that will fuel further inflation. We need to get the right long-term solution that brings down the root cause of people's anger, which is over-high inflation.

**Richard Fuller** (North East Bedfordshire) (Con): The Bedford to Cambridge section of East West Rail is rated "unachievable" by the Infrastructure and Projects Authority and a "waste of taxpayers' money" by the Business Secretary, and growth in the Ox-Cam arc does not depend on it. Can the Chancellor use the autumn statement to finally clear the uncertainty around this deeply flawed project?

**James Cartlidge**: I paid tribute to my hon. Friend's huge business experience and his time at the Treasury on Second Reading of the UK Infrastructure Bank Bill. Perhaps we should both read the report that my hon. Friend the Member for Milton Keynes South (Iain Stewart) referred to earlier, because as my hon. Friend the Member for North East Bedfordshire (Richard Fuller) knows, we strongly support the growth potential of the Ox-Cam arc. After all, that part of the country is internationally competitive, so it is the sort of place that we need to grow if we are to compete internationally.

**Amy Callaghan** (East Dunbartonshire) (SNP): Government advice to sit in the shade is not enough to protect our skin. Sunscreen products need to be more affordable. Will the Minister work with me and support my VAT Burn campaign to save the NHS money, keep more cash in our constituents' pockets and help to protect our skin from melanoma and non-melanoma cancers?



**The Financial Secretary to the Treasury (Victoria Atkins):** I thank the hon. Lady for her question. The Government received about £143 billion in the last financial year from value added tax, which helps to pay for the services that we all care about, such as the national health service, so strict restrictions have been placed on the goods that can be exempted from VAT. I understand her concerns, however, and I would be happy to meet her to discuss what other forms of support we can provide. For example, we can commend Tesco, which has taken the decision not to charge VAT on its products.

**Greg Smith (Buckingham) (Con):** The noble Lord Berkeley in the other place has estimated that scrapping HS2 would save the British taxpayer £147 billion—more pessimistic estimates have the saving at £100 billion. With a day of difficult decisions coming up on Thursday, surely scrapping HS2 is an easy one?

**James Cartledge:** My hon. Friend is consistent on this point. We are always keen to hear savings suggestions from colleagues, but to be clear, HS2 is a long-term investment that will bring our biggest cities closer together and boost productivity. It currently supports 29,000 jobs and will create 2,000 apprenticeships. Through better connecting the country, it will open up new employment and leisure opportunities for millions of people.

**Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** The Chancellor just mentioned my good friend Lord Alistair Darling. He should also look at the recent speech made in Huddersfield by another former Chancellor, Sir John Major. His analysis of what has happened to our economy since the Conservatives took over in 2010 is an absolute masterclass in what has gone wrong and what needs to be put right. Will the Chancellor read it and think about it before Thursday?

**Jeremy Hunt:** I always listen very carefully to anything that Sir John Major says. I know that he took difficult decisions that put the economy in excellent shape. The one thing that I do not want to do is bequeath it to a Labour Government.

**Sir Edward Leigh (Gainsborough) (Con):** As the Chancellor prepares for his autumn statement, will he remember the good voters of middle England—people who have rarely, if ever, been on benefits and who have worked all their lives for their mortgage and pension pot? They fear that more and more of them will be

dragged into becoming higher rate taxpayers and that their pension pot will be attacked so that the state can get larger and more can be spent on those on benefits.

**Jeremy Hunt:** Absolutely. I say to my right hon. Friend that it is the good voters of middle England who want us to be a country that pays its way, that does not borrow at the expense of future generations, and that can be trusted when it comes to sound money. That is what we will deliver.

**Deidre Brock (Edinburgh North and Leith) (SNP):** Skyrocketing inflation, much of it caused by calamities on the Government Benches, means that the Scottish Government's annual budget is worth up to £900 million less than it was just a few weeks ago. When will the UK Government devolve more borrowing powers to Scotland, so we can give the extra, desperately needed assistance to those struggling the most in our country?

**John Glen:** I spoke about such matters with Jon Swinney, in my second conversation with him since appointment three weeks ago, last evening. We discussed a range of matters, and I will always try to be as constructive as I can to find ways forward when the whole of the United Kingdom faces the inflationary scourge everywhere.

**Dr Julian Lewis (New Forest East) (Con):** Given that we both agree on the need for a substantial increase in defence spending, does the Chancellor accept that any immediate, necessary freeze on it should not prejudice the goal of 3% of GDP in the medium term?

**Jeremy Hunt:** Let me just say to my right hon. Friend that he and I both agree on the vital responsibility of any Government to defend their shores and their peoples, and we are committed to doing what it takes to make sure we do that.

**Caroline Lucas (Brighton, Pavilion) (Green):** In a letter to the Chancellor last week, Lord Deben, the chair of the Climate Change Committee, said clearly that demand reduction is “now the biggest gap” in UK energy policy. Will Thursday's autumn statement include an emergency investment of at least £3.6 billion over the course of this Parliament, so we can finally roll out the long-awaited and very overdue home insulation programme that this country needs?

**Jeremy Hunt:** Lord Deben speaks extremely wisely on environmental and climate change issues, and we would always take what he says with the utmost seriousness.

## Points of Order

12.36 pm

**Christine Jardine** (Edinburgh West) (LD): On a point of order, Mr Speaker. It has been revealed that, in the Opposition day debate on Scottish independence and the economy on Wednesday 2 November, figures used by SNP Members were inaccurate. The right hon. Member for Ross, Skye and Lochaber (Ian Blackford) said that Scotland possesses

“25% of the potential European offshore wind and tidal resource.”—*[Official Report, 2 November 2022; Vol. 721, c. 884.]*

This was subsequently repeated by the hon. Members for Inverclyde (Ronnie Cowan) and for East Renfrewshire (Kirsten Oswald). That figure has been debunked by the think-tank These Islands—*[Interruption]*—and by the Scottish Government’s own civil servants. The think-tank has shown that it is the product of a bogus analysis of a mixture of reports dating back to 1993, and freedom of information requests to the Scottish Government have shown that their civil servants have been privately warning against the use of this figure for at least two years. Given that this figure is completely fictitious, have you had any representations from those Members that they intend to come and correct the record?

**Douglas Ross** (Moray) (Con): Further to that point of order, Mr Speaker. As the hon. Member for Edinburgh West (Christine Jardine) states, the figure of 25% used by the SNP is actually closer to 4%. *[Interruption.]* While SNP Members laugh at and heckle the research done by Sam Taylor of These Islands, they should remember what SNP Scottish Government officials have said. Two years ago, they said that

“we tend not to use this anymore.”

Also two years ago, they said that

“the 25% estimate has never, to my knowledge, been properly sourced”.

In January 2021, they said:

“Yes we did recycle those figures quite robotically without really checking them.”

Yet they are still being robotically recycled by SNP Members, including the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) and the hon. Members for East Renfrewshire (Kirsten Oswald) and for Inverclyde (Ronnie Cowan). What representations have you had from those Members who just in the last fortnight have used deliberately misleading claims in this House, and if they did so knowingly, will they be asked to apologise?

**Mr Speaker:** I think the hon. Gentleman should be a bit more cautious on the language about misleading, but I will now give my answer.

**Ronnie Cowan** (Inverclyde) (SNP) *rose*—

**Mr Speaker:** Just a minute, please. Order. Can I just say to you, Mr Cowan, that two of us are not going to be on our feet at the same time? I am standing, I know your intention, and I will give my first answer before I come to you. Please, let us follow the orders of the House, which apply to everybody, including you.

I thank the hon. Members for Edinburgh West (Christine Jardine) and for Moray (Douglas Ross) for giving notice of their points of order. The Chair is not responsible for the accuracy of Members’ use of statistics. Members themselves must take responsibility for the accuracy of

their contributions. These Members have made their views clear, and I certainly do not want a continuation of the debate.

Mr Cowan, I am sure you are not going to continue the debate, are you?

**Ronnie Cowan:** Further to that point of order, Mr Speaker. I thank you for your forbearance on this matter; I have no intention of rehearsing the debate. All I would say is that I checked *Hansard* and I clearly said “potential”, and I stand by that. If the Scottish Government and the industry had had investment from the UK Government, that potential—

**Mr Speaker:** Order. We are doing it again; the hon. Member will have to sit down. The answer is, “Thanks for that; it is a good clarification.” I am going to leave it at that; I am not going to continue the debate.

**Sir Desmond Swayne** (New Forest West) (Con): On a point of order, Mr Speaker. In an answer to my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), the Chancellor promised a letter on arrangements to be made for park homes. Is there anything you can do, Mr Speaker, to ensure we return to what used to be the normal practice: that when correspondence is referred to, it is placed in the Library of the House? We all have skin in the game.

**Mr Speaker:** The right hon. Member has put that on the record, and I am sure everybody on the Front Bench will have heard, including those in the Treasury.

**Bob Blackman** (Harrow East) (Con): On a point of order, Mr Speaker. I apologise for not giving you notice of this, but reports suggest that protesters in Iran are being sentenced to death and executions may take place almost immediately. Has any Minister given you notice that they will come to the House to make a statement on what protection and assistance will be provided for people in Iran, particularly UK citizens?

**Mr Speaker:** I thank the hon. Member for that important point of order. Nobody has come forward with a statement, and I am surprised the Foreign Office has not been knocking on my door to say it wants to make one. I am sure the point of order will have been heard, and an urgent question might be presented tomorrow.

**Tony Lloyd** (Rochdale) (Lab): On a point of order, Mr Speaker. The coroner recorded this morning that the death of two-year-old Awaab Ishak was caused by acute oedema—respiratory failure—but that that was caused by prolonged and severe exposure to mould growth in the home in which he lived. Mould growth in properties—both private and social housing—is an issue across these islands of ours; has any Minister given any indication that they will comment on the inquest today or in the future, and if not, can we at least alert the Treasury Bench to the coroner’s conclusions, because they have implications that go way beyond the tragic case of the two-year-old boy in my constituency?

**Mr Speaker:** I totally agree that that is a tragic case and I thank the hon. Member for giving notice of his point of order. I have not heard of any statements; however, Ministers will have heard the points he has

raised and I hope they will consider them. I know the hon. Member will pursue this, perhaps in an Adjournment debate; if he puts his name in, he may well be successful.

## BILLS PRESENTED

### MOTOR VEHICLE TESTS (DIESEL PARTICULATE FILTERS) BILL

*Presentation and First Reading (Standing Order No. 57)*

Mr Barry Sheerman, supported by Geraint Davies, Wera Hobhouse, Clive Efford, Dr Philippa Whitford, Christine Jardine, Matt Western, Sir Robert Goodwill and Caroline Lucas, presented a Bill to set standards as to the emissions particulate sensing technology to be used in roadworthiness tests for diesel vehicles; and for connected purposes.

*Bill read the first time; to be read a Second time on Friday 24 March 2023, and to be printed (Bill 189).*

### INDEPENDENT ADVISER ON MINISTERS' INTERESTS (APPOINTMENT BY PARLIAMENT) BILL

*Presentation and First Reading (Standing Order No. 57)*

Christine Jardine, supported by Ed Davey, Daisy Cooper and Wendy Chamberlain, presented a Bill to make provision about the appointment by Parliament of an Independent Adviser on Ministers' Interests; and for connected purposes.

*Bill read the first time; to be read a Second time Friday 9 December, and to be printed (Bill 188).*

## Tax Reform Commission

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

12.43 pm

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I beg to move,

That leave be given to bring in a Bill to establish a commission to assess the differential impact of the tax system in the UK on different groups of people; to require that commission to make recommendations for reform of the tax system; and for connected purposes.

All proposals put forward by the commission would have to be consistent with the aim of increasing enough revenue to maintain spending on public services at current levels in real terms as a minimum, and support the delivery of policies aimed at reducing inequalities. This would be a joint endeavour by all Governments: the Welsh Government, the Scottish Government, the Northern Ireland Executive and the UK Government.

Why do we propose a tax reform commission? Two days from now we will be responding to the Chancellor's autumn statement, itself a sticking plaster over the previous Chancellor's fiasco of a fiscal statement in September. Running through the measures is likely to be the principle of temporary relief, but in no way are they likely to recognise the challenge of long-term changes in demographics, in climate and in geopolitics. There is a policy of denial from the Government that the common good is indeed dependent on the public purse. We are not self-sufficient individuals throughout our lives—covid should have taught us that. There is such a thing as society. The social contract requires actions to safeguard the common good that can be provided only by central Government and which require central Government to have sufficient funds to realise them. The Government have spent 12 years unpicking that social contract. David Cameron preached austerity as though it were the only remedy to the 2008 financial crash. Austerity was and remains the Conservatives' value of choice, but austerity is an ideological decision and it has resulted in the slow-motion collapse of those public functions that should act as a scaffold for the common good. The effects of austerity: 300,000 excess deaths; hollowed-out, zombie public services; and the quilt of our social fabric ripped apart. Every service that depends on values held in common is failing: justice, energy infrastructure, transport infrastructure, environmental protections, social care, state education and health. Now, in 2022, that same assumption—that same lie—is peddled again.

The Prime Minister and the Chancellor lecture us that "difficult decisions" are necessary to respond to the aftershock of Russia's illegal assault on Ukraine and the effects of covid. We know that they mean Brexit, too, even though they do not dare admit it in public. They talk about restoring economic credibility—credibility was of course demolished by the Government themselves—but no veneer of clichéd Conservative fiscal fine words can hide the fact that the Budget will be a continuation of a calculated austerity agenda. Even if the Chancellor sticks to current budgets, the result will be real-term cuts driven by inflation and below-inflation public sector pay deals.



[Liz Saville Roberts]

To put that into context for Wales, the Welsh Government have already estimated that the value of their three-year budget may well be £4 billion less in real terms than expected. Public sector budgets have been cut through the flesh and into the bone. There is nothing left for the Treasury to hack. Indeed, the Institute for Government has warned that, in virtually all cases, quick cuts to funding will result in worse services and the need to provide emergency funding at a later date. We all know that public services are the only way to provide the safety net that will save each and every one of us when we fall into need. Let us face it: debates over taxation and spending should be at the heart of democracy, but where are those debates? That is why we need a tax reform commission.

The commission would be empowered to consider a broad range of possible reforms. I will focus on a handful that I believe merit consideration and, at the very least, need to be discussed properly in the House. Let us begin with the question of wealth inequality. In the UK, the financial wealth held by the richest 1% of households is greater than that held by 80% of the population. The Chancellor says that everyone will have to make sacrifices, but we must ask: why should ordinary people pick up the bill when the wealth of the richest 1% is more than £3.6 million per household? There is no lack of wealth in the UK. What is lacking is a tax system that distributes it equitably.

We need to know what that weasel word “equitably” means. It is not just an abstract concept. Perhaps we would like to ask what equitable means in this context. I put it to hon. Members that, with a heartbreaking 34% of children in Wales living in poverty, our definition of “equitable” should be driven by the aim of raising enough revenue to be able to deliver policies that ensure that no one in the UK lives below the poverty line. Why would we aspire to anything else?

We need to ask why income is treated differently according to its source. Why are we treating income from work and income from wealth differently? Why not extend the same national insurance contribution rates that are applied to earnings from employment to income that is received from other forms of activity, for example, holding investments such as dividends, rent and interest on savings? That could raise an additional £8.6 billion every year. Why not look at reforming national insurance? Academics at Warwick University suggest that, if contributions were fully equalised for higher earners, it could raise £19.7 billion. Oil company BP reported obscene profits of £7 billion in the third quarter. Shell reported its second highest quarterly profit on record but did not contribute to the UK’s windfall tax on energy firms. The Chancellor is reportedly looking to expand the tax, but he should go further and remove the investment allowance which enables many companies to pay no tax if they commit to making investments, regardless of the environmental cost. That simply makes no sense.

As another high-profit industry, banks and the level of taxation they pay should also be considered by the commission. The Chancellor is reportedly considering shielding the banks from the increase in corporation tax by cutting the bank surcharge, a mechanism that is supposed to ensure that banks pay a higher effective rate of corporation tax on profits above a certain level

compared with other businesses. The timidity of this Government towards the banking sector is, frankly, embarrassing. Given that the industry will benefit from increased interest rates and mortgage costs, is it not appropriate for the banks to pay a fairer share towards introducing further cost of living payments? The Government could also choose to end the fundamental unfairness of non-dom status, which allows a select few to live in the UK but receive special tax treatment. Abolishing that could raise more than £3.2 billion each year.

The final reform I would like to touch on today is further devolution of tax powers. Currently, the Welsh Government are severely limited in how they can raise public funds. Setting our own income tax bands in a way that recognises who profits from what sort of wealth could provide a more sustainable source of income for Welsh public services.

The commission is a recognition that poverty is always a political choice. The UK Government can choose to identify new and fairer ways of raising money. In turn, that would allow the Chancellor to stand before the House and put forward proposals for reforms to the welfare system and long-term solutions to the energy crisis, and to set out how the UK Government will inflation-proof the budgets of our public services.

There is recent precedent for this work. Last year, the Irish Government established the Commission on Taxation and Welfare, chaired by Professor Niamh Moloney, Professor of Law at the London School of Economics. The commission was tasked with reviewing how best the taxation and welfare systems can support economic activity and income redistribution, while ensuring sufficient resources are available to meet the costs of public services. Among the principles on which they based their work was “adequacy”, and the understanding that one of the objectives of taxation should be to redistribute market incomes to achieve greater equality and prevent poverty.

To close, the UK Government may well have valid reasons to reject different ways of raising money. If they are confident of their own arguments, they would support the Bill to facilitate an open discussion in this House. Ahead of another austerity Budget, we in this House must ask ourselves: do we really aspire to condemning future generations to an unchallenged ideology that the common good is unaffordable, or is there another way?

*Question put and agreed to.*

*Ordered,*

That Liz Saville Roberts, Hywel Williams, Ben Lake, Alison Thewliss, Bell Ribeiro-Addy, Caroline Lucas, Claire Hanna, Clive Lewis and Stephen Farry present the Bill.

Liz Saville Roberts accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 24 March 2023, and to be printed (Bill 190).*

## BUSINESS OF THE HOUSE (TODAY)

*Ordered,*

That,

(1) notwithstanding the provisions of Standing Order No. 14(2) (Arrangement of public business) in respect of precedence, today’s sitting shall be treated as an allotted day at the disposal of the Leader of the Official Opposition under paragraph (2) of Standing Order No. 14; and



(2) the Speaker shall put the Question on the motion for an Humble Address in the name of the Prime Minister no later than one hour after the commencement of proceedings on this motion; and such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved.—(*Mr Marcus Jones.*)

## Humble Address

12.54 pm

**The Chancellor of the Duchy of Lancaster (Oliver Dowden):** I beg to move,

That an humble Address be presented to His Majesty to return thanks to His Majesty for His most gracious message regarding including HRH The Princess Royal and HRH The Earl of Wessex and Forfar among those who may be called upon to act as Counsellors of State under the terms of the Regency Acts 1937 to 1953, and to assure His Majesty that this House will provide such measures as may appear necessary or expedient for securing the purpose set out by His Majesty.

12.55 pm

**Jim Shannon** (Strangford) (DUP): I just want to welcome the statement on behalf of all the loyal citizens from Northern Ireland. We are very pleased to endorse and support the statement as put forward. As loyal citizens—in my case, for many years; in other cases, equally and for longer—we particularly wish to be involved and associated with the statement as put forward today.

*Question put and agreed to.*

# Opposition Day

8TH ALLOTTED DAY

## Management of the Economy and Ministerial Severance Payments

**Mr Speaker:** I inform the House that I have not selected the amendment.

12.56 pm

**Lisa Nandy** (Wigan) (Lab): I beg to move,

That this House censures the former Prime Minister, the Rt Hon Member for South West Norfolk, and the former Chancellor of the Exchequer, the Rt Hon Member for Spelthorne, for their mismanagement of the economy while in office, which has resulted in an average increase of £500 per month in mortgage payments for families across the UK; and believes that, if they have not already done so, both Rt Hon Members should waive at least £6,000 of their ministerial severance payments.

Like every Member in this House, I have been inundated in recent weeks by constituents who have seen their dreams of home ownership go up in smoke and who have seen hundreds of pounds added to their monthly mortgage repayments since the disastrous mini-Budget which crashed the economy and sent interest rates soaring. Yesterday, I spoke to a constituent who has had her mortgage offer withdrawn. She is in private rented accommodation and her private landlord, like many others, is getting out of the system. She has been served with a no-notice eviction. She has a young son and she has been told to leave her home before Christmas. So I make no apology for coming to this House angry today. I am angry that this has been visited on my constituents. I am angry that this is a crisis that was made in Downing Street and that since it happened the Government have not lifted a finger to help.

Mortgage offers have been withdrawn. Dreams have gone up in smoke. We have seen the largest interest rate hike since 1989 and the cost of borrowing is at its highest in almost 15 years. A typical family is now paying £500 more every month towards mortgage repayments.

**Peter Gibson** (Darlington) (Con) *indicated dissent.*

**Lisa Nandy:** The hon. Gentleman can shake his head, but it is a fact. This is money that many families across the country simply do not have. Food is going up, energy is going up, rents are going up and now mortgages are going through the roof. The one thing that this country cannot afford anymore is more of this Tory Government, who have been in office for 12 years.

Almost 2 million people are struggling to afford their mortgage costs. Government Members do not have to take my word for it—that is according to the Office for National Statistics. That is one in four mortgage holders. First-time buyers now face putting £1 of every £4 they earn towards their mortgage. Mortgage repossessions have soared by 91% compared with the same period last year, while the number of orders to seize property is up over 100%.

The crisis does not just affect homeowners; it is seeping into every part of the housing market. Buy-to-let landlords' profits have declined by almost three quarters

compared with last year because of rising interest rates, which means many tenants, already forking out huge chunks of their income on rent, are seeing their rents go through the roof. This is a housing crisis, the likes of which we have not seen for a generation, and what caused it? Let us make no mistake that this is a Tory crisis created in Downing Street by a disastrous mini-Budget which crashed the economy and threw families up and down the country under a bus. It is no coincidence that, after the mini-Budget, more than 40% of available mortgages were withdrawn from the market. It is no coincidence that the Bank of England had to launch an unprecedented intervention to stabilise the markets. Hon. Members do not need to take my word for it; 12 days ago, the Bank of England's Monetary Policy Committee report said:

"The sharp pickup in UK interest rates has been partly driven by global factors, but UK-specific factors have played an important role"—

and that

"UK interest rates had increased by somewhat more than others".

**Alex Cunningham** (Stockton North) (Lab): I congratulate my hon. Friend on her very good speech. I have been pleased to see lots of new homes being built in my constituency and nearby, because that has created jobs. However, does she share my anxiety that, with increased mortgage costs, the new homes will not be sold and that the people who will build the next phase will lose their jobs as well?

**Lisa Nandy:** My hon. Friend is absolutely right, and I will say more about that in a moment. This country is facing not just a housing crisis, but a growth crisis. Housing is a central part of the answer to the growth problem that the Tory Government have presided over for the past 12 years and it has to be part of the solution. This is a Tory crisis; it was made in Downing Street and is being paid for by working people. It is not Tory Ministers who will pay the price for it, but working people who will do so for years to come.

**Neil Coyle** (Bermondsey and Old Southwark) (Ind): There are 8,000 mortgage payers in Southwark who face a rise, on average, of £1,254 a month. Does my hon. Friend agree that they are owed and still waiting for an apology from the Government for the mess of the mini-Budget, which directly caused their mortgages to rise?

**Lisa Nandy:** The hon. Member is absolutely right. Like many others, I was astonished to see the former Chancellor, the right hon. Member for Spelthorne (Kwasi Kwarteng), recently give an interview in which he said that the only thing that the Government had got wrong was not to explain themselves properly. That is absolutely disgraceful. We are giving Government Members the chance to set this right today and to show whose side they are on. Are they on the side of the people they put in office, who walked away with ministerial severance payments and profited from the crisis that they caused, or are they on the side of working people, who are currently paying the price?

**Gareth Bacon** (Orpington) (Con): I would be grateful if the hon. Lady could advise the House on how many Labour Ministers refused their severance payments in 2010.

**Lisa Nandy:** I will throw the question straight back to the hon. Member: how many times did we see, in 44 days, the former Prime Minister and Chancellor essentially use the security of people in this country as an experiment? They treated us as lab rats for their ideology. They crashed the economy and left working people to pay the price.

**Gareth Bacon** *rose—*

**Lisa Nandy:** If the hon. Member wants to be the first on the Government Benches to apologise, I will certainly give him the opportunity.

**Gareth Bacon:** I note that the hon. Lady did not answer my question; will she do so now?

**Lisa Nandy:** Honestly, a bit of humility from Government Members would be in order. The situation is unprecedented. They have been in office for 12 years. You put two people in office, or rather, they put two people in office, Mr Speaker—I would never for a moment suggest that you would do such a thing—who were fundamentally unsuitable for the role. They supported them, backed them to the hilt and stood up from the Government Benches and supported every move that they made. They cheered as the mini-Budget was announced and they still do not have the humility to apologise for the damage that they have inflicted on families up and down the country. The Chancellor may have U-turned, the new Prime Minister may have admitted that mistakes were made, and the Secretary of State for Levelling Up, Housing and Communities may have apologised for the error of his party's ways, but apologies do not cut it. Government Members allowed this to happen. Without them, the right hon. Member for South West Norfolk (Elizabeth Truss) would not have become Prime Minister and the right hon. Member for Spelthorne would not have been Chancellor. Government Members let it happen; they cheered as the disastrous mini-Budget was commended to the House. They may be sorry now, although I am still waiting to hear it, but the damage has been done. Some 113,000 people were forced to re-mortgage between the mini-Budget and the present Chancellor's belated U-turn.

**Jim Shannon** (Strangford) (DUP): Does the shadow Minister agree that this is not just about those who have to re-mortgage or restructure their deal, but about people's right of having their own home? I and everyone in the House own their home. My constituents own or want to own their home, but their dreams have been knocked on the head. Does she agree that we are at a crossroads—betwixt where we are and where we will be? If we do not sort this out, people's ambition to own their home will not be realised.

**Lisa Nandy:** The hon. Member and I have discussed that issue many times. As he knows, in my first job, I worked for the homelessness charity Centrepoin and I learned that a secure, decent home that is fit to live in is the foundation of a decent, secure, richer, larger and more dignified life, and without it, nothing is possible.

Some 1.6 million borrowers on variable rate deals—one in five mortgaged homeowners—are seeing their bills rise higher than ever. Many of them face the prospect of re-mortgaging on more expensive deals because rates are now higher than they would have been otherwise.

**Chris Elmore** (Ogmore) (Lab): My hon. Friend is making a passionate speech. On the damage done, I raised with the previous Welsh Secretary—we have had a few of those in the past few months—the issues that my constituent faces. They bought a house five years ago, and they have now come out of a five-year fixed mortgage and their mortgage has gone up by £276 a month. The solution for my constituent is to sell their home, so not only are this Conservative Government stopping people buying homes, but in some case people are having to sell their home and go back into the private rented sector or to a smaller house. Does my hon. Friend agree that that is the damage this Conservative Government are doing?

**Lisa Nandy:** My hon. Friend is absolutely right. The truth is that before the former Prime Minister and Chancellor crashed the economy, we had a housing crisis in this country. We saw social housing stock being lost faster than it was being built, with rents rising in the private rented sector and a real squeeze on people there. The Government promised to do something about it, but we have had three years of them dragging their feet. We have had more Secretaries of State than we have had promises, and we have had a lot of those, but nothing has been delivered. I will say more about that in a moment.

Given all of that, I genuinely ask Government Members: where is the Housing Secretary? Why has he not met banks and lenders in the middle of this mortgage crisis? Any Government worth their salt would be moving heaven and earth to help families and protect vulnerable people as we head into what promises to be the harshest winter that many families can remember. The crisis is of such magnitude that we accept that there is no magic-bullet solution, but any Government worth their salt would do everything in their power and pull every lever to make a difference.

This afternoon, the shadow Chancellor—my hon. Friend the Member for Leeds West (Rachel Reeves)—and I will be talking to lenders about what can be done. Why is the Housing Secretary not doing the same? He has a reputation for roving across Government as Mr Fix-It. This is a major crisis in his brief; why is he not doing everything he can to fix it?

**Alex Cunningham:** I am grateful to my hon. Friend for giving way a second time. I remember the mortgage rates during the Thatcher years: mine exceeded 15%. Despite a good income, we struggled, but all around us, people were losing their homes. Interest rates have some way to go to reach those levels, but does she share my anxiety that if the Government do not take the right action now, another generation will face double-digit interest rates in this country?

**Lisa Nandy:** I agree absolutely. Bringing stability back to the economy is the first step, but the Government could do more. We know that the only way out of this crisis is growth and we know how central housing is to that part of the puzzle. The Government could start by committing again to their target of 300,000 homes a year and do more than that by actually building them. The Conservative Government's failure over 12 years to build enough homes is a major cause of the housing crisis.

**David Linden** (Glasgow East) (SNP): Before the hon. Lady moves on to the section of her speech about the Government abdicating responsibility, does she share my astonishment that the right hon. Members for South West Norfolk (Elizabeth Truss) and for Spelthorne (Kwasi Kwarteng) are not here today? Given that they are no longer in Government, what else do they have to do that is so important that they cannot be here to account for their actions?

**Lisa Nandy:** I imagine that the right hon. Members are counting the value of their severance payments somewhere else. Meanwhile, the rest of us are dealing with our constituents who are suffering from the fallout of their appalling choices. Home ownership rates have fallen over the past 12 years and the number of new affordable homes that are available to buy has plummeted. That is before the mortgage guarantee scheme and Help to Buy come to an end later this year.

**Chris Bryant** (Rhondda) (Lab): As an 11-year-old child at a primary school in the Rhondda put it to me on Friday morning, the Tories broke the money. That is the problem. Many people in the Rhondda are losing their homes, either because buy-to-let mortgages have collapsed and people are selling or because they cannot afford the additional mortgage fees. They are furious and scandalised that the people who brought that about are being rewarded with multi-thousand-pound pay-offs.

The Government may try to pretend that today's motion is irrelevant, but will my hon. Friend confirm that every single time such a motion of censure has been tabled, the Government have sought to vote it down and not just run away? Sometimes that has led to people losing their salary or resigning, or to the Government falling. The Government cannot just pretend that nothing is happening today. They have either to vote the motion down or lose—and if they lose, they go.

**Lisa Nandy:** The Government have a clear choice today: they can stand up for people whose hopes and dreams have been shattered, or they can stand with a former Prime Minister and former Chancellor who have profited from a situation that will leave families across this country paying the price for years to come. If the Government do not back the motion, they cannot possibly turn up in this place on Thursday and tell us that this is about fairness or that they are on people's side.

Millions of people are affected—not just those who will be paying more on their mortgages for years to come, but the millions who are stuck in rented accommodation, including thousands who saw their dreams of home ownership shattered when their mortgage offers were withdrawn in the days after the mini-Budget. Many of those families are facing the dreaded prospect of homelessness because they cannot afford higher rents.

The Government have promised to end section 21 no-fault evictions. Why on earth has that not happened yet? The Opposition called for emergency legislation months ago to make it happen. That protection is more important than ever this winter, but it is not there because the Government continue to drag their feet. Renters need greater protections, which is why Labour

has laid out plans for a renters' charter to give families more security and stability in their own homes, including with an immediate end to no-fault evictions.

The truth is that there is no short-term plan to deal with the crisis, and no long-term plan either. The Government could reform compulsory purchase orders to build more houses. They could raise stamp duty on foreign buyers to stop them buying whole developments off plan. They could give first-time buyers first dibs on newly built homes. A serious Government would use the affordable housing budget that has already been allocated to get more homes built. That is the route out, not just from the housing crisis but from the growth crisis that the Tories have created over the past decade. I will say this to the Minister, because her boss is not here: we will be watching like hawks on Thursday. If a penny of the affordable housing budget is clawed back to the Treasury because it has not been used, that will be on him, on her and on all Conservative Members.

This country needs a plan. People need hope, and any Government worth their salt would be providing it. In that context, it is obscene that the former Prime Minister is in line to receive a severance payment of almost £19,000 and the former Chancellor is set to rake in nearly £17,000. That is more than many of my constituents earn in an entire year—and they would have some brass neck to pocket that much for a job so atrociously done. It is abhorrent that someone can become Prime Minister of this country with the backing of only 80,000 people who are all Conservative party members, and then appoint a Chancellor, jointly crash the economy, cost hard-working families hundreds of pounds every month for years on end, and walk away scot-free with a severance payment worth thousands in their back pocket. To quote the former Prime Minister, that is a disgrace.

Today, Conservative Members have an opportunity to put things right. They can vote with us to send a message that we will not stand for this. If they are serious about making a clean break with what has gone before and serious about fairer, more decent decisions that put hard-working people first, they can vote with us today. They can make it clear that what is happening is unacceptable and express the clear will of this House that it should not, cannot and must not stand.

The choice that Government Members face is simple. Whose side are they on? Are they on the side of the hard-working families who are suffering because the economy was set on fire and who are paying hundreds of pounds more, through no fault of their own, at a time when just getting by is already a struggle? Or are they on the side of the arsonists—the people who set fire to our economy and have left working people to pay the price? These severance payments are indefensible, and Government Members know it. Now is the time for the new Prime Minister and his MPs to decide which side they are on.

1.15 pm

**The Minister of State, Department for Levelling Up, Housing and Communities (Lucy Frazer):** I would like to start by recognising, as the Prime Minister has done, that mistakes have been made. No Government are immune from mistakes, but to suggest, as the Opposition have done, that these mistakes are the cause of a particular average increase in monthly mortgage rates is wholly inaccurate. Moreover, to say so is simply failing to be honest with the British people.



As the shadow Secretary of State, the hon. Member for Wigan (Lisa Nandy), knows and ought to acknowledge, the economic downturn and the consequent rise in interest rates have been caused by two major global events: the pandemic and the war in Ukraine. She knows that countries across the globe are grappling with the same issues as us. She will know that the US Federal Reserve has been raising its base rate since March 2022. She will know that the economic situation affecting the UK is not unique to this country. Indeed, the International Monetary Fund has stated that a third of the world's economy will be in recession this year or next as the impacts of the pandemic and Putin's illegal war in Ukraine are felt across the world.

**David Linden:** May I bring the Minister back to this planet and back to reality for a little minute? Does she not understand that after the mini-Budget there was a run on pensions and the Bank of England had to step in? Will she not just accept that it was her Government who crashed the economy, leading to the pain that many of my constituents are experiencing?

**Lucy Frazer:** I do not accept that there was a run on pensions. I do accept that mistakes were made, but the Prime Minister is focusing on putting the economy on a strong fiscal path and taking the necessary decisions, which I am sure we will hear more about on Thursday.

The shadow Secretary of State will know that in these globally challenging times—in these difficult periods that are affecting people across the country—the former Chancellor, now the Prime Minister, has always been on the side of those who are most vulnerable and need support. He has remained committed to that with the Chancellor as he brings forward the fiscal statement later this week. As a result of the economic challenges, he and the Chancellor are now focusing on restoring stability, sorting out the public finances and getting debt falling so that interest rate rises are kept as low as possible. I welcome this opportunity to remind the shadow Secretary of State and the House of the Prime Minister's record, of what we are doing to support people in all our constituencies who cannot manage, and of our absolute commitment to continuing to do so.

**Fleur Anderson (Putney) (Lab):** The people I talked to on the doorsteps of Southfields on Saturday were not blaming Putin; they were blaming the Government for crashing the economy and for London's rising mortgage rates, which mean that they are paying an average of £835 more a month. How does the Minister expect hard-working families to cope with that increase?

**Lucy Frazer:** The Government absolutely acknowledge that people are in challenging circumstances across the country. We want to support those people, and in fact we have provided support to help the hon. Member's constituents and help those on the lowest incomes—that has been our priority for some time. I do not know whether she will remember that we have already provided £37 billion by way of a support package to help people with the cost of living. We are helping millions of households and businesses with rising energy costs through the energy price guarantee and the energy bill relief scheme, saving a typical householder—those people in her constituency—£700 this winter. Indeed, nearly one in four families across the UK will be receiving a

£324 cost of living payment, from last week, as part of our £1,200 package for the 8 million most vulnerable families.

We also recognise that one of the best ways to support people is helping them into work. Unemployment is at 3.6%, up from 3.5%, which was the lowest level since 1974. I am proud that we have helped more than half a million universal credit and jobseeker's allowance claimants into jobs through our Way to Work scheme.

**Christian Wakeford (Bury South) (Lab):** The Minister speaks about helping those on the lowest incomes. What part of removing the caps on bankers' bonuses or removing the 45% tax rate will help those people?

**Lucy Frazer:** The hon. Member is cherry-picking—and, of course, that particular announcement was of measures that will help the economy. He will know that, to help the most vulnerable, we have cut fuel duty and increased the personal threshold for national insurance contributions, raising it from £9,500 to £12,500. We are providing the cold weather payment, the warm home discount and the increase in the national living wage. For those with young children, we are providing £200 million a year to support the holiday activities and food programme. To help people into jobs, we have the kickstart and restart schemes and the skills bootcamps. We are helping vulnerable people across the board. Moreover, we have been doing so over the past year as these challenging circumstances have manifested themselves. *[Interruption.]*

**Danny Kruger (Devizes) (Con):** My right hon. and learned Friend is reciting a list of all the generous support packages that are in place while facing a barrage of chuntering from the Opposition. Does she think they are aware that global energy prices have risen eightfold in the last year thanks to Putin's invasion? That is causing the inflation that the whole world is suffering. European countries have higher inflation than the UK, and the Government are doing what they can to help households.

**Lucy Frazer:** I am grateful to my hon. Friend for that intervention, because I think it is really important to be honest with the British people about the challenges we face, why we are facing them and, therefore, how we can deal with them. To suggest that they are simply being caused by an event that happened two months ago is simply wrong, and Opposition Members know that.

As well as providing immediate support, we have focused on doing everything we can to get our finances in order domestically, because the risk of higher inflation becoming entrenched is the greatest danger. Sound money and a stable economy are the best ways to deliver what the hon. Member for Wigan asked for: lower mortgage rates, more jobs and long-term growth. We have taken every opportunity to do that in the first weeks of this Government—to restore credibility to the public finances, being up front about the enormous task ahead—and the markets have responded positively to what we have done and the direction in which we are going.

Let me now deal with a specific issue raised by the hon. Member for Wigan, that of interest rates. It is important to point out that the pricing and availability of mortgages are not decided by the Government; they

[Lucy Frazer]

are commercial decisions for lenders in which this Government—indeed, any Government—do not seek to intervene. However, let me highlight four points that I am sure Opposition Members would like to hear.

First, as I mentioned earlier, we have already taken immediate action to secure the UK's economic stability, demonstrating our commitment to fiscal discipline. That has provided stability for the markets, including mortgages. Secondly, although I recognise that many people are concerned about their mortgage payments and do not want in any way to diminish their real and legitimate concerns about the cost of living, about 75% of residential mortgages are on a fixed rate and are therefore shielded from rate rises in the near term. Moreover, because of changes that have been made to the regulatory regime introduced by the coalition Government applying the lessons of the last financial crash, the mortgage application process has been more rigorous, ensuring that borrowers will be able to continue to afford to make repayments. Today's mortgage holders are therefore better placed to weather the changes.

Thirdly, the Government have some lines of support available aimed at helping people to avoid repossession, including support for mortgage interest loans for those in receipt of an income-related benefit. As I am sure the hon. Member for Wigan heard, the Government announced earlier this year that they would allow homeowners to access support for mortgage interest earlier than the current nine-month wait time. The details on that will follow shortly.

**Neil Coyle:** Will the Minister give way?

**Lucy Frazer:** I will give way shortly.

Furthermore, there is some protection in the courts through the pre-action protocol, which makes it clear that repossession must always be the last resort for lenders. Fourthly, if mortgage holders do fall into financial difficulty, guidance from the Financial Conduct Authority requires firms to provide support through tailored forbearance options, which could include a range of measures depending on individual circumstances. We continue to work with the FCA and the financial services sector to explore what additional measures may support efforts to help people facing rising mortgage costs.

**Alex Cunningham:** I am surprised by the Minister's rewriting of history, particularly in relation to the Prime Minister's role in failing our economy over many years. She has talked about fiscal rules. Can she tell me why many of the fiscal tables show Britain at the bottom end of the economic league?

**Lucy Frazer:** I think the hon. Member is forgetting that the UK is projected to have the highest growth rate in the G7 in 2023. I think he is forgetting—or is not aware—that we are seeing inflation across the globe. Germany's inflation rate is 11.6%, Italy's is 12.8%, and the eurozone's is 10.7%. These are obviously issues that are affecting people across the globe. This Government are committed to supporting vulnerable people who need the support that we are providing.

Let me now address some of the points made by the hon. Member for Wigan about homes, home ownership and the shattering of dreams. It will not surprise Opposition

Members to learn that we believe home ownership to be an essential component of any long-term issues in our economy. This Government are proud of their track record of helping first-time buyers on to the housing ladder, and we have just expanded first-time buyer relief by raising the level at which first-time buyers start paying stamp duty, from £300,000 to £425,000. I seem to remember that the Opposition voted against that. As the hon. Member mentioned, we are also investing £11.5 billion in affordable homes. She will be aware, I hope, that since 2010 we have delivered 598,000 new affordable homes, and Government-backed schemes have helped more than 800,000 households to purchase a home since 2010.

**Anthony Browne** (South Cambridgeshire) (Con): I welcome the fact that Labour is joining the Conservatives in championing the desire to own homes, which has traditionally been a strong Conservative party position. Is my right hon. and learned Friend aware that the rate of home ownership in the UK rose throughout the second half of the 20th century, reached a peak just as the last Labour Government came to power, and fell throughout almost the entire period of that Government? It was only as a result of a range of measures introduced by the Conservative Government, on their election in 2010, that home ownership rates started to rise again. Labour may say things, but after its 13 years in power it left home ownership rates plummeting throughout the UK.

**Lucy Frazer:** I am grateful for my hon. Friend and neighbour's intervention. He is knowledgeable on all these matters and makes an important point about rhetoric and not action, because I also know, as I am sure hon. Members across the House do, that the Labour party did not deliver the building of the same number of affordable houses—social houses—as this Government did.

On house building, the hon. Member for Wigan seemed to suggest that she was not aware that the Levelling Up Secretary had committed to our plans to work towards 300,000 homes a year—[*Interruption.*] I have heard him commit to that several times since I have been in the Department. To that end, we have already announced £10 billion-worth of investment in housing supply since the start of this Parliament, with those supply interventions ultimately due to unlock over 1 million new homes over the course of this Parliament and beyond.

**Neil Coyle:** Will the Minister give way?

**Lucy Frazer:** I am going to continue for a moment.

Let us be clear about this. There has been a lot of criticism from the Opposition about what we on this side of the House would do, but what is Labour's record of delivery? This Government have always been clear that it is difficult to solve everyone's problems all the time, but let us consider what solutions a Labour Government would have come up with in this challenging time and their record of delivery. Our Prime Minister's approach is one of fiscal responsibility and sound money. Does anyone across this House know what Labour's annual fiscal black hole is? Labour has racked up £147.8 billion—

*[Interruption.]* I am happy to provide the details. Labour has racked up £159.8 billion of annual spending commitments and only £11.2 billion of annual revenue raisers across a five-year Parliament. Does the hon. Member for Wigan know what that would cost every household? It would be £5,474—

**Lisa Nandy:** Will the Minister give way?

**Lucy Frazer:** I am just going to finish this point.

We recognise that work is the best way out of poverty, and our approach is to support the most vulnerable to get into work. Under a Labour Government in 2010, benefits were the largest source of income for the poorest working-age households. Under the Conservatives now, it is their earnings. We have low unemployment, yet every single time Labour has left office, the unemployment figures have been higher than when it took office. It is Conservative Governments time after time who have managed the economy in a stable and responsible manner to secure our public finances.

**Lisa Nandy:** Can I just gently say this to the Minister? I have heard her blame the Labour party, although her party has been in office for 12 years. I have heard Conservative Members blame the Bank of England. I have heard them blame the bond markets and I have heard them blame society. What I have not heard is a single one of them have the humility to come here and say sorry to the people whose mortgage payments have gone through the roof and whose hopes and dreams have gone up in smoke. She knows, Conservative Members know, we know and most of all the public know who is responsible for this crisis. It is a crisis made in Downing Street by a Tory Government who still cannot bring themselves to say sorry. She can blame us all she likes, but they have had 12 years. Say sorry!

**Lucy Frazer:** I am grateful for the hon. Member's very short intervention. I think she will have noticed that, throughout this speech, I have recognised that this Government, like every Government across many years, have made some mistakes. I have also stated the important point that the Prime Minister has shown, throughout his time as Cabinet Minister—as Chancellor and as Prime Minister—that he cares very deeply, as I and my Front-Bench colleagues do, about ensuring that vulnerable people get the support that they need.

I would like to turn to the issue of the severance pay. Payments connected to the loss of ministerial office are defined in legislation that has been passed by Parliament and been in effect for successive Administrations. Ministerial changes and departures are part of the fabric of government. All Administrations experience them and they are a routine part of the operation of government.

**Rachel Hopkins** (Luton South) (Lab): Will the Minister give way?

**Lucy Frazer:** I am going to continue; I think I have been very generous with interventions.

The payments being discussed today exist because of the unpredictable nature of ministerial office. Unlike in other employment contexts, there are no periods of notice, no consultations and no redundancy arrangements. The statutory entitlement has existed for several decades

and been implemented by all Governments over that period. Payments on ceasing office were made and accepted by outgoing Labour Ministers in the Blair and Brown years and by Liberal Democrat Ministers during the coalition Government.

The hon. Member for Wigan was asked a question by my hon. Friend the Member for Orpington (Gareth Bacon) about the level of those payments, and she either did not know the answer or decided not to respond. So I will tell her—*[Interruption.]*

**Mr Deputy Speaker (Mr Nigel Evans):** Order. Lisa, please would you allow the Minister to give her speech in silence? I can hear you more than I can hear the Minister.

**Lucy Frazer:** As an example of the previous operation of this provision, the data published in 2010 indicated that severance payments made to Labour Ministers in that year amounted to £1 million. To ensure transparency, the details of these payments are published in the annual reports and accounts of Government Departments. It is important to point out that a Minister will be entitled to a payment on ceasing to hold office only when they in effect step away from Government and are not reappointed for a period of at least three weeks. Periods of continuous employment, where a Minister might move between roles during the same Administration, do not result in multiple payments.

In this context, I would like to draw Opposition Members' attention to the fact that my right hon. Friends the Members for South West Norfolk (Elizabeth Truss) and for Spelthorne (Kwasi Kwarteng) served as Ministers for considerable amounts of time before they were made Prime Minister and Chancellor of the Exchequer, and that they therefore have a statutory entitlement. Let me be clear that, although this is a statutory entitlement, that is not to say that Ministers are unable to waive such payments. That is not a matter for the Government; it is entirely a discretionary matter for the individuals concerned. The Government do not regard it as appropriate to make arbitrary demands of individuals in relation to their entitlements. While the Labour party seeks to make cheap political points by denigrating the former Prime Minister and Chancellor, from these Benches I would like to pay tribute to the public service of Ministers of the Crown across the board and as long-standing Members of Parliament.

**Anthony Browne:** I would like to thank my right hon. and learned Friend for making an excellent speech. The Opposition are trying to link economic performance with severance pay. I recall that, back in 2010, the last act of the last Labour Chief Secretary to the Treasury was to leave a note saying:

“Dear Chief Secretary, I'm afraid there is no money.”

And what happened to severance pay then? As my right hon. and learned Friend has said, Labour Ministers took £1 million in severance pay. Also, the four leadership candidates for the Labour party, Ed Miliband, David Miliband, Ed Balls and Andy Burnham all took—

**Mr Deputy Speaker:** Order. You cannot mention current sitting Members by name. Anyway, I think the Minister has got the gist.



**Lucy Frazer:** As we approach the autumn statement, the Chancellor has made it clear that there is a tough road ahead that will require extremely tough decisions to restore confidence and economic stability. As he has set out, if we are in a recession we will take the decisions needed to make it as short and shallow as possible. The fundamentals of the UK economy remain strong. The International Monetary Fund has forecast that the UK will have the highest GDP growth in the G7 this year, outstripping Germany, the US and Japan. We will continue to support the most vulnerable, to stabilise the economy by taking tough decisions to put our finances on a sustainable footing and to help the Bank of England to bring inflation under control.

1.39 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): There was a time, not so long ago, when Governments took responsibility. Listening to the Minister, it seems that time has passed, as we heard no contrition and no humility for the Government's calamitous decisions.

The events of the last few months in particular have been unbelievable, even by the standards of this Tory Government. "It's all the fault of Putin. It's all the fault of covid. A big boy did it and ran away." People across the UK, including in my North Ayrshire and Arran constituency, are now suffering real financial harm and real financial hardship as a result of this Government's incompetence. The Minister says there are tough roads ahead, and there are indeed tough roads ahead, but those roads will not be travelled by all equally.

**Neil Coyle:** Will the hon. Lady give way?

**Patricia Gibson:** I will give way.

**Neil Coyle:** The hon. Lady shows more courtesy than the Minister did.

The Minister would have us believe that the Government's Budget had nothing to do with the 8,000 people in Southwark paying higher mortgage rates, and she would like to blame Russia. Does the hon. Member for North Ayrshire and Arran (Patricia Gibson) believe that the Government should take measures to punish those in Moscow and Russia who have profited since the war broke out, such as the Prime Minister's family, to the tune of £7 million?

**Patricia Gibson:** The public are becoming increasingly wise to the snake-oil salesman approach in which one thing is said, accompanied by handwringing and head shaking, but no real action is taken to tackle those who profit in a way that most people would find obscene.

If we listened to the Minister, we would think that the so-called mini-Budget had not happened at all. The name "mini-Budget" is ironic because it makes it sound small, but the damage it has caused is very considerable. This Budget revealed, for those who still harboured any vestiges of doubt, whose side the Tories are really on. The so-called mini-Budget sought to scrap the bankers' bonus cap, reduce taxes for the most well off, cancel the planned increase in corporation tax, refuse to bring forward an extended windfall tax and weaken the rights of trade union members.

Labour's opposition to the mini-Budget amounted to £24 billion out of £43 billion of tax cuts, and it was left to the right hon. Member for Hayes and Harlington (John McDonnell), as it so often is, to call this mini-Budget what it actually is:

"the most socially divisive Budget in a generation."

I understand that Labour is a bit worried about upsetting hardcore Tory voters in England, but sometimes harsh language has to be used.

Once the markets took fright and Labour saw the extent of the mini-Budget's fiscal irresponsibility, it demanded that the entire mini-Budget be reversed, which was not its original position. The Resolution Foundation noted that almost half the gains from the proposed tax cuts would have gone to the richest 5%, who would have gained £8,650 on average, while the poorest half of households would have gained £230 on average. Almost two thirds, 65%, of the gains from the personal tax cuts would have gone to the richest fifth of households.

Torsten Bell from the Resolution Foundation described the measures as a

"simply staggering...tax cut for richer households".

Save the Children described the tax cuts as

"a hammer-blow to low-income families".

There were £45 billion of unfunded tax cuts, almost exclusively benefiting the rich.

While all this was going on, the SNP in Scotland was being urged, not least by the hapless hon. Member for Moray (Douglas Ross) among others, to follow the Tories in Westminster in entering the bowels of tax-cutting hell, where the most well off enjoy the windfall of a tax-cutting bonanza. Of course, he U-turned on this, as he so often does. It is often hard to tell if he is going somewhere or coming back.

It was, quite frankly, immoral for such a Budget to be delivered when so many are struggling to pay their bills, and the consequences of announcing these measures—again, it is difficult to call it a mini-Budget given its consequences—were catastrophic. The pound dropped by nearly 2% against the dollar, to the lowest level since 1985. The IMF rebuked the Government for causing such damage to the economy, and international investors declared that the UK's greater economic suffering than similar countries is a consequence of the "moron premium" it pays due to its terrible leadership under the Tories. The cost of this so-called moron premium stands at £30 billion.

For households across the UK, the cost of the Government's staggering incompetence is still being counted. Forty-one per cent. of mortgage deals that had previously been available were pulled by the banks, with more than 1,700 mortgage products being reintroduced at rates 2 percentage points higher, leaving hundreds of thousands of families across the UK paying far more for their mortgage. Pensions almost collapsed, and the instability within the UK was the talk of the international steamie. The Minister talks about restoring financial stability, but such urgent measures would not have been needed had the Government not caused such instability.

**Danny Kruger:** It is true that mortgages are at their highest rate in 10 years, in Germany. Does the hon. Lady blame the mini-Budget for that? If not, what does she think might be happening?



**Patricia Gibson:** The hon. Gentleman cannot escape the fact that the markets went into meltdown after the mini-Budget. I know this Government want to pretend the mini-Budget, the consequent run on the pound and the near collapse of the pension system did not happen, but government is about taking responsibility and even saying sorry when mistakes are made.

**David Linden:** Would my hon. Friend also point out to the hon. Member for Devizes (Danny Kruger) that the Government cannot have their cake and eat it? They sometimes talk in this Chamber about how Germany is over-reliant on Russian gas, but simply trying to use Germany as a comparator in this argument is rather like comparing apples and avocados, is it not?

**Patricia Gibson:** Absolutely, and I am sure the hon. Member for Devizes (Danny Kruger) will be taking note and learning the lessons he needs to learn from that insight.

There is not expected to be a reduction in mortgage rates any time soon.

**Gareth Bacon:** It happened yesterday.

**Patricia Gibson:** Some estimates put additional mortgage costs at £5,100 a year, on average, by the end of 2024. I hear the chuntering from the hon. Gentleman about mortgage rates going down. He would do well to reflect on the fact that 73% of mortgage holders are worried about rate rises.

Alongside this, the UK Government are set to raise taxes. They will balance the cost of their own incompetence on the backs of those who are already struggling, and whose struggles have been made so much worse by a Government who could not find their backside with both hands. The number of Scots seeking mortgage help has nearly quadrupled, again as a result of this Government's staggering incompetence. It is particularly galling for people in Scotland, the majority of whom roundly rejected this Government.

As if all this were not enough, inflation is soaring, rising to over 10% in September, a rate not seen since the early 1980s, outpacing normal earnings growth and expected to peak at 11%. Inflation is partly driven by sky-high energy costs, and the Government are already backtracking on the one thing they have done to bring down energy costs, with the expected bill rises early next year hammering households all over again—we could see bills of more than £4,000 in April. The shadow of recession is looming over the UK and threatens Scotland's recovery from the pandemic, with the Scottish Government's budget £1.7 billion lower due to the impact of inflation and the need to help households on which the UK Government have turned their back. This means that in Scotland budgets have had to be reprioritised across a range of areas to provide this much-needed support. Sadly, for the Labour party, when Wales's budget is under pressure it is the fault of the UK Government because of how devolution works, but when the Scottish Government's budget is under pressure Labour joins the Tories in condemning the SNP. That is why Labour is thrashing around in its death throes in Scotland, because standing shoulder to shoulder with the Tories is not working for it. The people in Scotland are not fooled.

It is bad enough that households across the UK are struggling to balance budgets in the face of soaring inflation, rocketing energy bills and huge increases in mortgage costs, and it is bad enough that my constituents in North Ayrshire and Arran are facing unprecedented financial pressures, but while they do they are watching the revolving door of Government jobs, which have been changing with breathtaking speed. The loss of a Cabinet post is compensated for with three months' salary, and that applies even to those who were in post for only a few weeks. Sky News has reported that this ministerial churn has amounted to £709,000 in severance payments for former Ministers and Whips. A total of 71 Ministers are eligible for this pay as a result of the instability of this Government. In view of the financial stress our constituents are facing because of decisions made by this Government, they have a right to know who has taken these payments, which are due entirely as a result of the instability and incompetence of this Government. Perhaps the Minister will be able to tell us today, but I certainly will not hold my breath.

**Anthony Browne:** I wonder whether the hon. Lady would refresh my memory. She has been talking about the severance pay that the UK Government pay to former Ministers, but what do the Scottish Government do? I understand that in Scotland Ministers who leave are also entitled to three months' pay, just the same as it is for the UK Government, and that they often take it up. Do correct me, but I understand that it is the same.

**Patricia Gibson:** Perhaps the hon. Gentleman has listened to a podcast or something and has not been listening to half of this debate. The point of today's debate is that the instability created by this Government means that Ministers who have been in post for a matter of weeks are hoovering up huge payoffs. If he can tell me that there is a precedent for this level of instability, I am happy to sit down and let him explain it to me. I see that he is not attempting to do so, so perhaps he should sit there and reflect on the fact that he is attempting to defend tens of thousands of pounds being paid to Ministers who were in post for a matter of weeks. If he is happy to defend that, he certainly will not have the confidence of my constituents.

**David Linden:** Just to reassure my hon. Friend, I can confirm, as a keen and close watcher of Scottish politics, that in the Scottish Parliament Ministers do not resign on average every four days, as they appear to do in Westminster.

**Patricia Gibson:** I thank my hon. Friend for that, but the hon. Member for South Cambridgeshire (Anthony Browne) seems to think that this is okay and perfectly in order. Goodness knows what his constituents will make of it, but that is a matter for him.

If Labour Members are concerned about these obscene ministerial payments, they must support the amendment tabled by my hon. Friend the Member for Glasgow East (David Linden), which would prevent this situation. That is really important, because we cannot allow this situation to continue. All of this adds up to an incompetent Government who have no direction or judgment. They have brought us into this mess—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. I just inform the House that the amendment was not selected.

**David Linden:** What a shame.

**Mr Deputy Speaker:** Indeed. So there is no amendment and it is a straight vote on the motion.

**Patricia Gibson:** Thank you, Mr Deputy Speaker. I regret that the amendment has not been selected.

The Government have brought us into this mess, inflicted financial harm and are thrashing around to try to fix it. It is a failure of the Labour party not to be able to take on, in England, these arguments. The Labour party is preparing for government, but it has been caught out, because its interim leader, who was intended to steady the ship, will now, by himself, by default, lead the party into the next election. This is a London-centric ostrich, in common with the Tories, who thinks he can dictate, in a deluded fashion, to Scotland just how much democracy it can have. I think he will find, when the votes are counted in Scotland, that that will not have worked very well for him.

The reality is that when Labour and the Tories dictate to Scotland at election time, they are, in effect, two baldy men fighting over a comb. The voters of Scotland are sick to death of being patronised and talked down to, with their right to choose their own path dismissed and ignored by those who set themselves above them as their betters. The UK is in a mess—it is broken. Scotland did not vote for this and the incompetence of this Government is having an impact on Scotland in a way that is undemocratic, because we did not vote for this. It will never vote for a Labour party that is trying to out-Tory the Tories to win Tory seats in England with a pretence that Brexit can be good for the UK and to impose it on Scotland despite the damage it is causing. Shame on you! A plague on both your houses. Scotland will choose her own path and we will extract ourselves from this sorry mess of Westminster. Scotland will choose her own path in spite of, and because of, this shower in Westminster.

1.56 pm

**Laura Farris (Newbury) (Con):** Implicit in the wording of this motion is a rebuke, and I start by accepting it; errors were made during the tenure of the former Prime Minister. But I take issue with the Opposition in three parts: first, on the suggestion that the mini-Budget is responsible for the economic situation in which we find ourselves; secondly, on the suggestion that my right hon. Friend the Member for South West Norfolk (Elizabeth Truss) should be treated differently from any other Minister, current or historic, in this Parliament; and, thirdly, on a suggestion that was not really developed by the hon. Member for Wigan (Lisa Nandy) in her opening remarks, which is that my right hon. Friend should pay some sort of compensatory amount of £6,000 and that there should be some form of atonement. That theme has been heard more than once from those on the Opposition Benches. I think it was the voices on the left who said it was not enough that Tony Blair should take the country into war, but that he should stand trial and go to prison, and in this case people are saying that my right hon. Friend should pay some kind of reparations, of a figure that has no basis in reality. I refute that and

I will set out why. I know that Opposition Members will react if I suggest that some of the economic predicament we find ourselves in is a result of external forces, but when I say that the Bank of England base rate has been climbing all through 2022, I challenge them to name a country in the G7 where the base rate has not been doing that, just as every country on mainland Europe has suffered a huge inflationary spike as a result of the war in Ukraine and the energy blockade that has been the decision of Vladimir Putin. I challenge them to name a country in western Europe that has not suffered those effects. I also respectfully remind the Opposition that the 10 years we have had of unprecedented low interest rates were part of a one-off sustained emergency response by the Bank of England to the 2008 financial crisis that happened on their watch, and I will come back to that.

I wish to talk for a moment about the ministerial severance package. I have looked at the legislative journey of the law that underpins it. When the Ministerial and other Pensions and Salaries Act 1991 went through the House, the Opposition did not vote against it. Section 4 of that Act said ministerial severance is paid irrespective of rank, length of service, performance in the role and the circumstances in which the Minister leaves. The Labour party did not complain when that was applied to more than 300 Ministers who served at one time or another under the Blair and Brown Governments, irrespective of their performance, even in the case of people such as Peter Mandelson, who got this twice in 24 months. When the last Labour Government saw fit—through the Constitutional Reform and Governance Act—to revisit the legislation in April 2010, six weeks before the general election, they made extensive changes to the terms of ministerial severance, but none to the qualifying criteria or the terms of repayment. There was no change even though the country was in the grip of the most serious economic crisis of my lifetime, even though there was, in the immortal words of the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), “no money left”—he will never be allowed to forget that—and even though they were responsible for the catastrophic economic decision to sell off our gold reserves. That was presumably because they were lagging in the polls, they were six weeks away from a general election and they were all looking forward to receiving their own pay-outs, which they did.

We are, in this debate, talking about a former Prime Minister, but I cannot let the moment pass without saying a few words about the former Leader of the Opposition, who, when he departed office, was entitled to an almost identical amount of severance despite his having led the once great Labour party into a sewer of antisemitism. I was recalling some of the main acts of his tenure. In 2018, the former Member for Liverpool Wavertree was hounded out of a party that she described as “institutionally antisemitic”. The serious and systemic discrimination that certain Members endured—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. Did you inform Jeremy Corbyn that you were going to make reference to him?

**Laura Farris:** I did not.

**Mr Deputy Speaker:** In which case, can I ask you to move on then, please?

**Laura Farris:** I did not inform the right hon. Member for Birmingham, Hodge Hill, but he has been referred to more than once.

I will confine my point to this: whatever the Opposition say about severance payments, it might be surprising to learn that the former Leader of the Opposition would have been entitled to exactly the same severance payment. The only reason he did not get it was that he was over the age of 65—it was timed out on age criteria—but I am not drawing an equivalence in any event.

Whatever mistakes were made by the former Prime Minister, and I conceded at the start that mistakes were made, the ambition was laudable—as, to be fair, it so often is for Leaders of whatever stripe when they are at the helm. She was seeking to create a rapidly growing economy for the good of the country, even if her execution in that ambition failed. It is an ambition that many of us on these Conservative Benches share, and it is an ambition that Opposition Members share, too, as shown by the wording of their next motion, which is all about economic growth. But Conservative Members do not spend our time calling for scalps, or jail sentences, or compensation, or unique terms because a politician has failed. Rather than wasting time seeking social media clips, we think government is about the serious endeavour of delivering for the British people and providing answers to the issues that matter.

**Mr Deputy Speaker:** If we are to get everybody in and move on to the next debate at 4 pm, wind-ups will have to start at no later than 3.40 pm. If everybody stuck to about eight minutes without my putting the clock on, that would be helpful.

2.2 pm

**Naz Shah** (Bradford West) (Lab): May I first respond to the contribution of the hon. Member for Newbury (Laura Farris)? “It’s Ukraine; it’s everything else in the world,” the Government keep saying, but the disaster was cooked up in No. 10, and my constituents and those of Conservative Members are paying the price. The Government cannot keep faking it till they make it. They cannot carry on saying, “It’s this, that or the other to blame,” because the people out there—the public—can see what is happening. There is an air of desperation. The Government are going back to votes from 2010 and 2008 just to cover up their incompetence—

**Danny Kruger** *rose*—

**Naz Shah:** No, I will not give way.

For the past 12 years, we have been seeing the crisis develop under the Government’s watch, but we will not be taking any lessons from their “Fake it till you make it” approach. Bring on the next general election—the sooner it comes, the better, because people will say exactly what they make of the Government. This crisis was made in No.10, and nowhere else. It was made by the Government’s own hierarchy. The current mortgage crisis—and not just this one—was created by the incompetency of the Conservative party. The current Prime Minister, then a leadership candidate, warned the former Prime Minister that her economic plan was a “fairy tale”, but still the former Prime Minister experimented with the economy and gambled with the livelihoods and the savings of our constituents—of working people—knowing full well that people across the country were enduring a cost of living crisis.

The Prime Minister now warns of more difficult decisions to come and a profound economic crisis—a nightmare, not a fairy tale—for hard-working people, homeowners, first-time buyers and private renters who will now pick up the tab. The horrific incompetence of the former Prime Minister and the former Chancellor, which the Prime Minister, in his first speech, seemed to describe as well-intentioned “mistakes”, means that millions of families are currently facing mortgage interest rates of 6.5%. For people in my constituency, and those in the wider Yorkshire and Humber region, this means a monthly increase of £348. According to analysis by *The Daily Telegraph*, 1.8 million homeowners on two-year fixed mortgage rates will need to refinance in 2023. Interest rates are currently at 6.49%, which means that millions of families will face eye-watering hikes in mortgage repayments.

I ask the Minister to put herself in the shoes of families living in Bradford West—that is a tall ask to be fair. This year’s statistics by the End Fuel Poverty Coalition show that 44.6% of households in Bradford West are living in fuel poverty, a stark increase of 22.2% on the comparable figures for 2019. More than one in three children—almost 40%—are living in poverty, literally forced to skip meals. Parents are now looking towards a cold winter, not knowing whether they can keep their families warm in the year to come or whether they can even keep their homes.

The economy has been in the hands of the Tories for more than a decade, during which we have seen a fall in home ownership rates and affordable homes, with 800,000 fewer households being owned by the under-45s. It is clear that, due to this Conservative-made mortgage crisis, it will be harder for people to afford their own homes, robbing generations of independence, comfort and stability.

Since 2010, there have been seven Conservative Chancellors, four in the past year alone. When they first came to power, the future of our young people plunged. It was a Conservative Government who cut the education maintenance allowance, tripled university tuition fees, closed down libraries and youth centres and, with austerity, dragged our economy into downward growth. They failed to build homes and to allow first-time buyers a chance to buy affordable homes. As a consequence of their recklessness with the mini-Budget, they are now attacking working people and working families once again.

Under the Conservatives, the price of food to feed our families is up, the price of energy to heat our homes is up, the price to save us from losing our homes is up, and the price of transport to get us to work is up. Everything has gone up; it is not going down. The price for businesses to invest more has gone up. The price to rent a home has gone up. The price for childcare has gone up. The price for Government borrowing has gone up.

After more than a decade of Conservative destruction, the people across Britain are simply fed up. Enough is enough, Mr Deputy Speaker. This is about party politics. This is about those on the Conservative Benches saving their own skins and not about putting Britain first. If they had been putting Britain first and not putting party over people, they would have called a general election weeks ago. All this has been caused by a decade of Tory Governments, and my constituents deserve



[Naz Shah]

better. The Government continuously say that this situation was not made in 10 Downing Street, and that the IMF and the Bank of England had to intervene because of what is happening in Ukraine. They try to measure us against other G7 countries. Their banks did not have to come in. They did not have a run on the pound. They did not have a run on their pension funds. We had that because of the Conservatives. That is what they did to our country. They made this mess, and they need to fix this mess.

On Thursday, I hope the autumn statement responds to my Bradford West constituents and does not put them into even worse poverty than they are in now—and if they really want to fix things, they should call a general election and let the people speak.

2.9 pm

**Paul Howell** (Sedgefield) (Con): We have all acknowledged that the mini Budget caused a short-term reaction by the financial institutions, but other issues have been far more significant to the British and global economies. Indeed, the gilt yields, which were the focus of so much angst, are now back where they were before the mini- Budget.

Fundamentally, the economy is in the state it is in because of the lasting impact of the covid pandemic and the ongoing war in Ukraine. The Government have done everything possible to soften the blow to ordinary households. The hon. Member for Bradford West (Naz Shah) talked about costs being “Up, up, up, up,” but interest rates have been at record lows for most of the last 12 years. What happened to change that? Oh—was there a pandemic? Was there a war in Ukraine? There were a couple of things that might just have happened. Do we think that food and power going up are not affected by what is happening in Europe. I find it bizarre that we are just ignoring that.

**David Linden:** Will the hon. Gentleman give way?

**Paul Howell:** No, I will not.

**Naz Shah:** Will the hon. Gentleman take an intervention?

**Paul Howell:** Go on, then.

**Naz Shah:** When we were in this Chamber voting on free school meals, which the Conservatives decided not to vote for, or on austerity measures that the Conservatives were putting through for our constituents, that was before covid. My constituents were in poverty way before covid happened, way before Ukraine happened, way before all the rest of it happened. We were not in a fiscally right position. The NHS did not have the funding. There was a political choice made by the Conservative party for austerity. It was a political choice, not something we had to do, and our constituents suffered. Libraries, youth centres—all of them were cut on the Conservatives’ watch.

**Paul Howell:** As someone said earlier, thank you for the short intervention.

**David Linden:** The hon. Gentleman spoke about the impact of covid and Ukraine, and I do not deny that they have had an impact on the economy, but does he not also think that the Government’s chaotic handling of Brexit contributed to that as well?

**Paul Howell:** No—that is the easy answer. There have been many challenges with Brexit, but we voted Brexit through in late 2019. Being in a pandemic three months later did not exactly help the process of getting things done.

Coming back to my point, since the pandemic the Government have spent billions to protect businesses. Are Opposition Members saying that we should not have spent that money—that we should not be in debt because of covid and that we should not have supported businesses and people?

**Patricia Gibson:** The international investment markets have talked about the UK’s suffering more economic hardship than other comparable countries, which they refer to as the “moron premium”. How does the hon. Gentleman respond to that? Are they wrong?

**Paul Howell:** There are so many people who have so many opinions about the different things that have happened and will put them into different contexts. We need to keep ourselves in context. To quote the numbers, the House of Commons Library estimated that the Government spent between £300 billion and £400 billion on various pandemic-related issues. That is between £4,600 and £6,100 for each individual. That is a tremendous amount of money. Before we had the chance to recover from the pandemic, Russia invaded Ukraine, causing the price of food and so on to explode. The enormous support that the Government have given in response to energy prices is expected to cost £60 billion over six months.

The Labour party are scaremongering that the support will stop in April and everybody is falling off a cliff. Nobody has said it is stopping in April. They have said that the likes of you and I, Mr Deputy Speaker, might not be receiving support—I would quite like to get support, but I do not need it. We need to ensure the money we spend is spent with those who need it, not those who just want it, and achieve that balance, but the immediate reaction on energy support—to provide it as quickly as possible—was wholly appropriate.

When people start to talk about interest rates, the rhetoric we hear from Labour about the £500 increase is selective noise, using a specific comparator of a two-year mortgage that was 1.6% two years ago, was 3.7% before we went into the mini Budget and is now probably close to 5%. The real effect on people is not a £500 difference.

**Anna Firth** (Southend West) (Con): My hon. Friend is making an important point about interest rates. Does he agree that UK interest rates are down since the mini-Budget? The five-year rate is now 3.3%, compared with 3.5% before the mini-Budget, and the two-year rate is now 3.1%, compared with 3.4% before the mini Budget. Does he agree that, when we talk about long-term management of the UK economy and interest rates, it is only the Conservatives who can be trusted to deliver?

**Paul Howell:** I absolutely agree with my hon. Friend. What I find wholly inappropriate is this: we have constituents very worried about what is happening, the way interest rates are rising globally and so on, and what are the Opposition doing? They are scaremongering, making people think it is even worse than it is and that the worst effects are affecting everybody. That is wholly inappropriate and it is making people who are already worried become terrified.

I am sure we all go home and talk to our constituents and our businesses. I have many businesses in Sedgefield, and all the ones I talk to are nothing but grateful for the support this Government have given them to make sure they can pay their energy bills. They are nothing but grateful for the way we introduced the furlough scheme, which put a lot of the cost into the equation.

I personally have every confidence that our Prime Minister and our Chancellor will show us on Thursday that they are compassionate Conservatives, and that they will look after and help most those who need it the most, not just take a broad brush across everything—*[Interruption.]* The hon. Member for Wigan (Lisa Nandy) is chuntering from a sedentary position. On the other point that has been raised about severance payments, those payments are statutory, and it is wholly inappropriate to have political intervention on those, just trying to make them a thing. Many people have received them over the years on both sides of the House, and there should therefore not be political interference in that process. It is up to the individual to choose not to take them; if they think it is inappropriate, they can take that decision.

**Lisa Nandy:** What do you think?

**Paul Howell:** What do I think? I think it depends on the individual. The hon. Lady has chirped and talked—*[Interruption.]* Do you want to hear, or do you want to shut up?

**Mr Deputy Speaker (Mr Nigel Evans):** Order. Hold on.

**Paul Howell:** My apologies, Mr Deputy Speaker.

**Mr Deputy Speaker:** We accept the apology, but, by the way, this is not a chat—this is a debate.

**Paul Howell:** My apologies. On the particular reference to the Prime Minister getting her severance and being in the job short-term, she was a Minister for many, many years, which drives the severance.

Going back to my final point, I have every confidence that the Chancellor and Prime Minister will do the right thing on Thursday. I look forward to the autumn statement.

2.18 pm

**Helen Hayes** (Dulwich and West Norwood) (Lab): In my seven and a half years in this place, I have never known a time like this. Our country was already straining and buckling under the weight of 12 long years of austerity, the impact of the covid-19 pandemic, the economic consequences of Brexit and the war in Ukraine. But when people across our country most needed leadership, comfort and meaningful support from their Government, the Government gambled their security on their own

ideological slot machine, inflicting entirely unnecessary additional damage on the economy, instigating a financial crisis and opening a vast, gaping hole in the public finances.

There is another thing I have never known before: the sheer scale and extent of the collective anxiety out there in our communities. That is palpable everywhere I go. People are terrified about how they will meet increased mortgage or rent payments, terrified about how they will afford to pay their bills and terrified about how they will continue to feed their families and keep a roof over their heads this winter. By undermining our economic security so much, this Government have delivered a huge blow not only to our nation's finances and the health of our economy, but to our nation's mental health.

What is the response of the Government and Conservative Members? To put the blame everywhere but at their own door. In no other country anywhere in the world did the central bank have to step in overnight to stop a collapse in pension funds

**Matt Rodda** (Reading East) (Lab): My hon. Friend is making an excellent speech and is contrasting effectively the Government's reckless disregard for the everyday reality of residents across the country. Does she agree that there is particular pressure on many younger people who are currently trying to get on to the housing ladder?

**Helen Hayes:** It was already so hard for young people in our country to afford to get on to the housing ladder, and it is devastating for so many of them that that challenge has been made even worse.

This Government seek to pretend that the extraordinary and unprecedented situation we face—a £30 billion self-inflicted hole in our public finances—is normal and nothing more than a minor accounting error that they are seeking to rectify before they carry on with business as usual. They seek to normalise the terrible damage they have done.

This is not normal. My constituents do not get to carry on as normal as they struggle to pay their mortgages. My local councils, which, later this week, are likely to face further swingeing budget cuts to services that are already stretched to breaking point, do not get to carry on as normal. Our public services, including our NHS, do not get to carry on as normal. They all have to live with the disastrous consequences of this Government's ideologically driven mismanagement of our economy. The loss-of-office payments are the salt in the wounds. The previous Chancellor and Prime Minister were reluctant to tax the windfall profits of the energy giants, but happy to take the windfall profits from the disaster they created.

This is UK Parliament Week, and when I visit schools in my constituency, as I did this morning, children ask whether it is right that former Ministers who presided over such a disaster are taking loss-of-office payments. They also ask whether the most senior politician responsible for our nation's health during a pandemic that saw such catastrophic loss of life should be taking part in a reality TV show while his constituents are left to fend for themselves during the current crisis.

[Helen Hayes]

I hope that Government Members will visit schools in their constituencies this week to hear what children in our nation think about their behaviour, which is corrosive to trust and confidence in our politics, widens the gulf between those in power and the communities they represent, and brings shame on this place while our constituents foot the bill. I hope that Government Members will reflect on that as they decide how to vote on the motion.

2.23 pm

**Gareth Bacon** (Orpington) (Con): I rise to reject the arguments put forward by the Opposition. It is a matter of regret that Opposition day debates have abandoned any pretence of being a forensic probing of Government policy and have instead become nothing more than petty attempts for clickbait on social media.

**David Linden:** Will the hon. Gentleman give way?

**Gareth Bacon:** No. I have great affection for the hon. Gentleman, but I am mindful of Mr Deputy Speaker's warning about the time because I know that other Members wish to speak. If the hon. Gentleman makes a speech later, he can address my comments.

In George Orwell's "1984", people are required during the "Two Minutes Hate" to watch a film depicting enemies of the state and loudly proclaim their hatred for them. The Labour party appears to believe that "1984" was a guidebook and not a warning, because it seems regularly to covet the chance to fabricate similarly misleading narratives, such as that of MPs voting to allow sewage in rivers, which was patently untrue. The volume of hateful correspondence and even threats against Members of this House has risen in recent years. Anecdotally, I gather from colleagues that there seems to be a strong correlation between spikes in abusive messages and Opposition day debates. I will leave the Opposition to reflect on that and on their methods.

I note that in the motion there is no mention at all of the covid pandemic, which caused the greatest contraction of the UK's economy for 300 years, or of the £400 billion the Government spent on protecting people through the pandemic. Nor is there any mention of the £37 billion of targeted support for those on lower incomes. Nor is there any mention of the war in Ukraine, which has directly led to massive increases in energy prices. The recovery from the pandemic and the war in Ukraine have led to inflationary pressures around the world, which have in turn led to interest rate rises around the world. Again, mysteriously, there is no mention at all of that in the Opposition's motion.

On what is in the motion, I respectfully point out that ignoring the disastrous consequences of rising energy bills would have been economic mismanagement. Instead, the previous Prime Minister and Chancellor put together a supremely generous support package that safeguarded both businesses and households. The energy price guarantee caps the price per unit of electricity and gas, and was introduced to counteract the looming October price rise, saving each household £700 on average over the winter. Had that not occurred, many families would suffer exorbitant and potentially unaffordable costs.

Similarly, the energy bill relief scheme applies to non-domestic premises so that businesses do not go bust and incur massive job losses across the country, which would have caused destitution for thousands. The previous Prime Minister and Chancellor took action to prevent such situations from occurring in the wake of what are ultimately global surges in energy prices.

It is not ancient history, so let me point out that financially ruining the country and leaving a note that says, "There's no money left", as the Labour party did in 2010, is quite literally mismanaging the economy. Thanks to measures taken by this Government, as of yesterday, mortgage rates have begun to fall, and some lenders are offering five-year fixed-term rates at less than 5%.

Lastly, the calls to dock severance pay for departing Ministers are a relatively new phenomenon and an over-personalised cheap shot, which is typical of the Opposition. I am not aware that any Labour Minister was particularly concerned about the matter before certain quarters of the media began discussing it. Indeed, not accepting severance packages was certainly not high on the agenda of departing Labour Ministers throughout the Blair and Brown Administrations, and certainly not when they were booted out of office in 2010. That is underlined by the refusal of the hon. Member for Wigan (Lisa Nandy) to answer both the questions I asked during my earlier intervention. Yet again, it shows that the Opposition only follow and do not lead. The motion is simply game playing. It is entirely without merit and should not be supported.

2.27 pm

**Mrs Paulette Hamilton** (Birmingham, Erdington) (Lab): The Conservatives crashed our economy, and mortgage rates have skyrocketed as a result of their mismanagement throughout this crisis. Under the Tories, working families' pay is falling by £1,300 on average, and everyone is feeling the hit from the rising cost of energy, food and fuel. On top of that, people across the west Midlands, such as my Erdington, Kingstanding and Castle Vale constituents, are facing an average mortgage increase of £379 a month.

One of my constituents—a nurse and single mother—contacted me as she is worried about the effect that the cost of living crisis is having on her family. She is in debt, struggles to pay for her children's school dinners, and often misses meals so that they can eat, despite being pregnant with her third child. Such stories are not unique to Erdington. Many people are struggling to make ends meet through tough economic times that have been made worse by Tory incompetence.

How do the Government expect people to fork out £400 more every month to pay for the rising cost of their mortgages? Where do the Tories think that people such as my constituents should make savings—by turning their heating off or skipping meals? The Prime Minister promised that his Government would be compassionate and that supporting the most vulnerable would be his top priority. I wonder who is feeling the effects of that compassion. Working people in my constituency certainly are not.

Young people in Birmingham, who have scrimped and saved to get on the property ladder, have been thrown under a bus in the blink of an eye, leaving them



trapped in the broken rental market. The crisis was avoidable. More than a decade of Tory chaos has meant that 800,000 fewer households under the age of 45 own their own homes now than when the Conservatives came to power in 2010. Just over 32,000 households in Birmingham are due to come off two or five-year fixed-term mortgages to refinance their deals in April 2023. They face an eye-watering jump in repayments as a result of the Tory premium they will now have to pay. That does not include the one in five homeowners on variable deals, who are seeing their bills rise almost immediately.

We must be absolutely clear: this is a Tory crisis, made in Downing Street, but working people are footing the bill and they demand answers about who will clean up the mess.

2.31 pm

**Anthony Browne** (South Cambridgeshire) (Con): I echo at the outset the words of my right hon. and learned Friend the Minister for Levelling Up, Housing and Communities: mistakes were made. The Prime Minister said the same thing. The most important thing is that we fix them rapidly. That is the difference between the Government and the Opposition: we do not repeat mistakes and go on, but fix them amazingly quickly. We had a quick change of leader and of Chancellor, but most of the measures that the Opposition have been discussing were never implemented. They were reversed before implementation. We await the autumn statement on Thursday to see all the measures that the Government will take to ensure that we live within our means and get the economy on the right path again.

Various Members on both sides of the House have mentioned the different crises that we have faced since the 2019 election. I sit on the Treasury Committee, and we have been following closely the economic response first to the pandemic and then to the war in Ukraine. There is no doubt that the pandemic was an extraordinary economic shock, not just to the UK, but to economies around the world. However, our response was by and large incredibly generous and ensured that the economic reaction was less severe than it would otherwise have been. Likewise, with Ukraine, there has been a huge amount of support for households in the cost of living crisis. Various Members have mentioned the energy price fix. We are also introducing a windfall tax, and there are too many forms of support for households to mention. Most people understand that the Government's response to those two major, once-in-a-century crises, which happened back to back, has been extraordinary. It would have been amazing if no mistakes had been made. Some were made and we have put them right.

We all know what is happening here. As my hon. Friend the Member for Orpington (Gareth Bacon) said, it is political game playing. The Opposition are looking to the next general election and trying to burnish their economic reputation. They know that the Conservatives are trusted most on the economy and Labour is not. I do not blame the Opposition—they are trying to turn that around and say, “You can trust us with the economy; you can't trust the Conservative party.”

It is worth reminding people of the Labour party's economic record and why a lot of my older constituents vote Conservative. They have lived through previous

Labour Governments. I will go back not to the Labour Chancellor going cap in hand to the International Monetary Fund in 1967 or to the winter of discontent, which I remember, when the rubbish was piling up in the streets, but to the last Labour Government of 1997 to 2010. I was economics correspondent at the BBC when Tony Blair and Gordon Brown came in and at the time of their emergency first Budget. That election campaign was largely fought on unemployment, but the economic scenario in 1997 was golden. For years afterwards, people said that Gordon Brown was the lucky Chancellor. He inherited extraordinarily benign economic conditions. I gave up being an economics journalist because there was nothing to write about. We had budget surpluses and flat inflation, but it was all inherited from the previous Conservative Government and the result of the reforms they introduced. However, that did not last.

It was mentioned earlier that every Labour Government have left office with unemployment higher than when they came in. The same is true of the 1997 to 2010 Labour Government.

**Matt Rodda:** I am grateful to the hon. Gentleman for going back to the 1990s. It is fascinating to hear him recall that long period of higher growth compared with when the Conservatives have been in power. Does he want to reflect on that and the difference between the two parties' management of the economy?

**Anthony Browne:** I will come to that. The economy is like a tanker and it generally moves slowly. In 1997, the Labour Government inherited the results of the all the reforms that Norman Lamont, Ken Clarke and others introduced under John Major. However, that did not last.

The Labour campaign in 1997 was fought on employment and I particularly remember Gordon Brown's rousing speeches about workless households—households where no one had ever worked. That was Labour's big attack on the Conservatives' economic incompetence. What happened to workless households under the last Labour Government? They did not decrease—they doubled. There were twice as many workless households when Labour lost power in 2010 than when they came in in 1997.

Another big campaign theme for Labour in 1997 was youth unemployment. One would have thought that, after 13 years of Labour Government, youth unemployment would come down. What happened to youth unemployment? It went up by almost half; 939,000—almost a million—people aged between 16 and 24 were out of work in 2010. That is the legacy of Labour's economic policies.

We have discussed filling black holes and living within our means. I am a fiscal conservative and I believe that all countries and Governments need to live within their means. Labour inherited a golden economic scenario, but what happened in the end? As I said earlier, the last Labour Chief Secretary to the Treasury left a note for his successor on his desk. We all know what it said: “Dear Chief Secretary, I am afraid we have run out of money.” As Margaret Thatcher famously said, the trouble with socialism is that

“you eventually run out of other people's money.”

It is not surprising that the Opposition are trying to burnish their economic credentials and point to any

[Anthony Browne]

mistakes that the Conservatives have made. We are putting those mistakes right and the Labour party would not do that.

Much of the debate has been about home ownership rates. I am a huge supporter of increasing home ownership. I set up the HomeOwners Alliance to campaign for people to own their homes. Some 86% of people want to own their homes. The Labour party has traditionally and historically not been a huge supporter of homeowners, preferring to focus on social housing. That is important, but so is owning your own home. Most people who live in social housing want to own their home. I welcome the Labour's conversion and attempt to position itself as the party of home ownership—good luck to them. However, what happened to home ownership under the last Labour Government?

Generally, from the 1910s and 1920s onwards, home ownership increased under different Governments—even some early Labour Governments. It went up and up under Margaret Thatcher. What happened when Labour was elected in 1997? It took about two years for home ownership rates to start collapsing, and that continued throughout Labour's last term. The Labour party was not the party of the homeowner; it was the party of falling home ownership rates. When we were elected in 2010, it took a couple of years to turn things around—a bit like a tanker—but home ownership rates started to increase again through all our measures to help homeowners. I totally support the Government's ambition to build homes and help home ownership increase.

**Matt Rodda:** The hon. Gentleman is being very generous with his time, but I would like to point out that, as I understand the figures, home ownership is actually declining at the moment. Certainly in my constituency, it has been for some time, and my predecessor, who was a Conservative, wrote an article in *The Economist* about it. The hon. Gentleman might want to reflect on the difference between what the Conservative Government are claiming and what has actually happened.

**Anthony Browne:** I do not know what is happening in the hon. Gentleman's constituency, but nationally—I can provide him with a graph later—home ownership rates began going down a bit after 2010, but then they started going up again. They have had a bit of a wobble, but there have been a lot of economic things happening.

Given our economic track record versus the Labour party's rhetoric, many constituents say to me when I knock on their doors and they are worried about the pandemic, the cost of living crisis and Ukraine, "Just imagine what would have happened if the Labour party under Jeremy Corbyn had won in 2019." Am I allowed to say that?

**Mr Deputy Speaker (Mr Nigel Evans):** No—first, you are not allowed to mention a sitting Member by name, and secondly, I gave an advisory time limit of eight minutes, so if the hon. Member could start to focus, it would be appreciated.

**Anthony Browne:** They say, "Just imagine what would have happened if Labour had won and the Labour party had been in power during the war in Ukraine and the pandemic." It does not bear thinking about.

In my last few seconds, I will talk about the motion on severance pay. I am neither defending nor supporting it, but it is set out in legislation. That legislation has been there for 30 years, and the Labour party did not oppose or change that legislation when it was in power. It is up to the individuals whether they take it or not. I just point out that after the last Labour Government in 2010, Labour Ministers took £1 million-worth of severance pay.

2.41 pm

**David Linden** (Glasgow East) (SNP): It is a great honour to follow the hon. Member for South Cambridgeshire (Anthony Browne). I very much enjoyed his history lesson about when Gordon Brown came into power in 1997, when I was in primary 2. What relevance that has to today's debate and the mortgage rates that are being experienced by my constituents, I am not quite sure. Unfortunately, the hon. Member for Orpington (Gareth Bacon) was unable to take my intervention. I think he is right to express some concern about the tone of Opposition day debates. One of the questions I was going to ask him was how he thinks the Scottish Conservatives conduct their Opposition day debates in the Scottish Parliament and whether he could tell the Chamber how different they are. He seems to be shrugging his shoulders, so I am not sure he is aware how the hon. Member for Moray (Douglas Ross) conducts himself in the Scottish Parliament; perhaps he is going to explain.

**Gareth Bacon:** I am grateful to the hon. Gentleman for giving way. I must confess that I do not spend a lot of time watching the Scottish Parliament, because I am often here, so I cannot answer his question. I would be happy to have a drink with him, and we could discuss it then.

**David Linden:** That is very helpful, and over the course of that drink I will explain to the hon. Gentleman that the behaviour of his colleagues in the Scottish Conservative party during Opposition day debates is quite something. It reminds me of that biblical verse about removing the log from your eye before removing the speck from your neighbour's.

There are two parts to the motion before the House. The first aspect of it is how interest rates are rising. A theme has been developed throughout the course of the debate that that is to do with what has happened in Ukraine and the covid pandemic. I would not dispute for a minute that what has happened in Ukraine has had an impact on the economy and that the global pandemic has had an impact on the economy. However, as I said to the hon. Member for Sedgefield (Paul Howell), there is a third aspect that has also had an impact on the economy, and that is the nature of the Brexit that we took. I think most people and most respected economists would argue that Brexit has had an impact on the economy, and the cherry-picking—to use the Minister's term—that the hon. Member for Sedgefield was indulging himself in, to try to ignore the fact that Brexit has had an impact on the economy, does a disservice to the debate.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): My hon. Friend is making a very important point. People are struggling to make ends meet just now because of a number of factors. A key one is food price inflation, which has rocketed due to

the costs of Brexit. We have seen prices double, and the price of basic foodstuffs has gone up 60%. It is a price that people cannot afford to pay and should not have been forced into paying, especially in Scotland, where we voted resolutely against Brexit.

**David Linden:** Absolutely. I do not intend to rehash the debate on Brexit, though I am tempted to do so and feel that I would be on pretty strong political ground, but my hon. Friend is right to talk about the impact on food prices. In his constituency in particular, it is not just food prices that are crippling people; it is the fact that many of his constituents are off the gas grid. The paltry £100 that has been offered by the UK Government is not acceptable, as I think my hon. Friend is about to explain.

**Drew Hendry:** I am grateful to my hon. Friend for giving way once again; he is being very generous with his time. This is another vital point. The energy price guarantee does nothing for those people who are already paying an average bill of £4,000, which might rise to £6,000 a year, and for those off the gas grid, the £100 put forward by the UK Government has been described as “derisory” by Energy Action Scotland. These costs are crippling for people in constituencies like mine, where many people are off the gas grid.

**David Linden:** Absolutely. I am conscious that the motion focuses specifically on mortgages, so I will move away from energy and deal with the issue of mortgage interest rates.

The general theme that Government Back Benchers are developing today is that Ukraine is to blame, and covid is to blame, and that is why interest rates have risen. I would not want to indulge in a whole lecture on the Phillips curve—[*Interruption.*] The Parliamentary Secretary, Cabinet Office tempts me. A number of people, including me, would question whether the Bank of England holding interest rates at the historic low levels they have been at relative to unemployment is something that merits a debate. Whether today’s Opposition day debate is that, I am not sure.

There has been a rewriting of history in the course of the debate. A number of Members seem to be suggesting that this is the fault of covid and Ukraine, and the mini-Budget had nothing to do with it. The reality is that the mini-Budget did spook the markets. The UK was put on a watch list by the IMF. Members have been falling over themselves with excitement to say, “What would have happened if the right hon. Member for Islington North (Jeremy Corbyn) had become Prime Minister?” I am not sure that even they would have imagined that under the right hon. Gentleman’s leadership the UK would have been put on an IMF watch list, as it was after the antics of the right hon. Member for Spelthorne (Kwasi Kwarteng).

Over the course of the debate, Members have said that this is to do with covid and Ukraine, but the Scottish housing market review for quarter 3 of 2022—which we must bear in mind is written not by politicians but by economists and civil servants—says:

“There was a substantial increase in the number of high LTV products offered by mortgage lenders after the Covid-19 pandemic, with the number of 95% LTV mortgages products increasing from 14 in September 2020 to 274 in September 2022. However,

after the UKG Plan for Growth/mini-budget on 23 September 2022, the residential mortgage market saw a dramatic fall in the number of deals available to new borrowers over the month. The total number of residential mortgage products dropped to 2,258 in October.”

I am not going to do a “woe is me”, as a highly paid politician, but I am one of the people whose house was on the market at the time of the mini-Budget. We had an offer in, and then the mortgage product was pulled, so the sale of the house has fallen through. I am also one of the people who took sound financial advice and was told to fix my mortgage rate for two years, because most of us expected—quite rightly—that, given relative levels of unemployment, mortgage rates would start to rise. That is why a number of people fixed for two years. As I say, I am not saying “woe is me”, because I am a politician, and I am very highly paid; I am far too overpaid, in my view. However, as a result of the changes to mortgages that happened in an accelerated fashion as a result of the mini-Budget, the vast majority of my constituents will now have to go back to the position of many of my constituents in the 1980s—the people who live in the Mount Vernon area—who saw interest rates of 14% and 15%. We are not there yet, but I would not be surprised if we ended up in that place, because this is not going to be fixed overnight. The harsh reality for the Government is that, yes, interest rates have been rising and should have been rising, but everybody in the Chamber knows that the mini-Budget spooked the markets, and there was a run on the pound and a run on pensions. That was a direct result of the actions of Government Ministers.

As for the second part of the motion, most of us would accept that if somebody started working at, for example, Tesco on a Monday, and they were in charge of the frozen foods aisle, and in the three days that they were in work, they did not turn on the freezers and all of that supermarket’s stock was lost, the chances are that they would be given their jotters—they would be sent home from work, and they would be fired. The Government have conducted some sort of economic experiment based on the Thatcherite economics of the gruesome twosome of the right hon. Members for Spelthorne and for South West Norfolk (Elizabeth Truss). They have crashed the economy—the equivalent of ruining all the frozen goods—and they have got off scot free. The thing that really sticks in the craw of Members of this House and, most importantly, of people outside the House is the fact that not only have they walked away and left absolute economic carnage behind them but they have been given a severance payment.

Far too often, watching Conservative Members and Opposition Members fighting with each other is like watching two bald men fight over a comb. Conservative Members say, “Oh well, in 2010, you took this much by way of ministerial severance payments,” but we are not living in normal times: it has been calculated that a Minister resigned every four days over the last year. The Conservative party has the audacity to lecture people about sound money and sound government when, at one point, Ministers were resigning on average every four days as a result of complete incompetence. Some of the people we saw at the Dispatch Box, particularly over the summer, are folk I never dreamed would have a red box—people who I would not put in charge of tying shoelaces—but they are all walking away with ministerial bungs.



[David Linden]

As far as I am concerned, there is a legitimate debate to be had by the Government and His Majesty's Opposition about severance payments. As luck would have it, last month, I introduced a private Member's Bill, the Ministerial and other Pensions and Salaries (Amendment) Bill, which seeks only to bring Ministers into line with mere mortals outside of this House. If someone has not been with their employer for two years, they are not subject to a statutory redundancy payment.

We are in a ridiculous situation. Granted, the right hon. Member for Chippenham (Michelle Donelan), who was Education Secretary for, I think, a day, did the right thing and said, "I'm not taking my severance payment," but under the current legislation, Ministers and Secretaries of State who are in post for literally hours or a couple of days are entitled to vast severance payments. That needs to change. We can have the what-aboutery in the Chamber about Labour or Conservative Ministers taking payments, but for goodness' sake, let us fix the legislation to ensure that Government Ministers are subject to the exact same regulations as those we in this place seek to represent.

**Drew Hendry** rose—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. Before the hon. Gentleman makes his intervention, I want to say that the advisory time limit is eight minutes.

**Drew Hendry:** I will be brief. My hon. Friend is making a powerful point. Earlier, he reflected on the cost for people and their households. How does he think that the vast payments that Ministers are walking away with after a matter of days resonate with people who are struggling to pay their bills?

**David Linden:** I am always keen to use the local Glasgow vernacular, but I am mindful that if I used it to explain how angry my constituents are, I would probably get chucked out of the House for unparliamentary language. That gives my hon. Friend a flavour of how my constituents feel about the grotesque sight of failed Government Ministers coming into the Chamber, playing with their little Tufton Street economic strategies and using my constituents, who are incredibly economically vulnerable, as lab rats, then walking away with thousands of pounds in a pay-off. That is absolutely outrageous and most of my constituents would not stand for it.

The motion before the House talks about severance payments. In reality, I would like to amend the legislation. Given the disgusting behaviour that we have seen from Conservative Governments, however, I would be keener to see Scotland severed from this Union altogether.

2.52 pm

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): I rise to speak in support of the motion in the name of my right hon. and hon. Friends. I will take the opportunity to raise some concerns on behalf of my constituents.

It is clear that the events of 23 September have had a far-reaching impact and that the damage done by the former Chancellor and Prime Minister will continue to cause hardship for some time to come. We know that the Government did not seek the benefit of an OBR

impact assessment, so they had no clue about how the decisions they took would cause damage. It is incredible, extremely careless and quite frankly inexcusable of them to have allowed a Budget—financial statement, mini-Budget or whatever they wanted to call it—to be set out in that way.

Families in Merthyr Tydfil and Rhymney, and millions across the country, will continue to pay the price for the Government's mismanagement of the economy. Recently, I was contacted by a mortgage adviser in my constituency who told me that they saw first hand, on the frontline, the effect of the Government's management of the economy. Because of the recklessness of key people in Government, mortgage rates and terms changed by the day, and it was almost impossible to predict what was going to happen next or to try to guide clients on the best path to keep repayments at an affordable level.

The advisor did three re-mortgages for three families that totalled £330,000—lots of threes there—in the weeks following the mini-Budget and the monthly payments went up by around £550 to £600 a month. When that is added to the rising costs of gas and electric, that means almost £300 per household per month that those families will now not spend in the local economy.

One example highlighted a mortgage that was set in May this year and was due to complete shortly after the mini-Budget. In late September, the same £210,000 mortgage over 30 years would be a staggering £350 a month more. The adviser offered a few examples of what they felt was a very serious situation for the economy. These mortgage rates and rising utility costs, coupled with the cost of food and fuel, will cause great hardship for many.

Another mortgage adviser based in my constituency told me that they are also seeing first hand the hardship that the so-called growth plan caused. They said that the mini-Budget had already caused financial hardship, because their clients across the spectrum—single mothers, working professionals and retirees—are all feeling the burden of the cost of living crisis and that has been exacerbated by rising mortgage interest rates. They said:

"Having to sit in front of a client and tell them their mortgage has risen hundreds of pounds is quite frankly heartbreaking, especially at a time when finances are stretched already. Unfortunately given the lack of forecasts and figures from the OBR which would normally accompany a budget, I am finding it difficult to ease our clients' concerns about the bigger picture and what, if any, plan the government has to rectify this situation."

The trickle-down approach does not work. Unfunded tax cuts are reckless, given that they put the Government and the central Bank at loggerheads over control of inflation. People in my constituency and across the country want some stability and a more sensible approach, but they are not getting that with the constant chaos from the Government.

Of course, we know that these extremely trying financial uncertainties will also have a huge impact on people's mental health and wellbeing. People coming off a two-year, three-year or five-year fixed mortgage rate in April 2023 could well face additional monthly mortgage payments of more than £500 alongside an eye-watering increase in energy bills. How does the Minister expect hard-working families to cope with that increase?

It is clear for all to see that this is the Government's crisis: made in Downing Street, paid for by working people. They crashed the economy through enormous

unfunded tax cuts, leaving people worried as they face higher mortgages and soaring costs. They have damaged the UK's reputation on the global stage and left us all worse off. They reversed most of the mini-Budget, U-turned on most things, and abandoned their discredited and dangerous approach, but the damage was already done. The British people will now pay more in borrowing costs or through further Tory cuts to vital public services.

The average repayments for a first-time buyer with a two-year fixed-term mortgage have grown by £580 a month in the last year. Many prospective first-time buyers have had to abandon their hopes of getting on the housing ladder altogether, as we have heard.

**Taiwo Owatemi** (Coventry North West) (Lab): My hon. Friend is making an important point. Many constituents have written to me with their concerns about being able to get on the housing ladder and get a mortgage, due to the fact that the Government damaged mortgage rates. Does he agree that the Government's economic vandalism has had a significant impact on first-time buyers and their ability to get on the property ladder?

**Gerald Jones:** I absolutely agree with my hon. Friend; we saw many dreams shattered across the country. That crisis was made in Downing Street and paid for by families in her constituency, my constituency and many others across the country.

We now need calm and market certainty. Labour would put a windfall tax on energy companies' excess profits, so that we do not have to borrow more than we need, and would abolish non-dom status, which would raise billions for the public purse. People who make Britain their home should pay their fair share. Crucially, we would also respect the independent institutions that are designed to provide stability for the British economy.

I am seeking answers for my constituents. One question from my constituents has come up a number of times this afternoon, so perhaps the Minister can explain why the former Prime Minister and Chancellor, who were in office for only a brief period of weeks and who crashed the economy in that time, should get to keep a severance payment worth thousands of pounds. Their actions led directly to hard-working families having to pay thousands more every year for their mortgages.

In the Minister's opening speech, she said that this country was not unique in facing financial challenges. That may be the case, but this country is unique in having a governing party that put in place a Prime Minister and a Chancellor who were clearly unfit for office and who ended up crashing the economy, which will cause financial hardship for millions of families for many years to come. I support the motion and urge Members on both sides of the House to do the same.

2.59 pm

**Helen Morgan** (North Shropshire) (LD): I draw the House's attention to my declaration of interests and the fact that I am a residential landlord.

We have discussed the cost of living on many occasions in this place, but as the fallout of the disastrous mini-Budget becomes apparent, I welcome the opportunity to discuss the impact on my constituents of soaring mortgage rates. I was disappointed to hear the Minister repeatedly

speak of the need to restore credibility and restore stability without really acknowledging the cause of that instability and the lack of such credibility in the first place.

The Bank of England has said that a typical mortgage holder will see annual repayments rise by just under £3,000 over the next year, but according to the Resolution Foundation, at least £500 of that is purely due to the mini-Budget. The Joseph Rowntree Foundation has estimated that an extra 120,000 households in the UK—about 400,000 people—will be plunged into poverty when their current mortgage deal ends, and about 750,000 households or 2.4 million people with a mortgage are already in poverty. That is because, although interest rates have been historically low, there is a crisis of housing affordability. Housing now accounts for such a big proportion of people's monthly income that they cannot afford any additional shock, whether that is in energy prices, food, council tax or, indeed, their mortgage interest payment.

It is not only mortgage holders who are affected. Those in private rented accommodation, who are already paying even more of their monthly income in housing costs than mortgage holders, are likely to be impacted too, as those who cannot pay their mortgage are forced to leave their homes and increase competition for rented homes, and buy to let landlords either leave the market or pass on higher mortgage costs to their tenants. Rented accommodation is already impossible to find in many parts of the country. I have a constituent who was asked to put down a deposit on a flat in a small market town in North Shropshire before he had seen it, and when he went to pick up the keys, he found a dilapidated, uninhabitable property. Local employers report being unable to attract workers because of the shortage of housing available to them, so any crisis in housing market will send shock waves throughout the economy and worsen this difficult situation.

That is on top of the extreme pressure that household finances are already under. People are paying twice as much to heat their homes this winter as they did last year, and food prices are soaring. The impact is even worse for people living in rural constituencies such as North Shropshire, where studies show that even before this intervention everything cost more than for their urban counterparts—whether that is food, housing, council tax, transport or fuel—alongside the fact that average wages in rural areas are significantly lower. Thus far, we have seen very little done to help those in rural areas, but over the weekend we have seen threats to cut the essential public services that are already thin on the ground here, threats to cut the pensions and benefits of those who are struggling to make ends meet, and threats to raise taxes for those working hard just to keep their heads above water.

So imagine such people's fury at the fact that the Conservative turmoil has led to huge numbers of former Ministers being able to claim payouts, with the two reshuffles carried out since July potentially costing taxpayers hundreds of thousands of pounds. Ministers who were sacked just months ago but have since been reappointed are still able to claim thousands of pounds each in redundancy pay, as long as they have been out of a ministerial post for only three weeks. For example, the right hon. Member for Esher and Walton (Dominic Raab), who was sacked by the right hon. Member for

[Helen Morgan]

South West Norfolk (Elizabeth Truss) in September but was later reappointed as Justice Secretary, would be eligible to receive £16,876, despite having been out of a ministerial job for seven weeks. To put that in context, that would be enough to rent a two-bedroom flat for more than two years in Whitchurch in my constituency. Everyone understands the need for legislation to provide severance payments, but as the hon. Member for Glasgow East (David Linden) pointed out, surely this legislation was not intended for this situation of chronic instability. After all, these Ministers have continued to draw their basic MP's salary, at almost four times the national average, throughout the period of not having their ministerial role.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): The hon. Lady is making a very fair point. Does she think one thing that could help to ameliorate this situation is if we had a rule, as we have for many public sector employees, that if someone receives a redundancy payment but goes back into a job that is similar to or the same as the previous job, they do not receive the redundancy payment?

**Helen Morgan:** I thank the hon. Gentleman for his intervention, and I think that is a sensible suggestion. However, we also need to reflect on the fact that, in the case of the former Prime Minister and Chancellor, they did not leave their jobs through redundancy; they were sacked for incompetence, and that would not normally lead to a severance payment. There is no question but that this chaotic political situation has caused farcical revolving-door bonuses, and I believe this money should be returned to the Treasury to help plug the hole for families struggling with the cost of living or, indeed, to help plug the hole created by the disastrous Budget.

I urge the Government to listen to the proposals made by the Liberal Democrats, because over the summer we have been leading the way on action to tackle the cost of living crisis. We were the first to call for a windfall tax on the record profits of the oil and gas giants, and we were the first to call for a freeze on energy bills over the summer. On top of this, we are the first to call for the Government to provide extra targeted support for mortgage holders on universal credit. We have proposed a mortgage protection fund, paid for by reversing the unfair and unnecessary tax cuts for the big banks, and we would like these measures targeted at those most at risk of repossession. We are also calling on the Government to act urgently to protect renters, to ban no fault evictions and to stop landlords threatening to evict current tenants just so they can hike their rents. We want to produce longer tenancies of three years or more, with fair annual rent increases built in, to give renters the certainty they need.

When those renters see their position become even less secure and those with mortgages struggle to make ends meet or even risk losing their homes, they must be sickened to see the potential scale of Government severance payments. When they see the Chancellor appear on TV to warm them up for cuts and tax rises, I imagine they would not expect the Ministers who have caused this situation with their terrible misjudgment to be benefiting financially. I ask the Minister to confirm whether those Ministers entitled to payments who were subsequently

reappointed have accepted their initial severance payouts. Have the ex-Prime Minister, Cabinet members and the Chancellor who caused this situation waived their severance payments, and will the right hon. Member for South West Norfolk, having severely damaged the UK economic outlook, draw expenses of in excess of £100,000 a year while my constituents lie awake at night worrying how they are going to make ends meet?

3.7 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): A roof over your head, security at home and the peace of mind of knowing that at the end of the day you have somewhere to return to are the cornerstones of a happy and prosperous society. As we have heard, home ownership is the goal for so many of the constituents we represent and of those I speak with, and for years many have benefited from low and stable interest rates. Indeed, a whole generation of homeowners have taken their first steps on to the housing market knowing nothing other than that situation, which is one reason why I fear this current crisis is going to hit people harder and be more damaging than the previous interest rate rises we have seen.

The most immediate effect will be on those who do not actually own their home. There are many significant challenges people face when they are trying to get on the housing ladder, and the last few months have seen that ladder not just pulled up, but yanked away from hundreds of first-time buyers in my constituency. That has also placed many constituents who are already on the ladder in a position where their mortgages are no longer affordable.

Let us be clear: all of this was totally avoidable. It is the Conservative Government who have created this situation with their desire to turn the UK into a deranged economic experiment. This has spooked the markets, and while the main protagonists of this folly have gone, the Government remain, but it is the hard-working people who will pay the cost of this stupidity for many years to come.

I have spoken to one constituent whose repayment mortgage was unfortunately being negotiated right at the time the Government began their experiment. His family now face an increase in their mortgage repayments of £410 every single month. That is the sort of eye-watering, almost overnight increase in costs that all but the most well-off in society will have no chance of meeting. What of course makes this worse is that this coming on top of a year in which just about every expense a household will face has also gone up—council tax, energy bills and, of course, the weekly shop. Everyday costs have shot up well beyond any increases in wages, and those factors on their own are more than enough to put most households in trouble, but if we factor in mortgage increases of that degree on top, we reach a position that is clearly unsustainable.

We hear those seeking to absolve themselves of blame for this mess pointing to a pre-existing trend of increasing mortgage rates. While it is not disputed that there was indeed a slight upward trend before the kami-Kwasi Budget, there is no doubt that it is the Government's reckless actions that have put rocket boosters under that trend, with the result that so much happened so quickly overnight. When the then Prime Minister and Chancellor decided to push ahead with their uncoded tax cuts, did they think for even a minute about what



that might mean for people like my constituent who, over the next five years, will be paying an extra £25,000 on their mortgage? Of course they did not think about that; this Budget was not about my constituents' interests or the interests of the vast majority of people in this country. And now my constituent asks:

"Can you please find out how the Conservative Government and their Prime Minister intend to fix an issue they created?"

Many of us would like to know the answer to that question, and if any who were in Cabinet at the time of that Budget but have since left would like to donate some of their severance payments to my constituent to help pay his increased mortgage costs, I am sure he would be grateful.

On severance payments, this Government have been doing their best to stop ordinary people from obtaining compensation when they lose their job, for example by reducing the number of people who can claim unfair dismissal. We should contrast that with the absolute bonanza of severance payments for departing Ministers. They do not have to work for two years somewhere before they can claim a redundancy payment or have the right to claim unfair dismissal; they get it from day one—no matter how badly they behave and what rules they break, they get those payments. Those are not the rules everyone else has to adhere to; that is indefensible.

Let us go through the catalogue of chaos that has become the hallmark of this Government. We have had four Chancellors in four months, and five Home Secretaries in three years—although two of those were, of course, the same person after they served a massive six days on the Back Benches in penance—and we have had five Education Secretaries in as many months. In total, we have had over 70 Ministers depart since July at a staggering cost to the taxpayer of over £700,000. That is not only a sign of a dysfunctional Government; we will be told on Thursday that we are all going to have to pay more tax and that public services funding must be cut, so it is an absolute disgrace that these payments have lined the pockets of people who had only been in the job two minutes—people who have had to resign because of things which, in many cases, if they did them in the real world, would mean they would not get a penny in compensation.

Another constituent, who was in the process of moving house at the time of the Budget, was advised that the products from their current lender had been removed entirely, preventing them from porting their mortgage; and, because the number of other products that were on offer was slashed to around 10% of what had been available the week before, they faced weeks of unnecessary anxiety. While they were eventually able to secure a mortgage, it has come at a cost of around £200 a month more than would have been the case had they completed on their mortgage only a week earlier. One might say that was unlucky timing; I would say it is unforgivable incompetence.

To provide some context, at the beginning of covid, when the world came to a halt, 462 financial products were removed from the market. When this mini-Budget came out some 935 mortgage products were withdrawn in just one day. On that measure at least, the Government have done more economic damage with their Budget than a global pandemic. Conservative Members should reflect on that, and have a sense of shame that it has come to this.

**Patricia Gibson:** Does the hon. Gentleman agree that the £65 billion used to shore up pension funds following the mini-Budget—£1,000 for every man, woman and child in the UK—is also a testament to the incompetence of this Government?

**Justin Madders:** Indeed; we are all the poorer for this folly and we will all be paying the price for many years to come. And where was the Prime Minister during all this? He did not say a word; I did not hear anything from him about why this was wrong. He kept silent and kept his cards close, playing the game, waiting for the opportunity to strike. But now it is his responsibility to clear this mess up and he had better do that.

While the markets have now begun to stabilise a little, the damage has already been done for many, with those coming off fixed-rate mortgages facing payment increases of five to seven times their current deal and some being shut out of the housing market entirely. Anyone on a fixed rate, and that is many of us, will be looking ahead in despair and fear over the next 12 to 18 months at what their mortgage payments will be. Martin Lewis has warned about a ticking timebomb; it is indeed a timebomb and, worse still, this did not need to happen at all.

The impact is not solely on those with mortgages. In my constituency, the pressure on the private rental sector is extremely high, which has already contributed to increasing rents. It is now impossible to secure a three-bed family property for less than £900 a month, which is about 50% of the average income in the constituency. I am already hearing from landlords who cannot afford to continue to rent out their properties without drastically hiking the rents, something many of them know is simply not realistic. They are therefore selling their properties, which will reduce the number of available properties in the private sector and push up rents again. Other landlords are now considering issuing section 21 notices to their tenants, because they know that if they relet the tenancies they can get 20% to 30% extra on the rents; that will push yet more people into homelessness.

Finally I want to say a few words about a group who, sadly, know only too well the impact of high mortgage rates: mortgage prisoners who have been trapped on standard variable rates for years. A constituent of mine is facing the 14th year on such a rate, and in October his mortgage increased once again by £100 a month. In 2021, he was on a fixed rate of 4.54%, double the average two-year fixed rate deal available at the time. Through no fault of his own, my constituent is limited in the mortgage products he can access and while the amendment to the Financial Services and Markets Bill would have capped mortgage prisoners' SVRs and ensured access to fixed-rate deals under certain circumstances, the Government chose to vote that down. The measures introduced to provide switching options were found to have a limited effect by the Financial Conduct Authority, and with the contraction of mortgage products, hope for mortgage prisoners is now at an all-time low. They have experienced for years the issues that are now widespread in society, leading to frustration from many that their plight was met with little coverage or understanding when it could have been addressed and mortgage rates were historically low. I recognise those frustrations.

[Justin Madders]

The Government also must ensure that any measures cover not just mortgage prisoners but other people who are trapped in their homes. Many leaseholders with unsafe cladding or other fire defects, and those with egregious ground rent clauses that make the properties unsellable, will see their costs increase due to interest rates going up, but they will not even have the choice of being able to sell their properties because a lack of Government regulation has let them down by leaving them in a home that they do not really own but they cannot leave. That is a wrong that it is taking far too long to put right.

3.16 pm

**Beth Winter** (Cynon Valley) (Lab): I rise to speak in support of the motion on the management of the economy. The mismanagement of the economy by the Conservative party and the inaction on runaway inflation and profiteering has meant that millions of people are struggling with the impacts of inflation on their household incomes. The Bank of England decision to raise interest rates, the biggest rise since 1989, is going to hit mortgage and private rental costs, with devastating impacts on so many people and communities, including mine. The rise will have an immediate effect on over 2 million people on a variable rate mortgage, and while more than 6 million on fixed-rate mortgages may be currently insulated, when their deal expires in the coming weeks and months they will be paying £500 more per month on average. Recent analysis from the Joseph Rowntree Foundation reveals that nearly 2.5 million people with a mortgage are already in poverty. It also found an additional 400,000 people will be pulled into poverty over the coming year.

Even before the rate rise, the housing system was broken. Shelter has done a lot of research, and it shows that one in three adults in Britain are affected by what it calls housing's "national emergency", an apt description of the current situation in the housing sector. We have a severe shortage of affordable, accessible, habitable, safe and secure housing. Having worked for many years in the housing and homelessness service, including with Julian Trust night shelter in St Pauls in Bristol, Cyrenians in Bristol and then Shelter Cymru for a number of years, I have seen at first-hand the pain and suffering of people in desperate housing need—and it can affect anyone, including people sitting here in this Chamber today.

I recently held an appreciation event in my constituency office in Cynon Valley for the housing providers, including Llamau, Hafal and the local authority. They are absolutely terrified about the current situation in housing and the cost of living emergency.

One of the few benefits of frequently speaking last in debates in the Chamber is that I can listen intently to all the contributions. I want to take the opportunity to set the record straight on the current situation and where blame lies. The blame for the current economic crisis and the cost of living catastrophe lies solely with the Tory Government and their economic and ideological approach. While others were speaking, I was looking at some figures. The Office for National Statistics said that, by 2020, almost half the wealth in the United Kingdom was concentrated in the hands of the top

10% of households, while the bottom 50% had only 9%. It has been estimated that the utility companies will make in excess of £170 billion in the next two years, and bankers' bonuses are absolutely extortionate. We are the fifth richest nation and yet we have some of the highest levels of inequality in the world. Shameful, it is. More than 330,000 deaths have been directly attributed to the austerity policies of the Tory Government. The eminent Professor Sir Michael Marmot recently called the impact of the cost of living catastrophe a "humanitarian crisis" that will lead to thousands more deaths. That is the reality of the situation that we are experiencing.

I return to the specifics of the motion. Housing is and must be regarded as a fundamental right. In Wales, the Welsh Government are trying to do things differently by reducing short-term evictions, and they have a commitment to end homelessness. However, the Welsh Government and other devolved nations and regions throughout the United Kingdom are constrained by the fact that the purse strings rest here in Westminster. More must be done by the UK Government. We need a mass-building programme for affordable, appropriate and climate-proofed housing. The Government must provide a fair, needs-based funding settlement to Wales and the devolved nations. The homelessness charity Crisis has called for an increase in housing benefits and for the Tory party's commitment to end no-fault evictions to be honoured. London Renters Union is calling for a day of action to freeze rents and link local housing allowance to market rates. We must extend financial support for people struggling with mortgage payments.

Alongside increasing the supply of genuinely affordable housing and better support for those on low incomes, we must see: a strengthening of the social security system; social security benefits increasing in line with inflation; a continued commitment to increase the national living wage; inflation-proofed increases in wages; and employment rights protected and, indeed, improved. We should be introducing windfall taxes and a wealth tax. Tax Justice UK has estimated that £37 billion could be raised by introducing a wealth tax.

The Government are to blame and are allowing the Bank of England, through its independence, to hit living standards as it seeks to tackle inflation. I pose this question before the autumn statement: should the Bank be required in future to take account of the impact of its decisions on real incomes and on living standards measurements?

**Mr Deputy Speaker (Mr Nigel Evans):** Order. The wind-ups are starting unusually early—there are reasons for that—so, before I call the Front Benchers, I will say that, whatever the agreed time limits were for wind-ups, you can both go longer, if you so wish.

3.24 pm

**Sarah Owen** (Luton North) (Lab): Thank you, Mr Deputy Speaker. I am proud to respond to the debate on behalf of Labour. Despite what Government Members may say, this is an important debate. Why? Because it reflects the discussions being had around every kitchen table by parents with hushed voices behind closed doors so as not to worry their children. It is the sinking feeling that people are getting every time another bill comes through their letterbox. As we have heard throughout the debate, that is especially so with mortgages.

Under the Tories, we have seen next to no growth for the last 12 years and the economic picture is about to get worse. Over the next two years, the IMF predicts that the UK will see just a third of the growth of Canada and Japan, and less than half that of France and the US. The most recent GDP figures show the UK's economy shrinking by 0.2%. We are teetering on the edge of what is predicted by some to be one of the longest and deepest recessions in history and, as my hon. Friend the Member for Bradford West (Naz Shah) rightly said, it is a problem made at No. 10. It is not a problem made solely by Russia's war with Ukraine—if it was, surely every country would be enduring the levels of next-to-no growth that we have had to experience.

**Clive Efford** (Eltham) (Lab): My hon. Friend points out that this is a problem created in No. 10. On Thursday, after we have taken into account the reversal of the unfunded tax cuts that the mini-Budget put in place, the Chancellor will be dealing with the £30 billion gap left from that Budget, and taxpayers will have to pay for that in the months to come. On top of paying higher mortgages, therefore, people will be paying higher taxes because the Government frittered away £30 billion in a matter of weeks.

**Sarah Owen:** Unfortunately, my hon. Friend is absolutely right. As my hon. Friend the Member for Rhondda (Chris Bryant) has said, even an 11-year-old knows that the Tories “broke the money”. While our European neighbours are working with mortgage rates of about 2.2%, a two-year fixed-rate mortgage in the UK is currently 6.3%. What makes the UK so different from other countries to the extent that our mortgage rates are more than double those of France, Germany, Sweden and Norway? The list goes on. What they do not have to contend with, though—unfortunately, we do—is a Tory Government weighing down our country with more than a decade of stagnation and failure, a shockingly ill-judged mini-Budget and the distraction of scandal after scandal.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): When the Treasury Committee looked at mortgages in detail, one thing that was highlighted in the evidence sessions was the impact on the buy-to-let sector, where fewer properties will mean rents become more expensive. Does my hon. Friend agree that the Budget not only managed to harm people who own properties but is having a detrimental effect on the income levels of people who are renting?

**Sarah Owen:** My hon. Friend is absolutely right. What is shocking is that, time and again, we have heard warm words from Ministers at the Dispatch Box, but there has been absolutely no meaningful action for renters. Labour has called on the Government to bring forward urgent legislation to end section 21 eviction notices. Thousands of people across the country are being evicted from their homes through no fault of their own. The Government could act, but they choose not to.

Ministers cannot hide behind the spectre of Putin forever. At some stage, surely, they have to own their own mistakes. Who has to pay for this failure? Is it the people who caused it? It is not the people who crashed the economy, according to the Government. This warped world we live in now means that the former Conservative

Prime Minister and former Conservative Chancellors are actually being rewarded for crashing the economy. It beggars belief.

**Naz Shah:** Not only have the Government trashed the economy, but what adds insult to injury is the fact that, while they recognise the mistake, they are trying to spin a new narrative to try to fool the British public into believing that this was not made in No. 10, but made by other factors across the world.

**Sarah Owen:** Absolutely. My hon. Friend makes a powerful point. Yes, everybody makes mistakes, but this mistake is a £30 billion mistake that the British people are going to have to pay for because Government Members refuse to take responsibility for their actions. It goes against every sense of decency and fairness we have in this country. I would love the Treasury Minister to tell me how they can justify rewarding the former Prime Minister and the former Chancellor with a golden goodbye, paid for with taxpayers' money—not theirs, but taxpayers' money. I will give way to anyone who can give me a justification for that—anyone who believes they should not give that money back and can give me a reason. We have heard that former Ministers can give back their severance pay—we have seen that happen and we have seen former Ministers donate it to charity—yet we hear nothing from the former Prime Minister and the former Chancellor who crashed the economy.

**Taiwo Owatemi:** My hon. Friend is making an important point. Given the fact that the former Chancellor and the former Prime Minister crashed our economy, it is absolutely insulting to so many families who will be struggling to pay their mortgages that they will not give back their severance pay.

**Sarah Owen:** My hon. Friend is absolutely right. What is also shocking is that they could not turn up today to say sorry, apologise, and face up and take responsibility for the damage they have done.

There are millions of people in this country who do the right thing. They work their fingers to the bone. They are the ones paying for this Government's repeated mistakes. They include people like the nurse in the heartbreaking case spoken of by my hon. Friend the Member for Birmingham, Erdington (Mrs Hamilton), and a couple in Peterborough, who told us,

“My husband and I are both teachers. We work full-time and have a joint income of nearly £80,000. We have a deposit sitting and waiting of £35,000. I have only ever rented for the past 18 years. We couldn't afford to buy at the start of our careers. We were recently told we would be snapped up as first-time buyers. But then the crash came. We can't keep adding to our savings, costs are going up and some banks now want a 40% deposit.”

They include people like Jon, who works full time and whose wife is a small business owner. They and their two children live in London and now face a 60% increase in mortgage payments—an extra £600 a month. They include people like Bernadette in Hastings. Her fixed-term mortgage comes to an end in December and the earliest she can renegotiate is this month. She is incredibly worried about what the costs will be. She is a hard-working mum and a Communication Workers Union member who works two jobs, one as a postwoman and one as a small business owner, which she works around her schoolchildren.



[Sarah Owen]

As for the hon. Member for Sedgfield (Paul Howell), when he tells us to shut up—no. When people in this country are suffering, when people in this country cannot afford their bills and when people in this country cannot get on the housing ladder—no, I will never shut up, because the Conservatives crashed the economy. We on the Labour Benches will always, and proudly, be on the side of ordinary working people. Perhaps he should go away and learn some manners.

**Emma Hardy:** In a Treasury Committee evidence session, Charles Roe, director of mortgages at UK Finance, said that, when the Prime Minister was the Chancellor, he agreed to get rid of the zero earnings rule for the mortgage interest rate relief system. He signed it off. Does my hon. Friend agree that the Prime Minister should follow through on that promise, so that people who cannot afford their mortgages are able to get the support they need, which they were promised months ago by this Government?

**Sarah Owen:** That perfectly highlights the problem here. We may have had a change at the top, but we have not had a change of the people making the decisions. Ultimately, there was a problem before the mini-Budget. As we have rightly heard from across the House, people were struggling to get on to the housing ladder and that is continuing. So we need to hold the Prime Minister to account for what he promised when he was Chancellor, but we also need to hold him to account for his inaction since.

Citizens Advice Scotland reports a 25% increase in views of the webpage, “What to do if you can’t pay your mortgage”. As my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones) said, it is not just customers, but lenders who cannot have certainty or confidence in the Government to make life better. As the shadow Minister, my hon. Friend the Member for Wigan (Lisa Nandy), rightly said, why are Ministers not meeting with lenders in the same way that Labour Front Benchers are?

If hon. Members think that is bad, across all advice webpages relating to mortgage problems, there has been a 277% increase in page views between this year and last. People are desperate. As my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) said, that is not scaremongering. People are terrified because there is no leadership and because of the Government’s failure.

First-time buyers have yet again been the most affected, with home ownership down 26% compared with last year. That is not progress. I am glad that the hon. Member for South Cambridgeshire (Anthony Browne) is back in the Chamber, because I would like to update him. His points, which were either given to him by a researcher or his Whips, were clearly wrong, because the peak home ownership rate was actually 70.9%. Guess when that was? In 2003, under a Labour Government. As my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) said, people should have the right to security and peace of mind in their homes. People would have that under a Labour Government again.

**Anthony Browne:** Just for clarification on the data—I will provide all that to you afterwards—as I said, home ownership rates went up through most of the 20th century. They reached a peak, you are right, under the last Labour Government, and they started falling—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. I remind the hon. Gentleman that it is not me who has been doing that. The hon. Member knows that he needs to address “the hon. Lady”.

**Anthony Browne:** Home ownership rates peaked under the last Labour Government but then fell under that Government, and they are now going back up.

**Sarah Owen:** We can argue statistics all we like, but on home ownership, people know what is happening to them right now and the reality that they face outside this Chamber. On average under a Labour Government, home ownership was 5.5% higher than it currently is.

**Jonathan Gullis (Stoke-on-Trent North) (Con):** The hon. Member makes the point about home ownership under the Labour party. Does she accept that the home ownership rate was high in 2008, when we had the global financial crash caused by mortgages and people not being able to make their payments? That was, sadly, on the watch of the last Labour Government, allowing a scheme to take place that enabled bankers to crash our global economy.

**Sarah Owen:** It is good to hear that the hon. Member is so concerned about people who crash the economy. I wonder whether he thinks his constituents would accept that the people who crashed the economy just a couple of months ago should take a severance payment and a golden handshake using taxpayers’ money.

**Jonathan Gullis:** Will the hon. Member give way?

**Sarah Owen:** I will not, because that would be a conversation, not an intervention.

To bring this back to the motion, for too many people, the dream of home ownership is now a never-ending nightmare of moving goalposts, with Tory Ministers reaching Jordan Pickford levels of blocking people from reaching their goals. It should never have been this way. The former Prime Minister should never have been coronated without an election, and the latest one should not have been either. The Conservatives should never have gambled other people’s homes, livelihoods and savings on their catastrophic economic strategy. The Ministers responsible for crashing the economy should never be rewarded for their failure, and the good people of this country can never afford a Conservative Government again. The damage has been done. We need a change of Government for good.

3.39 pm

**The Parliamentary Secretary, Cabinet Office (Alex Burghart):** It is a pleasure to follow the hon. Member for Luton North (Sarah Owen). This afternoon’s debate has been very interesting, but at times we have strayed quite a long way from the motion. During my summing up, I will try to bring us back a bit.

**Rachel Hopkins:** On that point, will the Minister give way?

**Alex Burghart:** I will make just a little progress, but don't worry—we have plenty of time.

In a debate like this, it is important to be clear and a bit careful. There are two things going on when we talk about the economy in general: the international situation and the effect of decisions made by the previous Administration. It is true that both have had an effect; Conservative Members accept that. The Opposition will know that, having heard what the Chancellor said in this House on 17 October and what the Prime Minister said on the steps of Downing Street on 25 October. Listening to many Opposition Members' speeches this afternoon, however, one would be forgiven for thinking that they had either not heard those statements or completely chosen to ignore them.

The fact is that the Chancellor and the Prime Minister have accepted that mistakes were made in the previous Administration, but it is also the case that a very serious international situation is affecting all major economies. That is why the IMF expects one third of the world to go into recession. It does hon. Members on either side no credit not to acknowledge those facts.

The shadow Secretary of State, the hon. Member for Wigan (Lisa Nandy), talked about a £30 billion figure, but she was not able to identify the source of that analysis or how it was calculated. *[Interruption.]* From a sedentary position, the hon. Member for Luton North says, "Her brain." No doubt the brain of the hon. Member for Wigan is very large, but it is not itself the source of the analysis. Were she to footnote her brain in a report, she would rightly be called up on it.

The motion, from which we have strayed repeatedly during the debate, is about severance pay, about mortgages and about an attempt to censure two Members of this House. As my right hon. and learned Friend the Minister of State made clear at the start, payments connected to the loss of ministerial office are defined in legislation that has been passed by Parliament and has been in effect for successive Administrations.

**Clive Efford:** The Minister asks where the figure of a £35 billion gap comes from. It comes from the Resolution Foundation, which states that £45 billion is attributable to the unfunded tax cuts. The higher interest rates account for £30 billion. Offset against the £29 billion for the mini-Budget U-turns and £11 billion for the lower interest rates, that leaves a £35 billion gap entirely attributable to the mini-Budget—a waste of £35 billion that taxpayers are going to be asked to pay for on Thursday.

**Alex Burghart:** I do not believe that the hon. Gentleman's figures take account—

**Clive Efford:** Read what the Resolution Foundation says.

**Alex Burghart:** I certainly will, but I do not believe that the hon. Gentleman's figures take account of the fact that many of the measures in that mini-Budget have now been reversed.

**David Linden:** Does the Minister understand that some of us see a hint of irony in how he chastises Opposition Members about where they are getting their figures? The disastrous mini-Budget was brought forward without a forecast from the OBR. The Government locked them in the boot.

**Alex Burghart:** The hon. Gentleman is an established and experienced debater in this Chamber. He will know that it is important for Members of this House to choose their figures wisely and get them right. If they intend to build a case, it is important that they do their analysis properly.

Ministerial pay arrangements have been in place for a number of Administrations. Ministerial changes and departures are part of the fabric of government; all Administrations experience them and they are a routine part of the operation of government.

**Chris Stephens** (Glasgow South West) (SNP): Will the Minister give way?

**Alex Burghart:** I will come to the point that I am going to make and then give way to the hon. Gentleman.

The payments that are being discussed today exist because of the unpredictable nature of ministerial office. Unlike in other employment contexts, there are no periods of notice, no consultations and no redundancy arrangements. This statutory entitlement has existed for several decades, and has been implemented by all Governments during that period. Payments on ceasing office were accepted by outgoing Labour Ministers in the Blair and Brown years, and by Liberal Democrat Ministers during the coalition Government. As has been pointed out by a number of Members, data published in 2010 indicated that severance payments made to outgoing Labour Ministers in that year amounted to £1 million.

**Rachel Hopkins:** I thank the Minister for giving way at this point, because I value the opportunity to talk about figures that he has mentioned. The average mortgage-paying householder in Luton South will have to pay an extra £500 a month as a consequence of the failure of this Government. Let me return to the motion, however. Can the Minister confirm that if it is passed, the Government will either reduce the ministerial severance payments by £6,000—the equivalent of a year's worth of increased mortgage payments for my constituents—or seek to recover the amounts from the Members concerned?

**Alex Burghart:** As I was about to make clear, it is not within the Government's power to do that. This is a power set in law. It is a power set in the Ministerial and other Pensions and Salaries Act 1991.

**Sarah Owen:** The Minister has laid out the legalities behind severance pay for Ministers, but—we on the Labour Benches have already asked this question several times—does he feel that it is right for the former Prime Minister and the former Chancellor who crashed the economy to take that severance pay?

**Alex Burghart:** The House will be aware that my right hon. Friends the Members for South West Norfolk (Elizabeth Truss) and for Spelthorne (Kwasi Kwarteng)

[Alex Burghart]

served continuously as Members of Parliament for long periods before taking up the offices of Prime Minister and Chancellor of the Exchequer—in the case of the former Prime Minister, for 10 years, and in the case of the former Chancellor, for four.

Let me be clear. The fact that this is a statutory entitlement does not mean that Ministers are not able to waive such payments. However, that is a matter not for the Government but for the individuals involved. I am not a Treasury Minister; I am a Minister for the Cabinet Office. This is one of the basic facts that the Opposition do not seem to have picked up on when they embarked on the motion.

Let me now address the points raised throughout the debate about mortgages and housing. I recognise the anxiety that people feel about mortgage payments, which obviously constitute one of the biggest bills that many people experience. There are a range of factors affecting mortgage and other interest rates, but this Government will do everything possible, under this Prime Minister and this Chancellor, to get a grip on the problem of inflation and seek to limit the impact that it has on mortgage rates.

The Government are providing unprecedented levels of support to tackle the rising cost of living. From last week, nearly one in four families across the UK will receive a £324 cost of living payment as part of our £1,200 package for the 8 million most vulnerable families. Our energy price guarantee will save a typical household £700 this winter, on top of the £400 through the energy bills discount.

**Emma Hardy:** In an intervention on my hon. Friend the Member for Luton North (Sarah Owen), I referred to evidence given to the Treasury Committee. Joanne Elson, the chief executive officer of the Money Advice Trust, said that the Prime Minister, when he was the Chancellor, had signed off changes regarding access to the mortgage interest rate relief scheme, but the trust was still waiting for them to be implemented. Those

changes would mean that people need not have zero income to claim the relief. I recognise that the hon. Gentleman is a Cabinet Office Minister, but I wonder what pressure he could put on his Treasury colleagues to ensure that that promise made a month ago is realised today.

**Alex Burghart:** I am delighted to be able to tell the hon. Lady that on Thursday she will have an opportunity to ask the Chancellor about that issue.

Let me return to the motion, Mr Speaker. *[Interruption.]* Please forgive me, Madam Deputy Speaker! A thousand apologies. I am so sorry.

The motion claims that mortgage payments rose by £500 a month as a result of the mini-Budget. I think the Opposition will have noticed that on 12 October Full Fact rubbished this claim, pointing out that that figure comes from comparing mortgages available now with those available in August 2020, so it is not a comparison with those available immediately before the mini-Budget. While mortgage rates have risen sharply since the mini-Budget, much of the £500 estimated by Labour is due to rates climbing before it took place.

Once again during this debate we have seen that the Opposition do not have a grasp of the basic facts. Essentially, the facts must not be treated as an afterthought. They are not an afterthought on severance pay, on mortgages or to the international backdrop. The Prime Minister and the Chancellor are apprised of the facts and on Thursday they will bring a statement to this House that will look after the most vulnerable in our society and rebuild our economy.

*Question put and agreed to.*

*Resolved,*

That this House censures the former Prime Minister, the right hon. Member for South West Norfolk, and the former Chancellor of the Exchequer, the right hon. Member for Spelthorne, for their mismanagement of the economy while in office, which has resulted in an average increase of £500 per month in mortgage payments for families across the UK; and believes that, if they have not already done so, both right hon. Members should waive at least £6,000 of their ministerial severance payments.



## Britain's Industrial Future

3.51 pm

**Bill Esterson** (Sefton Central) (Lab): I would like to start by giving apologies on behalf of the shadow Secretary of State, who is unable to be here today for personal reasons.

The motion in my name and in the names of my right hon. and hon. Friends should be self-evident. We want to see the great British industries that have shaped our nation last long into the future, securing our transition to net zero while bringing the jobs and skills so desperately needed in many of our communities. Those skills need to be skills of the future. That is why Labour is committed to 100,000 extra apprenticeships each year and flexibility in the use of the apprenticeship levy to support the training of existing workers. This Government claim that they want to level up the country, but can they deliver well-paid jobs in the areas of the country that they claim to care about? Sadly, it seems that those promises, as we have seen with so many other Conservative promises, are simply not worth the manifesto they were written on.

**Jonathan Gullis** (Stoke-on-Trent North) (Con): Will the hon. Gentleman give way?

**Bill Esterson:** I will give way shortly.

Today, many of our industries, including steel, car manufacturing and shipbuilding, are facing an existential threat from spiralling energy costs, cheap imports and inflation. To make matters worse, they are also facing an indifferent Conservative Government. While other nations have had the foresight to retain a competitive advantage and invest in future technologies, here in Britain the Conservatives are happy to watch decades of expertise and reputation go abroad, along with the high-quality jobs that underpin our industrial communities.

Before the Minister blames international challenges, let us just remind Conservative MPs that this country is uniquely exposed to global economic problems. That is why the Bank of England has described UK-specific factors as behind the high interest rates that threaten homeowners and businesses with higher borrowing costs. The Conservatives have presided over 12 years of low growth, low investment and low productivity. Business investment under this Government is the lowest in the G7. We are the only G7 country where the economy is contracting, and the only one where the economy has not recovered to pre-pandemic levels. The Conservatives crashed the economy and they do not have a plan for recovery. Meanwhile, according to the latest Office for National Statistics business survey, a fifth of businesses say that uncertainty about demand and business prospects is holding back their investment plans. We can see what the former Chancellor meant when he used the phrase "vicious cycle of stagnation".

**Mark Tami** (Alyn and Deeside) (Lab): Does my hon. Friend agree that, although other European countries have recognised the energy costs facing the steel industry, this Government have done absolutely nothing about them? It is a major problem facing the industry. Although the long-term future might be hydrogen, as we hope it

is, it will not happen without the Government—hopefully a Labour Government—putting in the investment needed to ensure it happens.

**Bill Esterson:** My right hon. Friend is right to speak on behalf of the steel industry, which faces an existential crisis and may well depend on a Labour Government coming to the rescue.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): Does my hon. Friend share my frustration that the Government are playing hokey-cokey with Northern Powerhouse Rail, first putting it in their manifesto and then taking it out under Boris Johnson, then putting it in under Liz Truss and taking it out again under Rishi Sunak?

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. The hon. Lady knows she must refer to other Members not by name but by constituency.

**Emma Hardy:** I apologise, Madam Deputy Speaker.

Does my hon. Friend the Member for Sefton Central (Bill Esterson) agree that, if we want to deliver an industrial strategy, we need Northern Powerhouse Rail to be delivered in full?

**Bill Esterson:** I completely agree with my hon. Friend. She is confused because we have had so many Conservative Prime Ministers in the last few weeks that it is hard to keep up. Like her, I want to see Northern Powerhouse Rail linking my constituency on the west coast with her constituency on the east coast, providing economic benefits all the way along the route.

**Jonathan Gullis:** Will the hon. Gentleman give way?

**Bill Esterson:** I will give way. Perhaps the hon. Gentleman will apologise for supporting a Government who crashed the economy.

**Jonathan Gullis:** The hon. Gentleman said he would come back to me when I sought to intervene on his talk of jobs in areas that we promised to level up, such as Stoke-on-Trent. He will, of course, welcome the 500 brand new Home Office jobs that have come to Stoke-on-Trent thanks to the Conservative Government, the 9,000 jobs that have been created thanks to the Conservative-led Stoke-on-Trent City Council under Councillor Abi Brown, and the 1,700 jobs at Chatterley Valley West that the Labour council opposed in May's elections.

**Bill Esterson:** Unfortunately, the hon. Gentleman does not understand that 12 years of low growth, low investment and low productivity mean that places like Stoke-on-Trent have been hit very badly by this Conservative Government.

Where has 12 years of Conservative Government left British industry, not least in places such as Stoke-on-Trent? Manufacturing has seen the worst output over three months since the 1980s. Anyone who genuinely wants to turn around the UK's poor economic performance cannot discount the role of industry in our economic growth. It is not a question of being either a service-led or a manufacturing-led economy. Successful economies are

[*Bill Esterson*]

a combination, and successful industries are a combination, too. Good manufacturing depends on the services that support production.

Labour knows the value and understands the crucial role of our industrial base in delivering economic growth, which is why we have outlined our industrial strategy to give businesses certainty that they can invest alongside Government to safeguard our world-class industries. Economic strength needs partnership between Government and market, and between business and worker. Our new industrial strategy has partnership at its core, because partnership is how we ensure strong, secure growth and a fairer, greener future.

Our plans for a national wealth fund to invest in our great industries will play a crucial role, alongside businesses and trade unions, in delivering the certainty that investors and workers need. Labour's plan will bring businesses, workers and trade unions together to safeguard the future of an industry that is the pride of communities across the country. I am talking, of course, about steel.

What we need is not crunch crisis talks and random nationalisations but investment in our great industries, with a real plan to secure our steelmaking future through a partnership to invest in the technology that our steelmakers need to export green steel around the world. But for 12 years the Conservatives have failed to back Britain's steel industry. The Government have let the industry decline, with jobs offshored and communities damaged. While Governments around the world have been committed to their domestic industries, with long-term strategic investment in green steel production, the Conservatives have failed to invest in the transition, have attempted to weaken safeguards that protected our steelmakers from being undercut by cheap steel imports and have splashed tens of millions of pounds on imported steel to build British schools and hospitals.

Labour will make different choices. We will put UK steel at the heart of our wider industrial policy, building British wind turbines and railways, and investing in carbon capture and storage, and hydrogen infrastructure. I wrote to the Secretary of State two weeks ago about the concerns of the steel industry in this country. As he has not replied to my letter, perhaps the Minister winding up this debate will tell us what action the Government are taking to support this core industry.

**Holly Mumby-Croft** (Scunthorpe) (Con): Would a Labour Government be looking to support the steel industry in the same way as Labour did between 1997 and 2010: by halving the number of workers in the industry?

**Bill Esterson:** The hon. Lady should perhaps take more care about how the Chinese are threatening to pull the plug on steel production in her constituency right now.

**John Penrose** (Weston-super-Mare) (Con): The shadow Minister mentioned green steel. Do the Labour party's plans include anything to do with a carbon border adjustment mechanism, which would, not just for steel, but all heavy energy using industries, level the playing field between British energy users, particularly

manufacturing industries, and their cheaper competitors elsewhere in the world, who have cheaper energy costs? Is that part of the Labour party's plans?

**Bill Esterson:** Perhaps the hon. Gentleman should be asking the Minister that question rather than me. [*Interruption.*] He has told me he is going to ask the Minister in a minute, and I look forward to the answer. Our view is that we have to respond to the fact that the EU is already doing this and we are clearly going to have to take action to safeguard the steel industry in this country. So I would be very interested in what the Minister says and whether it is consistent with what I have said.

**Stephen Kinnock** (Aberavon) (Lab): My hon. Friend is making an excellent speech. Does he agree that what Conservative Members seem to be failing to recognise is that they have had 12 years to deal with the massive disparity in electricity costs between ourselves and our nearest competitors? There has been a total failure to have a procurement strategy that works for the UK steel industry and a complete absence of any action to support the transition to net zero. So rather than us take any lectures from Conservative Members, it is time they showed some humility and actually started to take some decisions about this vital foundation industry.

**Bill Esterson:** I am extremely grateful to my hon. Friend, who has led the steel MPs on this side of the Chamber, and has often led cross-party as well, in fighting the cause of steel communities. As he says, a core foundation industry is crucial to jobs and prosperity; to our national defence and security, with its role in procurement in defence; and to decarbonisation for climate security. It is right that we should be supporting our steel industry and our other core industries.

**Jessica Morden** (Newport East) (Lab): Does my hon. Friend agree that it has not helped that since 2010 we have had 11 Ministers responsible for steel, including six in the past few years alone? It is impossible for the industry and unions to have an ongoing dialogue with the Government for a long-term vision for steel.

**Bill Esterson:** My hon. Friend is absolutely right about that, and I suspect that even if Ministers will not admit it publicly, they would say so privately too. I mentioned that I wrote to the Secretary of State two weeks ago. I am disappointed that I have not had an answer sooner, given the scale of the challenge and the emergency facing so many parts of the steel industry.

**Holly Mumby-Croft:** The hon. Gentleman mentions the letter that he wrote two weeks ago. I am grateful to have that support even if it is only a letter and very late in the day. Can he set out in a little more detail what else he has done? In particular, can he say what he did to help with the two extensions of the safeguard, because I do not remember discussing that with him at the time?

**Bill Esterson:** I would have hoped that, as a Conservative MP, the hon. Lady would have been talking to her own colleagues. I hope that her ministerial colleague will have heard what she said, and that she will join me in calling on him to respond to the requests of the steel industry. [*Interruption.*] The hon. Member for Stoke-on-Trent North (Jonathan Gullis) can sit there and heckle all day—he does quite a lot of that—but the

honest truth is that we do need cross-party working to deliver for steelworkers. I am happy to support the call of the hon. Lady, as I am the calls of my colleagues who have spoken in this debate.

On the automotive sector, it must make sense for the Government to support workers at one of the most productive car plants in Europe. That is why the Government should be working with BMW at Cowley to give it assurances that they support electric car production in the UK. They should be working with the car industry to support the transition to electric vehicles, not sitting on the sidelines while our great automotive sector falls behind our European competitors. While we have one gigafactory in operation, Germany has five, with a further four in construction. France and Italy are set to have twice as many jobs in battery manufacturing as us by 2030. The precarious future of Britishvolt is incredibly worrying for the local economy, risking up to 8,000 jobs, but it also further jeopardises our gigafactory capacity as a country. As part of our plans for a national wealth fund, Labour will part-finance the creation of three new additional gigafactories by 2025, with a target of eight by 2030.

Turning to shipbuilding, a successful strategy means making and buying more ships here in Britain, such as the Fleet Solid Support Ships, rather than seeing lucrative defence contracts built abroad. It is, of course, a very important way of supporting our steel industry. Investing in sovereign defence capability is a matter of national security as well as being good for jobs, 6,000 of which are at the UK's high quality shipyards from the Fleet Solid Support Ship contract alone.

A hallmark of each iteration of this Conservative Government has been to act in the heat of the moment and lurch from crisis to crisis. The revolving door of Ministers, the seemingly endless soap opera, the unedifying sight of Conservative MPs eating bugs in the jungle mask a much deeper problem. The Conservatives are unable to offer British industry the bedrock on which it needs to grow. They do not have an industrial strategy that can last the term of a Minister let alone the turn of the century. Whether that is ideological opposition—the mistaken belief that Government should get out of the way—or pure incompetence, it is clear that the Conservatives are failing British industry.

**John Redwood** (Wokingham) (Con) *rose—*

**Bill Esterson:** I suspect the right hon. Gentleman is going to tell us that it is the former.

**John Redwood:** I support what the shadow spokesman says about wanting more made here; I quite agree. On the gigafactories that Labour is now sponsoring, what demands would it make of those putting forward the idea? The issue is: should they not have some customers and a plan that will work. What does he want from them?

**Bill Esterson:** The Government really should have done their own due diligence before investing. If the German, Italian or French Governments have made those investments because they have a strategic interest in their car industries, it must make sense for us to do the same here.

**Paul Holmes** (Eastleigh) (Con): The shadow Minister outlines this Government's failure or apparent inaction on shipbuilding in the UK, but can he bring himself today to congratulate the Government on announcing the five Type 26 frigates to be built in the UK, on the Clyde, which will mean jobs and prosperity for not only Scotland, but the whole UK. Perhaps he might like to correct the record and mention that?

**Bill Esterson:** I am grateful to the hon. Gentleman for asking the question, because it reminds us all that the Conservative Government have cut the number of ships from 13 to eight—so I would be careful about claiming that as a great big success story—and they still have not made a decision on the Fleet Solid Support Ships.

With Labour, Britain can become a global leader in producing electric cars and in self-sufficiency in renewable electricity generation. Meanwhile, the Conservatives continue to drag their feet and retain the moratorium on onshore wind. When the Prime Minister was asked about onshore wind, he answered by talking about offshore wind. It is almost as if he did not understand the difference.

Onshore wind is one of the cheapest forms of energy, and we will double its capacity. We will treble solar and quadruple offshore wind production. We will support nuclear, tidal and hydrogen, because they are all part of a low-carbon future, but not least because Labour will be an active Government, willing to champion British industry and help to create the jobs and prosperity of the future.

Our plans for renewable electricity generation will mean cheaper bills for industry and households. They are being drawn up with business, informed by the evidence presented to us by employers and trade unions alike. Partnership, planning, investment and certainty: those are the elements industry needs to succeed. They are the foundations of the framework that industry will be able to rely on alongside a Labour Government.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): On energy policy and lower energy bills, the shadow Minister mentioned nuclear power. Sizewell C nuclear power station is going to cost something like £30 billion in capital expenditure. The UK Government's impact assessment, when the capital costs and finance and borrowing costs are taken into account, estimates that it will cost £63 billion. Does he really think that is a good way to spend money?

**Bill Esterson:** The way the Conservative Government reached the deal was not good value for money, and we certainly should not do that again, but nuclear is a key part of our transition to renewable electricity.

When I visit companies developing new technologies, they are excited by the prospects and the ideas they are developing. Whether on decarbonising air travel, installing insulation in millions of homes, as our energy efficiency plans will do, or our world-class defence companies delivering economic prosperity while keeping us safe, all the businesses I meet want to work with Government. They want a Government who offer stability and are a willing partner, who will lead the world in renewable technology, who will herald the vanguard of new electric vehicles and will supply the world with cutting-edge green steel.



[Bill Esterson]

The Conservatives have failed over the past 12 years. Their answer is to offer the slowest growth in the OECD over the next two years after crashing the economy. It does not have to be this way. Britain's best years really can lie ahead. Britain really can be the best place to start and grow a business. The British Government really can be the partner to industry, ensuring that we make, buy and sell more in Britain. With our industrial strategy and our green prosperity plan, Labour will ensure that, together with business and the workforce, we really can deliver prosperity through partnership.

4.13 pm

**The Minister of State, Department for Business, Energy and Industrial Strategy (George Freeman):** It is a great pleasure to serve in this debate and to have my first outing at the Dispatch Box as the returned Minister for science research, innovation and technology at the Department for Business, Energy and Industrial Strategy—a name written proudly on the side of the building—in order to refute the litany of woe and failure that those on the Opposition Benches love to reel out, to paint a picture of a British economy that the businesses around this country would recognise and understand, and to set out in some detail the plans we have to support not only the industries of today, but the industries of tomorrow, for which this country is leading in creating the framework globally.

I look forward to a good debate, not least about the depression of the Opposition's motion, which says very little about their own positive plans to develop an industrial sector for the 21st century, but simply looks to print a cheap leaflet for distribution on the doorstep. We can do better than that, and I hope that we will this afternoon.

As Minister for science, research and innovation in technology, my mission is to make the strategic shift in this country's economy. The Labour party, in its long period in office, seemed to delight in—I remember the “Deputy Prime Minister” saying he was profoundly relaxed—all the deregulation in the City, the move to a service economy and deindustrialisation. This Government are absolutely committed to taking the crash of 2007-8 under the Labour Government, the difficult fiscal situation afterwards, the pandemic and the emergency in Ukraine as the wake-up call that they are to invest more in our industries of tomorrow and today, to develop our industrial resilience, to support the R&D for tomorrow's sectors, and to support our leadership in net zero. I would like to think that the Labour party would celebrate that. The truth is that British industry is leading the way in net zero in this country, and that is something we should be proud of. I will come to the detail of that in due course.

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

**George Freeman:** I will make some progress in my opening remarks and then I will give way to the hon. Gentleman.

In my specific role and portfolio, my job is to support the industries of tomorrow. In life sciences, I set out with the then Minister the first 10-year life science

strategy in this country. We launched the genomics programme, NHS digital and accelerated access, and we laid a lot of the foundations for this country's success in the pandemic. Last year, we launched a 10-year space strategy for commercial leadership in the space sector, and we are now in the process of implementing it.

We have set out a 10-year plan for fusion, and we are investing, through the UK Atomic Energy Authority, in the ground-breaking technology at the Culham Centre for Fusion Energy. We announced this summer that we are moving that to Nottinghamshire and creating the world's first industrial deployment of fusion technology at commercial scale over the next 10 to 15 years.

We are setting out a quantum strategy. On Friday, I was with the quantum industry, which is applauding us; we are No. 1 in Europe in the quantum industry and investment. That is a partnership between big companies—Toshiba, BT, BAE Systems and many others—and our very fertile ecosystem of small companies and universities. Similarly, I was proud, as the then Minister, to launch the UK's first industrial strategy for agri-tech.

Forgive me, then, if I do not take any lectures from the Labour party on the lack of an industrial strategy. Far from it, the former Member for Hartlepool and “Deputy Prime Minister” paid tribute to the Conservative party, to me, the then Chancellor and the then Minister, David Willets—who is now in the other place—for leading the thinking on a modern industrial strategy for a modern economy.

In truth, in the last few years that work has inevitably been interrupted, first by the pandemic—I am proud that the Conservative party put in £400 billion of business support for industry—and secondly by Ukraine, which has been a wake-up call to the world about the resilience of industrial supply chains. We have worked head and shoulders in the last year to beef up those industrial supply chains to protect British industry from that vulnerability, and we continue to do so.

**Grahame Morris** *rose*—

**Alex Cunningham (Stockton North) (Lab)** *rose*—

**George Freeman:** Let me finish this point.

Thirdly, the tightening of the global energy markets has hit many energy-intensive industries hard. We have announced £25 billion of support for the next six months. That is far from the doom and gloom of the motion, which, for anyone who reads it, paints a picture of this Government having no strategy or policy for industry, which is complete rubbish.

**Grahame Morris:** I am grateful to the Minister for giving way on doom and gloom. There was a mention earlier of fleet solid support ships, which we on this side of the House have argued for many years should be built here for strategic reasons, with steel manufactured here.

May I ask about rail and the home of the railways in the north-east? In my constituency, Vivarail—a world-beating, self-charging all-electric train manufacturer—is starved of Government support and investment. It could be a beacon for the future, so why is it not on the Minister's list of shining examples?

**George Freeman:** The reason it was not on the list is that I was listing all the industries of tomorrow. I will come to the specific points he makes. The biggest customer for steel in this country is our rail sector, and we are proud that the UK rail industry, into which we are pouring an unprecedented level of investment, is a major user of British steel. I will come to the steel industry in a moment.

The motion paints a picture of doom and gloom and the collapse of manufacturing. It is time to put that stale old Labour trope to bed. The UK is still the ninth biggest manufacturing country in the world. Manufacturing this year contributed £205 billion in gross value added to the UK economy. We are the fourth largest manufacturing economy in Europe, supporting almost 2.5 million jobs.

Under the last Labour Government, manufacturing jobs had been haemorrhaging. We stopped that in 2010 and, through major investment of the sort that I just set out, we have turned around this country's manufacturing sector, which is now much more advanced. Again, I am surprised that Labour Members are not congratulating us on that. Manufacturing jobs were collapsing in this country, but 84% of manufacturing now takes place throughout the country, outside London, not just in the old industrial belt, but in the space economy in Cornwall and in Glasgow—I thought that Scottish National party Members would cheer that. There is the north Wales energy corridor, the south Wales compound semiconductor cluster and the Warwick robotics cluster. Our manufacturing economy is highly advanced, highly competitive and decentralised.

**Grahame Morris** *rose*—

**George Freeman:** I will come to steel, shipbuilding and automotive shortly. I had not mentioned the hon. Gentleman's rail point because I was highlighting the industries of tomorrow.

**Stephen Kinnock** (Aberavon) (Lab): Does the Minister know how many tonnes of British steel there are in a single wind turbine, onshore or offshore, in our country?

**George Freeman:** I do not have that figure at my fingertips, but I have a funny feeling that the hon. Gentleman does. The Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) will respond on that later.

**Paul Howell** (Sedgefield) (Con): The Minister has talked about the space and science-led businesses around the country. On the north-east, in response to the hon. Member for Easington (Grahame Morris), we should not forget the tremendous things that are happening at NETPark in Sedgefield.

**George Freeman:** Indeed, fantastic things are happening at NETPark. One would think that the Labour party, which dominated County Durham politics for decades and seemed to indulge in the poverty up there, would celebrate the phenomenal turnaround in the north-east. It is one of our leading manufacturing regions. NETPark is home to Kromek and Newcastle is home to QuantuMDX. That is a great story of British manufacturing driving an advanced economy in the

areas that were blighted by painful deindustrialisation. I am proud that the Conservative party is in the vanguard of that.

**Alex Cunningham:** There is no doubt that we have new manufacturing to celebrate in the north-east, but Teesside's steel industry is a shadow of its former self. It has a few hundred jobs, instead of the many thousands that existed a few years ago, before the Government abandoned us. Does the Minister agree that we should invest in Teesside steel now and use its product for the new industry jobs that we are promised?

**George Freeman:** That brings me to steel, and the hon. Gentleman makes an important point. There has been real pressure on the steel industry in the past 15 to 20 years. Global economic conditions are hugely challenging for all domestic steel sectors. There has been massive overcapacity, unfair overseas subsidies and steel dumping. The real issue is that global steel production has more than doubled since 1995 and China is by far the biggest contributor to that growth. In 1995, China accounted for 13% of the world's steel production. By 2019, that had risen to 53%. There has been a phenomenal change in the global steel market.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): I have been in this place 10 years today and I have worked with my local steel company since I was first elected. It has consistently raised the same issues with me: competitive electricity prices for the green steel it produces and ensuring that the industries of the future, particularly green industries, use UK steel. What exactly have the Government done to ensure that prices are competitive and that UK steel is used in those green industries? They have not done enough.

**George Freeman:** The hon. Gentleman makes an important point about the challenge. We have done a lot—let me share that with him.

**Stephen Doughty:** On the specific point.

**George Freeman:** I will deal with the specific point. Our ongoing support for the steel industry this year includes more than £800 million in relief for electricity costs, in addition to the energy bills relief scheme. The sector can apply for help with all sorts of energy efficiency, with decarbonisation and low-carbon infrastructure. More than £1 billion is available in competitive funding for the industry in that sector alone.

**Several hon. Members** *rose*—

**George Freeman:** Let me just deal with this point.

We are investing more than £600 billion to transform our country's infrastructure—roads, rail, broadband and more—and we plan to procure 8.5 million tonnes of steel as part of that over the next decade; the hon. Member for Cardiff South and Penarth (Stephen Doughty) touched on procurement. We published an updated steel pipeline in June 2020, to help the industry plan ahead. The value of UK steel procured by the Government for major public projects in 2021, which I checked before coming to the debate, was £268 million—an increase of £160 million from the previous year. The steel procurement taskforce, which we set up as a joint working group between Government and the steel industry, published seven recommendations in February this year,

[George Freeman]

and those are being implemented through updating the Cabinet Office procurement policy note. As the hon. Member will see—he asked a good question—we are taking serious steps on procurement.

In 2021, the Secretary of State for Defence acquired specialist steel producer Sheffield Forgemasters, with £400 million of investment over the next 10 years, and Sheffield Forgemasters is working with other companies, including Rolls-Royce and the Canadian company General Fusion, on the development of nuclear power generation. In March this year, we successfully secured an expansive removal of US section 232 tariffs on UK steel and aluminium products, which means that UK steel and aluminium exports to the US can return to levels not seen since before 2018. We have also extended our steel safeguard measures for a further two years. I simply do not accept, and I do not think anyone listening to the debate would say, that the Government have done nothing and are doing nothing on procurement. It is simply not true.

**Andy McDonald** (Middlesbrough) (Lab): I am grateful to the Minister for giving way. I have heard what he has to say, but what does he say to the people of Teesside about his Government's inaction in 2015? The Italian Government intervened at the Ilva plant in Taranto and came to the rescue of 25,000 workers. The French did the same in Florange, but this Government did absolutely nothing to protect our core industries at Redcar—and we have not forgotten it.

**George Freeman:** I would point out that last week, Green Lithium announced the UK's first large-scale merchant lithium refinery and the first such refinery in Europe, to be built in Teesport, supported by the automotive transformation fund.

**John Penrose:** I want to ask the Minister the same question that I asked the hon. Member for Sefton Central (Bill Esterson) about a potential solution to the problems of high electricity costs faced by energy-intensive industries such as steel, which we have been hearing about from Opposition Members. Would a carbon border adjustment mechanism, which the Government have already consulted on and committed to in principle, help to level the playing field between British energy costs and those abroad, therefore making British heavy industry—particularly energy-intensive industries—far more competitive on the international stage?

**George Freeman:** My hon. Friend, as ever, makes a very interesting policy observation; as Minister for science, I will not accept it at the Dispatch Box, but I will raise it with the Ministers for industry and for energy.

**Alan Brown:** The Minister mentioned nuclear power. He heard what I said about costs earlier, but it is also reported that the Government are taking a 20% share in Sizewell C. Does that mean the Government are going to borrow £5 billion or £6 billion to pay for their 20% share of Sizewell C?

**George Freeman:** How interesting to hear the SNP take issue with—[*Interruption.*] The hon. Member asked the question, so I will answer it. We are determined to

make sure that, unlike parties on the Opposition Benches, we invest properly in new nuclear in this country, so that we have a resilient, clean and secure energy system. If that means an active industrial strategy to ensure we are able to do it, we are doing it. It would be nice to hear the SNP Government in Scotland take a similar approach to their future and to nuclear in this country, which is vital for the next few years as we get through this global tightening in energy.

**Peter Grant** (Glenrothes) (SNP): Will the Minister give way?

**George Freeman:** No, I shall make some progress on this point about the automotive sector, which is also mentioned in the motion. The UK's auto sector is hugely competitive globally. It is export-focused and has a very strong research and development base. In the last 20 to 30 years, it has transformed from what it was in the 1970s to a highly competitive and technologically advanced R&D-based sector. It is also in the vanguard of the transition to net zero, and the UK is well placed to seize those opportunities because of the Government's efforts, as we are pursuing an active industrial strategy for net zero in industry.

The automotive-related manufacturing sector is worth £58 billion to the economy and typically invests around £3 billion each year in R&D—£3 billion in R&D from the sector alone. There are 155,000 people employed in automotive manufacturing in the UK in 2021. That is 6% of total UK manufacturing. [*Interruption.*] Opposition Members may laugh about the success of the British automotive sector, but this is a tribute to business and industry adaptability and the Government's partnership in setting out a framework for the net zero transition.

Decarbonising transport is already starting to create thousands of jobs in green industries. The production of net zero road transport vehicles is on track to support the development of 72,000 jobs worth up to £9 billion to the economy. The Government have proven loud and clear that we can deliver a green transition and growth—something that all Opposition parties bitterly insisted was not possible.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): The Minister talks about the decarbonisation of transport. Of the 4,000 buses that the former Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), promised nearly three years ago, how many are currently on the road in England?

**George Freeman:** I will have to check the exact number. I am surprised that the hon. Gentleman did not mention Aberdeen's leadership. With our support, Aberdeen is a hydrogen hub and there has been the creation of hydrogen hubs in Teesside, Harwich and all around the country. We are investing in another industry of tomorrow—green and blue hydrogen. His question is revealing. The motion suggests that the Government are doing nothing at all about hydrogen, but far from it. We are investing in the infrastructure for the hydrogen of tomorrow.

**John Redwood:** Is there a danger that the UK could end diesel and petrol vehicle production too early compared with competitors—before we have a large electric car industry up and running? Would that not be bad news for our industry?



**George Freeman:** My right hon. Friend makes an important point about ensuring that, as we lead on the delivery of the net zero automotive sector, we get the balance right, so that we are not unrealistically expecting consumers to make the transition too fast or, indeed, undermining our leadership in that sector. That is a fine balance that the Government are committed to striking. We are determined to lead the way in demonstrating green growth in pursuit of net zero, but we want to ensure that we capture the industrial leadership in that sector.

In the automotive sector, we have again made significant investments. We have invested more than £1.2 billion to support innovative projects through the Advanced Propulsion Centre. The projects that it has funded have helped to create more than 50,000 jobs and save 277 million tonnes of carbon dioxide. Last month, we announced a record £200 million for the Faraday battery challenge. We have worked closely with Nissan and just announced a £1 billion investment to create a north of England electric vehicle hub in Sunderland that will safeguard 6,500 jobs. There have been investments of £227 million in Ford in Halewood, more than £100 million in Stellantis at the Vauxhall plant in Ellesmere Port, and £2.5 billion in Bentley—those are major investments from an industry that is growing in this country with Government support. It would have been nice to hear the Opposition at least pay tribute to some of that success.

In the EV supply chain, we are actively investing in pursuit of our industrial strategy for green growth. The active travel fund has supported that £1 billion electric vehicle hub. We have also supported Pensana's £145 million investment in East Yorkshire. Through the ATF, we recently supported a £60 million investment to develop hydrogen technologies with Johnson Matthey. Far from the Government abandoning our commitment to industry, we are doubling down on our commitment to help the existing industries of today to make the transition, and to support the industries of tomorrow.

The shipbuilding industry in this country, which Opposition Members suggest has been decimated, actually employs 42,500 people and is worth £2.8 billion. It is a major sector. Naval orders through the Government remain an important driver of its prosperity. In 2020, the Ministry of Defence spent £3.8 billion on shipbuilding and repair, which directly supported 22,000 jobs around the economy. Over the last decade, we have seen once great names in shipbuilding, such as Harland & Wolff, struggle, which puts that heritage at risk. Under the ownership of InfraStrata, however, Harland & Wolff is now strong again; that resurgence is part of a general trend of global consolidation in the industry.

We have seen how the symbiosis between MOD, naval and commercial buildings brings improved competitiveness, as businesses such as Cammell Laird deliver large commercial vessels alongside the Royal Fleet Auxiliary commitments. I am proud, as the Minister for Science, that the royal research ship *Sir David Attenborough* is one of the ships that has been built of British steel. The commissioning and delivery of the new aircraft carriers has been a massive shot in the arm. At the same time, we have seen big advances in key technologies, such as aluminium hull design and the application of robots for automated welding. That

programme is also driving technological leadership. In 2019, ship boat repair maintenance was worth £2.6 billion to the economy.

I do not think it is fair to suggest, as the motion does, that this Government have neither an interest in industry nor a policy for industry, and that we are abandoning industry—far from it. Not only are we helping our key industries deal with massive global challenges—the pandemic and the energy crisis—but we are actively pursuing an industrial strategy for the industries of tomorrow, and that is actively supporting clusters all around the country to drive levelling up and opportunity. It would be nice to hear the Opposition parties at least pay some tribute to the success of that private-public partnership and to the success and resilience of British industry.

**Several hon. Members rose—**

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. Before I call the SNP spokesperson, colleagues will see that this is a very well subscribed debate, so I will have to put a time limit on. I will start with six minutes, but I warn that it may go down quite quickly.

4.35 pm

**Alan Brown (Kilmarnock and Loudoun) (SNP):** Interestingly, the Minister kept using the phrase “industrial strategy” without acknowledging that the previous BEIS Secretary actually ripped up and abandoned the UK Government's industrial strategy. So there is not an industrial strategy; there is just a series of ad hoc announcements of money and targets that are arbitrary. We do not have a coherent strategy that links it all together.

I should start by welcoming today's news of the confirmation of the £4.2 billion order for the five Type 26 frigates awarded to BAE Systems at Govan and Scotstoun. Those ships will now be built in the dry because BAE has been able to commit to the £200 million factory that was previously promised by the UK Government some way back. It is not the number of frigates that was originally promised, but there is no doubt that the announcement today is good news for the workers in Glasgow.

That good news is in contrast to a couple of stories and events from yesterday. In the Chamber, the former Secretary of State for Environment, Food and Rural Affairs, the right hon. Member for Camborne and Redruth (George Eustice), let slip what many of us had been saying for long enough, which is that the Australia and New Zealand trade deals that the Government signed are utter rubbish. Also yesterday, Bloomberg ran a story confirming that Paris's stock market has now exceeded London's stock market in value. These matters are interlinked. It is a combination of Tory free market ideology and Brexit, of course, and we continually see proof of the harm of Brexit in the UK's performance compared with G7 and G20 countries.

There was a big lack of talk of Brexit in the contribution of the shadow Minister, the hon. Member for Sefton Central (Bill Esterson). Despite what we know of the harms of Brexit, Labour now says it wants to make Brexit work. Free movement of people has gone, the Labour leader tells us. We have recruited too many

[Alan Brown]

people from overseas into the NHS, he tells us. But the reality is that, when Labour has such a lead in the polls, it should be offering bolder plans, such as rejoining the single market, and certainly allowing free movement of people so we can grow the economy again. Right now the Labour position seems to be, “We won’t be quite as bad as the Tories”. That is hardly ambitious.

We have to be realistic: if we want to increase skilled jobs and the workforce, while continuing to recruit for the service sector, the hospitality industry, the NHS and so on, we need inward migration. There may be a legitimate debate about the fact that too many people have exited the workforce for various reasons, but the reality is that we currently have record low numbers of people seeking work compared with vacancies, so clearly immigration is required, and free movement of people with the EU is the logical step to achieve that.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): My hon. Friend is making a powerful point. Of course, we need people to staff industries—in my constituency, hospitality is crying out for people and the health industry is crying out for people—and we used to be able to count on EU citizens, but there are not the people there to replace them. It is vital for a country such as Scotland to have a different approach from the one taken by this Government and this place over immigration. Our historical problem has been that we have suffered from emigration, rather than immigration, and we need people in Scotland.

**Alan Brown:** Absolutely. It is all about keeping that balance of population, growing the workforce, growing the skills base, helping our businesses grow and growing the tax base as well, which creates a fairer economy for all.

For too long in the UK, deindustrialisation was deemed acceptable as long as the financial City was booming in London, but that has been the wrong strategy for decades now. It has left coalfield areas such as my constituency struggling, not to mention the loss of industry and manufacturing in the main town of Kilmarnock and the Irvine valley. That has been replicated in industrial areas up and down the UK. The Tories have arguably now recognised this with the so-called levelling-up agenda, but that is a slogan that admits all those years of failure in terms of deindustrialisation. In reality, it was just a political strategy aimed at the red wall seats. The levelling-up agenda is so ad hoc that nobody can define what it means in terms of outputs and measures, and it opens the way for more political chicanery.

It is clear that Brexit has produced challenges for the automotive industry: additional paperwork; and rules of origin which will become more challenging for the industry as times goes on. According to the Society of Motor Manufacturers and Traders, despite recent increases in sales, 2022 is on course to be the weakest for car sales since 1982—a 40-year low in sales as we move into recession in the UK and have inflation at a 40-year high. On car manufacturing, while we know there have been global supply chain issues and long lead-in times for parts, the reality is that there has been a drop in

output in the UK compared with the rest of Europe. Only Germany has suffered a bigger percentage decrease in manufacturing output.

On wider industrial strategies in car manufacturing and EVs, we must address the electric vehicle charging roll-out. The Government have a target of 300,000 charge points installed by 2030. That means that, each year from next year onwards, 31,000 charge points need to be installed; that is because only 34,000 have been installed to date. When we consider that the cumulative total installed at present needs to be installed nearly every year for seven years to hit the target, we realise the Government do not have a coherent strategy to achieve that.

I welcome that the battery car sales market share has increased and plug-in vehicles now account for over 21% of new sales, but we need to make sure the lack of infrastructure does not stall sales and output of such vehicles. In small, independent Norway, last year, EVs accounted for 65% of market share.

**Gavin Newlands:** Does my hon. Friend agree that, in Norway and in Scotland—which has twice as many rapid chargers per head as England, including London—it was public investment by the Government that got that going, leading to a better system of chargers? Then the private sector was brought in. That is the way to go, rather than starting private, as the UK Government did.

**Alan Brown:** I absolutely agree. The Minister challenged us earlier to welcome public-private investment partnerships; I hope the Minister who winds up will welcome that investment in Scotland and that Scotland and Norway have shown how it can be done.

On the bus manufacturing sector, again, unfortunately, we have had a complete UK Government failure. Just yesterday, *The Times* ran a story saying that only six low-emission buses out of the 4,000 promised by the previous Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), have entered service in England. Of the promised £3 billion bus fund, 40% still remains unallocated, and only 341 orders have been placed out of the 4,000. It is therefore clear that urgent intervention is required to get manufacturing in the UK up and running. Even worse than that, the first ZEBRA—zero emission bus regional areas—contract was awarded abroad, to China. There is no scope in the current tendering process to assess added value of UK content and community benefit, which would help UK manufacturing companies. That is a complete failure by the Department for Business, Energy and Industrial Strategy.

In contrast, the Scottish Government have led the way on this. Three hundred buses have been delivered under the Scottish ultra-low-emission bus scheme, and almost the same number has now been delivered through the Scottish zero-emission bus challenge fund. However, the reality is that companies such as Alexander Dennis need to see more orders via UK Government funding. If they are talking about an industrial strategy and promoting UK manufacturing, they need to do something to get these buses made by UK-based companies.

The motion refers to net zero and creating jobs. Net zero has to be the future if we are going to save the planet. It should be part of a just transition for the oil

and gas industry. With the right support for emerging technologies such as tidal stream, Scotland in particular can be a manufacturing and technology exporter. Green hydrogen needs to be supported in a much bigger way, given investments being made elsewhere in Europe.

In 2020, renewable sources provided almost 100% of the equivalent gross electricity consumption in Scotland, and that was despite the UK Government effectively pulling the plug on onshore wind for a six-year period. Scotland currently has the largest deployment of grid-generating tidal stream turbines, and there is the potential of up to 11 GW of electricity to be generated from tidal stream. Scotland is also leading the way on floating offshore wind. In terms of fixed offshore wind, ScotWind has the potential to develop more than 20 GW of offshore wind in the coming years. With the size of the wind farms being developed, there really is a chance of establishing turbine manufacturing in Scotland, so it is critical that all the permissions are put in place.

However, in Scotland we also have the paradox that Westminster holds all the levers of power in terms of main energy policy. The auction process and procurement rules all lie with Westminster. The setting of the grid charging regime and the regulator lie with Westminster. Borrowing powers to invest lie with Westminster. The ability to pull funding or prioritise projects such as carbon capture and storage lie with Westminster. That is underlined by the disgraceful fact that funding was pulled from the Peterhead CCS project and that the Acorn project is still classed as a reserve project despite having been the most advanced and rounded project overall in terms of CCS clusters.

It is Westminster who can decide on a pricing mechanism for pumped storage hydro or not and, so far, they have ignored the calls to sit down and discuss a cap and floor mechanism for electricity generated by pumped storage hydro. It is Westminster who have control of the consenting rules and processes under the Electricity Act 1989 and are prioritising another £30 billion of capital spend for Sizewell C nuclear power station. It is Westminster who squandered £380 billion of oil and gas revenues.

Despite that—bizarrely—we have Unionists right now seeming to take glee from the fact that not as many jobs may have been created by the onshore wind sector as was originally hoped. That is as much as anything down to procurement processes, which for years the SNP have called to be changed to allow for local content. Right now, we have Unionist glee as they believe that, somehow, Scotland's renewables potential has been overblown or overhyped by politicians. I assure them that it certainly has not. A report prepared by the Landfall Strategy Group illustrates that pursuing offshore wind and tidal resource alongside a green hydrogen strategy could create up to 400,000 jobs by 2050 and £34 billion in gross value added. That is the sort of ambition required, and that seems to be deliverable only through independence and the full levers of power.

4.47 pm

**John Redwood** (Wokingham) (Con): I congratulate the Minister on a lively and informative speech. It was great to have a positive vision for the future from him. He rightly reminded us that many of the exciting new technologies and opportunities available to modern industry and business are being grasped by both the private

sector and the Government working together. I congratulate him and his Department on that work. However, I urge him and the Department to greater efforts in the range of more traditional industries that are still very much industries of the future. We have a choice. If we make the right decisions on taxes, regulations, support frameworks and orders, we can produce more such things at home. If we make the wrong decisions, we will end up importing too many of them.

I start with energy. The Minister's Department has a crucial role in organising our energy and the transition that it wants as well as ensuring that we have enough of the traditional energy forms when they are crucial to heating our homes and turning our factories. In this period of transition, we can do more to extract more of our own oil and gas. That is greener than importing it, because, in burning gas that comes down a pipe from the North sea, far less carbon dioxide is generated than if the gas were extracted somewhere else, transformed into liquid form and transported—at least half the CO<sub>2</sub> is saved that would otherwise be generated. More importantly, that is a safer supply. Even more importantly, if we are still to have high taxes on it, we will collect those taxes. At the moment, the more we import, the more dead money goes out of our country to pay somebody else's taxes, doubly burdening our industry with the extra cost of what are sometimes extreme market prices to secure the supply—when there is not a long-term contract—and extra transport costs that must be put into the equation for effective delivery.

I urge the new ministerial team to take up from where the old team were moving to and understand that there are quite a lot of good proven reserves out there now. Production licences could be granted in a timely way, and we could have more of our own import substitution and more secure supplies for the future. It is possible to work with the industry on existing fields so that maintenance schedules can be kept to a minimum and output can be maximised, particularly over a difficult winter. We all know that if anything goes wrong with the UK and European gas supply over the winter, it will be our industry that gets caught first; industry is very reliant on plentiful gas supplies for much of its important processes.

We must be careful about carbon accounting. I think a lot of us feel that it does not make a lot of sense to say that the heavy gas-using industries and other fossil fuel-using industries in the United Kingdom, such as cement, glass, ceramics, steel and so on, will be penalised because they are generating carbon dioxide in their process, only to substitute imports of those same products that will certainly produce more CO<sub>2</sub>, not only because of the long-distance transport, but quite often from the processes as well, as this country has often gone a bit further in more efficient processes than some import substitutes. So that, too, is an area that we need to look at very carefully.

On the car industry, I would like to expand a little on the intervention. Again, a difficult transition is under way and it can only go at the pace that the customers are willing to let it go. At the moment, as we have been hearing, a relatively small minority of the cars built in this country are full electric cars—something to do with price and range, and people getting used to the idea of the electric vehicle—and so during the transitional period we again have a choice: either we produce the diesel and



[John Redwood]

petrol cars that people still want to buy, or somebody else does that and we end up importing them. Again, I do not think that that is a good course. I would not want to be ahead of some of the other leading car producers in the world in definitely ruling out producing vehicles that still sell well, when we have put a lot of investment collectively into developing more fuel-efficient vehicles, which have much less coming out of the tailgate.

My final brief point builds on one that the Minister eloquently made in certain contexts. We can do a lot more, as the Government are trying to do, with sensible purchasing of our own products. Of course, we do not want to buy products that are less good quality or too expensive. There has to be competition within the UK market to reassure the Government they are getting value, but just as we have always done with things like warships, so we can do for more essential products. We should give the home base the best chance and, if necessary, help people come in as major investors with their factories in order to do so.

**Christina Rees** (Neath) (Ind): As a former Secretary of State for Wales, I am sure the right hon. Gentleman is aware of the very exciting global centre of rail excellence that is being built in Onllwyn in my constituency. It will be the only testing centre for futuristic trains and infrastructure in the UK. The Welsh Government have put in £50 million. Does he agree that his Government should honour their commitment to put in £30 million, so that it can be finished on schedule by July 2023?

**John Redwood:** The hon. Lady has made her own point very well and I trust Ministers will answer. I have not been privy to the documents on this particular project, so I have no idea how I can answer that and I do not know what the background is to the timing and the opportunity that may be presented. However, in general terms I am all in favour of more opportunities for Wales, as well as for England and the rest of the United Kingdom.

In summary, yes Minister, let us have more of it. Let us have more, cheaper energy produced at home. Let us have more steel, bricks and ceramics produced at home. To do that, it will require some actions, inspired purchasing and the right tax and regulatory regime so that we do not penalise ourselves needlessly over net zero and end up burdening the world with more CO<sub>2</sub> and ourselves with more imports.

**Several hon. Members** rose—

**Madam Deputy Speaker** (Dame Rosie Winterton): Order. I will have to reduce the time limit to five minutes after the next speaker. Just a reminder that if interventions are taken, to keep to the time, as the right hon. Gentleman did. Otherwise, it takes away from others who have put in to speak.

4.54 pm

**Ian Lavery** (Wansbeck) (Lab): This debate is really interesting. In his introduction, the Minister mentioned that there is a litany of woe and failure in the Labour motion. Of course there is, because we have seen an abandonment of the business strategy from the Government. We have all experienced it. The Minister

also mentioned the amount of money that the Government have given through the automotive transformation fund to Bentley, Vauxhall, Ford and Nissan, but he did not mention Britishvolt in my constituency once.

Britishvolt, a promising start-up company that is seeking to build a gigafactory in Wansbeck, is on the brink of collapse because the Government have not come forward with a promised £100 million grant from the automotive transformation fund. In my constituency, 8,000 jobs have been promised, but the Government will not listen. Once again today, many examples have been given, but not one related to my constituency and there was nothing about Britishvolt. It is the one gigafactory in the country that has planning permission, but the Minister never mentioned it, and we have to ask why. Why are the Government not even sitting down with Britishvolt to agree a way forward? We talk about levelling up in a constituency like mine—there would be 8,000 jobs, of which 3,000 would be with Britishvolt developing electric batteries. That is the future. The Minister continually said that he wanted to talk about the industries of the future. How futuristic can we get? We are talking about electric battery production.

That has not been carried through because the ministerial team in the Department for Business, Energy and Industrial Strategy said, first, that it would not grant any finance. It then said that Britishvolt would be granted £100 million, but that that would be after certain milestones at the end of 2023, but the company requires financing now. Does the Minister understand what that actually means for people in my constituency? We have been left behind for generations and there is an opportunity for 8,000 jobs. There would be 3,000 at Britishvolt and 5,000—perhaps even more—in the supply chain. We have to conserve that.

When the Secretary of State for International Trade was asked about Britishvolt a couple of days ago, she said that there has to be “value for money”. We are talking about 8,000 jobs in a constituency that has had the highest unemployment rate in the country for decades. Is that not value for money? Do people in my constituency not deserve the same as other people around the country? It is not really fair, Minister. I urge him to have a look at Britishvolt situation with all urgency.

We have a lot going on with regard to the automotive industry. It has been reported that Jaguar Land Rover is interested in moving its manufacturing base to Slovakia. BMW has set up shop in China. Electric van start-up Arrival has relocated to the US from the UK. If that trend continues, we will have no automotive industry and thousands more people will be on the dole or facing redundancy.

Other things are happening elsewhere. Northvolt in Sweden has successfully entered the electric car market backed by its Government's Swedish Energy Agency. That will create thousands of high-quality local industrial jobs. Even the German Government have pledged more than \$500 million to Northvolt to construct its gigafactory in northern Sweden. While gigafactories open up across Europe from Germany to Sweden, we are sadly lagging behind, crippled by a zombie Government unwilling to support crucial new developments that would create jobs, boost productivity and grow the economy. When the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) was Prime Minister, I asked him where the money for Britishvolt was. He said at the Dispatch

Box that it was in the post, but we have not yet received a ha'penny for that company in my constituency. I ask again: where is the money?

My constituents and the potential investors want assurances that the sound of workmen marching from the site in Cambois is not akin to a death knell for the promised decade of growth and prosperity for our long-held-back region, or the final nail in the coffin for levelling up. Sadly, given the promises about the site from a long line of politicians over the past few months and indeed the past couple of years, I will have to take any commitments with more than a pinch of salt. The company has seemingly been cast aside by this Government, but its request for an advance grant of £30 million to guarantee up to 8,000 jobs is entirely realistic and reasonable. It is value for money, Madam Deputy Speaker—you'd better believe it.

5 pm

**Holly Mumby-Croft** (Scunthorpe) (Con): It will come as no surprise that I want to concentrate on steel, not just because it is an important employer in my constituency, but because I recognise, like many hon. Members here today, that it is a truly crucial foundation industry. From the wire in our tyres to the rails under our trains, we rely on steel in every element of our life; from the skyscrapers around us to the knives and forks we eat our meals with, it has a huge impact on us all. That is why countries all around the world find ways to support and protect their steel industries, why a free market for steel does not actually exist, and why we must always do everything we can to ensure that our nation can make its own steel.

I am grateful for the opportunity to speak in this debate. I agree with parts of the Opposition's motion. They are right that steelworks provide high-quality, highly paid, skilled jobs. I also agree that the steel industry is crucial to meeting net zero targets: steel is irreplaceable, and if we are to have any realistic chance of meeting our goals, we need to see it not as part of the problem but as a way to find solutions. However, that is probably as far as my agreement goes.

The motion does not recognise the work that the Government have done to support the steel industry. In the past three years alone, I have seen with my own eyes how Conservative Governments have been paying workers' wages in Scunthorpe. They have twice taken the step of extending the steel safeguards. They have helped with energy costs: since 2013, Conservative Governments have provided more than £800 million in support to the steel industry with energy costs alone. I say that not as a Tory MP, but as somebody born in Scunthorpe who comes from a steel family and understands the importance of the industry to our area.

Anyone who has stood inside an industrial cathedral like our steelworks in Scunthorpe, who has felt the heat on their face and who has felt the ground move as the metal is tapped will feel as proud as I do of the contribution that the industry makes to our nation. Of course there are many challenges, from the frankly crackers emissions trading scheme, which risks incentivising companies' excess production to protect future carbon allocations, to the price of energy, which under Governments of both parties has historically been higher in this country than in the EU. That is unfair, and it makes it difficult for our world-class steelmakers to hold their own.

On our task of decarbonising steel, I agree with many of the points that my right hon. Friend the Member for Wokingham (John Redwood) raised. I want to be clear that we must not fall into the trap of lowering our own emissions simply by shipping them abroad. Our usage of steel will remain, as it should and must, and we must not create an environment in which we damage our capacity or close down our steelworks and end up importing steel. Our climate targets are important, but we all live in one world. I am not interested in any version of net zero that enhances our credentials by offshoring the issues.

We need to take steelworks with us on this journey. I hope the Government will be very firm. As a nation we need to use steel, and we will continue to need to use it. Hammering our own industry and adding the emissions of shipping in order to improve our face-value environmental credentials would be unconscionable and completely pointless.

I welcome the opportunity to raise these challenges—I never like to miss an opportunity to talk about steel—and I know that the Government are not blind to them, because I discuss them regularly with the Government. Many people, locally and in the House, will know that British Steel is also having talks with the Government, and I am very pleased that the Government are engaged in those talks. We need to understand the best way forward, and I hope the Minister will agree with me that we need to find a solution and protect our steel industry.

5.5 pm

**Yasmin Qureshi** (Bolton South East) (Lab): It is a pleasure for me to speak about this issue today, as one of the three Members of Parliament representing Bolton, a town with a proud industrial history. For too long, Britain's industrial strategy has been plagued by short-termism and vulnerability to political change. We need a real plan for businesses in Bolton and in Britain.

When I visited Booth Industries, which is based in my constituency and provides high-performance and high-integrity protection systems for various construction projects, two things became clear to me. First, it is imperative that we have a "make, buy and sell in Britain" policy when developing our industrial strategy: the benefits of that are clear. Booth Industries was granted an HS2 contract to manufacture tunnel doors, which has allowed it to diversify into other sectors. It wants to become involved with nuclear power plants in order to grow its business, but with EDF holding the contract, a significant amount of its supply chain uses French companies. Surely it makes sense to use British businesses for British nuclear power stations when fulfilling supply chain needs. That would not only develop our own supply chain resilience in Britain but support small and medium-sized enterprises, which make up 99% of British employers, and allow them to grow and invest. This is what levelling up in action means: it means helping British businesses to grow and to train staff, create jobs, improve skills training, and prevent the brain drain of people leaving the country so that they can "get on".

We need projects such as HS2 and Northern Powerhouse Rail to be completed. Our train service in Bolton is abysmal. Avanti is meant to be "servicing" the north, but all it seems to service are the pockets of its shareholders, while my constituents, and people in Greater Manchester as a whole and in other parts of the north, are losing

[Yasmin Qureshi]

out. We need to invest in roads, rail, light rail, trams, subways and high-speed rail, so that we can have a positive impact on our economy and, of course, benefit all our constituents. Companies like Booth Industries will then have a hook for investment and growth while also improving our own public transport network. That is a genuine win-win.

Such companies also demonstrate that there is a place in Britain for well-paid, green, industrial jobs, as well as tackling climate crises. Labour's green prosperity plan, involving investment in offshore wind and tidal, nuclear, hydrogen and solar energy, will support companies like Booth Industries a hundred times over. It is about time that Britain had a Government who would create an environment for businesses up and down our nation to flourish, contribute and invest; and it is only the Labour party that is providing the leadership Britain needs in that regard.

5.9 pm

**Jonathan Gullis** (Stoke-on-Trent North) (Con): I am proud to stand up for the ceramics industry, which is the beating heart of our great city of Stoke-on-Trent. It is a shame that the shadow Minister, the hon. Member for Sefton Central (Bill Esterson), did not use this opportunity to mention ceramics at any stage. This plays into the narrative that the Labour party has set—namely, that it has forgotten Stoke-on-Trent and the ceramics sector and will continue to forget them, as it did in the previous 70 years before Stoke-on-Trent got a Conservative-led Council and three Conservative Members of Parliament, instead of talking up this great city and the fact that this Government have given nearly £4 million through the Kidsgrove town deal to Chatterley Valley West, which will open up the UK's first advanced ceramics campus, creating up to 1,700 brand new, high-skilled, high-wage jobs for our local area, adding to the 9,000 jobs created across the city of Stoke-on-Trent, of which 2,000 came from this Conservative Government backing Councillor Abi Brown and her ceramics valley enterprise zone.

I am surprised that the motion does not mention Labour's plan, but I think that is because it is a plan with a lot of holes in it. Those are not my words; they are the words of the shadow climate change Minister, the hon. Member for Bristol East (Kerry McCarthy), who was quoted at the Labour party conference as saying such a thing. Even a Labour councillor was quoted by PoliticsHome as saying:

"I've got no idea how to explain it".

These are their words, not mine. That is why I will use this opportunity today to talk up the fantastic ceramics sector and the fantastic work of this Government. This Government understand that UK ceramics employs over 17,500 staff, that it is worth £600 million in exports and that 75% of the industry is small and medium-sized enterprises. Advanced ceramics are used in our aerospace, in medical equipment, in IT and phones and in glass and steel, as well as in the classic ceramics of your toilet, your brick, your pipe, your tile and of course your plate and your mug, all of which I hope will only ever be from the great city of Stoke-on-Trent.

What can the Government do further to help? The energy crisis is indeed having an impact, and while the energy price cap for businesses has been welcomed, it is still quite a complicated mechanism. However, one company has told me that it will save it over £4 million over the next six months, which is a huge amount for it to invest in its workers and its factory and to continue its investment in decarbonisation. The industry has spent £500 million and more to help to find a way to decarbonise. That is without a single Government grant. The challenge for the Minister is how to treat ceramics in the same way and as importantly as the steel industry, of which my hon. Friend the Member for Scunthorpe (Holly Mumby-Croft) is one of the biggest champions I have ever come across in my entire time of observing politics from afar and here in this Chamber.

We also have to look at the technology. Electric kilns are a nice idea but the technology simply does not work for the UK ceramics sector. They do not work at the temperature needed, and even if only one kiln is installed into a factory, it will take up all the power required, so for factories needing four or five kilns, they simply would not work. National Grid is telling manufacturers such as Churchill China, Steelite and Burleigh that it could take up to two years to sort this out. This is a shocking thing, and while it is of course important to decarbonise, it has to be done using a common-sense approach that does not risk this important UK industry or the people who work in it.

We also have to look at the UK emissions trading scheme, as others have mentioned. The fact that the cost of carbon is more expensive than the EU scheme is simply wrong. Also, the UK Energy Emissions Trading Scheme Authority keeps moving the goalposts, demanding quicker decarbonisation than current technology can cope with, and it needs to be held accountable. It is important that we make that point. It is also important to understand that, while we are investing in hydrogen within the ceramics sector, Government grants to support that will be needed in order to see if that technology actually works.

Stoke-on-Trent is a hotbed of geothermal opportunity, but sadly geothermal is not mentioned enough by anyone in this House. I want it to be unleashed and unlocked in Stoke-on-Trent, fuelling the homes of the future to make sure that households and businesses can get cheaper energy and use our natural resources to turn the city's history of miners and pits and pots into its energy future. It is so important that we grasp that opportunity. We must give ceramics as much recognition and support as we give to steel and make sure that we protect this vital industry.

5.13 pm

**Alex Davies-Jones** (Pontypridd) (Lab): It is an honour to speak in this debate today, and I would like to focus my remarks on the link between Britain's industrial future and its industrial past. This link is critical to the work of the all-party parliamentary group on coalfield communities, which I proudly chair. As the proud daughter of a former coalminer, I strongly believe that any talk on Britain's future industrial vision must include a strategy for the regeneration of our former coalfields. My constituency of Pontypridd and Taff Ely is a brilliant patchwork of former coalmining communities that are proud of the contribution their heritage has made to



Britain's past industrial success. As I said in my maiden speech, just as those coalmines brought previously unreachable levels of prosperity to my area in the last industrial revolution, a new era of green industry in Britain can unlock new heights of prosperity and growth. I strongly believe that south Wales, and Pontypridd and Taff Ely, can be at the forefront of this regeneration.

To secure Britain's industrial future, we must kick-start a new green industrial revolution, which would bring three extraordinary benefits: regeneration and prosperity on a regional level; economic growth on a national scale; and facing up to the challenges of the climate crisis on a global scale. At the heart of that first point, regeneration, is that much-discussed idea of levelling up, which has been criticised for potentially meaning many things and, by this Government's record, also meaning absolutely nothing.

We have now had years of successive Tory Governments promising regeneration and completely failing to deliver concrete plans, culminating in February's astonishingly vacuous levelling-up White Paper. Colleagues will recall that, rather than outline serious policy proposals for regenerating left-behind regions, the White Paper was padded out with a history of renaissance Europe and an enormous list of the world's largest cities since 7,000 BC.

With funding prospects such as the long-awaited shared prosperity fund for left-behind regions still in doubt, and with the Tory Government asleep at the wheel on how to use that funding, the Opposition have an opportunity to take hold of the levelling-up agenda. Crucial to that agenda is securing an industrial strategy for Britain that is fit for the 21st century because, let us be clear, the Government's current poor industrial strategy has been a complete failure: 12 years of stagnant economic performance; 12 years of no growth in real wages; and 12 years of deepening inequality in living standards. It is devastating evidence of the UK Government's fiscal incompetence that Britain currently has more geographical inequality than almost any other rich country, and that was before the cost of living crisis properly took hold.

There are few places where this is more apparent than the south Wales valleys, which are the most deprived economic regions in Wales. We might not have our fair share of wealth, and we might be economically deprived, but we are rich in community, in skills and in opportunities. It is a clear legacy of the failed industrial strategy that our regions, which once helped power our industrialisation, have been left behind. Whether it is our former mining towns such as Pontypridd or the communities across the UK that powered our steelmaking, shipbuilding and automotive industries, the story is the same.

To facilitate a national strategy, the UK Government should be working in lockstep with organisations that are already investing in small and medium-sized enterprises in former industrial communities. The Coalfields Regeneration Trust, to name but one example, is building industrial starter units for SMEs and reinvests the rental income from those units in skills and wellbeing programmes for former coalfield communities. This innovative approach can form part of a joined-up industrial strategy that provides enormous levelling-up potential through reinvestment.

We have seen encouraging glimpses of the economic potential of a flourishing industrial future for Wales, and the work of the fantastic Welsh Labour Government to cultivate that potential must be commended.

In Nantgarw in my constituency, where Craig Yr Allt colliery was once the deepest coal pit in south Wales, I am proud that General Electric Aviation has established a facility that provides well over 1,000 jobs in high-tech advanced manufacturing in our local area.

Despite the work of the Welsh Government, with the limited resources they have available, we will continue to miss out without an overall industrial strategy from the UK Government that is genuinely committed to meaningful growth. It is clear that, after 12 years of Tory rule, the Government are not interested in regeneration, but through Labour's industrial Strategy, which has regeneration at the heart of its vision, left-behind regions can tap into the prosperity that the next technological revolution brings, delivering higher living standards and higher wages. I will continue to do everything in my power to make this happen, and I will continue to bang the drum for our former coalfield communities to make sure they are no longer left behind but are leading from the front.

5.18 pm

**Paul Howell (Sedgefield) (Con):** I, like many Conservative Members, have spent time working in business and find it amazing that those who have not are so vocal in claiming that we do not understand. This Government spent billions supporting businesses through the pandemic and are a true friend of business. Just in my constituency, Hitachi is investing in battery technology in Sedgefield, and the many science and space industries in Sedgefield are exemplars in driving opportunities for our region through potential unicorns.

Business needs many things, but the Opposition have ignored the two big disruptions. The pandemic and, of course, Ukraine affect everything we have been trying to do in recent years. As in the previous debate, the Opposition are selective in forgetting that these big arguments need to be considered. UK resilience, however, is a key part of any strategy, and obviously this has been driven further by what has happened with the pandemic and the situation in Ukraine. There is a need for us to be more in control of our supply chains. Whether that is about owning them and building things here, or just taking key positions in them, it is important that we get this right. It is a fundamental part of where we need to go forward.

We have a 10-point plan for a green industrial revolution. We are the first major economy to legislate to achieve net zero. We are ramping up the supply of home-grown energy, and we have reacted to the Putin energy crisis by providing immediate support to make sure our businesses are in a good place. This Government believe that business and industry are central to our economic strength, and have strongly supported investment across the country. Just last month, BP submitted plans for a green Teesside; the hydrogen energy there, which is just next door to my constituency, will create many jobs and help decarbonise heavy transport in the region. This will be the UK's first major hydrogen transport hub and by 2025 it will become one of the country's largest green hydrogen facilities.

It is not only international businesses that have a part to play in our industrial strategy. I cannot overemphasise the importance of engaging with local businesses, particularly when pushing for investment in space and science technology. As I mentioned, I am lucky enough

[Paul Howell]

to have companies such as Kromek and Filtronic in my area, as such companies provide high-skilled jobs to hundreds of local residents. But we also have established businesses in the automotive sector, such as Gestamp Tallent, and in many other industries. They are all pushing their agendas, and I have seen Ministers at all of them trying to make sure that they understand what these businesses need and that this Government are supporting them.

As was mentioned by my hon. Friend the Member for Scunthorpe (Holly Mumby-Croft), we need to be sure to work to have a balanced view of our investment. When considering any investment support, we need to understand what is happening across the world and make sure that we are not disadvantaging our businesses by not investing in them when other Governments are investing in theirs. We need to make sure we are in balance in what we are doing. We need to balance all our fuel opportunities in a completely holistic consideration of our need for fuel and its worldwide impact on the carbon footprint.

Until recently, I served on the Select Committee on Business, Energy and Industrial Strategy, and I have to say that for a significant portion of that time the Labour attendance was appalling. If Labour believes we need an industrial strategy, the time and forum for that is the Select Committee, and not grandstanding here. If Labour Members think the Government need to approach their industrial strategy differently, they have an opportunity to get that message across and challenge the Government through the proper channels.

5.22 pm

**Sarah Champion** (Rotherham) (Lab): At its heart, Rotherham is an industrial town. Coal, steel and glassmaking have been at the core of our identity since the industrial revolution. Although coal may have gone, my constituency still houses a substantial glass manufacturing business, in Beatson Clark, and steel production, in Liberty Steel. As energy-intensive industries, both have been severely impacted by the current colossal increase in the cost of energy. In August, the average UK wholesale price of energy was a staggering £370 per megawatt-hour, as against a pre-crisis level of £50 per megawatt-hour.

Alongside that exponential rise, UK carbon prices have reached historic highs, costing the steel industry an estimated £125 million in compliance costs this year. That not only harms the competitiveness of the sector, but reduces the capital available to the industry to invest in decarbonisation. Capping energy prices for businesses for six months was broadly welcomed by the energy-intensive industries. However, that remains a short-term solution. Industries are understandably fearful of a cliff edge when the support ends. It must be recognised that both steel and glass manufacturing do not operate in a vacuum. The German Government have confirmed the introduction of a scheme running for the entirety of 2023 that caps power prices for industry at £110 per megawatt-hour, which is more than £100 cheaper than the UK price cap scheme. That offers German steel producers not merely cheaper energy costs than UK competitors, but the stability needed to plan for the long term. In contrast, we have heard only deafening silence from the Government on what comes next.

The rising cost of energy is, of course, unprecedented, but the problem of an uncompetitive UK energy market is not new. Even before the current crisis, the costs associated with UK glass manufacturing were 62% higher than those in Turkey. Similarly, UK steel has, for years, faced considerably higher energy costs than European competitors. This has been brought to the Government's attention time and again, but their approach has been to listen, offer warm words and then do precisely nothing.

UK Steel recently published its five priorities for the new Government. To anyone who has followed debates on the steel industry for the past decade, these are surprisingly familiar. They call for competitive energy prices, a net zero strategy aimed at delivering a green, modern industry, action on dumping of cheap subsidised steel, a commitment to use UK steel in public infrastructure projects and the creation of a UK steel innovation fund—not so new or ground-breaking, but not done by this Government.

We cannot afford to waste another decade repeating the same practical, sensible demands to a Government who have shown neither the willingness nor the ability to deliver solutions. But that is consistent with the broader failure in the Government's industrial policy. In my 10 years as Rotherham MP, I have called repeatedly, as have my colleagues, for the Government to work with the industry to develop a clear, forward-thinking industrial strategy. The inclusion of "industrial strategy" in the name of a Government Department is not what I had in mind.

The current crisis must be a wake-up call. UK industries cannot hope to compete internationally if they continue to be hamstrung by a Government whose so-called industrial strategy is based entirely on inertia. It is simply not good enough for Government Ministers to stand at the Dispatch Box and tell this House how important these industries are, to recognise their contributions to the UK economy, but then hang them out to dry with their actions—or lack of actions.

I have heard it all before. My constituents have heard it all before. I urge the Minister to reflect on his Government's record of failure with the industrial sector and work with these industries to deliver the vital support that they need to weather the current storm, and also to provide a policy environment that allows them to play their crucial part in driving our economy in the years to come.

5.27 pm

**Chris Clarkson** (Heywood and Middleton) (Con): It is always a pleasure to follow the hon. Member for Rotherham (Sarah Champion). It is also a pleasure to take this opportunity to talk about the proud industrial heritage of Manchester and East Lancashire, not least of my own Heywood and Middleton constituency.

We still make things, important things. We might have started off as textile towns, but, across Greater Manchester, we are now leading the way in advanced materials and manufacturing—from graft to graphene, ours is a success story. That is why I am slightly confused about the tone of today's debate. Unless Opposition Members have been asleep for the past few years—in all fairness, that would explain a great deal—they would have seen that this is a Government who have taken unprecedented steps to support British industry. We need only to look back a couple of years to the dark

days of the pandemic when the now Prime Minister put £407 billion in to support British industry—jobs were safeguarded, firms that would have otherwise gone to the wall were supported and some sectors even grew during lockdown.

It is also wrong to say that the Government have done nothing to drive innovation. The UK is well on its way to becoming a net exporter of clean energy, with our work on hydrogen and offshore wind among some of the most advanced anywhere. That is to say nothing of the major investment being made in nuclear, with thousands of apprentices training to take advantage of high-skilled and well-paid jobs in the sector. With the advent of small modular reactors, another British success story, we could even see nuclear plants using waste heat to produce hydrogen from renewables. That is hydrogen that is both green and pink—or, if Members prefer, watermelon hydrogen.

A total of £211 million has been invested in the Faraday Battery Challenge, so that we can store this new green energy. Another £1.3 billion has been invested to accelerate the roll-out of charge points for electric vehicles, along with £582 million in grants for those buying zero or ultra-low emission vehicles. An increasing number of those vehicles are being made here in the UK, as manufacturers shift towards all-electric production across their lines.

Add to that, the National Shipbuilding Strategy, which was published in March 2022, along with £4 billion of investment to improve access to finance and to deliver vital skills and funding for crucial research to boost the development of greener vessels and infrastructure. That means more well-paid, high-skilled jobs and another industry secured.

To build those ships and much of the other infrastructure improvements that we are delivering, we need British steel, the best in the world. Thanks to the hard work and strong advocacy of my hon. Friend the Member for Scunthorpe (Holly Mumby-Croft), millions of pounds have now been allocated to bolster that industry; she does not just say things but does them. Using homemade steel is cheaper and better for the environment than foreign alternatives. I should say that my hon. Friend has developed such a reputation as a champion for the industry that she is known affectionately on these Benches as the Steel Lady. Contrast that with Labour's shameful record in Government, where steel production almost halved on their watch; I was going to stick with calling it brass neck, because I have already used the steel pun, but I think the record speaks for itself.

While Labour Members talk about tolerating businesses and describe them as the enemy, we have been working proactively to rebuild the industries left broken and moribund by the last Labour Government. It is under the Conservative party that a factory in Sunderland is now producing more cars than Italy, that seven of the 10 largest offshore wind farms are located in the UK and that £1.7 billion is being invested in new large-scale nuclear, so that we can reach 24 GW of clean energy on the grid. It is the Labour party who took a lump hammer to our nuclear industry and only managed an anaemic 7% of renewables on the grid, where we have managed 40%.

I will take no lectures from Labour on having a plan for anything, because I still do not think they have a plan or a strategy—no idea, no alternative and nothing

worth saying. Last week I accused them of sixth-form politics; I would like to make an apology to sixth-formers everywhere.

I need only look at my own constituency to see industrious people making innovative products that improve people's lives and contribute to the economy, whether that is Roxtec in Heap Bridge, making HS2, hydrogen and dozens of other industries work by providing sealing infrastructure, Union Papertech in Norden ensuring that our morning cuppa is not just delicious, but environmentally friendly, SMS in Middleton contributing to the next-gen Tempest fighter project, or dozens of other companies doing other amazing things. I have been incredibly proud to represent them over the past few years. I am proud of British industry and the contribution that the people I represent make to the economy. I am a little bit embarrassed for the Opposition that they genuinely think they cannot do any better than this.

5.31 pm

**Ms Marie Rimmer** (St Helens South and Whiston) (Lab): Britain must have an industrial future. At the moment we see other G7 economies having a better recovery while our industries struggle and some of them unfortunately have to close. Once our industries are gone, they are gone, and the Government need to stop taking them for granted.

Our economy is too dependent on the London property market bubble. If we want to be a successful economic powerhouse, the Government must diversify our economy. Right now it feels as though all our eggs are in two baskets: services and property. Any future economic plan must have industry at the heart of it.

Britain should be at the forefront of manufacturing new technologies in batteries, electric cars, wind and other forms of energy. Our economy as it is set up is too vulnerable to shocks in particular sectors. Too much Government money is spent procuring ships, steel and trains from abroad. Why? We have the skills and experience to make them here at home.

Money that is spent on UK goods is reinvested here in our economy. Even if it costs slightly more, due to our higher standards and working conditions, taxpayer money spent here remains at home and helps to support jobs and our economy. British people will get more satisfaction travelling in trains, buses and ferries built here. Only last week, it was revealed that the new Mersey ferry is going to be predominantly built in the Netherlands. I ask the Government—why? Why would they not want to invest in jobs and manufacturing here at home?

Britain should be leading the world in shipbuilding and other sectors, but it is difficult to do that if the Government do not believe in our workers and our industries. It is a lot easier to set up a new service company than it is to bring back a steel plant or glass factory. Yet in order to be a major economy as we go further into the 21st century, we must maintain our industrial sector—and of course that requires good working relationships between management and workers.

Across the industrial sector, there needs to be much better collaboration between the public and private sectors to boost our economy. That is at the heart of the Labour plan to future-proof our economy. There are many important industries that need a bit of help and support in difficult times, and many have been mentioned



[Ms Marie Rimmer]

in this debate. Steel, automotive, shipbuilding and glassmaking are hugely significant. Of course it is no surprise that I would plug glass, having worked in the industry for 39 years.

Glass will be the low-carbon global material of choice. Many modern buildings are made primarily of glass due to the fact that it is recyclable and does not have a huge impact on the environment. In St Helens, the Glass Futures project will provide research, development and innovation to the glass sector worldwide. The centre will find ways in which glass can be used in the future economy. Glass Futures will keep Britain at the top of the global glass industry. As the home of Pilkington's glass, St Helens will be at the forefront of new, innovative techniques. The glass industry is one that we can all be proud of, and it will only go from strength to strength as new technologies are developed.

The best way for Britain to boost our industry is to make sure we are leading the way on new technologies and providing high-quality, sustainable jobs. We have heard successive Prime Ministers talk about the UK industrial strategy, but far too often, the answers they reach are short-term solutions to long-term problems. We must look forward to the future of industry and to a fairer and greener future. I am afraid that after 12 years, the Government seem to be out of ideas, but Labour has a plan to get our industrial sector back on track and, more than that, to keep it on track.

There have been three BEIS Secretaries this year alone and 11 since 2010. The industrial sector wants to work with a Government who will listen to it and provide stability. The Government need to listen to our plan, or get back—yet again—to the drawing board.

5.35 pm

**Iain Stewart** (Milton Keynes South) (Con): It is a pleasure to speak in this important debate. I hope to make a constructive contribution by focusing on an area that I do not think we have touched on much: the appropriate balance between national industrial strategies and more local industrial strategies, both of which are important. I am in no way trying to undermine the importance of sectoral national strategies, which are important for finance, regulation, procurement and a range of other things, but more local or regional strategies are also important. To illustrate that, I will draw briefly on two areas in which I have experience.

First, in my time as a Minister in the Scotland Office, I had responsibility for the city and regional growth deal programme, which, of course, has been supplemented by other policy initiatives such as the levelling-up agenda, freeports, and the innovation accelerators that were part of the levelling-up White Paper. The meaning of "local" differs in different parts of the country—it could mean a city region or an individual authority—but my experience is that empowering a local area to take ownership of what it wants to see locally, working with the private sector and academic R&D in what Sir Jim McDonald of Strathclyde University called the "triple helix", brings investment opportunities and local growth.

The city and regional growth deal programme is well advanced; all parts of Scotland now have one at a certain stage. Some of the older ones are entering the

second half of their duration, so it is appropriate to think about what comes next and how we can best link together those different initiatives within the national framework, while looking at how local areas can drive forward their priorities, linking into the transport and other infrastructure that is required, the skills base and other important factors. Greater thinking needs to be done about city deals 2.0. The innovation accelerators, which are being piloted in Glasgow, Manchester and the west midlands, will be an important look at what might be achieved.

Secondly, I will touch briefly on my work on the Oxford-Milton Keynes-Cambridge growth arc, because it illustrates the limitations we have in joining up policies across different Government Departments and across different areas. That arc does not sit neatly into any geographic boundary; it crosses three of the traditional economic regions, and I have lost count of the number of local authorities that are part of it. There has to be some strategy for the arc to work without looking at projects within it—be it East West Rail or any other scheme—as entities in themselves. The arc will fail to reach its potential if we look at it as just a housing target, or as putting in a new railway, road or other bit of infrastructure. We must maximise the opportunities for each cluster, whether that is life sciences in Cambridge or engineering, automotive or aviation in my area. There are many potential growth areas and we need the appropriate balance.

The work is not complete on that. A representative of AstraZeneca attended a recent event that the hon. Member for Cambridge (Daniel Zeichner) and I held. They said that their growth plans are inhibited by the lack of better connectivity, housing and skills. We must look at all those issues in the round, link them to the national strategies, but give appropriate weight to place-based ventures.

I would love to expand on those points, but the clock is ticking. National strategies are important, but they must be counterbalanced by the place-based approach.

5.40 pm

**Rachel Hopkins** (Luton South) (Lab): This Conservative Government are incapable of fixing the structural problems at the heart of our economy. Just look at the past 12 years, when we had six different growth plans. In the past six years, we have had five Prime Ministers and, just this year, we have had four Chancellors. Where is the stability? Where is the consistent plan? Instead, there is a track record of wasted opportunities and mistakes. There has been chaos under the Conservatives, who crashed the economy.

Our growth rate since 2010 has been only 1.4%—lower than the OECD average and behind the USA, Canada and Germany. The country faces the lowest growth in the OECD over the next two years, behind countries including Italy and Greece. The Tories have dismantled our economy by entrenching low growth, low productivity and declining living standards. Working people are expected to pay the price of Tory failure.

For too long, industrial policy in the UK has been plagued by short-termism and its vulnerability to political changes. The British public need a fresh start and part of that is reaching a collaborative settlement with the European Union. Many of us voted to leave the European

Union to see a strong, democratic sovereign state working in the interests of the British public: a state that works with business to grow the economy, create good jobs and deliver public infrastructure and projects. Essential to that is an ambitious, Government-driven industrial strategy. We need to rebuild British industry and deliver growth that makes all parts of our country better off.

A recent Rebuild Britain article stated that our country needs

“greater self-reliance with jobs, skills, industries and technologies rooted in local areas serving the needs of localities and the wider nation”,

as my hon. Friend the Member for St Helens South and Whiston (Ms Rimmer) outlined so well.

A modern industrial strategy requires building a partnership between the public and private sectors to meet the immense challenges we face. Let us take the automotive industry, which employs 780,000 people in our country and accounts for 10% of total UK exports. Car and van manufacturing can be found in every region of the UK, from the north-east to the east of England, and particularly in my constituency of Luton South, which is incredibly proud of its historical ties to the industry through the local Vauxhall plant.

Despite the Minister's rhetoric, with the fast approaching 2030 deadline prohibiting the sale of new petrol and diesel cars, unless Britain secures domestic gigafactories for manufacturing batteries, manufacturers will move elsewhere to build their future electric models. Building gigafactories would contribute to meeting net zero, distributing growth across the country and helping to expand automotive exports. It is a win-win-win. However, I heard little about gigafactories from the Minister. Government inaction already means that the UK is far behind other European countries.

The UK has one gigafactory in operation, whereas Germany has five and a further four in construction, not to mention France and Italy, which are set to have twice as many battery manufacturing jobs as us by 2030. Manufacturers such as Vauxhall in Luton need certainty. They need a Government prepared to shape a competitive environment. A consistent policy framework, which businesses can trust, will encourage increased investment over the long term.

As part of our green prosperity plan's national wealth fund, a Labour Government would part-finance the creation of three new, additional gigafactories by 2025, and we have a target of eight by 2030. Our plan delivers the certainty needed for automotive manufacturers to upscale their operations, in the knowledge that the Government have made a long-term commitment to the industry.

For the automotive sector and many others, we must safeguard the UK's domestic steel production. While Governments around the world are committing to their domestic industries with long-term strategic investment in green steel production, the Conservatives have failed to invest in the transition, instead attempting to weaken safeguards that protected our steelmakers from being undercut by cheap steel imports and splashing tens of millions on imported steel to build British schools and hospitals.

**Holly Mumby-Croft:** Will the hon. Lady give way?

**Rachel Hopkins:** No; I am sorry.

Leaving the European Union enables us to increase strategic investment in our key domestic industries; it should not mean stripping back regulations and leaving them exposed to the global market. Labour understands that, and in government we will invest up to £3 billion over the coming decade to green the steel industry. Labour will end the short-termism through our green prosperity plan and by introducing the industrial strategy council, placed on a statutory footing. Labour will work in partnership with business to tackle some of society's biggest challenges. We are ready to rebuild the country fit for a fairer, greener future. It is time for a fresh start.

5.45 pm

**Angela Richardson (Guildford) (Con):** I am grateful for the opportunity to speak in this debate on the UK's industrial future. Guildford is a constituency rooted with industrial heritage. From the wool trade several hundred years ago to one of the first purpose-built car factories in the country at the Rodboro Buildings, built by Dennis in 1901 to make touring cars, buses and commercial vehicles, my constituency has contributed more than its fair share to the UK's economic growth. That spirit of industry is not diminished and has evolved to focus on developing our economy for the future. High-tech gaming, space exploration and 5G development are thriving in Guildford, and I am proud to represent such a forward-thinking corner of the world.

Guildford is leading the way in research on space exploration, and I welcome the launch of the Space South Central partnership earlier this year, which brings together more than 120 academic institutions, private companies and public sector organisations in Surrey and Hampshire to support those established within the industry as well as start-up companies. Last year, I was proud to visit Surrey Satellite Technology Ltd with my hon. Friend the Member for Buckingham (Greg Smith), to see for ourselves the facilities and the expertise that is being put into this vital industry, which, across the local enterprise partnership region, supports 3,245 jobs in 180 organisations.

Surrey Satellite Technology has contributed to many projects over the years, and I am pleased to see that its important work continues. It is currently working on a small satellite to measure the variables of climate change, which is vital if we are to keep to our global commitments and our net zero obligations. It is also building a thermal imaging satellite, which will pave the way for mid-wave infra-red spacecraft with the ability to measure the heat signature of any building multiple times a day, providing real-time insights on emissions, energy use and insulation.

When I asked the Prime Minister, in his previous role as Chancellor, last year about our businesses in Guildford, he said that innovative companies are the strength of the UK economy, and I know he still holds that ambition for sectors such as our space sector to grow and thrive in the future. This industry has the potential to really take off, and I know that this Government and their UK space strategy will continue to support the space industry in Guildford in the years ahead.

Guildford has also been at the forefront of the gaming industry in this country, with over 70 gaming studios supporting more than 1,800 jobs in the area. It has sometimes been called the Hollywood of video games. It all started with Bullfrog Productions, founded over

[Angela Richardson]

30 years ago and now part of Electronic Arts, which I am pleased to say has its UK headquarters in Guildford and continues to support local jobs and start-up companies. I mention gaming because it is important in pushing technology in other sectors, including the automotive and medical sectors. My first question in the House was to ask the then Minister at the Department for International Trade, my right hon. Friend the Member for Beverley and Holderness (Graham Stuart), how we can support inward investment into the gaming sector. I know that the Government's commitment to supporting inward investment into the industries of tomorrow, through the local enterprise partnership, Enterprise M3, and other local stakeholders, is as strong now as it was then.

Last Friday, I was pleased to be able to witness innovation in action at the brand-new modular construction facility of QB Technology in Cranleigh. That fantastic company produces efficient and sustainable modular building systems that can be made off-site, under cover, using recycled steel frames, and can be used for commercial and residential construction. That offers exciting prospects for the future, such as quick and sustainable house building with minimal impact on the environment.

Guildford is proud to be home to many of the industries of the future. The Minister for Science, who opened the debate, and the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who will wind up, will agree that continuing to support and invest in such industries is a key priority for the Government. Together with companies across Guildford and Cranleigh, we can continue to develop and innovate during the years ahead.

5.50 pm

**Sarah Olney** (Richmond Park) (LD): The UK economy is simply not working for British people today and is not fit to face the challenges of tomorrow. After years of slow growth, low investment and declining productivity, the Government's only plan for the economy is to hike taxes and cut public services. We have now lost count of the number of Conservative Chancellors who have pledged to kick-start the economy, but none of their grand ideas lasts long enough to have any tangible or long-lasting benefit. The latest iteration, the growth plan, barely survived a month but still managed to crash the economy. Meanwhile, the Government have allowed existing industries to fall into decline while failing to support the development of future technologies and to seize the opportunities of a green transition.

We are failing to keep up with our international partners: the UK is the only country in the G7 to have an economy that is smaller now than before the pandemic. Our trading position is weaker and industries across the board are facing chronic labour and skills shortages, but the Conservative Government simply have no plan. The Liberal Democrats believe that we need an innovation-led economy with a new ambitious industrial strategy that really works for everyone—one that provides well-paid jobs and opportunities at work; ensures that business serves the common good; and sustains strong communities and thriving places. None of that can be achieved without a proper plan that tackles the issues at the heart of poor economic performance.

Chronic workforce and skills shortages are a major barrier to economic growth. Time and again, workforce constraints are at the top of the list of concerns when I speak to businesses, from local high street firms to large City corporations. Without a skilled and active workforce, an economic plan is not worth the paper it is written on. We need to empower our workforce with the skills and protections that they need to support economic growth. The Liberal Democrats would invest in skills and support lifelong opportunities for retraining to allow workers to adjust to the fast-moving economy of the 21st century. We would also implement a national skills strategy for key sectors to help match skills and people.

We cannot pretend that Brexit has played no part in exacerbating current workforce shortages; thousands of vacancies across our healthcare, manufacturing and hospitality sectors could be filled by foreign nationals, but our current visa system is not fit for purpose. Potential workers face a frustratingly long and costly application process that turns many away. The Liberal Democrats propose to scrap the arbitrary salary thresholds in the current visa system to meet workforce demands in the short term. That would bring in vital labour to support British industry and sustain our economy. Yesterday, hundreds of businesses from the hospitality sector took to Parliament Square to demand action from the Government after warning that one third face closure in the coming year.

Any plan for our economy must focus on reducing barriers to trade, which is vital for economic growth. The Government have long promised to slash red tape and open UK businesses to international markets, but since Brexit, small and medium-sized enterprises that export to the EU have faced an onslaught of red tape and many have simply given up trying.

The Conservative's flagship trade deal, the free trade agreement with Australia, will contribute just 0.08% to GDP, which is hardly a panacea to our trading woes. Yesterday, the former Environment Secretary, the right hon. Member for Camborne and Redruth (George Eustice), admitted that the deal is woefully inadequate. In his words, "the best clause...is that final clause",—[*Official Report*, 14 November 2022; Vol. 722, c. 425.]

because it allows the UK Government to terminate or renegotiate the deal in the first six months. The UK gave away far too much for far too little in return and caused irreparable damage to British farming—and for what? Saving face and meeting an arbitrary deadline of concluding negotiations before a G7 meeting is just another example of the Conservatives' short-sighted and reckless approach to the economy.

The Government seem intent on making it increasingly difficult to trade with our largest trading partner of more than 450 million people across the EU. The Liberal Democrats would focus on rebuilding our trading relationship with our European neighbours to unlock the potential of British business.

Net zero could bring a wealth of economic benefits to the UK. We have a real opportunity to be a leader in green technology, but the Conservative Government are showing a complete lack of ambition. The Liberal Democrats would implement a bold green agenda to deliver on our climate commitments while supporting businesses to adapt and thrive. From new targets for zero carbon flight to new industrial strategies for hydrogen



and power cabling, our plan proposes a major restructuring of the UK's economic model. Meanwhile, the Government's previous 10-point plan for a green industrial revolution has seemingly been kicked into the long grass, along with a whole host of manifesto commitments.

I urge the Minister to act on the concerns raised here today, and to implement a new industrial strategy that is aligned to our net zero goals. Only with a real plan for our economy can the UK turn its fortunes around and really unlock our potential for growth.

5.55 pm

**Paul Bristow** (Peterborough) (Con): It gives me great pleasure to speak in this debate on Britain's industrial future. It gives me great pride once again to talk about my city of Peterborough, a city whose tradition of manufacturing, engineering and all sorts of other industries makes it crucial to Britain's industrial future. I also want to pay tribute to the Minister, who is not in his place on the Front Bench at the moment—the Minister of State, Department for Business, Energy and Industrial Strategy, my hon. Friend the Member for Mid Norfolk (George Freeman). The Minister did, quite rightly, refer to how Britain is the ninth biggest manufacturing economy in the world, something that is all too often forgotten about in this country. We constantly hear messages that we do not manufacture and do not make anything any more as a country. Well, that is evidently not true if we are the ninth biggest manufacturing economy in the world.

I would like to return to a theme I have raised in this House before, because the truth is that in Britain we have too many jobs that are low-skilled, have too low productivity and are too low-paid, and we need to replace those jobs with highly productive jobs, highly skilled jobs and, of course, highly paid jobs. The truth is that this country for too long has been addicted to what I would call cheap migrant labour, and so many people in cities such as Peterborough—

**Peter Grant:** Oh, come on!

**Paul Bristow:** It is absolutely true. If productivity and wages were somehow linked to migration, Britain would have been one of the richest countries in the world over the last 25 years. It simply does not work. We have been addicted to cheap migrant labour, and far too many people in cities such as Peterborough—far too many young people when they leave education—are referred to as a failure if they do not go to university or do not excel in academic subjects. What we need to be doing is valuing those children who excel in manufacturing and in practical and technical skills. That is exactly why we are building a university in Peterborough—a university that focuses on engineering, on manufacturing and on technical qualifications. That is really important, because that will attract other companies to come to our city, invest in the skills that we have in Peterborough, invest in those new people and ensure that we create those highly paid, highly productive jobs in the future.

There are just a couple of things I want to say about how, other than in Peterborough, we can transfer to that high-skill, high-productivity and high-wage economy. The first is that we have to invest seriously in R&D in this country. We have to continue to commit to that, and encourage private sector organisations to invest in research and development, backed by Government

incentives on tax and regulation. That is absolutely crucial. No longer can we rely, as I said earlier, on cheap labour to drive economic growth, because it simply does not work.

The second thing we need to be doing is investing in skills, and I am really delighted to see our committing ourselves to lifelong learning. For places such as Peterborough, lifelong learning is absolutely crucial, and I hope we can do more and that we can invest in the talented people we have in cities such as Peterborough and across the country.

Thirdly—and I say this knowing that it will not always make me as popular with Members on the Conservative Benches as it will with those on the Opposition Benches—I went to Lancaster week to speak to my old university Conservative association, and what fun I had too. I was led to believe that all young people were socialists; well, that certainly was not the case at Lancaster. What they told me was that the one thing they felt could unlock their potential and their future is a relaxation on planning. We really have to focus on and invest in building the houses and the industrial units of the future. We need to create an environment where we can free up, not logjam, our planning system when it comes to industrial units, business and other areas, as well as homes for the future. No longer can we have a situation where new homes and new industrial developments are blocked for nimbyish reasons. That is not the way to long-term economic growth, and it certainly will not give a step up to young people in my constituency and elsewhere. Frankly, I do not think Labour Members get or understand this; they are still locked in a mentality of continuing with a low growth, cheap labour type economy and—*[Interruption.]* Their party believes in open borders and wants to import people into this country to do low productivity, low skill jobs. If we had continued with a system like that, Britain's economy would have grown faster than that of any other country in the last 10 years. If we follow that advice, we will continue down the same route.

**Several hon. Members** rose—

**Madam Deputy Speaker (Dame Eleanor Laing):** After the next speaker, the time limit will be reduced to four minutes. With five minutes, I call Kenny MacAskill.

6 pm

**Kenny MacAskill** (East Lothian) (Alba): Thank you, Madam Deputy Speaker. It is a pleasure to follow the hon. Member for Peterborough (Paul Bristow).

In this debate on the industrial future I wish to deal with renewables, in particular offshore wind. There has been some mention in the debate earlier—indeed, we have seen it in the press—that the statistic about Scotland having 25% of Europe's potential offshore wind is incorrect. I am happy to concede that, although I am surprised it has been pilloried upon the Scottish Government because the statistic was also echoed by the UK Government, including by Ministers and even a Deputy Prime Minister, but I accept that technology changes.

It remains the case, however, that Scotland's offshore wind potential is huge and significant. I am not prepared to accept the prognosis of Unionist front organisations or other bodies funded by rich men with an agenda. I maintain that the potential remains big because I remember when Scotland's first bounty came about in oil and gas.

[Kenny MacAskill]

As a child of the '60s I recall being told that oil would all be gone by the '80s, then it would be gone by the millennium, and when we got to the referendum in 2014 we were told that it was nearly gone and it was an impediment—how could a country like Scotland possibly survive as an independent nation if it had to put up with the difficulty of looking after its depleted oil and gas sector? Now, however, we find that there is a rush to grant licences at an excessive pace. So Scotland's offshore wind potential is huge; even the former Prime Minister the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) described it as the Saudi Arabia of wind. If Scotland can do from wind what Saudi Arabia has done from oil, I will be very happy.

It has huge potential because Berwick Bank alone provides more electricity for domestic supply than Scotland has in households. That shows the potential, but to do it we have to ensure that the state has control, or at least a stake, that local businesses get the contracts, and that local workers get the jobs.

In each of those areas we are failing, and the Government have failed. In that context, I will look at one particular offshore wind farm. That wind farm is at Neart na Gaoithe, a Gaelic name and *Hansard* will get the spelling from me later. It is situated 15 km from the coast of Fife and 20 miles from my constituency, East Lothian, where the cabling will land. It is owned by EDF and ESB, one a state producer of power for France and the other the electricity board from the Republic of Ireland. The profits from this wind farm—54 turbines providing 370,000 households with electricity—are going not to Edinburgh or London, but to Paris and Dublin. That is ridiculous, and at minimum a stake should be taken by the Scottish or the UK Government.

What about the contracts? The contracts for the 54 turbines are going to Hull; they are certainly not going to Methil, where BiFab lines lie empty, or Arnish where lines also lie empty. I do not begrudge the work going to Hull, but 54 is more than the number of turbines committed to or produced in Scotland at all, which is unacceptable. Every yard in every estuary in Scotland should be producing these turbines because the requirement is there, yet we are getting numbers of contracts that we could count on our hands and feet and that is simply unacceptable. The other contracts are going abroad too, to Belgium, Spain, Norway.

What about the jobs? I listened to the hon. Member for Peterborough going on about jobs going abroad. At this very moment workers in the Neart na Gaoithe field who are operating on the Solstad ship the Normand Navigator, are getting redundancy notices because there has been an extension of the offshore workers immigration rules and as a consequence the employers are laying off UK seafarers—36 so far, and more perhaps in other fields—and replacing them with cheap south Asian labour. That is simply disgraceful. We are not giving the contracts to Scottish business, and the workforce, whether based in Scotland or elsewhere in the United Kingdom, are getting redundancy notices. Many of them took those jobs because there was an opportunity to work closer to home. In my constituency, we will be able to see the turbines turning, yet many in their homes will

not be able to meet the bills despite the fact that the energy should be available cheaply and not priced at the rate of European gas.

We are not even getting the jobs. As I said, we have the ridiculous position that we will be legislating in this Chamber to address the iniquity and disgrace of P&O and yet a situation caused by the Home Office's rule change is seeing UK seafarers laid off and dealt with as despicably as P&O dealt with other sailors. It is about time that we took the opportunity to get the best of renewables and to protect our own workforce.

**Madam Deputy Speaker (Dame Eleanor Laing):** Good news: one colleague has withdrawn from speaking, so the time limit will stay for the moment at five minutes.

6.5 pm

**Andy McDonald (Middlesbrough) (Lab):** Thank you, Madam Deputy Speaker. In 2015, under the Tories, more than 150 years of steelmaking in my part of the world came to a shuddering halt with the closure of the SSI blast furnace in Redcar. The very concept of industrial strategy came to the fore in a unique and graphic manner. The received wisdom of Government Members meant that they had no truck with industrial strategy and they simply allowed markets to dictate and determine whether our industries, such as steel, survived.

We move on and look to the very lands on which the steelmaking industry sat for development now and in the years ahead. There is unanimity of purpose in securing the new industries of the future, focusing on renewable energy development, hydrogen, carbon capture, utilisation and storage, and offshore and onshore wind among many others. There has been much promise of creating 25,000 jobs. I regret to say that there is little evidence of that coming to fruition any time soon. However, the objective is the correct one. What is not correct is the way in which the Tees Valley Combined Authority under the auspices of the Mayor, Ben Houchen, has set about the business.

Vast sums of public money—some £375 million—have been expended on acquiring and remediating the land on the south bank of the Tees for development. No one objects to that ambition, but what happened was that a joint venture company styled under the title Teesworks was formed initially as a public-private partnership whereby the Tees Valley Combined Authority had a 50% share along with its private partner. The sad reality is that the private venture partner got involved only because of its acquisition of an option to purchase land—a ransom strip—which put it in the key position when the combined authority entered into the joint venture. There was no procurement or tendering process whatsoever. A marriage was made simply between the public and private sector in those ratios, but, as we approached the end of the available funding from central Government, a totally and utterly unacceptable decision was made whereby the 50:50 share was transferred to 90:10 in favour of the private sector joint venture partner. Those shares—public property—have been transferred for nothing. For nil. For zero. For zip.

There is a real sense on Teesside that these matters have been conducted in a clandestine manner and an atmosphere of secrecy, with a total absence of any proper, effective scrutiny and a distinct lack of accountability.

There is also a sense of there being something unseemly about those benefiting directly from the contracts so massively.

All of that happened without a proper procurement process, and the Public Accounts Committee does not have the locus to investigate. The National Audit Office claims that it has no responsibility for those moneys and is content to leave it to external auditors. That means that *Private Eye* has been leading with its detailed and thorough examination. It comes to something when we have to rely on a satirical magazine to undertake forensic examination of how public money is spent, but we need only look at the Tees Valley Combined Authority's website to see how its board minutes and agendas in respect of not only the South Tees Development Corporation but the freeport board are put beyond our gaze and deemed to be confidential. It is a common experience that freedom of information requests are met with resistance and obfuscation. We need to have a clearer look at these elements, but it is evident that any demand for better scrutiny and better governance is constantly met with cries of disloyalty and a lack of ambition. Nothing could be further from the truth. It is about progressing the agenda, looking after public money and pursuing development in the interests of the people, not simply enriching further the already extremely wealthy.

There will be a day of reckoning on these business transactions. We need to get to the bottom of how these things have been allowed to happen. There is a real challenge to central Government more broadly as to how they exercise control and scrutiny over the expending of such vast amounts of public money. I hope that day will come very, very soon.

6.10 pm

**Jessica Morden** (Newport East) (Lab): I am very pleased to be called in this debate to talk, like other hon. Members, about the steel industry, which is so important to, and at the heart of, the community I have the privilege to represent.

In Prime Minister's questions last week, I had the opportunity to challenge the Prime Minister on the Government's lack of support for the steel industry. I welcomed his recognition of the importance of the sector to the economy and our communities up and down the country. However, I worry that that was just another set of warm words from a Government who only ever seem to react to crises in the industry when things get desperate, but refuse to implement any kind of long-term plan for steel, a sector that should be the cornerstone of a forward-looking green industrial strategy. The ask was set out excellently by my hon. Friend the Member for Rotherham (Sarah Champion) earlier and has been well rehearsed in the many debates on steel we have had in this place.

We only have to look at the rate of turnover of BEIS Ministers to get a sense of just how unfocused the Government have been over the last 12 years. Since 2010, we have had 11 responsible Ministers, including six over the last three years alone. I am not sure, even today, exactly who is the steel Minister in BEIS, because there is no list of responsibilities on the website and no answers to the parliamentary questions we have tabled. Will the Minister please tell us in his closing remarks who the steel Minister is? That crude lack of continuity makes it incredibly hard for representatives from the

industry—steel unions, UK Steel and parliamentarians—to engage constructively with the Government and, perhaps harder still, for the Government to develop a strategy to ensure a long-term future for an industry that is of such vital strategic importance to our sovereign capability and national security. *[Interruption.]* From the look of the note that has just been written, the Minister is asking who the steel Minister is.

If we as steel MPs are frustrated, that is nothing compared to how steelworkers feel. Speaking to union reps from Tata Llanwern and Liberty on Friday, there is a real concern for the future and a sense that opportunities could tragically be lost. There are huge challenges for our industry at the moment. At Tata Llanwern, the average age of the workforce has fallen from 53 to 32 in recent years. The young members of the workforce, having shone with the benefit of high-quality training, are performing everything they are asked to do, but, given the anxieties that hang over the whole sector, these young multiskilled workers are now worried about their mortgages and their futures. Some of those worries relate to immediate problems the industry is facing, including falling demand in the construction and automotive sectors. Llanwern produces world-class automotive steel for Jaguar Land Rover, which has slowed down its production. Looking to the longer term, there is also exasperation with the lack of vision shown by the Government and their failure to stump up the investment funding or work with the industry to help companies decarbonise. Steelworkers feel neglected at a time when their contribution has never been so vital to our economy. We know that the world cannot decarbonise without steel, whether it is for use in wind turbines, electric vehicles, energy-efficient buildings or other green infrastructure. The steel sector is committed to the transition to net zero, but it needs a policy framework that will support, not hinder, it. The Government must provide a solution to allow the industry to invest in decarbonisation.

Energy prices remain a huge issue, with steelmakers still paying well over the odds compared with our continental counterparts. That point was made well by my hon. Friend the Member for Rotherham, who outlined the help that the German Government are giving their industry. We are not being as generous. We also need longer-term reforms to bring down electricity prices beyond the difficult winter ahead, akin to those implemented in France and Germany.

Let us not forget that the previous Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), made reduced energy costs for the steel sector an important promise during the Brexit campaign. Six years on, we are still lagging behind. On that note, the Government should also follow the EU in closing the loophole for the sanctions regime against Moscow that still allows indirect imports of Russian steel from third countries and create a UK steel innovation fund using the £200 million refund from the research fund for coal and steel.

We need Ministers to set ambitious targets for the use of UK steel content in public procurement, as has been said. This is a really important industry, with more than 76,000 jobs in the UK. As a steelworker at Llanwern said to me this week, the UK steel industry is less well equipped to weather the global storm than overseas competitors. He also said:

"in an insecure and unstable world, how can we not produce steel?"



6.16 pm

**Mick Whitley** (Birkenhead) (Lab): As a former automotive worker representing a constituency with a rich industrial heritage, I have taken great interest in the wide range of contributions that have been made today. In the same week that the COP27 talks conclude in Egypt, it is absolutely right that so much emphasis has been placed on the importance of investing in a just transition towards a greener, fairer society.

I have spoken many times in the Chamber about the importance of investing in a green industrial revolution, as proposed in my party's last election manifesto. As time is short, I want to speak principally about the important role that a robust industrial strategy has to play in securing the future of British shipbuilding—an industry that is not only essential in promoting our economic prosperity, but in guaranteeing our national security.

On a recent visit to Liverpool, the Leader of the Opposition, my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer), described Britain as possessing an

“extraordinary genius when it comes to manufacturing.”

He is absolutely right. Indeed, from his podium, he needed only to cast his gaze across the Mersey to see that genius on full display. The historic Cammell Laird shipyard in my Birkenhead constituency commands an industry-wide reputation for being at the forefront of technological innovation in the sector. From its slipways have sailed some of the most technically sophisticated vessels afloat, including the state-of-the-art RRS Sir David Attenborough.

The yard continues to make an enormous contribution to the local economy. In the past five years alone, it has spent £400 million in the wider supply chain, including £140 million in the local community, benefiting more than 300 local businesses. There is a reason why Cammell Laird was chosen as the site from which to launch the refreshed national shipbuilding strategy earlier this year.

In that strategy, the Defence Secretary promised to lead a “renaissance in British shipbuilding”. Eight months later, however, he finds his resolve being tested by the competition for the construction of the Royal Navy's fleet solid support ships. When I last raised concerns that work on those vessels might be offshored, the Secretary of State had the temerity to accuse me of spouting “claptrap” and “playing to the crowd”, but in the past few weeks, it has been widely reported that he intends to do just that. Indeed, figures from across the shipbuilding industry are convinced that Ministers are poised to award the £1.6 billion contract to the Team Resolute consortium in just a few weeks' time, despite the warning that a Team Resolute victory could lead to between 60% to 80% of the work on the FSS ships taking place abroad.

Things do not have to be that way. Since my election to the House, I have consistently argued that the contract must be awarded to Team UK—the only consortium in the bidding process promising to build and design the ship in its entirety in the UK. I have secured Westminster Hall and Adjournment debates on the issue and have written countless letters to the Ministry of Defence, most recently with the support of Metro Mayor Steve Rotherham and colleagues from across Merseyside. That is not only because of the obvious benefits that that would

have for my constituency through the involvement of Cammell Laird in the Team UK bid, but because of the contract's potential to herald a major leap forward for the shipbuilding industry nationwide. If it is successful, Team UK has pledged to invest £90 million in British shipyards and a further £54 million in apprenticeships and training, including at Cammell Laird's marine engineering college. A victory for Team UK would directly or indirectly support 6,000 jobs across the country, as well as returning £650 million of the total spend to the public purse through direct and indirect taxation.

The choice facing this Government is simple. My party has committed to strengthening our nation's security, economy and sovereignty by building in Britain by default. Will the Government now do the same?

6.19 pm

**Peter Grant** (Glenrothes) (SNP): I do not often start my speeches by directly addressing the constituents of another hon. Member, but may I say something to the constituents of the hon. Member for Peterborough (Paul Bristow), who is no longer in his place? If his constituents who have travelled to Peterborough from outside the United Kingdom are as appalled as I am that they have been denounced as cheap foreign labour by their own Member of Parliament, and if they no longer feel welcome in Peterborough, they can come to Fife or to Scotland. They will be made welcome. They will find thousands of businesses desperate to give them work: not “cheap foreign labour” work, but well-paid work that will keep the Scottish economy going.

The motion is about the Government's failures on industrial strategy, which are nothing new for my constituents. A hundred years ago, Methil docks exported more than 3 million tonnes of coal per year. Vast amounts of money were made by the lairds and the earls; a lot of it found its way into the Treasury, but almost nothing was left behind for the benefit of the local community. All that remains of that vast fortune is the memorials, in almost every town in my constituency, to the men and boys who went underground and never came back.

Methil docks then became the RGC construction yard for oil rigs. Again, the people of Levenmouth did their part, and more, to fill the pockets of the Treasury and the shareholders; again, when the downturn came, they were abandoned by Westminster. As the hon. Member for East Lothian (Kenny MacAskill), who is no longer in his place, mentioned, the yard was then taken over by BiFab, which made jackets and platforms for offshore wind turbines. Once again, the people were let down by the British Government, who set up contracts for difference in a way that allowed south-east Asian companies to compete on cost with my constituents at BiFab. Other European partners, through European legislation, were able to protect their own supply chains, but this British Government made a deliberate choice not to do so. They sold BiFab down the river at Methil, Burntisland and elsewhere, whereas other European countries fully appreciated the need to protect their own supply chains.

Look at the ludicrous scheme for the Rothes pit just outside Thornton in my constituency. It was opened under a previous Tory Government by no less a person than Her late Majesty. We were promised that it would last 100 years and produce 5,000 tonnes of coal per day.

A new town, Glenrothes, was even built to house all the miners who would be needed. The pit lasted five years; the total cost to the taxpayer, in today's money, was half a billion pounds. The list goes on and on: grandiose schemes, grand words and wild promises to my constituents and others by successive Governments in this place, of all hues. None of them has stood the test of time.

I hope the House will understand why neither I nor my constituents can have any confidence that any UK Government can be trusted to ensure that Fife or Scotland is well placed to take full advantage of the current revolution in industry, particularly in energy technology. We already produce more energy in Scotland than we need, and we are very close to being able to meet our entire needs from clean, renewable, non-nuclear sources. That is the answer that the Minister did not want to hear to the question that he asked: the reason the SNP does not want Scotland to invest in nuclear power is that we dinnae need any. If the UK Government think England needs nuclear power, they are welcome to it. They can build the power stations in England and pay for them with England's share of the funding, but they cannot expect Scotland to bail them out.

Scotland can be self-sufficient in energy despite the determined efforts of British Governments to put obstacles in our way: the disastrous cuts to renewables in 2015, the decision to make carbon-free renewable energy subject to the carbon tax, the continued refusal to support the groundbreaking Acorn carbon capture and storage project, a whole decade of obsessive and ideologically based opposition to cheap onshore wind power, and the obsession with foisting on Scotland an unwanted share of the colossal but as yet unquantified cost of equally unwanted and unnecessary nuclear power.

It has become clear to a great many people in Scotland that we have what it takes to have a successful industrial economy, but that cannot happen when we are governed by any party in this place that wants to keep us away from our friends and neighbours in the European Union. It cannot happen when we are governed by any party in this place that wants to shut us off from the labour markets of Europe with an overly restrictive immigration policy. It cannot happen for Scotland as long as we remain part of this failed and discredited Union.

6.24 pm

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): We should build, make, buy and sell more products in Britain. I think the Government should redraft their procurement rules to favour British companies first and foremost, creating more jobs in Britain. Labour proudly says, "Buy local, buy British". It is a shame that there are not more Conservative MPs present to hear that, so I will shout it more loudly to enable Members in the Tea Room to hear it: we want people to buy local and buy British, backing local jobs in Britain. That is at the heart of our strategy.

It is an absolute nonsense that since we left the European Union our passports are no longer made in Britain, but are made in France; it is an absolute nonsense that, probably within days, the fleet solid support ships—those vital new supply ships for our Royal Navy and Royal Fleet Auxiliary—will, instead of being built in a British shipyard, be built in a Spanish one; and it is an absolute nonsense that our farmers are being undercut

by trade deals signed with countries on the opposite side of the planet for lower-standard food when we should be buying more British food. That is what Labour Members mean when we say, "Buy local, buy British" and "Make, buy and sell more here".

As a proud west country MP, I talk about Plymouth with real passion, because we have so much potential. The Science Minister—the hon. Member for Mid Norfolk (George Freeman)—is no longer in the Chamber, but I hope that if he were, he would add to the long list of examples that he gave earlier the incredible resources and expertise in Plymouth in respect of marine autonomy, which is critical to the exploitation of marine industries in the future.

Industrial strategy must not be limited to land-based industries, and Plymouth is turning the tide and showing how important the ocean is to innovation. Last month I attended the opening by Princess Anne of our new National Centre for Coastal Autonomy at Plymouth Marine Laboratory. This is a cutting-edge collaboration between Plymouth University, Plymouth Marine Laboratory, Marine Research Plymouth and the Marine Biological Association—all of them world-class marine bodies—and it builds on our existing industrial and science base. What we are developing in Plymouth is truly world class: the UK's first autonomous coastal observing and monitoring network. It builds on the success of Plymouth's Smart Sound project, which delivered underwater wi-fi and 5G—they provide a better signal than can sometimes be had on land—to kick-start autonomous vehicle research and the first autonomous proving ground in the country.

Alongside manufacturers of civilian and military surface, underwater and deep-sea autonomous vehicles, we have a cluster of expertise, investment and gold-plated opportunity for the Government to support, and I think they would be foolish to miss out on it. There will be only one world-class autonomous centre on the planet, and Plymouth is at the forefront of what it could be. I ask the Minister to back us, because with more investment in our city, we could be that resource—not just for Britain or Europe, but for the entire planet, creating high-skill jobs here in Britain. Would the Minister consider creating a marine autonomy accelerator in Plymouth, helping to commercialise the spin-offs that we are gaining from our incredible industry? That would lead to more jobs, more taxation, and more of the commercial spin-offs and innovation that would benefit not only the civilian marine and maritime world, but military deployment as well.

As you know, Madam Deputy Speaker, I am quite excitable about this project, because I think it is a genuinely exciting project that all Members should have a look at. It is spread across the far south-west, building on the expertise and the network that we have not only in Plymouth but throughout Devon and, indeed, Cornwall. Thales, M Subs, Sonardyne and many other companies are investing in high-skill, decent jobs, creating an avenue for young people in the future to build not only on the work of Princess Yachts—creating world-class British yachts—but on Babcock's work in our dockyard.

There is an incredible opportunity for Ministers to seize, but I implore this Minister to adopt a fair-share approach to the way in which the regions are funded. No industrial strategy will work if the lion's share of investment goes to the south-east. Places such as the

[Luke Pollard]

south-west often miss out on the levelling-up agenda. Cornwall is the poorest county in the country, but it often has a very small share of the voice when it comes to the levelling-up narrative. Our kids are worth £300 less per child in school funding. We will not be able to achieve our potential if we miss out on £9,000 per class, and I urge the Minister to look again at how we can deliver on that potential.

Plymouth is getting a freeport, and we have shovel-ready projects for building there, but our council and business groups invested heavily in the investment zone bid. Will the Minister confirm whether the investment zone project is now dead? We need to ensure that those shovel-ready projects are delivered—if not by an investment zone, by some other means.

6.29 pm

**Alex Cunningham** (Stockton North) (Lab): I draw the House's attention to my interest as the chair of the all-party parliamentary groups on chemicals and on carbon capture, utilisation and storage. Nowhere needs to see our industrial future secured more than Teesside. Unemployment there remains way above the national average, and no wonder. As my hon. Friend the Member for Middlesbrough (Andy McDonald) said, the Tory Government turned their back on the Teesside steel industry at the former SSI site and 3,000 people lost their jobs. Despite Tory promises, Cleveland Bridge & Engineering, which built bridges across the world, including the Sydney harbour bridge, was allowed to go under after a history stretching back to 1877, with hundreds of highly skilled workers losing their jobs.

When the Sirius mine project, largely owned by local people, many of whom sank their life savings into it, ran into cash-flow problems, the Tees Mayor promised support, only to be slapped down by his own Government, who paved the way for a multinational company to take over. Then there is the fishing industry. That too has been decimated as fish and other sea life have died off. The real cause of that has yet to be determined, but today I welcome the fact that the Government have set up an independent group of experts on that.

It is not all doom and gloom. The Tees could be home to the first carbon capture, use and storage project to get under way, but we now need action from the Government on the business case and contracting arrangements to make that happen. Perhaps the Minister can confirm that it will go ahead and that a second wave of projects will also be forthcoming. Then there is the potential of the controversial freeport and Teesworks sites, which we are told will be home to thousands of green industry jobs. I only hope that the Tees Mayor will deliver this time. He has promised mouth-watering numbers of jobs over his five years as Mayor, but there has been no more than a trickle so far.

I do, however, worry about who will benefit from any development there. As we have already heard from my hon. Friend the Member for Middlesbrough, 90% of the shares in the Teesworks site were handed to two private companies, and I agree that it is time for a full inquiry into how that process worked and when they acquired those hugely valuable assets. As for the freeport, I desperately want it to succeed, but not just for the entrepreneurs—it must also succeed for the people of

the Tees Valley. I am worried about the potential for the terms and conditions of people working there to be dumbed down. We want high-value jobs, but not where highly skilled people are exploited for other people's profit.

I now turn to energy-intensive industries, which are so important to Teesside. Already we have seen CF Fertilisers stop manufacturing ammonia, choosing instead to import it, and I know that another company nearby could be facing closure with the loss of 600 chemical jobs if things do not change for the better. Chemicals are critical not only to the local economy; they also contribute to the UK economy as a whole. We rely on them day after day, from the water we drink, the food we eat and the medicine we use to the mobile phones in our pockets and the electric vehicles on the roads. It is estimated that around 95% of all manufactured goods rely on some form of industrial chemical process. According to the Chemical Industries Association, 4,535 chemical businesses provide over 500,000 direct and indirect jobs, including factories and laboratories operated by a highly trained and skilled workforce.

That sector is one of the UK's biggest manufacturing industries, with £33 billion of annual exports contributing £31 billion a year to the UK economy, but it is also under the cosh. These numbers are hard-won, and we as a country must do everything possible to secure and grow them further. There is no modern successful economy in the world without a chemical industry, and no other industry is so fundamental to economic, social and environmental progress, but the ramifications of high energy prices are affecting businesses across the board. This is why I have raised the contribution of the chemicals industry, in the hope that the Government will be reminded what is at stake should they not put together an effective industrial strategy. Labour recognises that the job of Government is to offer a reliable and consistent policy framework that businesses can trust and invest alongside, over the longer term. That is what they really want.

6.34 pm

**Stephen Kinnock** (Aberavon) (Lab): Britain has suffered from 12 years of low-growth, low-wage, high-incompetence conservatism. A key feature of the Conservatives' disastrous record on the economy is their catastrophic performance on productivity. Output per hour worked in the UK grew at 1.9% between 1997 and 2007 but at a mere 0.7% between 2009 and 2019. It is that lower productivity that has caused the economy as a whole to fall further behind the US, Germany and others over the past decade.

This collapse in our productivity is not an act of God but the result of fundamental political choices. Do we starve businesses of the policy framework and investment they need to get our economy growing while cutting public services to the bone? Or do we pursue smart investment in Britain's infrastructure, education, skills, research and development, and new technologies such as green energy? The Conservatives have consistently made the former choice over the past 12 years, but what we need for the decade ahead is the latter investment-driven growth model and, more specifically, Labour's new industrial strategy.

There is a direct link between Britain's low growth and poor productivity and the decline of our manufacturing sector, which has collapsed from around 30% of GDP



in the 1970s to just 9% today. Manufacturing provides good jobs in less prosperous areas—meaningful, well-paid jobs on which people can raise a family—as well as the industries we need to get us to net zero and, perhaps most crucially of all, the foundations of our national security and economic resilience.

It is deeply troubling that the Chinese state holds a 33% stake in Hinkley Point, a 10% stake in Heathrow airport and a 9% stake in Thames Water. The public are opposed to the road this Government are taking. They know we need a Britain that can stand more firmly on its own two feet, and they recognise the need for foundational industries to thrive if Britain is to prosper. Indeed, in one recent poll, 80% of those surveyed declared steel as a strategically important industry that we must maintain in the UK, but the Conservative Government have failed to invest in our manufacturing base.

This September, manufacturing output fell by 2.3% to record the worst performance in manufacturing over three months since the 1980s. That is why the Labour party's green prosperity plan will marry the quest for sustainable growth and jobs on which people can raise a family with the need for resilience. We see net zero not as a hindrance but as an opportunity for growth and prosperity.

I can assure the House that nobody will have to drag my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) kicking and screaming to COP. He will be leading, not leaving. He will be boldly setting out his Labour Government's plan to double onshore wind, treble solar power and quadruple offshore wind by 2030 and, in so doing, create as many as 1 million green jobs—from technicians to plumbers and steelworkers.

This is the level of ambition we need for our country: a plan to make sure British industry leads the world again, making us a clean-power superpower. We will also champion sectors of the British economy that are the envy of the world, from the fintech hubs growing in places such as Leeds to the booming video game production in Dundee and chemicals industry in Middlesbrough.

Our green steel renewal fund will secure the future of the steel industry in my Aberavon constituency in south Wales. By greening our steel processing, Labour will ensure our steelmakers can compete in a world in which global steel demand is on the rise. Make no mistake—Britain needs its steel as a foundation of the modern manufacturing renaissance that Labour will deliver.

Labour will, of course, put resilience front and centre of our industrial strategy by launching publicly owned GB Energy to ensure that Britain becomes energy independent. Not only Labour MPs but businesspeople are backing this. Paul Lindley, a successful entrepreneur, recently wrote in *The Times* about Labour's investment-based approach, and the CEO of Tesco said that, when it comes to who has a convincing plan for growth, Labour is the

“only team on the pitch”.

Businesspeople across the length and breadth of the country know that Labour will partner with the private sector to drive a new kind of growth that will rebalance the economy, decarbonise our industries and reignite Britain's potential. Twelve years of the Conservatives have hammered our manufacturing sector and crashed our economy. We need change and we need it now.

**Madam Deputy Speaker (Dame Eleanor Laing):** I call the shadow Minister, Chi Onwurah.

6.39 pm

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): I thank Members across the House for their contributions. We may disagree on how to support our great industries, but we can all agree on the importance of UK industry and the importance of this place talking about it.

With our world-leading universities, our fantastic science base, our national heritage in manufacturing and engineering, our dedicated and flexible workforce and the growing global demand, our industrial future should be bright. However, as my hon. Friend the Member for Sefton Central (Bill Esterson) set out, many of our key industries, including steel, car manufacturing and shipbuilding, are facing existential threats.

In three hours of debate, we heard no credible plan for this Government to deliver on industrial jobs, investment and growth. Conservative Members are unable to explain, for example, why UK car production has halved under their watch since 2016—from 1.7 million to just 860,000 cars this year—or why working people in this country have not seen a real-terms increase in their pay since the Conservatives took office. I have to ask: why did Conservative Members really come into politics? Was it to make working people poorer? It seems that way. The Conservatives have been in power for 12 years now: 12 years of low growth, low productivity—[*Interruption.*] The hon. Member for Stoke-on-Trent North (Jonathan Gullis) says it is relative. We want high-paid jobs, with increases for people.

**Jonathan Gullis:** I will use my third opportunity in this debate to remind the hon. Lady that in Stoke-on-Trent we have created more than 9,000 jobs thanks to a Conservative-led city council, led by Councillor Abi Brown, with 2,000 jobs linked to the Ceramic Valley enterprise zone, up to 1,700 jobs thanks to the Kidsgrove town deal and 500 jobs at the Home Office. That is 10,000-plus jobs in our area. Sadly, 10,000 jobs in ceramics went overseas to China under Labour's watch.

**Chi Onwurah:** Unfortunately, the hon. Gentleman has just illustrated yet again how Conservative Members cannot answer the challenge of well-paid jobs across our country and a pay rise for our working people.

We have had 12 years of low growth; low productivity; austerity a-go-go; broken promises and abandoned manifesto commitments; spiralling inflation; the NHS at breaking point; the Home Office broken, and that is according to the Home Secretary; higher taxes; and higher bills for working people. What a record. At the heart of their ideology, Tories do not believe Government can make a positive difference. They do not want to get stuck in; they just want to get out of the way. It is just one long season of “I'm a Tory MP, get me out of here” where British business is concerned.

However, as my hon. Friends the Members for Bolton South East (Yasmin Qureshi) and for Birkenhead (Mick Whitley) so ably laid out, the state working in partnership with the private sector can shape and create markets. That is what industry needs: a partner to help plan for the future, provide investment and certainty, skills and infrastructure, research and development,

[*Chi Onwurah*]

trade and market access. The reality is that our great industries will never get the partner they deserve under Conservative Governments. It is much easier to destroy than to construct. They can crash the economy, but they cannot build the economy of the future.

As my hon. Friend the Member for Pontypridd (Alex Davies-Jones) emphasised, net zero and growth are not in opposition. Partnership between the market and the state presents the opportunity to build world-leading industries that will last for decades and spread wealth across the country. Labour believes the UK has huge potential for new green industries, such as clean steel, as championed so passionately by my hon. Friends the Members for Middlesbrough (Andy McDonald), for Newport East (Jessica Morden) and for Aberavon (Stephen Kinnock).

With our world-leading research base and universities, skilled workforce and deep capital markets, the UK is also well placed to create new clusters of manufacturing from Bolton to Birmingham. Labour has committed to an additional £28 billion of green capital investment a year until 2030 through our green prosperity plan as part of our British wealth fund.

As my hon. Friend the Member for Luton South (Rachel Hopkins) said, this country has enormous untapped potential when it comes to electric vehicles. In my constituency, Newcastle University is a leader in research to overcome the challenges of current battery technology. Under Labour, as my hon. Friend the Member for Wansbeck (Ian Lavery) emphasised, we will have eight gigafactories to ensure that the next generation of electric cars is made here in Britain. Labour also recognises that hydrogen could modernise heavy goods vehicles and public transport. These are long-term projects, so we will ensure certainty for business with our industrial strategy council to end the farce of long-term plans that do not survive the political cycle.

Science is the foundation of future success, but not content with crashing our current economy, the Tories seem bent on destroying our future economy. They simply are not serious about science. As well as their catastrophic trickle-down experiment with the nation's economy, they are now trialling Heisenberg's "uncertainty principle" for science. For the past few months, it has been impossible to know both the role and the number of science Ministers at the same time. The hon. Member for Mid Norfolk (George Freeman), who is not in his place, resigned over the previous—times two—Prime Minister's behaviour. Then he asked for his job back, but that Prime Minister preferred to keep the position vacant. Then the previous Prime Minister gave the brief to the hon. Member for Wealden (Ms Ghani), but barely had she got her feet under the table when the current Prime Minister gave it back to the hon. Member for Mid Norfolk. Two weeks later, though, we still have not seen any ministerial responsibilities published. The rumour is that the hon. Member for Mid Norfolk has the brief, but the hon. Member for Wealden has the furniture—you could not make it up.

British science is no joke. Labour sees a clear path from world-leading British science to the jobs on which people can raise a family. That is why Labour will aim for 3% GDP investment from public and private sources into research and development, almost double

the 1.7% that we have been seeing under this Government, supporting the jobs of the future—in life sciences, artificial intelligence, clean energy, satellite applications, semi-conductors, quantum technologies and marine autonomous technologies, as championed by my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard).

Labour would maintain our membership of the world's largest science funding programme, Horizon, and we will ensure that the wealth and opportunity that science brings are spread across our country more fairly, as my hon. Friend the Member for Stockton North (Alex Cunningham) called for so passionately.

**Peter Grant** *rose*—

**Chi Onwurah:** I cannot give way, as I must make some progress.

We will help to champion clusters of businesses and universities as engines of regional growth, providing them with the levers and resources to collaborate and innovate together, rather than slashing regional science funding as this Government are doing.

British cities lag behind our European counterparts across productivity metrics. Newcastle, famous for its industrial heritage, is less productive in GDP terms than Gdansk, Lille and Valencia. Unlike the previous Prime Minister, I know that that is not because British workers are the

"worst idlers in the world".

It is because the Government are not supporting them to reach their potential. Labour will work in partnership with businesses, civil society and trade unions and finally put an end to 12 years of Tory low growth, low wages and low productivity.

Labour's industrial strategy will deliver clean power by 2030. We will create an economy that cares for the future and that harnesses data for the public good. Labour will build a resilient economy so that we can not only protect jobs in our British automotive, steel and shipbuilding industries, but provide the investment and long-term strategy that we need to be competitive on the world stage. Labour will grab hold of the national prosperity of which Britain is capable and deliver a fairer and greener future.

Today's debate has shown that the Tories are out of plans and out of ideas. So, here is an idea for them: call a general election and let us put our industrial strategy to the country.

6.49 pm

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kevin Hollinrake):** I must pass on the apologies of the Secretary of State for not being able to attend the debate, due to a Cobra meeting.

I thank all hon. Members who have contributed to the debate. Listening to the contributions, I cannot help but feel that reports of the death of British industry have been greatly exaggerated—that is probably not what the speakers meant, but that is definitely how it sounded.

From the aftermath of the global financial crisis to the coronavirus pandemic and, more recently, damaging disruption to worldwide supply chains, there is no doubt that global economic turmoil in the past 12 years has

presented significant challenges for manufacturing in the UK. Nevertheless, to the shadow Minister's point on slow growth, it is good to note that the UK has grown at about the same pace as the United States since 2010, and faster than Germany since 2016. It is important to have the facts. In the same period, we have come to understand the scale of the climate change challenge and the transformation that will be required in every element of our economy.

I will first touch on some of the contributions from both sides of the House. It is fair to say that there were some valuable contributions on both sides, although I probably have more in common with the comments from the Conservative side of the House. My right hon. Friend the Member for Wokingham (John Redwood) talked about making sure that we have a fair and level playing field in competition with overseas markets. Our "Steel Lady", my hon. Friend the Member for Scunthorpe (Holly Mumby-Croft), rightly said that steel's future was part of the solution for net zero, rather than part of the problem. My hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) talked about the 9,000 high-skilled, well-paid jobs created by this Conservative Government.

My hon. Friend the Member for Sedgefield (Paul Howell) talked about the green hydrogen opportunities on Teesside. My hon. Friend the Member for Heywood and Middleton (Chris Clarkson) talked about the £407 billion committed by this Government to saving jobs and businesses during the pandemic. My hon. Friend the Member for Milton Keynes South (Iain Stewart) talked about place-based solutions to growth, which I entirely agree with.

My hon. Friend the Member for Guildford (Angela Richardson) talked about the opportunities in the space and satellite sector. My hon. Friend the Member for Peterborough (Paul Bristow) talked about investing in British talent, in students and workers, which I also agree with.

**Alex Cunningham:** This is my second opportunity to welcome the Minister to his position, this time at the Dispatch Box. He heard me talk about carbon capture and storage. George Osborne wheeled away £1 billion overnight from the project several years ago. Can the Minister guarantee that the same is not going to happen to the carbon capture industry this time?

**Kevin Hollinrake:** The hon. Gentleman made some good points about the opportunities on Teesside. Carbon capture and storage and Net Zero Teesside represent a huge opportunity and something that is on the Government agenda. We are also looking into the life sciences sector in Teesside and the first large-scale lithium refinery in the country, with 1,000 jobs in construction—all these things are happening on Teesside. I recognise his point on the steel sector, but all this carbon capture and storage may well form part of the future for Teesside.

The hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) made some interesting points about buying British. I think everyone in this House would agree on the need to buy British, but does he accept that, that as the trade and co-operation agreement and others open up EU markets to UK companies, we cannot on that basis expect to close our markets to EU countries, or to countries from around the world? We believe

in international trade—[*Interruption.*] Well, I also believe in buying British. I share his enthusiasm for the Government's £206 million investment in a UK Shipping Office for Reducing Emissions—the biggest Government investment ever in that sector.

Manufacturing has been at the heart of our economy for centuries—the shipbuilding, automotive and steel industries perhaps more than any others. In 2021, manufacturing contributed more than £205 billion gross value added to the UK economy, which is the fourth highest figure in Europe. Manufacturing, which is responsible for almost half of UK exports, has a vital role to play in driving innovation, job creation and productivity growth beyond the bounds of the M25. The hon. Member for Kilmarnock and Loudoun (Alan Brown) will be pleased to note that 95% of manufacturing jobs are outside London.

**Alan Brown:** Does the Minister accept that although we cannot necessarily stipulate to buy British, procurement can be managed by assessing community benefit and local content as part of quality assessments, so that it is not a case of price takes all? That is not happening with the Government's bus procurement strategy, and it did not happen long enough in the CfD auctions, either. Is that not something that the Government need to address?

**Kevin Hollinrake:** The hon. Gentleman makes a fair point. Certainly, the Cabinet Office is looking at procurement strategy now, and nudges could be made. My point is that we cannot expect other markets to open their doors to our businesses if we close our doors to theirs.

From Sunderland to south Wales, industries are at the heart not just of our economy, but of our communities. Those industries are integral to our economic policy, and the Government are ensuring not just that they are alive and kicking, but that they prosper in the 21st century. Together, Government and business are laying the foundations for an economy that is fit for the future. By delivering the new infrastructure, industries, skills and jobs that we will need to meet the demands of the day, we can deliver a future for all that is more sustainable, secure and prosperous. Across the country, we are already seeing stories of success.

Let me begin with shipbuilding. The UK has always been and always will be a seafaring nation. Today, the shipbuilding industry supports 46,000 jobs in places such as Portsmouth and Rosyth, and adds £2.4 billion to the British economy. I am glad that the hon. Member for Kilmarnock and Loudoun welcomes today's £4.2 billion order for five Type 26 frigates, which will be built in Glasgow.

Earlier this year, we refreshed our national shipbuilding strategy, unlocking more than £4 billion in investment for maritime firms from the Solent to the firth of Forth. We are improving access to finance by providing credit for UK ship buyers through a home shipbuilding credit guarantee scheme, and we are working closely, through the shipbuilding enterprise for growth, to raise the productivity and competitiveness of UK shipyards.

This is not just a story of success at sea; we are leading the way on land, too. We are the sixth largest automotive producer in Europe, and the sector is one of the engines driving forward our plans for green growth in every corner of the country. Last year, Nissan announced



[Kevin Hollinrake]

£1 billion in investment to create a world-first electric vehicle hub in Sunderland, safeguarding 6,200 existing jobs and creating more than 1,000 new ones. We know that there is some way to go, but this Government are committed to putting the pedal to the metal and doing all we can to accelerate our efforts.

Many Members quite rightly talked about steel. The Government recognise the challenging international economic environment in which the steel industry has to operate, including in relation to overcapacity. Above all else, we understand the vital role that steel occupies as a cornerstone of the UK economy, underpinning domestic industries and local communities. Over the past nine years, the Government have committed £800 million towards electricity costs through the energy intensive industries compensation scheme, on top of the energy bill relief scheme. Of course, we continue to consider what can be done to ensure that the steel industry is competitive, in fair terms, with other nations.

On critical and advanced materials, we are investing in the materials of the future. That is why we published in July our first ever critical minerals strategy, which sets out our plan to secure our supply chains. We are boosting our domestic capabilities in the production and processing of critical minerals, building a circular economy where they can be recovered, reused and recycled.

The story really could go on, but I think I have made my point. This country has a rich industrial history that goes back centuries. Our world now looks very different from the 18th century, but one thing remains the same: that particularly British spirit of innovation and enterprise. This Government can and will play their part so that no community or corner of this country is left behind.

*Question put and agreed to.*

*Resolved,*

That this House condemns the Government for its lack of policy on British industry including the steel, automotive and shipbuilding sectors; regrets that after 12 years of Conservative Government, the UK has the lowest levels of business investment in the G7; recognises the large number of high-quality jobs created by British industry, as well as its importance to achieving the UK's net zero targets; calls on the Government to recognise the unique challenges and opportunities in each of these sectors; and therefore further calls on the Secretary of State for Business, Energy and Industrial Strategy to urgently bring forward plans to ensure these sectors are supported and to avert job losses that will have a devastating impact on communities and the wider economy.

## Business Without Debate

### DELEGATED LEGISLATION

**Madam Deputy Speaker (Dame Eleanor Laing):** With the leave of the House, we shall take motions 5 to 12 together.

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

#### SUBSIDY CONTROL

That the draft Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) Regulations 2022, which were laid before this House on 20 October, be approved.

#### ENERGY

That the Energy Bill Relief Scheme Regulations 2022 (SI, 2022, No. 1100), dated 27 October 2022, a copy of which was laid before this House on 31 October, be approved.

That the Energy Bill Relief Scheme (Northern Ireland) Regulations 2022 (SI, 2022, No. 1106), dated 27 October 2022, a copy of which was laid before this House on 31 October, be approved.

That the Energy Prices (Domestic Supply) (Northern Ireland) Regulations 2022 (SI, 2022, No. 1105), dated 27 October 2022, a copy of which was laid before this House on 31 October, be approved.

#### SOCIAL WORK

That the draft Social Workers (Amendment and Transitional Provision) Regulations 2022, which were laid before this House on 17 October, be approved.

#### INTERNATIONAL IMMUNITIES AND PRIVILEGES

That the draft Inter-American Investment Corporation (Immunities and Privileges) Order 2022, which was laid before this House on 11 October, be approved.

#### SANCTIONS

That the Russia (Sanctions) (EU Exit) (Amendment) (No. 15) Regulations 2022 (SI, 2022, No. 1110), dated 26 October 2022, a copy of which was laid before this House on 28 October, be approved.

#### FINANCIAL SERVICES

That the draft Financial Services (Miscellaneous Amendments) Regulations 2022, which were laid before this House on 17 October, be approved.—(*Amanda Solloway.*)

*Question agreed to.*

### COMMITTEE OF PUBLIC ACCOUNTS

*Ordered,*

That Felicity Buchan be discharged from the Committee of Public Accounts and James Cartlidge and Mrs Flick Drummond be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

### WOMEN AND EQUALITIES COMMITTEE

*Ordered,*

That Victoria Atkins be discharged from the Women and Equalities Committee and Rachel Maclean be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

### PETITION

#### Planned closure of Lloyds Banking Group's Immingham Branch

7.1 pm

**Martin Vickers** (Cleethorpes) (Con): I rise to present a petition signed by 5,286 residents of Immingham and district, who are concerned about the closure of Lloyds bank, which is the last bank in the town.

The petition states:

The petitioners therefore request that the House of Commons urges Lloyds Banking Group to cancel the closure of the branch and to seek to create a shared banking hub in Immingham where multiple banks can operate to serve the local community of over 20,000 people and businesses.

And the petitioners remain, etc.

*Following is the full text of the petition:*

*[The petition of the residents of Immingham,*

*Declares that the planned closure of Lloyds Banking Group's Immingham branch will result in the town losing the last bank that not only serves the town of Immingham but also the surrounding villages. Access to cash continues to be vitally important to a significant proportion of society, particularly the older generation who tend to have less access to online banking.*

*The petitioners therefore request that the House of Commons urges Lloyds Banking Group to cancel the closure of the branch and to seek to create a shared banking hub in Immingham where multiple banks can operate to serve the local community of over 20,000 people and businesses.*

*And the petitioners remain, etc.]*

[P002780]

## Enabling the Public to call a General Election

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

7.2 pm

**Richard Burgon** (Leeds East) (Lab): I have secured today's debate to open the discussion on adopting new constitutional mechanisms that could allow the people to directly call a general election. That would apply in scenarios where the vast majority have lost faith in the Government, as they clearly have now, but our parliamentary system fails to respond to their wishes. It is a scar on our democracy that there is currently no mechanism at all for people to do that. The debate is the first stage in my push for such a mechanism. The next stage will be to seek to progress a new Bill through Parliament in the coming weeks in line with my proposal, which I will detail later in the speech.

Such a Bill will not get us the general election that we need right now.

**Jim Shannon** (Strangford) (DUP): I thank the hon. Gentleman for introducing the debate. There is no doubt that Members have conflicting views about calling a general election. There are two key issues for my constituents: the cost of living and the Northern Ireland Protocol Bill, which is currently going through Westminster. Does not the hon. Gentleman agree that, after a period of instability, it is time to give the Prime Minister and his Government a chance to deliver on their promises and maintain the legislative process on which they were elected?

**Richard Burgon:** I thank the hon. Member, who is ever assiduous in attending and contributing to these important debates, for his intervention. My opinion is that this Government have had more than enough chances to deliver, and while we disagree on the need for a general election now, I will make some wider points that he might be interested in considering.

I hope that this discussion will help to kick-start a conversation about why we need to modernise our democracy to empower ordinary people and prevent an unrepresentative Government or unrepresentative Governments from clinging on to power when people have had enough. Of course, such a mechanism should only be able to be used in extraordinary times, but the current crisis shows why it is needed.

Such a Bill is part of a series of measures that we need to restore trust in our democracy. For example, last year I introduced a Bill seeking to ban MPs from taking second jobs. My latest proposal is for a form of recall mechanism, and it is a response to the political crisis we face. We have had two new Prime Ministers since the public last had their say at the 2019 election. Just 80,000 Conservative party members put one of those Prime Ministers into Downing Street, and even fewer people had a say with her successor, who was chosen solely by Conservative MPs. Both these Prime Ministers have been intent on tearing up the promises that their party was elected on in 2019. For example, who voted in the 2019 election for the new wave of austerity that looks set to be announced later this week?

[Richard Burgon]

This Government have no mandate. They have also undermined political trust. Institute for Public Policy Research findings on levels of trust in our politics should concern every single Member of this House. It found that trust in politicians is at the lowest level on record, with two in three now seeing politicians as “merely out for themselves” and just 4% of British people believing that parliamentarians are doing their best for the country. No one side in this House can take satisfaction from this. Voters across the political spectrum are united in their distrust: 67% of remain voters, 68% of leave voters, 64% of Conservative voters and 69% of Labour voters believe that politicians are merely out for themselves.

Trust, I am afraid, is in free fall. The 9% fall we have witnessed over the last 18 months shows a rapid acceleration of growing distrust. In comparison, it took seven years for the previous drop of 9 percentage points, and 42 years before that. The IPPR warns that a decrease in trust in politicians is profoundly disturbing. It is linked to long-term damaging consequences such as lower voter turnout, especially among under-represented groups. The Office for National Statistics reports similar concerns with trust in our democratic institutions. Deep reform of our economy and politics will be needed to address this.

It is clear that our democracy is not fit for purpose, and there are two ways of dealing with this crisis of democracy. There is the method of this Government, which is to attack hard-won civil liberties and curtail democratic rights. This authoritarian drift combines anti-trade union legislation with draconian attacks on the right to peaceful protest and voter suppression through the introduction of voter ID, which will target black, Asian and minority ethnic and working-class voters. This authoritarian approach has even led to police arresting journalists covering protests. The alternative is to strengthen democratic rights and modernise our democratic processes.

That brings me on to my proposal, which is a form of recall procedure through a verified petition to call a general election. The International Institute for Democracy and Electoral Assistance describes such recall processes as a form of “direct democracy” and a

“political instrument through which the electorate in a particular electoral jurisdiction can express their dissatisfaction.”

It adds that

“the procedure of the recall is associated with the idea that representatives must remain accountable to the people who elected them.”

So, voters should be able to terminate the mandate before the end of a term when their representatives fall short of expectations.

Welp and Whitehead explain in their 2020 book “The Politics of Recall” that

“The idea of ‘recall’ elections is not a last minute ‘add on’ to principles of representative government, but a logical strand of thought interwoven into its foundational reasoning.”

In the same book, Matt Qvortrup traces the development of the recall in the history of political philosophy from the Roman republic to the present day. While I do not have time today to recount the history of recalls in full, I would like to highlight that movements that did so much in the development of our own democracy envisaged

mechanisms with echoes of what I am proposing today. During the English revolution, the leading Leveller, Lieutenant Colonel John Lilburne, championed recall as one of the democratic correctives to the risk of an oppressive, overbearing Parliament. The Chartists envisioned annual elections, with the arguments given then not so different from those offered by contemporary movements in favour of recall. There was even a provision for the recall of congressmen by their voters in the first draft of the American constitution written by James Madison.

Later in the United States, the Socialist Labour party and the Populist party pushed that idea as we approached the 20th century. Recall was then included in the new charter of the city of Los Angeles in 1903, and within a decade, it had been taken up by 200 cities and three states. Switzerland was the first modern liberal democracy to introduce recall at the end of the 19th century, although only at a sub-national level.

In the post-war era, recall was used as part of a series of direct democratic provisions in Japan from 1947 to empower citizens with the right to initiate petitions to dissolve local assemblies, recall individual assembly members and recall mayors or governors. More recently, the push for recall has been linked with the introduction of democracy. After the demise of Latin American dictatorships in the 1980s, recall increased its presence and integrated representative democracy with participatory democracy. Likewise, Germany and Poland introduced recall powers after the fall of the Berlin wall.

**Martin Vickers** (Cleethorpes) (Con): I allowed the hon. Gentleman to develop his argument, because I assumed that he was going to at least give a date by which time a recall would be permissible. Surely, if we are to have any form of stable Government, there must be a time limit between the election of a Government and a recall petition of at least—what?—two years?

**Richard Burgon:** The hon. Gentleman anticipates the point that I will move on to. It may be a case of great minds think alike.

That brings us to today. A form of recall power exists in a diverse range of countries and political systems. Over the past century, the countries that have made the greatest use of recall are Peru, Japan, the United States and Poland. Academic researchers note that recall provisions also exist at one level of Government or another—local, regional or national—in Argentina, Bolivia, Canada, Venezuela, Colombia, Ecuador, Germany, Japan, Liechtenstein, Mexico, Latvia and Switzerland.

Perhaps the most famous case of recall in recent decades is the 2003 recall in California of Governor Gray Davis, where growing dissatisfaction about energy provision and public services led to the election of Governor Schwarzenegger. Because of the high interest in the recall election, the new governor received 650,000 more votes in his election than Governor Davis had received. Recall is generally used to remove individual elected officials, including Presidents, but there are examples, including the German Land of Berlin, where recall, initiated and approved by citizens, can be applied to the entire Parliament. Latvia goes even further: the electorate have a constitutional right to initiate a national referendum to recall Parliament. It is worth noting that recall is now supported by the largest progressive party in France.



Mexico held its first-ever national recall election on the President earlier this year. Although that was initiated by the President, perhaps Mexico will be the next country to hold a citizen-initiated recall in the future.

According to Welp and Whitehead, the recall is currently in a “boom phase”, with Welp noting that recall provisions “have been introduced more frequently since the 1980s”,

while

“in the past were restricted to small municipalities, they have recently reached bigger units such as California, Warsaw, Lima and even presidents.”

Why is recall becoming more popular? Welp and Whitehead explain that

“citizen dissatisfaction with their elected representatives is sufficiently acute and widespread to generate persistent pressure for the introduction of more direct forms of accountability.”

They argue that although recall is not without risk,

“There is some serious empirical support for the proposition that recall mechanisms...can indeed provide genuine improvements to the quality and credibility of democratic institutions when introduced and integrated into the rest of the representative system in a careful and constructive manner.”

My proposal would, as a starting point, seek to amend the Dissolution and Calling of Parliament Act 2022 to allow people to directly call an election under the following circumstances: first, if we are more than halfway through the five-year maximum period for a Parliament; and secondly, if at least half the number of voters in the previous general election endorse the call for an early general election via an official petition process.

**The Parliamentary Secretary, Cabinet Office (Alex Burghart):** I congratulate the hon. Gentleman on a very interesting speech. I was wondering how he settled on that threshold.

**Richard Burgon:** This is an opening gambit to try to start a discussion. I am pleased that the Minister seems to be interested in the idea. In his response, if time allows, perhaps he will say that in principle he agrees with this further means of improving and refining our democracy.

Whatever arguments are made against my plan, it cannot be said that in principle recall procedures are incompatible with our democracy. In 2015, this House enacted the Recall of MPs Act, a new law under which voters would be able to recall their constituency Member of Parliament in certain circumstances. This was in response to the MPs expenses scandal. Under this new Act, for a recall petition to be successful, 10% of eligible registered voters need to sign a petition that is open for six weeks. Electors may sign in person, by post or by proxy. The Recall of MPs Act was undoubtedly a step forward, but a major shortcoming is that, unlike provisions in other countries, it does not allow constituents to begin proceedings unless the MP is found guilty of wrongdoing. This shortcoming was widely recognised at the time. The then Conservative MP, now Lord Goldsmith, said at the time:

“Recall is supposed to be about empowering voters to hold their MPs to account, and the Government’s proposals fall scandalously short. They don’t empower voters in any meaningful sense at all”.

We are obviously from the two ends of the political spectrum, but I very much agree with those remarks. Since 2015 and the new recall Act, the rot has got ever deeper in our politics and much bolder measures are required.

Our democracy is in crisis. People out there have lost faith in this Government and are losing trust in our institutions. If we want to rebuild trust in our institutions, people need to see that they are working for them. Recall can be a key way of empowering people and restoring trust in our democratic institutions. Although recall is widely used across the world in a variety of contexts, I accept that it is not commonly used at the national level in Europe, but it was once uncommon for women to have the vote. When Finland became the first country in Europe to give women the vote in 1906, it was radical, it was a new idea, it was untested in Europe, and people said it would never work. Of course, it did, and it was right. Democracies therefore can be upgraded for the better. This place is often styled the mother of all Parliaments, so why should Britain not be a pioneer for a better democracy? We should acknowledge the deep deficiencies of our system and organise for something better.

7.17 pm

**The Parliamentary Secretary, Cabinet Office (Alex Burghart):** I must say that it is a pleasure—a genuine pleasure—to take part in an Adjournment debate such as this, to respond to a speech that has been very well researched, and to think about the big and important questions we should always consider when looking at the future of our constitution and our democracy. To an extent, we spend too little time in this place thinking about how the operation of our Parliament, our Government and our relationship with the voters works, so I pay tribute to the hon. Member for Leeds East (Richard Burgon) for taking the time to do this work.

As I understand it, the hon. Gentleman is proposing that we amend the Dissolution and Calling of Parliament Act 2022 to the effect that the sovereign would dissolve Parliament if that Parliament was more than halfway complete—halfway through its five-year maximum term—and if at least half the number of voters who had voted at the previous general election signed a petition calling for Parliament to be dissolved, although as he said, that threshold is perhaps up for debate and is a starter for ten.

There is a mechanism that a Government could use if they wished to pursue this. We have had a very successful online petitions website for a number of years now, which allows people to register their interest in particular issues and to ask the Government to respond. At the moment, however, it does not quite have the verification capabilities necessary to allow Governments to be assured that those signing up are genuine voters, but perhaps those problems can be overcome. With reference to that successful site, I draw the hon. Gentleman’s attention to the fact that, for the past four months, it has had a live petition calling for a general election as soon as possible; in those four months it has acquired about 900,000 votes, which is a good sum but a very long way off the 50% that would be necessary under his system to trigger a general election. Even if these are, by his definition, extraordinary times, the clamour for a general election might not, therefore, be as strong as his remarks suggested.

That said, his well-considered remarks deserve proper consideration here, although I say at the outset—this will be no surprise to the hon. Gentleman—that we are not inclined to support his proposals. The 2022 Act, which fairly recently acquired Royal Assent, covered many of

[Alex Burghart]

the issues on how Parliament is to be dissolved and general elections are to be held. I seem to remember that there was no opposition on that from the Labour Benches; I believe all Labour Members abstained. The hon. Gentleman perhaps missed an opportunity to table amendments at that time, but the joy of our system is that we can bring forward good ideas—or less good ideas—at any point.

For a number of practical reasons, the hon. Gentleman's proposal should be resisted and treated with great caution. It would introduce an unnecessary element of instability into our system; if we were to create a petition mechanism that kicked in at two and a half years, we would very likely find that we quickly entered a time of perpetual campaigning—two and a half years of preparation for starting an official petition campaign, followed by two and a half years of trying to get the petition through. I know the hon. Gentleman is an avid campaigner and will probably relish that prospect, but for those of us who cherish the opportunity for stable Government it would prove a great distraction.

I thought the hon. Gentleman might well mention the Chartists; indeed I feel I see before me a descendant of the Chartists of old. He will take some comfort from the fact that the Chartists were proved right on all their demands apart from one—their request for annual Parliaments. At the time, even some of their most ardent followers disputed the idea on grounds that it would create unnecessary cost, distraction and the inability of Governments to operate over the medium term.

That brings us to the crux of why the proposal would could be damaging to our finely balanced constitution. It is important to have Governments who can be assured that if they have a majority in the House—if they can command the confidence of the House—they will have space to operate and to take difficult decisions. Stability is often most needed at times when Governments are most unpopular, and we would run the risk of introducing a mechanism that would create further instability in periods of instability, and that could be to the detriment of all of us. There is, however, a very interesting idea in the hon. Gentleman's proposals, and I am sure he will continue to develop them and bring them back to the House.

**John McDonnell** (Hayes and Harlington) (Lab): The Minister mis-portrays my hon. Friend the Member for Leeds East (Richard Burgon), who is more a Digger and Leveller than a Chartist. He seems to be arguing about stability and how we would be in a continuous campaigning mode. Some people would call that campaigning; others might call it a continuous accountability mode in which

Governments have to demonstrate daily that they are abiding by the will of the people who elected them. That is no bad thing, is it?

**Alex Burghart:** I stand corrected on the heritage of the hon. Member for Leeds East (Richard Burgon). Accountability comes in many forms. We are all accountable to our electorate through media and debates such as this. However, that is different from having a system that gives Governments a period of up to five years in power to make decisions that they can prove the benefits of. Indeed, it was not so long ago that we had Parliaments of seven years in this country and that the French presidency lasted seven years for the reason that Governments had time to fix problems and prove that their method of government was effective.

**John McDonnell:** That leaves the decision on when to call a general election to the whim of a Prime Minister and the judgment of the ruling party on when it can manipulate its popularity. Surely that is equally unstable. All we want to do is enable the people to make that decision.

**Alex Burghart:** I have a distinct recollection of a Prime Minister trying to do that in the not-too-distant past and finding that the electorate took a different view on whether she had made the right decision to call that election. Governments and Prime Ministers use that power at their peril, and they are aware of that.

To my mind, and the mind of the Government, it is much better to be able to guarantee a period in which a Prime Minister and Executive who hold the confidence of the House can legislate and operate in order to solve the problems that the country faces. To all parliamentarians comes judgment day, as Karl Popper referred to it. We must all face an election. The question is when. When our electorate go to the polls, they know that they are likely voting for us to be here for five years and on the understanding that, whoever gets into power will get five years to do the best job they can for the country and solve the problems that the country faces. That system has served us well, and that is why we continue to defend it. It has been a pleasure to debate with the hon. Member for Leeds East this evening, and I look forward to talking to him on constitutional matters long into the future.

**Madam Deputy Speaker (Dame Eleanor Laing):** What an unusually interesting Adjournment debate.

*Question put and agreed to.*

7.27 pm

*House adjourned.*

# Westminster Hall

*Tuesday 15 November 2022*

[IAN PAISLEY *in the Chair*]

## Fracking: Local Consent

*[Relevant documents: e-petition 608745, End the ban on fracking, and e-petition 614611, Keep The Fracking Ban.]*

9.30 am

**Helen Morgan** (North Shropshire) (LD): I beg to move,

That this House has considered local consent for fracking.

It is a pleasure to serve under your chairmanship, Mr Paisley. I thank colleagues who have sponsored the debate, particularly my hon. Friend the Member for Bath (Wera Hobhouse), who joins me here. I was grateful to receive cross-party support for my application from colleagues from six different parties, on both sides of the House, but it is a little disappointing that nobody from the Government Benches has joined us today.

I made the application for the debate to the Backbench Business Committee some six weeks—and one Prime Minister—ago, at a time when the Government had lifted the moratorium on fracking, claiming that it was necessary to increase our domestic fossil fuel output to cut costs and increase energy security.

**The Minister of State, Department for Business, Energy and Industrial Strategy (George Freeman)**: I very much welcome the debate and congratulate the hon. Lady on securing it. I just want to make it clear that there is somebody from the Government Front Bench here: I am sitting here and listening carefully to everything she says.

**Helen Morgan**: I thank the Minister for that intervention, but I was referring to Back Benchers in my previous comment.

The former Secretary of State for Business, Energy and Industrial Strategy, the right hon. Member for North East Somerset (Mr Rees-Mogg), argued that fracking would only happen with local consent, but repeatedly declined to outline the detail on how consent might be obtained and whether it was synonymous with compensation. As I have said before, compensation is not consent, and I firmly believe that affected communities would oppose fracking in their area.

Since then, the current Prime Minister has U-turned on that U-turn. That is welcome, but with much of the Government's 2019 manifesto abandoned, the Prime Minister pledging his own support for fracking over the summer and the Conservatives having voted to allow fracking just one month ago, I believe it is worthwhile obtaining some clarification from the Minister on the matter. I ask him to guarantee that fracking without consent is never forced on our communities, either in my constituency or anywhere else in Britain. We must prevent the Government from making yet another U-turn.

There is no mandate for fracking. It was outlawed in the manifesto of every major party in 2019 and only a tiny minority appear to believe that there is a benefit. The Liberal Democrat manifesto mentions “banning

fracking for good.” “Permanently ban fracking”—the Labour party manifesto. The Conservative manifesto states,

“We will not support fracking”,

and the Green party manifesto reads

“Ban fracking, and other unconventional forms of fossil fuel extraction”.

Some 90% of the electorate voted for one of those parties. It is clear that people do not want fracking, and there are very good reasons why.

Britain cannot produce enough gas from fracking to reduce the global gas price, so it will not reduce our energy bills, especially when electricity from renewable sources is the cheapest form of energy we can produce. Investing in renewables—not only the cheapest, but the cleanest form of energy—is the best way to bring down our bills and our carbon emissions. As COP27 meets in Sharm El Sheikh and the lack of progress on the climate emergency is brought to international attention, it would be disastrous for the UK to start novel types of fossil fuel extraction. We need to find ways to keep fossil fuels in the ground, not waste effort looking for ever more inventive ways of extracting them.

The fundamental scientific evidence surrounding fracking and its safety has not changed either. Fracking is still unsafe and unproven. Last month the British Geological Survey refused to endorse fracking as a safe practice in its report for the Government. The House of Commons Environmental Audit Committee has previously warned that fracking poses a “risk to groundwater” and a

“risk of polluting surface water”,

and that the need for considerable quantities of water for fracking

“could pose localised risks to water supplies”.

This follows one of the driest summers ever; we cannot afford to take the risk.

Research commissioned by the Liberal Democrats has revealed that fracking caused 192 earthquakes in 182 days at one active site in the UK. That is more than one a day. A 2.9 magnitude earthquake was recorded near Cuadrilla's site near Blackpool in 2019. Residents reported their shock at houses being shaken for two to three seconds. A report by the Oil and Gas Authority said it was not possible to predict the probability or size of tremors caused by the practice, so people do not want fracking for good reason. When they have had the opportunity to express their opposition, they have done so in numbers.

When fracking was last proposed at Dudleston Heath—a small village near Ellesmere in my constituency—a huge number of residents rapidly organised opposition to the proposed site. One constituent who led the protest said that they

“cramped about 300 people into the village hall”

in a public meeting about fracking. At the end of the meeting, a show of hands was requested, and he reported that

“everyone bar one person was against”

fracking.

Lovely as they are, I doubt whether the views of people in Dudleston Heath and Criftons are unique, and every MP in a potentially impacted area has had countless emails from constituents opposing the plans. Furthermore,



[Helen Morgan]

the huge number of well-organised grassroots community groups that have cropped up across the country is evidence of a groundswell of opposition to the fracking plans.

We also saw well-organised opposition on a national level in the well-publicised campaigns by organisations such as the Campaign to Protect Rural England and Friends of the Earth, signalling the depth of support among many who do not live anywhere near one of the proposed sites.

In North Shropshire, a licence exists covering a small area of land by the Cheshire border, but whose impact zone extends to the market towns of Whitchurch and Market Drayton. There was huge concern in October when the then Secretary of State for Business, Energy and Industrial Strategy, the right hon. Member for North East Somerset, said in response to an urgent question that

“the moratorium on the extraction of shale gas is being lifted”.

He also said, in response to a question from me:

“Compensation and consent become two sides of the same coin. People will be able to negotiate the level of compensation and it will be a matter for the companies to try and ensure widespread consent by offering a compensation package that is attractive.”—[*Official Report*, 22 September 2022; Vol. 719, c. 790-95.]

I find the suggestion that anyone will agree to something if they are paid enough slightly odd, although perhaps I am being a little idealistic, but I also believe that if the Conservatives refuse to impose an outright ban on fracking, a valid consent process must be put in place now to protect local communities in the event that the moratorium is lifted in future.

I propose a local referendum process—not just for those in the area covered by the fracking licence, but for the people living in the surrounding impact zone. When a council was approached for planning permission, it would have to gain the express consent of those in the affected areas before granting such permission. That should follow a period in which the full facts of the impact on the area were not only publicly available, but actively communicated to those affected. The planning inspector should not be able to overrule the decision reached in the local referendum and the subsequent council planning committee decision.

Local councils have been impacted by the cost of living crisis and are struggling to balance their budgets as it is, with many reporting financial distress, so the cost of administering those public information campaigns and subsequent referendums should not fall on the local council, or indeed the local taxpayer, but should be met by the company making the planning application. An application to exploit the resources of the British countryside should in no way be foisted on the taxpayer, but should be met by the companies that are making huge profits as a result of the global gas price. Will the Minister comment specifically on those suggestions for safeguarding communities that could be impacted by fracking in the event of a further Government U-turn?

Local communities affected by fracking have already expressed their opposition to the lifting of the moratorium; so, too, have the vast majority of the British people, who in 2019 voted for parties that opposed fracking in some form or another. Fracking simply will not bring

down our energy bills, and if we are to address the energy problems the country faces, we must rapidly invest in renewable energy sources. The science has not changed either, and fracking is just as unsafe and unreliable as it was three years ago. I would welcome the Government's confirmation of that point.

Given that the Conservative moratorium has been demonstrated to be fragile and temporary in nature, and that the Prime Minister pledged to overturn it in the summer leadership campaign, and given that Conservative MPs voted in favour of lifting the moratorium only a month ago, it is essential that a watertight process of local consent be put in place. If Conservative MPs will not pledge to honour their manifesto commitment and keep the ban on fracking, we must safeguard our communities from this unnecessary, disruptive and dangerous practice.

9.40 am

**Jim Shannon** (Strangford) (DUP): It is always a pleasure to serve under your chairmanship, Mr Paisley. You are a friend and colleague, but also a very impartial Chair. Everybody is impartial, by the way, but you are impartial in giving me the same chance as everybody else and not a better chance—that is the point I am trying to make.

In the time that the hon. Member for North Shropshire (Helen Morgan) has been in the House, she has shown that she looks after and tries hard for her constituents. Today she has clearly set the scene for the fracking debate in her constituency and across the whole United Kingdom.

I had hoped that there would be more Members here; I suppose that the debate has moved on because the Government have clarified their position. We are talking about something that still scares and alarms people, and I will share my perspective. I agree with the views of the hon. Member for North Shropshire, and I know she will go above and beyond to fight for her constituents on the issue, as she does vocally in the main Chamber and has today in Westminster Hall.

Some have seen fracking as a way to instil our self-sufficiency. I look forward to hearing the views of others, including the Minister. I am aware of a couple of fracking incidents in Northern Ireland, of which my hon. Friend the Member for East Londonderry (Mr Campbell) will also be aware. The Democratic Unionist party has taken a strong stance on the issue by opposing fracking across Northern Ireland. One example is Belcoo in Fermanagh, where the opposition of local people was clear, and fracking has therefore moved no further. I think there might also have been a fracking application near Larne; you might have been at the same meeting, Mr Paisley. That is my recollection, although I am not sure whether it is entirely accurate, but, again, that application never went anywhere. I am very clear where we are and what we hope to achieve in this debate.

On local consent for fracking, I cannot agree more with the hon. Member for North Shropshire, who set the scene admirably. If fracking is to go ahead, the principle of consent goes without saying. The Government have committed to ensuring that local people will have the final say on what happens. I am reassured by that; the people I have spoken to are clear that they do not want it in their areas, and therefore it will never happen. I am sure the Minister will confirm that. I also very

much look forward to the contribution of the shadow Minister, the hon. Member for Bristol East (Kerry McCarthy), who is a vocal spokesperson on the issue. I know that her comments will go along the lines of other Members’.

Before 2019 the Government required operators to obtain consent from the Secretary of State prior to commencing drilling or operations. That would be approved only if local planning authorities granted a petrol licence and environmental permits, which meant that local people always had input into the planning application process—but they did not have the last word, which is why I welcome what the Government have said. Fracking requires rigorous paperwork, but the most important aspect is the local consent of communities who would be directly impacted by fracking. I have received large numbers of emails and letters on the matter from all parts of the United Kingdom. We are in the mother of Parliaments, so we meet lots of people from across the great United Kingdom of Great Britain and Northern Ireland, and they tell me the same thing: they are concerned about fracking.

**Mr Gregory Campbell** (East Londonderry) (DUP): My hon. Friend touches on the two key issues: the safety of any extraction process and local consent. Does he agree that if any extraction method, whatever it might be, falls on those two bases, no Government should permit it to proceed?

**Jim Shannon:** I fully and wholeheartedly agree. The hon. Member for North Shropshire referred to safety and danger in her contribution, which was significant. That cannot be ignored, and I hope to comment on it. My hon. Friend the Member for East Londonderry is absolutely right about where we are; the DUP has opposing fracking in its manifesto for Northern Ireland.

For the family who live in their ancestors’ home, with great memories and familial traditions, to be told that their home may be affected will not be welcome news. If there is any possibility of hydraulic fracturing taking place, families at risk of facing housing damage must be offered compensation of the equivalent value of their property, to give them the option to move. There are obvious concerns about the impact of fracking on properties and the surroundings.

It is important that the full list of implications and possible risks is given to any property area to let people know the “what ifs”. The Truss Administration did not clarify what was meant by “local consent”. Would it involve a vote, numerous consultations, or financial incentives from larger energy companies? We and, most importantly, our constituents are in the dark. People are worried about subsidence, sinkholes, rates, energy prices, and the value of their house dropping, so when it comes to fracking issues, locals must have the last say.

The hon. Member for North Shropshire and my hon. Friend the Member for East Londonderry referred to safety and danger, and I think many people looking at fracking see the dangers very clearly. With that in mind, I would feel reassured if the last word—the only word that really matters—went to locals in the form of local consent, and if that were in any legislation the Government may bring forward. There would need to be clear and concrete evidence of the benefits of fracking in a particular area before any decision was made on the possibility of drilling, and the consent principle has to be key to that.

There needs to be intense focus on the planning system to ensure that a fracking development is an acceptable use of the land in question, as there may be better uses for that land. There is big demand for housing, especially social housing, here on the mainland and across the whole United Kingdom of Great Britain and Northern Ireland. Perhaps that is where the money should be spent and the focus should be.

Concerns have been expressed that it will be down to the fracking companies to assess local community consent. I do not think that it should be. I cannot agree with fracking companies assessing local community consent; there has to be an independent body, otherwise there is potential for bias and persuasion. Should it be deemed that fracking would be beneficial in an area, the local consent process must be carried out by an independent individual or body. I therefore seek an assurance from the Minister, for whom I have the utmost respect. The question is not just whether there is local consent; if someone is to carry out a survey or questionnaire, that process must be independent.

There is a range of views and information to assess when coming to any decision on fracking. First, if there is no hard evidence that fracking will provide some sort of self-sufficiency to an area, there is no need for it to be done at all. Secondly, local communities’ consent should be at the forefront of the discussion and they should have the last word in any process. I thank the hon. Member for North Shropshire for ensuring that that is the case, and it will continue to be the case for the debate on fracking, whenever it reappears, whether that be in the main Chamber, here or through questions.

There is a real consensus across the whole United Kingdom of Great Britain and Northern Ireland to oppose fracking in principle, but writing into any discussions and legislation local consent—that local communities get the last and final word—would give us protection.

9.49 am

**Wera Hobhouse** (Bath) (LD): It is a pleasure to serve with you in the Chair, Mr Paisley. I echo the words of the hon. Member for Strangford (Jim Shannon) about my hon. Friend the Member for North Shropshire (Helen Morgan) being such a powerful advocate for her local communities in North Shropshire. I thank her for bringing this crucial and serious debate to the Chamber today.

When the disastrous and short-lived previous Government announced that they would lift the moratorium on fracking, they never gave a single thought to our local communities. They provided no answer to how they would get local consent. Many people, including many MPs, were outraged that fracking would be forced upon them once again. I echo my hon. Friend’s observation that it is disappointing that there are not more Conservative Back Benchers here to voice their discontent about the U-turn that the Government made only a month ago, and to make their disappointment and outrage known to the Government so that they will never dare to bring back any such proposals. We can never rest until fracking is banned.

Fracked fuel is a fossil fuel. Fracking flies in the face of our net zero commitment. The Government’s own experts said that seismic activity caused by hydraulic fracking was not safe. Fracking has been linked to

[Wera Hobhouse]

multiple health defects. It is disgraceful that the Government even considered lifting the ban and putting the population at risk.

I would like to set the record straight. When the former Business Secretary, the right hon. Member for North East Somerset (Mr Rees-Mogg), so grandly declared that his local community would welcome fracking, that was not so. There was a petition going round Bath and North East Somerset asking for a ban on fracking. Let us put the record straight: local communities in Bath and North East Somerset did not welcome fracking.

The Government's flirtation with fracking proves their unserious approach to climate change and the environment. I am afraid that will not change under the new Prime Minister. When he was Chancellor, the Prime Minister introduced a windfall tax incentivising firms to invest in fossil fuel extraction. As Prime Minister, he had to be dragged to COP27. Those are not the actions of someone who will treat the climate emergency with the urgency it demands.

Investing heavily in renewables is clearly the answer to the UK's energy crisis. However, securing local consent is vital, even for popular solutions such as renewables. Local communities must be brought on board for the net zero transition; after all, they are the ones who will have to bear a lot of the costs, host new infrastructure in their neighbourhoods, and alter their routines and behaviours. Without that, there is a risk that people will not welcome or accept the necessary changes. The consequences of that would make our progress to net zero much lengthier, more costly and more contested. It would be less inclusive, equitable and environmentally sustainable.

Local consent is what we Liberal Democrats always ask for. The most successful net zero projects have local consent. Where possible, should projects not be undertaken by local people with a stake in them? Local communities are best placed to provide detailed knowledge of their local area. They have expert understanding of how their area functions and what their communities value.

The Government must remove the shackles from local authorities and give them the powers and funding they need as partners in reaching net zero. In Bath and North East Somerset, domestic and business solar capacity has doubled since our council declared a climate emergency in 2019. These local initiatives should be encouraged by the Government but, instead, they are being restricted by hollowed-out local authority budgets and our planning laws.

Community energy projects must also be encouraged. They allow people to purchase clean electricity directly from a local supply company or co-operative. That ensures that every pound spent on powering our homes or cars is recycled back into the local community. Energy projects should be carried by our local communities, and they are the ones who need to provide consent, whatever the solutions. Community energy is one of the few tried and tested means of engaging people in energy systems. In my constituency, Bath and West Community Energy has installed enough renewable energy to power nearly 4,500 homes. I take this opportunity—it is a good opportunity, because we are talking about local consent and local energy provision—to ask the Minister

again whether he will back the Local Electricity Bill, which is supported by more than half of MPs across the House.

Achieving local consent is crucial if we are serious about meeting our net zero targets. Gaining local consent for fracking was never going to happen. However, local communities passionately support renewable projects. They just need the Government to empower them to deliver those projects—and we need a Government that finally bans fracked fuel, which flies in the face of our net zero commitments.

9.55 am

**Kerry McCarthy** (Bristol East) (Lab): It is a pleasure to see you in the Chair, Mr Paisley, and to see the Minister. I do not think we have gone head to head across the Chamber before. It is a little disappointing that the Minister for Climate, the right hon. Member for Beverley and Holderness (Graham Stuart), is not here, although I appreciate why he is not. The last time we faced each other in a fracking debate, which was in the main Chamber, the outcome was suboptimal from his point of view because it led to chaos and the resignation of the Prime Minister the next morning. I suspect that today will be a rather more sedate affair. We cannot expect that sort of excitement every day, although, given how eventful politics has been lately, it would not surprise me if something imploded later.

It is also a pleasure to see the hon. Member for Strangford (Jim Shannon). It would not be a Westminster Hall debate without him. I think he came down against fracking, but he made a wide-ranging speech on the issue. The hon. Member for Bath (Wera Hobhouse) was right to say that there is no support, or very little support, for fracking in Bath and North East Somerset. I say that as an MP whose constituency neighbours that of the right hon. Member for North East Somerset (Mr Rees-Mogg), who said he would be happy to have fracking in his back garden—his back garden is probably big enough for that. Beyond that, as the hon. Lady said, there is very little support.

As I have said, the last time we discussed fracking it was pretty chaotic. The former Prime Minister made lifting the ban on fracking a cornerstone of her short-lived Administration. I still do not see why she did that. It was a 2019 Conservative manifesto commitment to keep the moratorium unless the science proved otherwise. The science did not change because the geology did not change—a recent expert report by the British Geological Survey said that that was the case—so fracking was still seen as unsafe, it was clearly incompatible with our climate obligations, and it was deeply unpopular.

During that debate in the main Chamber, Back-Bench Conservative MPs came out to declare their opposition to fracking. They did not vote against it on that occasion, but it was clear that they were unhappy. If this debate had happened a few weeks ago—I suspect the application was made back then—this place would have been teeming with MPs from across the House, including Conservatives, wanting to make sure that their opposition to fracking was on the record. I think that now they probably want the issue to just go away—they want to pretend that the last few weeks did not happen and that there was never any question of the ban being lifted—and that is why they are not here today.



**Wera Hobhouse:** Does the hon. Lady agree that we must continue to put pressure on the Government to end fracking once and for all or it might come back under the next Government—and who knows when that will come along?

**Kerry McCarthy:** Exactly. Because it is not clear why the last Prime Minister felt obliged to lift the ban on fracking, despite all the arguments against it, we will always have that scintilla of doubt that it has not completely gone away. There was no logic to her decision, so—who knows?—perhaps equally illogical decisions will be made in the future. The current Prime Minister has not embraced the moratorium on fracking out of any green credentials of his own. It is clearly an issue of party management. It is very sensible to reverse the U-turn and go back to the 2019 manifesto, but during the summer leadership election, he actively supported the return of fracking in areas where there was local support.

The Prime Minister also came out against solar power. I do not suppose the Minister is in a position to reply, but I am trying to find out through parliamentary questions whether there has been a change to the mooted policy of the previous Administration—we almost need names for each of the Administrations, because it gets confusing talking about the former this and former that—to bring other, less fertile agricultural land into the “best and most versatile land” category, meaning a ban on solar on that reclassified land. Having talked to the National Farmers Union and other farmers, I hope that that policy has now been reversed. Obviously, we do not want the entire countryside to be covered with solar panels, but we do want to see them in the right places. Solar can also be mixed with farming, as farmers can grow things under solar panels in some cases. I would like to think that there is now, under this Administration, more support for solar on our farmland.

I would say that the policy on onshore wind is still unclear, but actually, when the Prime Minister was pressed on it at Prime Minister's questions, it seemed clear that the ban remains. Considering that there were plans to allow fracking, I cannot see why onshore wind would be seen as less attractive than that. As I said, the moratorium on fracking was a 2019 manifesto commitment. The problem is that there is nothing to stop the Secretary of State taking unilateral action to lift the moratorium without any oversight or scrutiny from the House or input from local communities.

Our energy policy should be decided by what is best to bring down energy bills, what is best for our energy security and environment and, of course, whether there is public consent. In all those cases, it is clear that fracking should not be on the table. Labour has been clear that we want a full, permanent ban on fracking, and we want it now. It is unlikely, but, if the Minister was able to commit to a ban, I am sure that he would make not just those present but a lot of his Back Benchers happy.

In the debate on bringing back fracking, it was difficult to work out what the then Business Secretary, the right hon. Member for North East Somerset—or, indeed, a number of other Ministers—meant when he said that the Government would allow fracking only if there was “local consent”. Lots of Government Back Benchers pressed him during that debate on what exactly that

meant and it has come up on other occasions in the Chamber. Particularly worryingly, it almost seemed as though it was not really about asking people whether they consented; it was not a local referendum or actually going into a community and asking people if they support fracking. There was quite a lot of talk about compensation being offered, and it almost sounded as though the plan was to buy off local people, and perhaps the council that would issue planning permission, rather than speaking to individuals who would be affected. That would clearly be unacceptable. If we were going back to lifting the ban and allowing fracking—there are so many double negatives in this debate; we are going round in circles with all the U-turns—what does the Minister envisage asking for local consent to look like?

**Jim Shannon:** In my contribution, I made the point that it cannot be the energy companies themselves holding the discussions with local people because, by their very nature, they will have a bias; it has to be an independent body or person going door to door collecting opinions from individuals one to one. In that way, I think a very clear opinion would be drawn. We almost know the end result, but that must be the way to do it.

**Kerry McCarthy:** That is the case, is it not? It seems like a futile exercise—I do not think there is any community in the country that actually wants fracking to happen—but the hon. Gentleman is quite right that the energy companies, which have a vested interest in fracking, cannot be in charge of such an exercise, because it would be skewed.

If fracking was treated in the same way as this Government have treated onshore wind, which is a genuinely popular and clean source of energy, a single local objection could be enough to sink proposals. It is very easy to stop onshore wind, although, as we know, the Government currently have a policy not to proceed with it anyway.

No matter how the Government try to bend the definition of local consent, the reality is that fracking is deeply unpopular. The Government's own polling showed that only 17% of people support fracking, and I suspect that most of them do not want it in their backyard. I think there was a Conservative Minister in the Lords who talked about how fracking was not suitable for the south but suggested that it would be welcomed up in the “desolate” north. I suspect some of those 17% want fracking somewhere, but not where they live.

From the polling on other energy sources, 74% support new onshore wind, yet the Government are sticking with the ban on it. Some 75% oppose the Government's banning solar panels on farmland, but, as I have said, the current Prime Minister still seems very negative on both of those proposals. My point is that this Government's energy policy appears to be inherently biased towards fossil fuels. The Minister looked slightly shocked at that, but the Government have just issued 100 new oil and gas licences: if that is not bias towards fossil fuels, I do not know what is. Between a ban on onshore wind, lots of scepticism about solar, issuing licences for oil and gas exploration, and at one point trying to bring back fracking, I think it is very clear where the bias lies.

**Wera Hobhouse:** Is this not also a sign that the Government are entirely behind the curve? When fracking was mooted a decade ago as a transition fuel, it might

[Wera Hobhouse]

have been something that could be considered, because the legislation at the time was aiming only for 80% renewable energy by 2050. Since 2018, we have known that we need to get to 100%, so transition fuels are a complete nonsense. Does the hon. Lady agree?

**Kerry McCarthy:** I absolutely do agree. Fracking is certainly not greener and, as well as all the other reasons why we oppose it, it is not a cheaper source of energy, either.

The Minister for Climate, the right hon. Member for Beverley and Holderness, tried to gaslight the British public with his recent claim that fracking is green. He has also tried to say that oil and gas exploration in the North sea is green because the alternative is importing it, so we would have the extra costs of importing from elsewhere. Clearly, the green alternative is renewables. I would ask the Minister for Climate why, if he was right to say that fracking is a green option, it is opposed by so many of his colleagues, including the right hon. Member for Reading West (Alok Sharma), who was the President of COP26, and the right hon. Member for Kingswood (Chris Skidmore), who is conducting the net zero review. Extracting fossil fuels will never be green, and I hope that the Minister who is here today will make that clear when he replies to the debate.

Right now, there is immense pressure at COP27 to secure genuinely ambitious agreements to leave fossil fuels in the ground for good. Sending a clear message about our commitment to net zero and the move away from fossil fuels is vital, but the Government have been sending out such mixed signals—as has been said, the Prime Minister was not even going to go to COP, and had to be dragged there. That sends a terrible message about our global leadership. If our climate commitments are called into question, how can we expect other people to step up to the plate? It is time to end any doubts about the UK's commitment to climate action. Listening to communities and implementing a permanent ban on fracking, and bringing back onshore wind and solar, would be a good start.

10.8 am

**The Minister of State, Department for Business, Energy and Industrial Strategy (George Freeman):** It is a great pleasure to serve under your chairmanship, Mr Paisley, in the absence of the Minister for Climate, my right hon. Friend the Member for Beverley and Holderness (Graham Stuart), who is dealing with these very issues at COP27 today. I congratulate the hon. Member for North Shropshire (Helen Morgan); she is a very exciting new Member of Parliament, and she has done well today in bringing this issue to the attention of the House.

As somebody who was as concerned as everyone else here that the very short-lived Administration that took office in September flirted with the idea of lifting the 2019 Conservative moratorium on fracking, I am delighted to say that that policy has very clearly been reversed by the Prime Minister. To say that this horse has bolted is to liken Shergar to a beach pony; the issue is well and truly put to bed. I will deal with the points that hon. Members have made, but it gives me great pleasure to make it very clear that this Prime Minister, the Cabinet,

the Secretary of State, and the Minister for Climate—in fact, this whole Government—have returned to our position in the 2019 manifesto, which was an effective moratorium on fracking.

Furthermore—this may go some way towards answering the point made by the hon. Member for Bristol East (Kerry McCarthy)—Ministers are taking a presumption against issuing any further hydraulic fracking consents. I accept that for a month or two, all sorts of horses were running wild around the beach, but the position is absolutely clear. For those listening, and for the 18,000 people who signed the petition, let me be very clear: the Government are not about to open up the UK fracking market. We are back to the position that we set out in 2019.

I thank those who have spoken today. It is a great pleasure to see the hon. Member for Strangford (Jim Shannon); I know I am in the right room when I see him here, assiduous as ever. I also thank the hon. Members for East Londonderry (Mr Campbell), for Bath (Wera Hobhouse) and for Bristol East. I will deal with the points that have been made and with the broader context in which we need to view this issue. I will say something about the energy supply market, something about gas and something about local consent. Members have raised some important points about the role and the mechanisms of local consent in these sectors, in relation not only to gas but to all critical national infrastructure and other renewables.

Let me start by setting the scene. As someone who has been in this House for 12 years and has been watching it for about 30, I think it is fair to say—I can see that colleagues around the House feel the same way—that, as a country, for decades we have rather taken energy for granted. Until about 15 years ago we presumed it was something that would always be there, very cheaply, at the flick of a switch, and we did not have to worry too much about it. That position has changed, rather belatedly but dramatically, in the last 15 years. I pay tribute to the last climate change Minister in the Labour Government before 2010, who started a profound acceleration of our leadership on net zero. I am proud that the Conservative-Liberal Democrat coalition between 2010 and 2015, and then the Conservative Government, have taken that forward. Our leadership on net zero has come on leaps and bounds.

The scale of that success bears repeating. Since 1990, we have managed to grow the economy by about 40% and the net zero sector by around 70%. We have managed to demonstrate that it is possible to have green growth. There has been extraordinary progress. I accept, as I think everyone does, that as a country we were late to this. However, low-carbon electricity now gives us around half of our total generation, we have installed 99% of our solar capacity since 2010, the onshore wind industry is already generating over 14 GW and is happily accepted around the country—onshore wind is cheap—and we have put £30 billion of domestic investment into the green industrial revolution. Those are figures that, even 15 years ago, one might have been surprised to see. This country is genuinely leading in making the big transitional investments to move to net zero.

Of course, in the last 18 months, the pandemic and the appalling situation in Ukraine have triggered a cost of living crisis and, in particular, a cost of energy crisis globally. That has reminded us of the importance of

having resilient supply chains and ensuring that we are not vulnerable to hostile actors internationally, or to supply chains in which we can be held to ransom.

**Wera Hobhouse:** The Minister talks about the UK's leadership in renewables, which is positive. Should there not be a Government ambition to be an exporter of renewable energy, since we have so many opportunities to share that with Europe? Is that not a brilliant opportunity when we are talking about global Britain and its leadership in renewables?

**George Freeman:** The hon. Lady makes an excellent point. Indeed, that is why the former Prime Minister, my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), used to refer to the southern North sea as the Saudi Arabia of wind energy. That is precisely our ambition. First, we need to ensure that we can meet our own domestic energy market needs.

The hon. Member for Bath makes a crucial point for me very well, which is that we are in a global market and global energy demand over the next 20, 30 and 40 years will rise. It is not just a question of moving our existing energy demands to renewable supplies, vital though that is; it is also about developing the renewables of the future and contributing globally. As Minister for science, research, technology and innovation, I can say that we are investing heavily in small nuclear, in fusion, in marine and in geothermal, because we see a huge opportunity for the UK to be in the vanguard of the renewables and clean energies of tomorrow.

**Jim Shannon:** I thank the Minister for his detailed, helpful and comprehensive response. I read in the paper over the weekend about some of the innovation across the world on which we can interact with others. I understand that Morocco has an abundance of green energy, and, if the press are correct, that discussions are taking place between the UK Government and the Moroccan Government to export that green energy to the United Kingdom by an undersea channel. Is the Minister aware of that and if he is, could he elaborate on it?

**George Freeman:** The hon. Member has made an important point. I will not attempt to answer it because I am not the Minister for Climate, but I will flag it with him and ask that the hon. Member gets a proper answer.

As well as our groundbreaking leadership in the transition of our existing energy system to net zero supply, we are investing heavily in the technologies of tomorrow to ensure that we can be a global player in the great challenges we face. Agriculture and transport are the two biggest industries after energy that generate and use the most carbon and greenhouse gases, and we are hugely advanced in research and development in those sectors. I say that as a former Minister for future transport and for agritech. This country has a huge opportunity as part of the science superpower mission to generate solutions that we can export around the world, and I am proud of what we are doing.

Given the crisis in Ukraine and the extraordinary pressures on everybody this year when it comes to paying their energy bills, the Government made a huge

commitment to cap those energy bills and provide support, but it is right that our customers—the constituents we serve, taxpayers, households and businesses—would expect any responsible Government to look at whether there are easily and quickly accessible supplies of clean gas in the UK that could be extracted in a sensible and environmentally satisfactory way. People would think it was daft and weird if we were not prepared even to look at doing so in such a context. But let me be clear: that cannot in any situation go against our own environmental commitments, the environmental advice we have received or, crucially, local consent. As others have said, the British Geological Survey has made it crystal clear that there is no evidence to suggest that fracking can be pursued in any way that would pass that test. Again, I am delighted to repeat how pleased I personally am that we—the Prime Minister, the Cabinet and the Government—have made it clear that we are back to our 2019 effective moratorium.

**Helen Morgan:** Given that the Government are happy to express their commitment to stopping fracking, would they be willing to put that into legislation so that we do not always have a shadow of doubt hanging over us that the issue might raise its ugly head again?

**George Freeman:** I hear the hon. Member; she has made her point and put it on the record. I am slightly adverse to the idea that we put into legislation every single thing that we are not going to do. We would be here an awfully long time to reassure everyone. I am not sure that that is a sustainable way for Parliament to proceed. The Prime Minister made it clear through the written ministerial statement to the House, and the sector and community generally have understood that the idea mooted in September is now dead and buried, and we will not go back there.

I turn to the important point regarding local consent, which a number of colleagues have made. There is little I can say about pockets of local consent in particular areas. With regard to the situation in North Shropshire, in response to which the hon. Member for North Shropshire partly brought forward this debate, the licence for fracking that would potentially impact the Market Drayton and Whitchurch area is an indicative licence. No work has been done and no application for work has been received. In the light of the announcement of the return to the 2019 position, it is difficult to envisage any situation in which that licence could be of any use. I reassure her that we are not expecting any activity in that area.

We all—and the Government certainly—recognise that community support is important. We generally want planning to be something that is done through and with local communities, not to them. Some sort of balance is always required. Obviously, there is a huge difference between a loft extension and the siting of a huge piece of critical national infrastructure. However, a good developer will and should always engage with the local community and listen to real concerns.

I have seen consultations in my area where concerns have been expressed but have not been listened to or reflected in the proposals, and no change has been made to anything that was promoted. That often drives the view of sham consultations, in which people are not being heard. We need to be wary of assuming a one-size-fits-all approach would work for local support. Difficult



[George Freeman]

though it is to see how this would take off, we have left open the possibility that if an area—north, south, south-west, Scotland or Northern Ireland—found itself sitting on an easy and geologically stable opportunity to exploit shale gas and came to the Government with strong local consent, strong environmental data and a strong business and environmental case, the Government would consider it. That is very different from us setting an ambition and encouraging this industry around the country.

My constituency is home to the first two major substations, connecting the first two offshore wind farms in the southern North sea. As the local constituency MP, I watched as the scheme promoter came forward with a proposal for a substation, which I naively thought 10 years ago was a thing the size of a shipping container that hums behind a yew bush, but this thing is the size of Wembley stadium and its proposed location was on top of a hill, so the whole of Norfolk could see this huge piece of industrial development. I was not against hosting the substation in Mid Norfolk, but through decent consultation with the company, we ended up siting it in low-lying ground, out of sight, with minimal light and visual impact.

For our thanks, we have had another one; we now have two next to each other in Mid Norfolk. It is critical infrastructure, although if we were better connecting all the offshore wind farms, we could reduce the need for individual substations and cabling all across the Norfolk and Suffolk coast. The Minister for Climate is looking into that, because it would support the infrastructure for trading out of the southern North sea. I have seen at first hand that communities are often not properly consulted. As other hon. Members have said, without in any way opening up the risk of community benefit creating an opportunity for some sort of inappropriate payments to buy consent, I believe it is important that when a village is hosting two vast pieces of national infrastructure, it might get a park bench or some swings or something from the developer, which is making a huge amount of money.

There is a difficult balance to strike, but we all know good consent and good consultation when we see it. We know when a company is listening and when a community has been properly heard. I do not think that has been the case often enough and I am delighted to have the chance to put that on record.

**Kerry McCarthy:** I thank the Minister for giving way and engaging so much in the debate. There are question marks around where the Government are going with planning. I believe investment zones have been dropped, but I am not sure where we are on fast-tracking things, and bypassing planning permission and local consent. I will leave that for another day. What I want to ask him is this: I understand what he said about a hypothetical situation where fracking was proven to be safe, the local community wanted it and so on, but why is that not the case for onshore wind? If a local community would clearly benefit from onshore wind, why are they not allowed to have it?

**George Freeman:** I do not want to steal the thunder of my ministerial colleague, my right hon. Friend the Member for Beverley and Holderness, who is looking at

that issue right now. The pandemic and the war in Ukraine have revealed that we are exposed on a number of our food and agricultural supply chains. We need to get the balance right between covering far too much of our agricultural land and equally making sure that where communities can carry industrial sites, we have the right incentives in place.

**Jim Shannon:** We have had a number of debates in Westminster Hall on that very issue. Others who have spoken on that have said that key agricultural land needs to be retained for food production, and all the more so because of the food supply crisis across the world and the Ukraine war. With great respect, I believe there has been a consensus that highly productive agricultural land needs to be retained for that purpose alone.

**George Freeman:** The hon. Member makes an important point, which I personally agree with and the Government are sensitive to. Again, our constituents would think it perverse if, at the very time when our exposure to international food supply and agricultural supply chains has been exacerbated by the war in Ukraine and the pandemic, we were then to decide to take out of productive capacity huge areas of agricultural land. Agriculture is a great British industry and the agritech sector is developing net zero technologies that allow us to do clean and green agriculture. We do not want to undermine that industry.

**Wera Hobhouse:** The Minister is being generous in giving way. Is it not time that we busted some urban myths about solar panels and where they go? Most of the time they go on land that is not suitable for agricultural use other than, for example, sheep grazing. Is there not a myth about where we are putting these solar farms?

**George Freeman:** I am not sure it is a myth; it is a mixed bag. There are areas where solar has been deployed very effectively, with happy sheep grazing around it and very little reduction in the productive capacity of land. I do not want to stray beyond my brief—I am not the Minister with responsibility for energy—but equally there are in my part of the world, in the east of England, proposals for huge, industrial-scale solar on good productive farmland. In the spirit of the question from the hon. Member for Strangford, I think a lot of people are worried about those proposals.

**Kerry McCarthy:** I was asking about onshore wind, not the solar issue. With solar, there is the question of how the Government classify the best and most versatile—BMV—land. I totally agree with the hon. Member for Strangford that genuine BMV land should not be used for anything other than growing food, but I asked about onshore wind. Onshore wind does not always need to be put on farmland; there are lots of other potential sites.

**George Freeman:** The hon. Lady makes a very important point. In some ways, the two are linked, because there are plenty of examples of deployment of solar and wind onshore that do not undermine the productive capacity of land or the attractiveness of the area. Opinion polls show that if they are properly deployed in the right areas with the right consultation and consent, onshore measures can be popular. My right hon. Friend

the Minister for Climate is considering whether there is more we can do to tackle this short-term energy crisis in a way that does not create a problem for us downstream.

I should wrap up; I have strayed beyond my core brief as the Minister for science, research and innovation. Let me close by giving all those watching this debate around the country clear reassurance that the Prime Minister, the Cabinet, the Government, the Secretary of State and the Minister for Climate have taken us back to the position set out in our 2019 manifesto, of which I was proud: an effective moratorium on fracking. We have made it clear that Ministers are not looking to open up fracking to support the crisis in our energy sector. I hope that message goes forth, loud and clear around the country, to those who were understandably worried back in September. They no longer need worry about that at least.

10.27 am

**Helen Morgan:** I thank you, Mr Paisley, for your chairmanship, and the Backbench Business Committee for allowing this debate. I also thank the Minister and the Opposition spokesperson, the hon. Member for Bristol East (Kerry McCarthy), for attending the debate. To clear up any confusion, at the start I was expressing my disappointment that there were not more Back Benchers here to put on the record their concern about their communities being able to consent to a very controversial process.

I am also grateful to the Minister for clarifying the Government's position; I think that we all agree that that U-turn is welcome. However, while there is still this shadow of doubt, it would be nice if the Government committed to putting some formal consent process in place to safeguard communities in the event of a future change of heart.

I thank the hon. Member for Strangford (Jim Shannon) for his kind words, for giving us the Northern Ireland perspective, and for clarifying that the issue is controversial across the whole United Kingdom, not just in rural England.

I thank my hon. Friend the Member for Bath for her kind comments. She is a formidable environment campaigner, who we are proud to have in our party, and she made an excellent speech, expressing that local empowerment is at the heart of what Liberal Democrats stand for and believe. I am grateful for her contribution.

I cannot remember the last time that anyone described me as exciting, so I thank the Minister for that kind comment; I hope that it was well intended!

I am grateful for the comments made today. Everybody has made valuable points. We strongly feel that the local consent mechanism should be put in place to safeguard our communities.

**Ian Paisley (in the Chair):** I congratulate the hon. Lady on leading her first Westminster Hall debate.

*Question put and agreed to.*

*Resolved,*

That this House has considered local consent for fracking.

10.30 am

*Sitting suspended.*

## Mathematical Sciences: Contribution to Society

10.57 am

**Ian Paisley (in the Chair):** I am going to call Sir Stephen Timms to move the motion. I will then call the Minister to respond. There will not be an opportunity for the Member in charge to wind up because that is the convention in a 30-minute debate.

**Sir Stephen Timms (East Ham) (Lab):** I beg to move,

That this House has considered the contribution of the mathematical sciences to society.

I am delighted to serve under your chairmanship, Mr Paisley, and am most grateful to Mr Speaker for selecting this subject for debate to help to mark Maths Week this week. I am pleased to see the distinguished Schools Minister in his place, and I welcome and applaud his appointment—for the third time, if I remember correctly, which surely makes him the longest-serving Schools Minister ever, and deservedly so. I am also pleased that the hon. Member for North Devon (Selaine Saxby), who I think taught maths before being elected, is in her place.

The aims of Maths Week are to raise the profile of mathematics throughout England, change the conversation about maths in the population at large to be more positive, enable children and adults from all backgrounds to access and enjoy mathematical experiences, supplement teachers and support them to plan low-cost and high-impact maths activities at their schools during the week, encourage higher education centres to invite schoolchildren to visit maths events, raise aspiration, encourage greater take-up of maths at A-level and university, and make maths accessible to and enjoyable for people who think it an elitist subject just for “clever” people.

I want to do four things in my speech: underline the value of maths in enabling us to solve the big challenges our society faces and to build our economy; press the Minister to deliver the full commitment on funding for research in the mathematical sciences pledged by the then Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), in January 2020; argue for ensuring that degree-level maths does not become the preserve of the well-off; and press the case for much higher take-up of maths post 16, fulfilling the promise of core maths, which we see in the higher take-up of maths in the most successful economies around the world.

I have a maths degree, so I am biased, and I know that maths can often seem a bit impenetrable to those not familiar with it, and that being “no good” at maths can almost be a boast sometimes, but maths enables the most exciting and urgent technological developments in energy generation, artificial intelligence, driverless cars, quantum computing and tackling climate change. Professor Alison Etheridge, chair of the Council for the Mathematical Sciences, points out that the maths used to design dust filters in vacuum cleaners is also used to develop filters to remove arsenic from groundwater in the Ganges-Brahmaputra delta, which benefits hundreds of thousands of people.

**Jim Shannon (Strangford) (DUP):** I appreciate the right hon. Gentleman bringing the matter forward and I concur with his comments.

[Jim Shannon]

At this time, many of the United Kingdom's priorities are focused on energy supply and climate change, as well as targets for the future, and the University of Lancaster has concluded that mathematics has proven to be a basic but crucial component of building resilience in terms of flooding and understanding data fluctuations with respect to our energy supplies. With that in mind, does the right hon. Gentleman agree that further funding for mathematics must be centred on helping our students of STEM—science, technology, engineering and maths—including 53% of further education students in Northern Ireland, although I acknowledge the Minister has no responsibility for them, because they are paving the way for success with respect to environmental change in the UK?

**Sir Stephen Timms:** I am grateful to the hon. Gentleman for that intervention, and I do agree with him: maths is a vital enabler of economic growth, and it underpins many technological advancements that contribute so much to UK economic growth. We need to value that.

Deloitte estimates that the mathematical sciences add more than £200 billion a year to the UK economy, that there is a significant salary premium for advanced maths skills, which is calculated to be £8,000 a year, and that the mathematical sciences are of fundamental importance to tackling all our most pressing policy challenges. The hon. Gentleman has just given a good example of that.

The maths that is most familiar to us is about certainty— $a \times b = c$ —but maths also provides the tools to quantify uncertainty, underpinning important decisions in medicine and finance, and on the environment. Furthermore, understanding uncertainty is crucial to making decisions on how to deploy limited resources, from allocating hospital beds to dividing up the bandwidth available for telecommunications.

The briefing for the debate provided by the Protect Pure Maths campaign, which I congratulate on its efforts, gives a couple of examples of the use of a mathematical theory called extreme value theory. Unfortunately, my maths course did not include extreme value theory, which has been used in the successful work of Professor Chris Dent and others on energy generation and storage, which has had a big impact on improving energy supply, as well as in the work referred to by the hon. Member for Strangford (Jim Shannon), carried out at the University of Lancaster, to build resilience against extreme flood events.

Extreme value theory was not invented for those reasons, but as invariably happens with mathematical theories developed initially because they are beautiful and fascinating, that theory has turned out to have immensely important practical applications. Algebraic geometry is an important set of ideas in pure maths, some of which were in my course, and pure mathematician turned economist Elizabeth Baldwin has applied the theory of algebraic geometry to microeconomics to design an effective auction system for carbon permits. Her work has been used by the Bank of England, and more and more maths is being used in the social sciences and humanities.

Protect Pure Maths is calling for the Government to demonstrate their understanding of the transformative power of maths by launching a strategy for maths to

strengthen UK leadership and to equip us to compete in a global economy that is increasingly dominated by big data, complex systems and artificial intelligence. The Institute and Faculty of Actuaries also provided a briefing for the debate, and it points out that mathematics is fundamental to the work of actuaries in insurance and pensions, and in health and care.

In January 2020, there was a warm welcome for the commitment by the then Prime Minister to invest £300 million of additional funding into research in the mathematical sciences. Of that, £124 million has been spent on projects of national importance, including on institutes, small and large research grants, fellowships, doctoral studentships and post-doctoral awards.

Some of that work is concerned with solving current challenges of the kind that I have referred to, but some rightly is to pursue intellectual inquiry of the kind that characterises pure maths, the output of which will almost certainly yield real-world applications in future, although they are not apparent at the moment. More than half the additional investment—£176 million—has not yet been allocated.

The chief executive of UK Research and Innovation has stated:

“We did not receive £300 million specifically labelled ‘mathematical sciences’ despite the announcement.”

The announcement that she referred to was made by the then Prime Minister. We are surely not in the position where a crystal-clear announcement, attracting lots of attention, made by a Conservative Prime Minister, turned out to be untrue. A recent written answer on this from the noble Lord Callanan in the other place suggested that there was doubt about whether the funding would be forthcoming. I hope the Minister will clarify that, and confirm that the funding already announced for hugely valuable mathematical science research will be delivered.

Without that additional £176 million, doctoral studentships, fellowships and research programmes will remain unfunded. University maths departments need clarity about the sustainability of maths funding, in order to give the go-ahead for research and innovation programmes that will last years into the future—programmes that will underpin future technological breakthroughs of great economic importance.

Marcus du Sautoy, Simonyi Professor for the Public Understanding of Science at the University of Oxford, has made the point that

“maths underpins all science and technology”.

So it makes sense, he says,

“to allocate funds to mathematical research, even at a time of tight finances...It would be incredibly unwise to now abandon that pledge.”

We have seen welcome progress with advanced maths education since I was doing the Minister's job more than 20 years ago. The trend then of falling numbers of A-level applicants and undergraduates was halted and, I think, reversed. Changes introduced by another maths graduate, Charles Clarke, when he was Secretary of State, started the improving trend.

The Protect Pure Maths campaign was initially established in response to some UK universities cutting back their maths provision. Governments might be reluctant to intervene in the decisions of individual universities, but the Government should make clear the



strategic importance of maths, and incentivise and support universities to give it priority, particularly beyond Russell Group universities, because maths is becoming an almost exclusively high-tariff degree. There is big growth at many high-tariff university maths courses, with one leading maths department in England increasing its intake from 300 to 600 undergraduates a year, but the courses at low-tariff universities, many of them highly regarded, are shrinking. One of them has gone from 150 to 35 undergraduates a year.

Students from lower-income backgrounds are much less likely to go to university outside their local area. If maths courses become too small to be viable, we will see the emergence of maths deserts, which would reduce access to one of the best degrees in terms of future earnings. We need strong and sustainable maths departments at universities in all parts of the country, and in universities of all kinds.

The other key issue for this Maths Week debate is the low take-up of maths in the UK post GCSE. More 16 to 18-year-olds should be encouraged to take up core maths, which is an invention of this Government that I imagine the Minister had a good deal to do with at the time. The background is that, in 2010, the Nuffield Foundation published a report titled “Is the UK an outlier? An international comparison of upper secondary mathematics education”. It turned out that the answer to that question was yes. Twenty-four countries were surveyed, and the UK had the lowest level of participation in upper secondary maths. Of the 24, England, Wales and Northern Ireland were the only countries with participation of less than 20%.

In June 2011, the then Secretary of State, the right hon. Member for Surrey Heath (Michael Gove), looked forward to a situation in which

“within a decade the vast majority of pupils are studying mathematics right through to the age of 18”.

In 2014, he said that by 2020—two years ago—the vast majority of students would be studying maths in some form after the age of 16. He meant not just A-level maths but the new qualification of level 3 core maths, which teaches the statistical and analytical skills essential to every profession, from law to medicine, and from journalism to manufacturing.

That increase has not happened. Progress in the last eight years has been lamentable—one might even say negligible. The UK remains an outlier. In Germany, Japan and the USA, well over 50% of 17-year-olds are studying maths in some form. In Finland and Ireland, the figure is over 80%. In the UK, it is still below 20%.

**Selaine Saxby** (North Devon) (Con): The right hon. Gentleman is giving an exceptional speech. I am delighted to speak out in Maths Week for the subject that I studied and love. Does he agree that one of the challenges for rural schools particularly is that, because of the restrictions of their rural settings, they are unable to have specialist science, technology, engineering and maths sixth forms? I hope the new ministerial team will apply more maths in general to their funding decisions. In rural schools, the funding simply does not add up, and in large education authorities, such as Devon, we do look not at the variance in achievement but only at the average.

**Sir Stephen Timms:** I am grateful to the hon. Lady for her well-informed and valid comment. The big problem is the shortage of teachers. In rural schools and elsewhere, getting hold of teachers with specialist maths abilities who are able to teach the subject post 17 is a big challenge. I very much agree with her. The Government should invest more in recruiting, developing and retaining maths teachers, because the lack of teachers is the key problem with the take-up of core maths. We need subject-specific continuing professional development for all maths teachers, and we need to upskill maths teachers who do not have a maths degree.

Maths is hugely valuable in enabling us to solve the big challenges that our society faces, and in building the economy. The Government must deliver the full commitment of funding into research in the mathematical sciences pledged by the then Prime Minister in January 2020. Degree-level mathematics must not become the preserve of the well-off. As the Government repeatedly said some years ago, we also need much higher take-up of maths post 16, as we see in the most successful economies around the world. The Government must fulfil their earlier promises. I very much look forward to the Minister’s response.

11.14 am

**The Minister of State, Department for Education (Nick Gibb):** It is a pleasure to serve under your chairmanship, Mr Paisley—for the first time, I think. I congratulate the right hon. Member for East Ham (Sir Stephen Timms) on securing this debate, which concerns a subject that I, he and my hon. Friends regard as very important. I thank him for his generous comments about my reappointment. He, too, was a Schools Minister, and I know how deeply he cares about the education of the next generation, particularly children from disadvantaged backgrounds.

Mathematical sciences are fundamental to our success as a nation. A deep mathematical and scientific knowledge and understanding is a necessary element of everyday life, but is increasingly required in more and more occupations and higher education courses—not just in the sciences but the social sciences and humanities. The Government are committed to ensuring that all pupils have a solid grounding in maths and science, and to encouraging greater participation as they progress through their school careers so we can grow the numbers of engineers, research scientists and technology experts of the future.

Improving mathematical knowledge at all levels is likely to deliver significant returns in terms of labour market skills, individual success—as the right hon. Member for East Ham said in his speech—increased productivity and longer-term economic benefit. It will allow us to lead the way in scientific innovation. Keeping the UK’s place at the leading edge of science and technology will be essential to our prosperity and competitiveness in the digital age.

The Government recognise that demand for STEM alumni at all levels is growing. That is why we must ensure that everyone, regardless of their background, has the opportunity to pursue STEM careers. Improving the quality of maths and science teaching, and increasing the number of young people who study those subjects beyond GCSE, is key to addressing the STEM shortage,

[Nick Gibb]

and to supporting the UK economy and its growth. The Department is therefore encouraging more students into STEM subjects across all key stages, from primary and secondary school to higher and further education.

The Government have committed to substantial spending on maths, digital and technical education to increase the take-up and better teaching of STEM subjects in schools and colleges. Instilling a deep understanding and love of mathematics—shared by my hon. Friend the Member for North Devon (Selaine Saxby) and the hon. Member for Strangford (Jim Shannon)—from an early age is vital. That is why the Department introduced teaching for mastery, which is a pedagogy based on high performing jurisdictions, including Shanghai and Singapore, that emphasises whole-class teaching and builds knowledge systematically—step by step and in small increments. That helps students to gain fluency and a deep understanding of mathematical concepts. I saw that at first hand when I visited Shanghai schools a few years ago.

The Department has spent over £100 million on the teaching for mastery programme, delivered by maths hubs—40 school-led centres of excellence in maths teaching that are responsible for a range of activities to improve the teaching of maths in all schools, from primary school to the age of 18. The hubs are supported by the National Centre for Excellence in the Teaching of Mathematics, which is funded by the Department for Education. I pay tribute to Debbie Morgan and Charlie Stripp of the NCETM for their brilliant work over many years in improving the teaching of arithmetic and maths in our primary schools, and more recently in our secondary schools.

Results from the trends in international mathematics and science study 2019 showed that our year 5 and year 9 pupils continued to perform above the international averages in maths and science. That included a significant improvement in maths for our year 5 pupils, taking us to our highest ever score. This year also saw the roll-out of the first regular multiplication tables check on year 4 pupils. Knowing one's tables by heart, up to 12 times 12, is essential for more complex maths involving the application of fractions and algebra, where instant retrieval of numbers is so important. I will resist asking any of my hon. Friends and hon. Members their times table questions now—I have had that done to me too many times.

Post 16, ensuring more students are studying maths beyond GCSE is a fundamental aim. Maths continues to be the most popular A-level subject, with 87,000 students taking it in 2022, up from 69,800 in 2010. Further maths entries at A-level have also risen, from 10,800 in 2010 to over 14,000 in 2022. But there is more to do, particularly to ensure that students from under-represented groups, as referred to by the right hon. Member for East Ham, are participating in the subject. That is why the Department continues to fund the advanced maths support programme, which provides high-quality professional development and online resources for teachers to support schools and colleges to expand their post-16 maths curriculum. Over 3,000 state-funded schools have participated in the programme since its launch in 2018.

As the right hon. Gentleman mentioned, the Government would like to see more students studying core maths qualifications designed for sixth-formers who are not studying maths at A-level, but who wish to continue to

study maths. That will prepare those students for the mathematical demands of university study and employment. More than 12,000 students took such qualifications last year, but there is more to do to raise awareness and encourage their take-up.

**Sir Stephen Timms:** It was the Government's ambition that the great majority of students in the 16 to 18 range would study maths in some form—mostly core maths. Does that remain the Government's ambition, and how long does the Minister think it is likely to take to achieve that ambition?

**Nick Gibb:** The right hon. Gentleman is absolutely right to say that is the Government's aim. I think we will have more to say on this issue in the coming months, because it is essential in an advanced economy such as Britain that more young people are studying maths—even those like me, who did well at maths O-level but did not go on to study it at sixth form because I was studying history, economics and English. I now wish that I had taken at least some post-16 qualification in maths. More young people would benefit from that, so it continues to be the Government's objective.

To help tackle the challenges, the advanced maths support programme is rolling out a national team of specialist core maths advisors to support participation in core maths and to develop expertise and best practice. Their role will be to support schools and colleges to establish core maths provision, and to provide continuing professional development and dedicated support. The advanced maths support programme also provides free maths resources for teachers and students. The Department is supporting schools and colleges with additional funding through the advanced maths premium, which is a £600 incentive payment per student and per qualification to boost growth in level 3 qualifications in schools.

In science, the Department funds a range of programmes, including the Stimulating Physics Network, which offers tailored support to schools to increase the rates of progression to physics A-level and the uptake of physics among girls. As of October 2022, 299 continuing professional development days have been delivered. The Isaac Physics programme is designed to increase the number of students, particularly from typically under-represented backgrounds, studying physics in higher education, and it serves about 80% of schools. In 2022, there were a total of 35,800 A-level physics entries—an increase from 27,800 in 2010.

The right hon. Gentleman and I can agree that we need all students to be competent and digitally literate to succeed in the digital age. The computing curriculum introduced in September 2014 provides pupils with the broad knowledge they need to specialise later—for example, in computer programming and AI—from key stage 1 to key stage 4. It also facilitates further study at A-level, and on to degree level and other post-16 options. England was one of the first G20 countries to place coding in the primary curriculum, introducing pupils to writing computer programmes and how computer networks operate. Computer science was one of the fastest growing GCSE subjects between 2013 and 2019, and we are confident that our spending on improving computing education will inspire more pupils to take the subject at GCSE.

The right hon. Gentleman mentioned the funding of mathematical sciences research. Research in mathematical sciences is key for the advancement of all areas of

science and technology, and it is a vital area of science in itself. An additional £124 million has been committed to mathematical sciences, on top of between £25 million and £30 million a year for grants, fellowships and studentships, which UKRI's Engineering and Physical Sciences Research Council has always invested in this area. Absorbing any additional uplift to mathematical sciences into core budgets would require significant reductions in other engineering and physical sciences disciplines. That would reduce critical capabilities in disciplines such as engineering and information communications technology, which, alongside mathematical sciences, are key foundations of the UK's ambitions in areas such as net zero and AI.

**Sir Stephen Timms:** This commitment of £300 million—£60 million a year over five years—was given in a blaze of publicity by the then Prime Minister in January 2020. Surely the Minister is not telling us that the right hon. Member for Uxbridge and South Ruislip said something that was not true.

**Nick Gibb:** What I am saying is that this funding is not ringfenced. Rather than ringfenced budgets addressing single priorities, UKRI aims to create a portfolio of investments where each pound contributes to delivering multiple priorities, providing much better value for money and leveraging the benefits of UKRI as an integrated research and innovation funder. In this context, UKRI is looking for opportunities to support foundational mathematical research across its entire portfolio.

The right hon. Gentleman also referred to the issue of teachers in response to an intervention by my hon. Friend the Member for North Devon. The Government are ensuring that all schools have access to highly skilled teachers. Teaching remains an attractive and fulfilling profession and the number of teachers remains high, with more than 465,000 working in state-funded schools across the country—24,000 more than in 2010. The Department has made substantial incentives available to attract the brightest individuals to teach high-demand subjects, including a £27,000 tax-free bursary in chemistry, computing, maths and physics, and prestigious scholarships in those subjects worth £29,000. There is also substantial continuous professional development

for new and existing teaching staff through the early career framework and a new suite of national professional qualifications.

In conclusion, I hope that this Chamber will understand how committed the Government are to science and to ensuring that all pupils have the chance to succeed.

**Sir Stephen Timms:** I thank the Minister for giving way one final time. I just want to go back to the question of the £300 million. Does he accept that the then Prime Minister, the right hon. Member for Uxbridge and South Ruislip, absolutely clearly said that the £300 million was for research in mathematical sciences? It was ringfenced in his announcement. Surely that commitment should be honoured?

**Nick Gibb:** The right hon. Gentleman has made his point, and I have made the point that UKRI has an un-ringfenced approach in how it allocates its investments. It is important to allow that institution discretion to determine how it allocates its funding. Of course, fundamental foundational research in mathematical sciences goes right across all the disciplines that UKRI oversees.

The Department continues to deliver substantial spending on maths, digital and technical education, and to increase the take-up and better teaching of STEM subjects in schools. We are clear that the acquisition of knowledge is the basic building block of education to which all pupils should have fair access. A knowledge-based curriculum can stimulate critical thinking—a skill that can be acquired only through the teaching of solid subject content. The Government are steadfast in maintaining our position as a world leader in scientific research, and are committed to ensuring a pipeline of knowledge and technical understanding to provide the UK with a highly expert workforce for the future.

**Ian Paisley (in the Chair):** Thank you, Minister. My son is a mathematics student, so I found that particularly interesting. For the record, 12 times 12 is 144.

*Question put and agreed to.*

*Resolved,*

That this House has considered the contribution of the mathematical sciences to society.

11.28 am

*Sitting suspended.*



## Bhopal Gas Explosion Investigations

[ESTHER McVEY *in the Chair*]

2.30 pm

**Navendu Mishra** (Stockport) (Lab): I beg to move,

That this House has considered potential UK support for investigations into the Bhopal gas explosion.

It is a pleasure to serve under your chairship, Ms McVey. I thank right hon. and hon. Members who are here to contribute for their interest in raising awareness of the tragedy and, most importantly, for campaigning for justice for the victims and survivors. I declare an interest as co-chair of the all-party parliamentary group for India (trade and investment) and the secretary of the Indo-British all-party parliamentary group.

As hon. Members know, 38 years ago next month, the greatest industrial disaster in history occurred in the Indian state of Madhya Pradesh, where a Union Carbide plant leaked 27 tonnes of the deadly gas methyl isocyanate. None of the six safety systems designed to contain such a leak was adequate or operational, allowing the gas to spread throughout the city of Bhopal. The aftermath was catastrophic: up to 10,000 people died in the first 72 hours of the leak; over half a million people were exposed to the gas; 25,000 people died as a result of gas exposure; 150,000 chronically ill survivors remain; and an estimated 100,000 people have been exposed to contaminated water. By 2002, Greenpeace reported that 150,000 victims were chronically ill, with—even at that point—one person dying every two days.

**Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): I congratulate my hon. Friend on securing this important debate and thank him for doing so. The Bhopal gas disaster is history's worst industrial catastrophe: 25,000 people were killed or died later from their injuries. As he pointed out, approximately 120,000 to 150,000 people remain chronically ill, with no hope of recovery. Does he agree that, rather than being betrayed and ignored, after 38 long years victims and their families deserve justice, accountability and proper compensation?

**Navendu Mishra:** Those figures are staggering, but several organisations have disputed them, saying that they are probably much higher in reality. Thirty-eight years is a very long time. I am 33 years of age; I was born in 1989—years after the gas leak. I fully agree with my hon. Friend's point.

After the disaster it took almost five years for Union Carbide, in a partial settlement with the Indian Government, to pay out to some of the victims. The \$470 million agreed resulted in 93% of claimants being awarded the equivalent of £380 each for what, in reality, are life-changing injuries. Over 38 years, that amounts to a measly and unjust 5p a day. The victims were not consulted during the settlement discussions and, understandably, many felt cheated by the compensation.

Although it may seem far-fetched, it appears that corporations value a Bhopali survivor's life 100 times less than the life of an Alaskan seabird, because in 1989—the same year as the partial settlement—Exxon spent \$51,000 on the rehabilitation of each bird affected by its oil disaster.

The Dow Chemical Company, which is the parent company of Union Carbide, has for too long evaded its responsibility to the victims and survivors. Even before the explosion, the factory had been dumping toxic waste on the site and at nearby solar evaporation ponds, poisoning the water supply; and, after a cost-cutting spree from managers, old and faulty safety equipment was issued, and safety training cut from six months to two weeks. In addition, the safety training manuals were in English. It does not take a genius to work out that many people would not understand English in a state where the majority of people are Hindi speakers. Then again, that complete lack of awareness was evident when, only 19 years ago, Dow's public affairs officer described the \$500 payment in the 1989 payout as “real good for an Indian.”

That is a disgusting attitude.

Today we are still campaigning for justice for the victims and survivors. Groups such as Action for Bhopal, the International Campaign for Justice in Bhopal, the trade union Unison, the British TUC, and Indian civil society and trade unions, have all called for compensation, environmental remediation, medical care and research, and support for the victims.

In 2013, Unison welcomed survivors of Bhopal to its national delegate conference, and I thank Unison for standing up for the victims. Several trade union members were killed in the Bhopal tragedy. If their concerns had been listened to by management, the leak might not have happened.

I place on the record the name of Mr Ashraf Mohammad Khan. He died horribly after being drenched in phosgene in an event just a few years before the 1984 tragedy. The safety systems at the plant were not only incredibly poor; they were virtually non-existent and accidents with fatal consequences took place earlier in the 1980s.

In this House, the work of my right hon. Friend the Member for Hayes and Harlington (John McDonnell), my hon. Friend the Member for Brent North (Barry Gardiner) and my right hon. Friend the Member for Islington North (Jeremy Corbyn) has not gone unnoticed in the historic campaign to raise awareness of this tragedy. I am also aware that the right hon. Tessa Jowell, the late Member for Dulwich and West Norwood, was also supportive of the survivors and victims.

Sadly, despite the fact that it has been conceded that this was “a terrible tragedy” and one that continues to affect the citizens of Bhopal to this day, in written parliamentary questions that I tabled earlier this year the UK Government's abdication of responsibility for the victims of this tragedy was plain to see. Indeed, what is more disappointing is that the Minister who responded claimed that responsibility for remediation rests with the Indian authorities, when it is clear that it lies with the Dow Chemical Company. It is very disappointing that the Foreign, Commonwealth and Development Office seems to be parroting the lines of Dow's public relations department.

In 2012, when we were celebrating the sporting expertise of nations from across the globe at the Olympics in London, the current Chancellor, who was then the Secretary of State for Culture, Media and Sport, signed off on Dow sponsoring a fabric wrap around the Olympic stadium at a cost of £7 million. I hope the Minister here

today can explain why. Surely the Government agree that companies that abuse human rights that have failed to redress abuses for which they are responsible must be held to account and made to repair the harm they have caused, rather than being rewarded with highly profitable contracts and prestigious sponsorship agreements. Alternatively, is it the case that the current Government do not want to understand the plight of the victims and survivors?

Some people have wrongly alleged that this case is all but settled and that the pay-off in 1989 dealt with this monumental tragedy. However, it is far from “case closed” when justice continues to be evaded. In 1991, just two years after the settlement, a US Supreme Court order reinstated section 304B criminal charges against a dozen accused, which included Union Carbide. Over 30 years ago, Indian courts declared Union Carbide a “proclaimed absconder” for its failure to attend trial.

Since 2001, Dow has been issued with six summons and to this day it has still not appeared. India has since filed a curative petition in its Supreme Court to remedy what it termed “a gross miscarriage” of justice and perpetration of irredeemable injustice being suffered by the victims of the Bhopal gas tragedy. The petition argues that civil compensation has been based on mortality and morbidity figures that were completely incorrect and far removed from reality. We await the next hearing on this tragedy early next year.

Before I secured this debate, the FCDO asked me whether I wanted a meeting to discuss the specific issues relating to the tragedy that I wanted to explore, so I will now directly raise those issues with the Minister.

As the Government continue to negotiate a trade agreement with India, which I of course welcome, we must not see our ties as being wholly about shared business interests, but about our shared responsibilities. Our responsibility in the face of this disaster, which took place 38 years ago, is to try to obtain justice for the victims and their families. That includes lobbying Dow to provide unpublished findings of all studies on the effect of methyl isocyanate on living systems, and to provide unpublished findings of investigations into the soil and groundwater in and around the Bhopal factory.

Additionally, Dow previously accepted liability for asbestos claims against Union Carbide in the USA predating the merger with Dow. When Dow settled a suit on behalf of Union Carbide in 2002, \$7.16 trillion was wiped off Dow’s share price.

Given that Dow has offices in Britain, could the Minister—not civil servants, but the Minister—request a meeting with Dow executives to ask why there is this disparity between accepting liabilities in the USA and not accepting them in India? Does Dow value the life of American victims differently to how it values Indian victims?

In 2011, the Institute of Environmental Management and Assessment published an article and video by two British environmental scientists, which suggested that double-blind sampling between Indian and European laboratories and eventual site clean-up works could be the way forward. However, they noted that such work would require high-level political support. Therefore, having abolished the Department for International Development and slashed the aid budget, will this Government be interested in remediating this historic injustice and providing the required political support?

Before I end, I pay tribute to Mr Rajkumar Keswani, the Bhopali journalist of the *Jansatta* daily newspaper, who raised the alarm about the Union Carbide plant before the leak, but was ridiculed. Between 1982 and 1984, he wrote several articles detailing the poor safety standards at the plant. If he had been listened to, this grave tragedy might have been averted.

I also thank Mr Nigel Smith, my good friend from my constituency of Stockport, who has been supporting Bhopali victims and survivors for many decades. It is now for Union Carbide and Dow to accept the “polluter pays” principle, which is adhered to by both India and the United States. Neither the Union of India nor the state government of Madhya Pradesh should bear any burden for this tragedy. Rather, Dow should front up all the financial burden and costs for the purpose of environmental clean-up and remediation, as well as the medical treatment of not only the victims but the survivors and their families.

Since the onset of the pandemic, evidence shows that the death rate of Bhopal survivors due to covid-19 is 6.5 times higher than those not exposed to the deadly gas. No one can say, therefore, that this disaster does not continue to blight the lives of so many. To Members across the House, who live thousands of miles from where the tragedy unfolded, it may seem remote, but for the victims, their children and families, whose lives and livelihoods have been affected by the events of the evening of 2 December 1984, today is important, because it should be the start of our country’s contribution to the campaign for justice for the victims and survivors. I hope the Minister can assure all of us.

**Several hon. Members** *rose*—

**Esther McVey (in the Chair):** Order. Several Back Benchers want to speak, so I will not impose a time limit. We then have three Front Benchers. I want to remind the Minister to leave some time for Navendu Mishra to wind up.

2.41 pm

**Kim Johnson** (Liverpool, Riverside) (Lab): It is a pleasure to serve under your chairship, Ms McVey. I start by thanking my hon. Friend the Member for Stockport (Navendu Mishra) for securing this important debate, and by putting on record thanks to my union, Unison, for all its work to support the International Campaign for Justice in Bhopal and the victims and survivors of that devastating incident.

That tragedy—the world’s greatest industrial disaster—exposed half a million people to toxic gas, with around 25,000 deaths to date as a result of that exposure. I also commend Rajkumar Keswani, who tried tirelessly to highlight the site’s health and safety dangers well before the tragedy took place. I do not want to reiterate what my hon. Friend has already mentioned but, suffice it to say, all this should not have happened: the deaths of thousands of people from immediate exposure to the chemical gas from the Union Carbide factory; the tens of thousands who lost their lives in indescribable circumstances since; and the hundreds of thousands suffering to this day with debilitating and deadly illnesses and diseases. Those responsible must be brought to justice.

[Kim Johnson]

This is a case of criminal corporate negligence, aided in the evasion of scrutiny and justice by Governments that protect profits and power over the people they are supposed to serve. The strength and bravery of campaigners in the pursuit of justice against the odds have been incredible. They should have the support and solidarity of every Member who stands for truth, justice and accountability.

Although the chemical explosion happened in 1984, nearly four decades ago, this living, breathing crisis is still creating new victims. It has created untold suffering for those who suffered the immediate impact, their children and their grandchildren, with the impact on future generations casting a dark shadow over the community. Rates of cerebral palsy, muscular dystrophy, autism and severe learning difficulties have exploded, and the situation is getting worse, not better. Hundreds of thousands are still suffering in pain, through cancer, stillbirths, miscarriages, lung and heart disease, and the slow and painful deaths of the families and communities, with no respite, support, compensation or justice.

The poison is still pumping through the veins of the survivors and their children. Even now, decades later, the mortality rate for gas-exposed victims is still 28% higher than average. Victims of the gas are twice as likely to die from cancers, lung disease and TB; three times more likely to die from kidney diseases; and more than 60% more likely to have serious illnesses. Rates of infertility, stillbirths, abortions, early menopause, and fertility have been disastrous, with immense social repercussions.

Those long-term health impacts are devastating, yet the meagre compensation paid out to victims after years of campaigning, amounts to little more than three and a half years of healthcare bills. Not one single arrest has been made. No one has been forced to help alleviate the ongoing environmental destruction, and the communities there are still forced to live in poisoned surroundings—forced to consume contaminated water, breathe poisoned air and live in areas still covered in toxic chemicals. No clean-up operation has ever been attempted.

Of the nine Indian officials who were convicted in 2010 for their role, none has served any time behind bars. No one from Union Carbide has ever been jailed for the gross negligence that led to the gas explosion, and the company has repeatedly refused to face justice and answer its court summonses. We all know that justice delayed is justice denied.

I will end by paying tribute to the International Campaign for Justice in Bhopal, and to everyone who has campaigned for a just response and settlement for the victims, and taken up their cause. Appropriate compensation—at a minimum of \$8,000—must be made to each Bhopal survivor. Union Carbide must finally attend the criminal court case in Bhopal district that it has dodged for nearly a decade. The companies involved must hand over their findings and all studies on the effects of the methyl isocyanate, and the results of their investigations into the contamination of soil and groundwater in and around the Bhopal factory.

The Indian national and state governments must provide free healthcare to survivors, and fund research into the long-term health damage caused by exposure to toxic gas and contaminated groundwater. They must provide living costs for the survivors and widows of

the disaster. Union Carbide must also take responsibility for cleaning the remaining hazardous waste, in line with international standards, and provide compensation for environmental health damages.

That is the bare minimum that we should be demanding for the survivors of the tragedy, whose lives have been torn apart. Criminal negligence has destroyed their lives and those of their children, grandchildren and future generations. They have already waited nearly 40 years. We cannot allow justice to be denied any longer.

2.47 pm

**John McDonnell** (Hayes and Harlington) (Lab): I congratulate my hon. Friend the Member for Stockport (Navendu Mishra) on securing this debate. Bhopal has been described as an environmental disaster; I think it is actually the most appalling environmental crime in modern history. As has been said, tens of thousands were killed and hundreds of thousands have been affected. Lives were lost, and others were curtailed by terrible consequences—ill health, disability and congenital disabilities.

I remember when the first reports were coming into this country on Bhopal in 1984. It took time for us to become fully aware of the scale of what happened, but I remember the shock, and then the horror, ripping through my local community. As the figures began to be reported, we learned of the initial 10,000 deaths. The other facts that then came through were particularly shocking: half the pregnant women in the area aborting, and the wells and streams that more than 100,000 people depended on for drinking water contaminated with cancer-causing chemicals. As has been said, the figure banded about recently is that the range is anything between 350,000 people to maybe 500,000.

For me, it soon became obvious that there was no doubt about how and why the event happened. Union Carbide, now owned by Dow, has, I think, been exposed for what it did, because it was about the pursuit of profit despite the consequences for the lives of its workers and local community. Despite all the warnings that we now know about from its own staff, despite all the individual accidents that took place where there was loss of life on site, and—most damningly—despite the knowledge of its own experts, the company pressed ahead with operations, using appalling and unsafe systems, until the inevitable happened and the disaster occurred. When lives are knowingly put at extreme risk, and lost as a consequence, the description for that is social murder. I believe that is what happened in this case.

What has compounded this criminal act is the way in which the company—Dow Chemical, as it now is—has evaded all legal and moral responsibility. It has failed to take the necessary remedial action to compensate the victims, restore the safe environment—as my hon. Friend the Member for Stockport recommended—and provide the care and health treatment that those victims desperately needed to address the trauma that they suffered. I find it disgraceful that Dow, having committed this corporate criminal act, has been allowed to walk away with virtual impunity. As has been said, the compensation that has been provided is trivial to the extent of being an insult to the victims of this crime, particularly for those who have lost relatives. We need a new strategy to bring this corporate mass murderer to justice.



For too long, Dow has used its influence to evade justice and to buy its way into respectability in many circles. The sponsorship, or the wraparound, of the Olympics was one of those exercises. I spoke at the demonstrations in 2012 when constituents and others came together to appeal to the Government not to allow Dow to buy its way into that form of respectability. Unfortunately, we were not listened to. I hope that we will be now, because I think we need a new, determined strategy for justice. We know that the company will be in the Supreme Court in January next year, but we cannot rely on the Court to exercise the full extent of recompense that is needed.

I follow the line taken by my hon. Friend: we need compensation that is realistic to match the damage and the suffering caused. We need funding for the ongoing medical and social care needed by the victims, and, unfortunately because of the congenital impact of the poisoning, by many of their children as well. We also need to undertake economic and social rehabilitation of the area; there should be proper funding so that people can have a decent quality of life, and the local economy needs to be restored so that they have jobs. Above all, local people are calling for the environmental remediation of their community—restoring the environment from the effects of the pollution that occurred so that the area will be environmentally safe for generations to come.

We must say to Dow that unless it accepts its responsibility, and works with the Indian Government and representatives of the Bhopal victims to develop and fund this strategy for justice, it should be totally isolated. Part of that means that the Government in this country should ensure that the company will not receive any benefits by way of contracts, tax reliefs or Government grants. The UK Government have a role in calling out this perpetrator: it should be named and shamed, but action needs to take place to ensure that it fulfils its responsibilities.

Finally, I pay tribute to Rajkumar Keswani. There is a wonderful programme on BBC iPlayer at the moment, and I hope that others watching the debate will listen to it. It demonstrates the courage of the investigative journalism that exposed the truth of what happened on that fateful day 38 years ago. It was a heartbreaking tragedy, and we should not allow it to be ignored. We certainly should not allow Dow to walk away from its responsibilities to the people it has so brutally injured and murdered.

2.54 pm

**Jim Shannon** (Strangford) (DUP): It is always a pleasure to serve under your chairmanship, Ms McVey, and to be involved in the debate. May I say how pleased I am to see the hon. Member for Stockport (Navendu Mishra) setting the scene? He asked me last week whether I would come along and participate, and as I always do when I am asked to, I do so, but I also come along because he deserves support and he secured this debate for people who have been disadvantaged in every way. It is a real pleasure to follow the right hon. Member for Hayes and Harlington (John McDonnell), who sets the scene so well with his knowledge of the issues. He asked all the questions to which the Minister needs to respond.

Is it 33 years ago that the Bhopal disaster took place? When we think about that length of time and how people still suffer, I tell myself this: if this happened in

Stockport or Strangford, we would not stop bringing questions or statements to the House, the Chamber, the Minister—whoever they were—and the Government to get satisfaction. I fully support what the hon. Member for Stockport says, because we have a duty, as I often say, to those who perhaps do not have a voice in Bhopal, across India and in other parts of the world. In this House, we have the privilege to be Members of Parliament and to bring these issues to the Minister's attention.

The Bhopal gas explosion has had numerous long-lasting impacts up to this very day, and others have raised that issue. The industrial disaster is considered the worst in world history, yet the suffering goes on, which is disturbing. We must support further investigations into the Bhopal gas explosion, not to finger point—it is not always about finger pointing—but to find solutions. It is about how we can help the people and doing our due diligence in this place to ensure that further events do not occur anywhere else.

The impacts of this disaster are unheard of, although Members who have spoken and those who will speak later are highlighting just how important these issues are and what we need to do. To this day, the Union Carbide plant site has never been properly cleaned up and continues to poison the 2.5 million residents of Bhopal. What country in the world would let that go on and not be responsive to try to sort it out? Union Carbide did not give one penny of litigation until 1989, and furthermore it did not alert the communities and the people to the risks of drinking water near the site. I believe that Union Carbide is greatly in the court of blame in relation to negligence and intent that led to deaths and injury.

The right hon. Member for Hayes and Harlington referred to the ongoing care and treatment that are required, and it is important that we respond in a positive fashion through this debate. Little did residents know that the water was lethally contaminated—that was not exposed until 1999, when Greenpeace ran a series of tests. We have a process in this country that is applicable across the world, which is the “polluter pays” principle, by which the polluter takes responsibility and pays for subsequent damages. Union Carbide and its new partner company refuse point blank to clean the factory or pay a penny towards the clean-up. I know that is not the Minister's responsibility, but what has come back on that in her discussions with the Indian Government and perhaps with other officials?

While I appreciate that this is a separate issue, the seed of “polluter pays” was initially planted with the gas explosion in 1984, and some might say that not enough has been done to initiate further support. In response to a parliamentary question from the hon. Member for Stockport only at the end of last month—he referred to it, and I will quote it—the FCDO said:

“Union Carbide and DfID programmes ended in 2013 and 2015, respectively. The FCDO has had no direct engagement with the State Government on the gas tragedy since 2015.”

Wow, that is a real disappointment. I am not pointing the finger or criticising the Minister or the Government, but perhaps this debate will initiate the follow-on that the hon. Member for Stockport and other Members here would wish to have.

[Jim Shannon]

In answer to another parliamentary question, the Foreign, Commonwealth and Development Office said that the Bhopal tragedy

“continues to affect the citizens of Bhopal to this day.”

If it does, we need to engage again with renewed fervour and pressure to try to get the answers we are after.

It is widely acknowledged that while there has been instrumental support, through aid and healthcare services to Madhya Pradesh, the fact of the matter is that livelihoods are still damaged today. Furthermore, there has been ongoing discussion as to where accountability lies. We are aware that in 2001, the Dow Chemical Company bought the company. I therefore believe Dow inherited its legal liabilities along with its assets. It is not as if ownership can just be swapped and then everything just drops—it is much more than that. There is a moral case that must be answered.

There are lasting impacts for the second and even the third generation of children who have been born into that environment. The right hon. Member for Hayes and Harlington referred to those who were pregnant losing their babies. The hon. Member for Liverpool, Riverside (Kim Johnson) also referred to people being affected by cerebral palsy, autism, muscular dystrophy and severe learning difficulties. I believe accountability must be delivered for those people. We can only pray that this does not prolong the devastation for further generations of new-born children, with long-lasting impacts on their parents.

To conclude, I am mindful of how important this debate is. We have a responsibility to ensure those at fault are held to account for the devastations that the people of Bhopal are facing, and have been facing for over 33 years. There is no doubt potential for our Government to be in direct contact with the state Government of Madhya Pradesh again. If there was one thing I would ask of the Minister, it would be that. I say this honestly: I know that the Minister will take on board our requests and try to respond in a way that will satisfy us.

I see it from a different point of view, but it is the same issue and the same principle applies. We speak up for those who have no voice. This debate is an opportunity to do that, and to ask for a response from the Minister that can give us some assurance that those people are not forgotten. We are all too aware of the many legalities surrounding who pays the price, and who picks up the pieces. However, for some time—33 years—the only people paying the price have been those living in Bhopal. I look forward to seeing potential progress on this. I hope the FCDO and the Minister will take the subsequent steps to lobby those responsible to do their moral duty and to sort it out.

3.2 pm

**Claudia Webbe** (Leicester East) (Ind): I thank my hon. Friend the Member for Stockport (Navendu Mishra) for securing this important debate. Despite the Bhopal gas explosion occurring almost 40 years ago at the Union Carbide plant in Bhopal, hundreds of thousands of Bhopalis are still living in its long shadow, unable to move on with their lives with dignity and justice. In addition to the 3,000 people who died almost immediately,

there have been a further 20,000 deaths and 120,000 cases of people suffering from health problems, including severe deformities and blindness as a result of the toxic seepage into the surrounding area from the plant.

Since the disaster, survivors have been plagued with an epidemic of cancers, menstrual disorders—including the early onset of the menopause—and what one doctor described as “monstrous births”. Thousands of Bhopalis cannot work, physically move or study, and are living a miserable existence without any surviving family members. The apparent root cause of the accident was that the plant had not been properly maintained following the cessation of pesticide production, with tonnes of toxic chemicals remaining on site and left completely unmaintained and unchecked. In reality the root cause was greed.

It was not until 1989 that Union Carbide, in a partial settlement with the Indian Government, agreed to pay out the equivalent of £400 million in compensation. The victims were not consulted in the settlement discussions, and many felt cheated by their compensation of between £250 and £450 per person. That equates to five years’ worth of medical expenses. Today, those who were awarded compensation are hardly better off, because with such paltry sums, over the long term, that amounts to just 5p a day. The cost of a cup of tea in India for a lifetime of unimaginable suffering, all while Union Carbide, now Dow Chemicals, effectively sought to whitewash their crimes by sponsoring, as we have heard, the London 2012 Olympics. The company operates in nearly every country in the world, including the UK, with a market capitalisation of nearly £34 billion, but it failed to atone for its corporate crimes and has yet to pay the Bhopali people so that they can obtain justice and live with dignity.

The final figure agreed five years after the disaster was only 15% of the original settlement that the Government of India had requested. The amount was far below international compensation standards, as well as those set by the Indian Railways for accidents, which was the standard Union Carbide had said that it would use. In 1991, the local government in Bhopal charged the American, Warren Anderson, Union Carbide’s chief executive at the time of the disaster, with manslaughter, yet neither the US nor the Indian Government of the day were interested in his extradition to face trial after he fled India.

The Union Carbide Corporation was charged with culpable homicide, a criminal charge with no upper penalty limit. The charges have never been resolved as Union Carbide—now Dow Chemicals, of course—has refused to appear before an Indian court. Dow Chemicals says that the legal case was resolved in 1989 when Union Carbide settled with the Indian Government for the equivalent of £400 million and that all responsibility for the factory rests with the local state government, which now owns the site. To this day, despite requests to appear in court from the Indian Government and the compensation that may well be regarded by some as an admission of guilt, the company and its chief executives have not faced criminal charges and Dow’s share price keeps on rising.

In 2010, eight Indian employees were found guilty of neglecting to adequately maintain the factory once it was not profitable and it was that neglect that led to the explosion, as we know. They were ordered to pay just

less than £1,500 each, which campaign groups have said is an insult and simply pocket change for the executives. On that day, Hamida Bi stood weeping. She said:

“Nobody knows how we suffered experiencing death so closely everyday...the rich and influential have wronged us. We lost our lives and they can’t spend a day in jail?”

Corporate America is running away from its responsibility to protect profits and its vast fortunes overseas. That is exactly what former Carbide director, Joseph Geoghan, implied when he spoke about Warren Anderson in hiding:

“Extradition in a case like this would place in jeopardy any owner or senior executive of an American corporation with significant interests in foreign enterprises anywhere in the world...The chilling effect on American investment abroad cannot be overstated.”

We cannot allow corporate profits or US interventionism to get in the way of the fresh investigations and reparations that the Bhopali people are calling for. Under international law, they have a right to redress and rehabilitation for harm done by companies that operate across borders. We must therefore assert and uphold the rule of law. We cannot allow class wars, or discrimination against workers or the working class in Bhopal, India, to get in the way of calls for justice. If this corporate manslaughter had taken place in Surrey or upstate New York, compensation would have been significant and justice would have been seen to be done. We cannot value the lives of people overseas in Bhopal less than lives here in the UK.

The disparity in treatment between industrial accidents here in the west and over there in the global south must not be allowed to stand. Because of its long-standing history with India and, of course, its long-standing history with the US, behind whose borders Dow is currently hiding, the UK is in a unique position to explore remedies for Bhopal survivors. As we know, the UK is deep in negotiation with India on an important trade deal, so both countries have an opportunity to explore whether the UK is in a position to assist India. In January, the Indian Government will argue for additional compensation from Dow and Union Carbide before India’s Supreme Court, to secure the adequate, timely remedies so cruelly denied to Bhopal survivors for so long.

As well as the actions that have already been proposed, an independent fact-finding mission to Bhopal is required if the UK Parliament’s approach is to be most effective. Such a mission would re-examine the realities on the ground, unpick the legal and political obstacles and recommend ways forward. It would be the first time a member of the international community had stepped up to intervene in what has so far been treated as an adversarial dispute. It is not an adversarial dispute between two parties; it is a situation that has only prolonged the suffering of survivors. The tragedy of Bhopal is one of the gravest miscarriages of justice of our time. Given our two countries’ unique history, the UK must move to morally correct that injustice.

3.13 pm

**Chris Law** (Dundee West) (SNP): It is a pleasure to serve under your chairship, Ms McVey. I thank my good friend, the hon. Member for Stockport (Navendu Mishra), for bringing forward the debate. It has been insightful, inquisitive and incredibly important.

Let there be no doubt: the Bhopal disaster is one of the deadliest workplace disasters in industrial history, yet the lessons are yet to be learned and actions yet to

be experienced. The devastation inflicted when the Union Carbide insecticide plant experienced a major gas leak nearly 30 years ago starkly and tragically illustrates the consequences of profit and corporate interests being prioritised over human and environmental safety. Furthermore, it highlights the inadequacy of corporate responsibility and the impotence of national Governments in holding those responsible to account. As a result, the Bhopal disaster victims are still waiting for justice.

As we have heard, nearly 4,000 were killed instantly when deadly levels of poisonous methyl isocyanate leaked into highly populated areas of Bhopal, and over 16,000 died subsequently. Estimates suggest that, in total, 600,000 people were exposed to the highly toxic gas, and they have since reported suffering a series of respiratory and other health issues. There have also been serious and life-changing birth defects in their children. The mortality rate for gas-exposed victims is still 28% higher than average, and that is after four decades. They are twice as likely to die of cancers, diseases of the lung and tuberculosis, three times as likely to die from kidney diseases and two thirds more likely to have illnesses.

To this day, the site of the incident is heavily contaminated and continues to affect those who live in the vicinity. Amnesty International states that more than 100,000 people—that is almost the size of the city I represent—live with contaminated water and supplies and are exposed to the chemicals. They experience a range of health problems and chronic illnesses, including cancer, stillbirths, congenital disabilities, miscarriages, and lung and heart disease. Shockingly, most of the gas victims seeking treatment continue to be classed as “temporarily injured” to deny them enhanced compensation for permanent injury. It is vital that these victims receive the justice they deserve, including compensation, continued welfare support and the decontamination of this site, and we must support anything that helps achieve that.

There is no doubt that the behaviour of Union Carbide at the time of the disaster and since has been shameful. After the disaster, it blamed the workers, and in 1989 a compensation deal ended up with most victims receiving just 25,000 rupees—roughly £250—while some received nothing at all. The settlement in 1989, which saw \$470 million go to the Indian Government, has been widely panned, yet despite that and despite successive legal challenges over subsequent decades, not a further rupee has been forthcoming.

The plant’s current owners—Dow Chemical—need to rectify the environmental damage by properly disposing of the toxic waste. They also need to properly compensate the victims and their families and to provide them with safe drinking water and free medical care. However, Dow Chemical has attempted to absolve itself of any liability and has instead suggested that the Indian Government should take responsibility. We have heard about Dow Chemical from each speaker today, and it is shocking to think, as the hon. Member for Leicester East (Claudia Webbe) mentioned, that if this were in upstate New York, Surrey or Scotland we would be utterly horrified. Yet, after nearly 40 years, we are having to bring this case to light again today.

Both the US and Indian Governments have been accused of working against the victims by kowtowing to these corporate interests. On six separate occasions between 2014 and 2019 the US Department of Justice has refused to pass on the summons for Dow Chemical



[Chris Law]

to appear in the Bhopal court on criminal charges of sheltering a fugitive—their subsidiary company, Union Carbide. That has been seen by campaigners as a direct violation of the treaty of mutual legal assistance between the US and India and has ensured that Dow Chemical has never appeared in court to answer the criminal charges. I look forward to hearing the Minister's thoughts as to why that is.

Furthermore, classified emails released as part of WikiLeaks showed that, in 2010, when the Indian Government pushed to reopen the compensation settlement for Bhopal victims, Robert Hormats, who served as President Obama's Under Secretary of State for Economic Growth, Energy and the Environment, met the then Indian Cabinet Minister Montek Ahluwalia to communicate that it would

"look really bad to reopen a settlement".

The Indian Government have been accused of deliberately suppressing any research that proves the long-term systemic or genetic damage caused by the gas explosion to protect the corporations involved.

One recent, rare study authorised by Government medical body the Indian Council of Medical Research found that between 2016 and 2017 almost 10% of babies born to gas-exposed mothers had birth defects, compared with 1.3% born to mothers with no exposure. However, the study was subsequently discredited by the ICMR, which ordered it not to be published or disclosed.

While on a visit to the US in 2015, Indian Prime Minister Narendra Modi met officials from Dow Chemical, yet Dharmendra Kumar Madan, the Joint Secretary at the Ministry of Chemicals and Fertilisers, which was responsible for Bhopal, refused to comment, simply stating:

"I am not concerned with this issue."

My message to the Minister responsible for chemicals is that this is not going away. We are not going to let up. This has to be urgently and properly addressed in every way.

Satinath Sarangi, the founder of the Sambhavna Trust, which runs the medical clinic that has treated over 300,000 Bhopal victims, put it bluntly:

"From the beginning the government has protected the corporations at the cost of human lives".

Every year that passes is another year that the core issues facing the survivors of the Bhopal gas explosion remain unaddressed. I pay tribute to the organisations in India, internationally and here that have been relentless in their pursuit of justice and in ensuring that this tragedy has not fallen off the radar. I commend the work and solidarity of Action for Bhopal, the Scottish Trades Union Congress and the Scottish Hazards campaign, in campaigning on this issue to see the victims finally receive closure.

The SNP supports any action from the UK Government to seek justice for those affected, and we seek further details about what plans, if any, they have to support investigations in the pursuit of redress for the victims. There are a number of actions that they can take, and some excellent suggestions have already been made. For example, no clean-up operation of the chemical contamination around the former factory has been conducted—it is shocking that there has not been any

clean-up in 40 years. The UK Government might look to aid that process by providing expertise, funding and resources to test and clear up the site. Furthermore, they can seek answers from their allies in India and the US on why they continue to block further investigations and further compensation claims, given the scale and impact of the tragedy.

It goes without saying, nearly 40 years later, that things should never have got to this stage. No individual, corporation or Government should think that they can walk away from this tragedy without any accountability and responsibility. This is not something that can be wilfully ignored and forgotten about. The people of Bhopal suffer the consequences day after day, year after year and now generation after generation. They must have justice, and the UK Government must play their part.

3.21 pm

**Catherine West** (Hornsey and Wood Green) (Lab): It is a pleasure to contribute to the debate under your chairmanship, Ms McVey. As my hon. Friends the Members for Slough (Mr Dhesi) and for Stockport (Navendu Mishra) said, there is no question but that the industrial disaster in 1984 was a catastrophe of epic proportions, with even the most conservative estimates acknowledging that thousands of people, mainly from poorer, informal settlements around the factory, were killed instantly. Many, many more families and their children were harmed, and the local economy and environment were fatally harmed. As my hon. Friend the Member for Liverpool, Riverside (Kim Johnson) said, countless more victims were injured or saw their lives altered by the lingering effects of exposure, with the Indian Government in 2012 putting the number of severely affected survivors at a staggering 33,000. As my hon. Friend the Member for Stockport said, justice delayed is justice denied.

Naturally the communities involved, and the Indian people more broadly, have demanded justice and relief in order to begin to come to terms with the loss of life and the environmental damage that continue to leave a daunting legacy over the community. Their pain will continue until true justice has been delivered.

My hon. Friend the Member for Stockport, who is chair of the all-party parliamentary group, has taken on the mantle of supporting the victims of this appalling tragedy. His attempts to secure redress for the survivors and the bereaved, both today in his remarks and in a series of written questions, deserve praise from Members across the House, and I know that the Minister will have heard him. Her predecessors have responded to the parliamentary questions he has tabled, and I wish to leave as much time as possible for her to respond in full. I also recognise the role that the international trade union movement, including British Unison, have played in exposing this tragic industrial accident.

As my right hon. Friend the Member for Hayes and Harlington (John McDonnell) said, there has been a disproportionate impact on women victims of this terrible environmental accident. Half the women who were pregnant at the time of the catastrophe lost their unborn babies. He made the important point that we have still not seen the environmental degradation put right, let alone the provision of full financial recompense and of health and social care services commensurate with the damage that occurred as a result of this tragedy.

What is the UK Government's response? I have three questions for the Minister. First, what dialogue has she had with her opposite number in the Government of India regarding UK support for them to bring to justice those responsible for the ongoing effects of this disaster? We should be an ally in supporting India in pursuing justice in this cause.

Secondly, if required by the Government of India, will the UK support further investigations into the health impacts and the cause of, and culpability for, the explosion? Will they support further efforts to alleviate the daily suffering and the need for medical, health and social care services?

My final question is an important one for future generations and has been debated in full this afternoon. What dialogue has the Minister had on supporting the Indian Government's claim to make good the environment of Bhopal to international standards, in order to compensate people for this dreadful catastrophe?

3.24 pm

**The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan):** I thank the hon. Member for Stockport (Navendu Mishra) for securing the debate and raising awareness, nearly four decades on, of the brutal impact of the Bhopal disaster on so many. I am grateful to him and to all hon. and right hon. Members for their contributions, which could not have been clearer on the immediate and long-term impacts of the Union Carbide factory gas explosion.

For many of us—the older ones in the room—the disaster at the Union Carbide plant in Bhopal is seared into our memories as one of the worst industrial accidents in history. As a teenager, I remember watching television footage and being genuinely incredulous at the failures of industry and aware, as the hon. Member for Strangford (Jim Shannon) said, of the need to help—in a very simple way—those so shockingly affected.

On 3 December 1984 this gas leak from a pesticide plant killed 3,800 people immediately. It has left up to half a million more with significant illness and has caused premature deaths. I thank colleagues for setting out many of those cases in brutal detail; it is important that they are heard and repeated so that we all understand exactly what the impacts of the disaster were.

The responsibility to respond to the tragic disaster has always lain with Union Carbide, an American company, and with the Government of India. Investigations by the Indian authorities established at the time that substandard operating and safety procedures and lack of maintenance had led to the catastrophe. As discussed earlier, Union Carbide provided a settlement of \$470 million to the Indian Government to fund the clean-up, compensate the injured, support the families of those killed and provide ongoing welfare support to those affected. Hon. Members have made clear their view that the levels of compensation and support are considered inadequate and that the lack of clearance of contamination has had a very long impact on all in those Bhopali communities. These issues remain a matter for the Indian authorities, in particular the Madhya Pradesh state government, which has had control of the site and its remediation since 1998.

The UK did not provide any additional funding or direct support to India in response to the tragedy. However, the Department for International Development,

under previous Administrations, supported development in the state of Madhya Pradesh that has benefited people, including those affected by the disaster living in Bhopal. The UK Government have also worked with the government of Madhya Pradesh to provide 11,000 slum dwellers with clean water and to increase the incomes of more than 66,000 rural households in the state, including in eight affected slums in Bhopal. We also supported the Madhya Pradesh health department to improve public healthcare, which also benefited victims of the Bhopal tragedy. Our support doubled the number of births taking place in hospitals and clinics, which increased the survival chances of newborns across the state.

Union Carbide compensation ended in 2013, and DFID humanitarian programmes to the Government of India ended in 2015. Since 2015, the Foreign, Commonwealth and Development Office has had no direct engagement with the national Government or with state governments on the Bhopal tragedy, but we continued to work with the state of Madhya Pradesh from 2017 to 2021 on issues around human trafficking and the establishment of a gender resource centre. The FCDO's poorest states inclusive growth programme currently operates in four Indian states, including Madhya Pradesh, and the UK Government invested through it to increase the incomes of over 9 million people, make financial services available to 12 million people and improve the social status of over 5 million women.

Turning to the present day, our relationship with India is central to our foreign policy tilt toward the Indo-Pacific, as India's economic success stories continue year on year and the UK and Indian Governments strengthen their relationship through our new comprehensive strategic partnership, which we launched last year. Our 2030 road map, launched by Prime Ministers Johnson and Modi last year, is guiding our co-operation in a range of priority areas, benefiting people across both countries.

Our 1.7 million-strong Indian diaspora community provides a unique living bridge of people, commerce, ideas and culture between our countries, which is why so many colleagues closely feel the importance of the debate. We are at an advanced stage of negotiations for a comprehensive free trade agreement that will benefit all regions of the UK and India, and we are working with India to support its transition to net zero, including through a \$1 billion green guarantee and the British International Investment partnership. Co-operation between our countries has global impacts, perhaps best demonstrated through the global roll-out of 1.5 billion Oxford University AstraZeneca vaccines that were produced at the Serum Institute of India.

I hope that sets out the depth of the relationship that we are building with India. The Bhopal disaster was a truly shocking tragedy that, as colleagues have set out so well, highlighted appalling shortcomings in industrial safety standards. It is absolutely right that we remember the victims and work, as many have since, to prevent similar tragedies.

**Catherine West:** Would the Minister, as a result of this very moving debate, undertake to mention it in her next interactions with her opposite member in the course of her duties and in the conversations the Government are having with India, in order to express the solidarity of the House and to be an ally in seeking justice for those affected?

**Anne-Marie Trevelyan:** The hon. Lady pre-empted my next sentence. I will commit to raise with my Indian counterparts the concerns of all parliamentarians present about the need for continuing support and compensation for victims. The hon. Member for Stockport will appreciate that the UK Government cannot comment on the petition that is presently before the Indian Supreme Court, as this is a judicial matter for the Supreme Court. I can be clear, however, that we will not pursue trade to the exclusion of human rights. We regard both as important parts of the deep, mature and wide-ranging relationship that we have and are continuing to grow with India.

While the Bhopal gas leak and its terrible repercussions remain an internal matter for the Indian Government, the environment, healthcare, resilient infrastructure, economic development and the transition to net zero are all important areas of mutual interest in the UK-India partnership, which is very important to us. It is a partnership that goes from strength to strength and it is a partnership between equals, where honesty and truth are well spoken.

3.32 pm

**Navendu Mishra:** First and foremost, this debate is about the victims and survivors, who deserve justice. I thank all hon. and right hon. Members who have contributed. I am grateful to the Minister for her response, but it is disappointing that the Foreign Office seems to be parroting lines from the Dow Chemical Company and saying that Union Carbide and the Government of India are responsible for the clean-up. It is absolutely Dow Chemicals that is responsible. I also did not receive a response regarding the comments about the current Chancellor, the former Secretary of State for DCMS, who signed off on the sponsorship agreement for the London 2012 Olympics.

I welcome the trade agreement with India. The UK and India are natural partners, and the trade agreement will benefit people in my constituency and across the UK. However, we need to ensure that the agreement is about not just business ties but people-to-people links, culture, education and medical research and care—all those things.

I will finish with three questions to the Government that have not been answered. First, will the Government provide political support to achieve justice for the victims and survivors? Secondly, will they demand action from Dow Chemical in Britain, including demanding a meeting to put pressure on it to face justice in the Indian courts and provide the unpublished findings of all research conducted by Union Carbide and Dow since the disaster? Finally, will they apologise for allowing Dow Chemical to sponsor the London 2012 games, which gave Dow positive publicity and legitimacy?

*Question put and agreed to.*

*Resolved,*

That this House has considered potential UK support for investigations into the Bhopal gas explosion.

3.34 pm

*Sitting suspended.*

## Housing Targets: Planning System

4 pm

**Esther McVey (in the Chair):** I will call Gordon Henderson to move the motion and then the Minister to respond. There will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

**Gordon Henderson** (Sittingbourne and Sheppey) (Con): I beg to move,

That this House has considered housing targets and the planning system.

This is not the first time I have raised the subject of overdevelopment in my constituency. In the last 12 years, I have done so on a number of occasions, so I will not repeat what I have said before, except to emphasise the problems that excessive housebuilding has caused my constituents. Our local roads are congested and cannot cope with the level of traffic generated by the new housing. My constituents struggle to get a GP appointment, because there are not enough doctors to service the thousands of extra people who have moved to the area. Many of our local schools are over-subscribed, and new arrivals struggle to get school places for their children.

The huge increase in housing development in my area has been driven by my local authority, Swale Borough Council, attempting to meet the top-down housing targets imposed by the Government. In past debates, successive Housing Ministers have insisted that the Government do not impose targets, and that it is up to local authorities to determine housing growth after consultation with the Planning Inspectorate, which of course is a Government quango. An example of the outcome of such consultation is that Swale Borough Council submitted its most recent local plan, which had a housing land allocation for 776 homes per year, only for the Planning Inspectorate to reject the proposal and insist that the figure should be increased to 1,048 per year.

The irony is that, despite the massive increases in housing in Swale over the past 30 years—17,000 new homes have been built in that time—developers have not once matched even the 776 figure in the past 10 years. The problem with nationally imposed mandatory housing targets is that they are arbitrary and lack supportable evidence of need. Officers and members of Swale Borough Council believe that targets should be set at local and sub-regional levels, and should take into account an area's ability to deliver them. They believe that the housing delivery test, buffers, housing action plans and housing targets have served only to increase pressure on local authorities, rather than to deliver more housing.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing the debate; he is making some important points. Does he agree that unless local housing targets are set according to local need, it is difficult to adequately provide the necessary infrastructure he referred to earlier—education, health and transport in particular? Will he join me in urging the Minister to consider that there should be a right of appeal for local communities against inappropriate housing applications? There is a right for the developer; there is not currently a right for communities.

**Gordon Henderson:** I could not agree more, and I will touch on one or two of those issues.



Ministers have recently made a number of encouraging remarks about scrapping mandatory top-down targets, but there is little concrete evidence to suggest that that will ever happen. The lack of clarity is causing uncertainty, which is crippling the ability of Swale—and, I am sure, other local authorities—to put together meaningful local plans. In addition to the uncertainty over targets, producing local plans is becoming much slower, because the overall process is getting more complicated. Swale Borough Council believes that the difficulties will increase with the burden of the Environment Act 2021, other emerging legislation, including the Levelling-up and Regeneration Bill, and revised national planning guidance.

**Mr Gagan Mohindra** (South West Hertfordshire) (Con): I congratulate my hon. Friend on his excellent speech. Does he agree that the Government also need to take into account the post-pandemic world? Local plans have historically been more backward-looking, but people are now working more from home, so there is less draw to come to London or the south-east more generally for good, well-paid jobs. Does he agree that the Government should look to evolve local planning processes off the back of that?

**Gordon Henderson:** Yes, I do agree. The Government should also take into account the amount of housing that has already been built in an area. There is no point expecting a local authority to deliver higher housing targets if it has already delivered 17,000 additional homes over a number of years, as is the case in my area. All we are doing is putting extra strain on the infrastructure.

**Jim Shannon** (Strangford) (DUP): I commend the hon. Gentleman for bringing forward this issue. Although it is the responsibility of the Minister, I want to express my support for the hon. Gentleman, as I always do in these debates, because we have a similar problem in Northern Ireland, where some 44,000 people are waiting for a home and 31,000 are in housing distress. The issue is massive for our constituencies. Does the hon. Gentleman agree that it is not just about houses, but about the right type of housing—housing that has no mould or damp, and that families can live in? Does he agree that when it comes to building houses, homes must be healthy and suitable to live in, to ease the pressure on housing associations, which do their very best to help?

**Gordon Henderson:** Yes, and I am pleased to hear the hon. Gentleman make his contribution. If he were not present for my Westminster Hall debate, I would fear that the world had come to an end; Parliament certainly would have.

It is noticeable that nothing has been done to address the problems faced by so many local authority planning departments. They face onerous new burdens with no increase or improvement in the resources available to them, partly because of a shortage of qualified planning officers. Planning resources are also inadequate at many of the statutory consultee organisations, such as the Environment Agency, Natural England, Historic England and National Highways, and that is leading to delays in providing the necessary input into local plans.

On the subject of National Highways, the agency is blocking housing developments in my patch for which planning permission has already been granted, by

submitting objections on the grounds that the local road infrastructure is inadequate. However, it is inadequate because National Highways has delayed making the necessary improvements, and those planning objections are forcing Swale Borough Council to allow planning applications for other sites, because National Highways' blocking action is suppressing delivery numbers. It is a typical Catch-22 situation. Ultimately, our local infrastructure, which includes roads, needs to keep pace with the delivery of housing, but statutory undertakers are simply failing to ensure that that happens.

The Government have also failed to prevent developers from land banking. I know of several housing developments in Swale where permission has been granted but no work has been started, and developers often sit on allocated land and then try to get permission for other sites based on the delay in housing delivery, for which they are responsible. The scandal needs urgently to be addressed, with a time limit placed on the implementation of approved schemes. As the hon. Member for Strangford (Jim Shannon) mentioned, too many loopholes allow developers to avoid delivering sufficient affordable housing because of supposed unviability.

Swale Borough Council believes that regional or sub-regional planning, such as at county level, would address cross-boundary issues, including reaching agreement on strategic planning matters such as infrastructure and housing, which the legal duty to co-operate, introduced in the Localism Act 2011, has simply not delivered. The council also believes that the way to solve the country's housing needs is by building a new generation of large new towns across the country. The current policy is to deliver garden communities at a local level on a small or medium scale, but they are simply not large enough to deliver the major infrastructure improvements needed to sustain those communities, such as new roads, hospitals, schools, town centres and low-carbon transport systems, such as trams.

In the council's view, eight or so major new towns across England would not only support the Government's levelling-up agenda, but would address housing shortages, including affordable and social housing, deliver genuine place making and see developments take place at a level that benefits the whole country, without degrading locally important assets and landscapes, or placing additional burdens on already creaking local infrastructure.

**Wendy Morton** (Aldridge-Brownhills) (Con): I am grateful to my hon. Friend for bringing forward this debate. In Aldridge-Brownhills, we are faced with a huge number of houses being built across the constituency. He makes a powerful argument why we should abolish housing targets. Local councils know best; they know what is needed and the pressure on the infrastructure. Does my hon. Friend agree that one challenge is that the construction companies that start to develop often withhold the section 106 money and the planning gain money right until the end, so local communities feel a lot of the pain before they see any gain?

**Gordon Henderson:** My right hon. Friend is right. Whoever sets the targets, whether at national or local level, when it comes to planning permission for development, there should be an insistence that the infrastructure is put in place before the housing is started. That can be done, but too often is not. I can give an example: we had

[Gordon Henderson]

a major development on the Isle of Sheppey many years ago, which subsequently led to 2,000 houses. At the time, permission was granted for only a couple of hundred, until such time as a new bridge and other new infrastructure was put in place. That has to be done far more often.

I have raised a number of issues today that are of concern to Swale Borough Council. However, the biggest collective grievance is the imposition of mandatory housing targets and the five-year land supply rule.

**Kelly Tolhurst** (Rochester and Strood) (Con): I congratulate my hon. Friend on bringing forward the debate. My constituency neighbours his, and we in Rochester and Strood have seen the stresses and strains on local services and the planning department in order to meet unrealistic housing targets, which are particularly imposed on the south-east, where we are based. Does my hon. Friend agree that the targets should be designed at a local level, and that communities should be empowered to object to unrealistic developments that do not deliver the services that the people living in those communities demand?

**Gordon Henderson:** I do agree. It is critical that local people have a say and set the targets, because unless there is local support for something, it will never work. Looking at it cynically, we might say that many local authorities are deciding to build houses in inappropriate places because they can blame the Government for the fact that they have to meet housing targets. If it was up to local people, that would not happen. From a purely cynical point of view, it would be better to let local people do that.

**Wendy Morton:** I genuinely feel that there is a tendency to go for the green belt and greenfield sites. I hope that, as part of pushing targets down to a local level, we can put a duty on Ministers to ensure that we explore every possible brownfield site first and that those are built on before we touch the precious green belt.

**Gordon Henderson:** My right hon. Friend is perfectly right. I mentioned a number of developments in my area, one of which is on a brownfield site. We should be pressing to make sure that is done first, before we allow any other planning applications to be approved.

In thinking about mandatory housing targets, I urge the Minister and her colleagues to look sympathetically at new clause 21 to the Levelling-up and Regeneration Bill, which will be debated on Report, which would prohibit mandatory targets.

4.15 pm

**The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Dehenna Davison):** It is a pleasure to serve under your chairmanship, Ms McVey. I congratulate my hon. Friend the Member for Sittingbourne and Sheppey (Gordon Henderson) on securing this debate on such an important topic and thank him the constructive way in which he has approached it.

As constituency MPs, everyone here appreciates that housing and the supply of housing really matter to every single community, and my hon. Friend will recognise

that it is simultaneously a local and a national issue. Planning and the location of future developments is something that I know he cares incredibly deeply about, so I am pleased to have the opportunity today—in place of the Housing Minister, my right hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer)—to speak to hon. Members about how we in Government are approaching housing targets and the wider planning system.

Without wanting to start the debate by immediately dampening expectations, I should say that my hon. Friend the Member for Sittingbourne and Sheppey will know that, given the Secretary of State's role in the planning system, I cannot comment on the specifics of any individual plans or proposals, including those of the Swale local plan. On some of my hon. Friend's specific points, I agree with him that the duty to co-operate has not worked effectively. That is why it is being abolished through the Levelling-up and Regeneration Bill, although we are not proposing to go back to the pre-2011 system of regional spatial strategies, because they were produced by bodies that were inaccessible and unaccountable to local communities. I recognise that there are opportunities for more strategic plan making. The Levelling-up and Regeneration Bill enables spatial development strategies to be produced in all parts of the country on a voluntary basis, so that areas such as my hon. Friend's, which work well together and would find such a strategic planning tool useful, can produce a strategic plan.

I am grateful to hon. Members from across the Chamber, particularly my hon. Friend the Member for Sittingbourne and Sheppey and my right hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) for sharing their concerns about housing targets, which I know are shared by Members from across the House, including many who are not present in this debate. My hon. and right hon. Friends will know that in 2018 we introduced a standard method for assessing local housing need, to make the process of identifying the number of homes needed in an area simple, quick and transparent. That standard method for assessing housing need does not set a target. It is used by councils to inform the preparation of their local plans. Councils decide their own housing requirement once they have considered their ability to meet their own needs in their area.

That process includes factoring in local circumstances and constraints, and working with neighbouring authorities if it would be better or more appropriate for needs to be met elsewhere. It is a process that recognises that not everywhere will be able to meet their housing need in full. I am certain that my hon. Friend the Member for Sittingbourne and Sheppey will have seen that the Levelling Up Secretary recently confirmed that we plan to stick to the overarching target of building 300,000 homes a year. However, in the same breath he also affirmed our intention to be straight with people on the real challenges that areas face with building these homes—challenges with the costs of materials and increasing challenges with a tight labour market that constrains building.

My hon. Friend the Member for Sittingbourne and Sheppey was right to highlight some of the issues that could arise from development in any area, such as increased demand on public services and more congested roads. We recognise the pressure that this creates, so the Levelling-up and Regeneration Bill recognises it too.

**Wendy Morton:** I am grateful to the Minister for setting out her case. When it comes to housing, I think we all recognise that there are parts of our constituencies where regeneration could really work. Will the Government commit to ensuring sufficient money to remediate brownfield sites, which I believe will be crucial to meeting the housing needs of our local communities?

**Dehenna Davison:** I am grateful to my right hon. Friend for that point. She will know that there are existing funds available for brownfield development. The second round of that fund will be opening up imminently—I am glancing over at my officials and hoping for a nod—[*Interruption*]  
—I am getting a nod; excellent—in order for local areas to make the most of that to aid them in their brownfield redevelopment processes as well.

On infrastructure and the pressures on infrastructure, through the Levelling-up and Regeneration Bill we are looking to create a levy to ensure that infrastructure such as schools, GP surgeries and new roads are provided in a more effective, transparent and efficient manner.

**Gordon Henderson:** That point has been made to me before by a previous Minister. It is all very well saying that the infrastructure levy will provide GP surgeries, but there is no point having the surgeries unless there are doctors to put in there. There has to be a recognition that no planning of houses should be allowed unless and until we are provided with the doctors we require.

**Dehenna Davison:** I thank my hon. Friend for that important point. GP numbers is something we are all concerned about. That is why the Department of Health and Social Care is taking measures to recruit more GPs right across the board. That is part of the answer, but he is right to raise concerns on the specific planning issues, and I will pass those on to my right hon. and learned Friend the Member for South East Cambridgeshire. My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) raised the issue of infrastructure and the Levelling-up and Regeneration Bill. As part of the Bill, local authorities will be required to prepare an infrastructure delivery strategy, which will make it clearer to communities what infrastructure will be provided and when.

I believe our focus is sometimes too squarely on the numbers side of the equation, which means that we lose sight of the end goal. Numbers do, of course, matter. Thanks to the steps we took with industry at the start of the pandemic, we were able to keep home building going. We built over 216,000 new homes in 2020-21, a figure that was just a small dip from the previous year. In the circumstances, that is quite incredible. Since 2010, over 2 million additional homes have been delivered, including over 598,000 affordable homes—something that I know is on the minds of people across the country, particularly younger people hoping to get on the housing ladder for the first time.

**Kelly Tolhurst:** I appreciate what the Minister is setting out. In my constituency, because of the drive to meet unrealistic housing targets, we are having to close a successful working port to make room for flats. Companies such as ArcelorMittal and clean energy generation companies are being displaced to facilitate this drive for

housing targets. Instead, we could look at the commercial development of the area and provide not only the infrastructure, but also the jobs for those who are going to live in those houses.

**Dehenna Davison:** I am grateful to my hon. Friend for raising that. I had the pleasure of briefly visiting her constituency this morning and would be grateful for the opportunity to sit down with her and discuss this further, given the local nuances involved.

The house building figures we have seen in recent years have defied expectation. It is no secret that reaching 300,000 homes a year has been an uphill challenge. Our focus in Government is on accelerating delivery so that we can make the dream of home ownership a reality for more people.

**Taiwo Owatemi** (Coventry North West) (Lab): We would all like the dream of home ownership to be a reality. In my constituency, one of the biggest concerns of residents is that, because the local authority is trying to meet the housing target that has been put on them, they are losing their green spaces, such as Coundon Wedge. This is having a considerable impact on the wellbeing of so many people who use green spaces like that. It would be great to hear whether the Minister would meet with me to look at Coventry's figures, because currently the Office for National Statistics projections are completely off the mark.

**Dehenna Davison:** I am grateful to the hon. Member for raising those concerns about her constituency. I would certainly be willing to sit down with her and discuss this further, although it might be worth me asking my right hon. and learned Friend the Member for South East Cambridgeshire instead, given that this sits more closely within her brief.

Back on house building, I said that it is important that we build the numbers, but crucially, and as I think today's debate has highlighted, it is also about making sure that the homes are being built in the places where they are most needed—the places where people want to live and the places where people want to work. We want these decisions about homes to be driven locally, and we want to get more local plans in place to deliver the homes we need, and we will set out our approach on planning for housing in due course.

I know I am preaching to the converted when it comes to the need to modernise our planning system, and I think all MPs understand and get that we need a planning regime that is fit for 2022. That was raised by my hon. Friend the Member for South West Hertfordshire (Mr Mohindra), who is no longer in his place, but who spoke about changes in working patterns as a result of the pandemic and how that should be reflected in the planning system. I will certainly raise that point with the Minister for Housing when I see her.

I also understand that Members are frustrated—they are right to be frustrated—that this has been under discussion not just for months, but for years. We need more houses, and that obviously brings with it an obligation on us in Government to be frank and straight with people that building more houses has implications, both positive and sometimes negative. In some places, it will cause tension, and in some places, it will be a source of relief, but it is our job to be willing to have that



*[Dehenna Davison]*

dialogue, regardless of how difficult it may be. I am not sure that Governments of all colours have always approached these kinds of conversations in the most productive way. The inconvenient truth is that, for the best part of two decades, demand has outstripped the supply of homes.

**Wendy Morton:** I am conscious of time, but very briefly, I think we all understand that we need more homes and more houses, but there is a really important point here about the need to take communities with us and to make sure that the houses are built in the right place, with the right infrastructure ready to support them.

**Dehenna Davison:** I am grateful to my right hon. Friend for her contribution and her passion on this subject, which I know she has spoken about for many, many years.

Through the Levelling-up and Regeneration Bill—I will talk about it quickly, recognising that I do not have much time left, so that might have to be the last intervention I take—we are planning to simplify the planning system and, in doing so, end outdated practices that slow down community regeneration. My hon. Friend the Member for Sittingbourne and Sheppey mentioned the amendments on the table, which will be debated in Parliament. I am certainly happy to sit down with him and discuss new clause 21 or recommend that the Minister for Housing does so, if she has not already. I hope that colleagues who have been constructive so far will support the Bill's overall passage.

If we can get our planning regime right, we can unlock a huge amount of economic growth locally. We want to help local authorities to adopt and implement

the best planning approaches for their areas. To achieve that, local authorities will need to be able to better attract and retain planners, as was raised by my hon. Friend, and we want to work further with the sector on that. He was right to highlight that as one of the major challenges facing authorities at the moment.

To incentivise plan production and to ensure that newly produced plans are not undermined, the Government intend to make it clear that authorities do not have to maintain a five-year supply of land for housing where they have an up-to-date plan. As Members would expect, we plan to consult on that. The new measures should have a minimal impact on housing supply, given that newly produced plans will contain up-to-date allocations of land for development, but that will also send a signal that the Government are backing a plan-led approach, provided that those plans are up to date.

I finish by thanking my hon. Friend once again for securing this debate and thanking all Members present for their helpful contributions. I am grateful to him for using this debate to press home the concerns that he and many of his constituents have regarding developments in Sittingbourne and Sheppey. There is no getting around the fact that we are in a difficult economic time. We face headwinds from all angles—energy, inflation and interest rate rises—and those have knock-on implications for everything that the Government do, but to my mind, they only serve to underline the need to build more homes and to give generation rent the chance to become generation buy. That is why we have to stand by our commitment to dramatically ramp up housing supply and our manifesto pledge to build a million new homes within the first term of this Parliament. I will leave it there because the clock is ticking, but I am grateful to my hon. Friend for securing this debate today.

*Question put and agreed to.*

## North Wales Main Line

4.30 pm

**Robin Millar** (Aberconwy) (Con): I beg to move,

That this House has considered the strategic importance of the North Wales main line.

It is a pleasure to serve under your chairmanship, Ms McVey. In securing this debate, I had two aims in mind: first, to establish the importance of the north Wales main line within the context of the manifesto commitment to levelling up; and, secondly, to set out why investment in the north Wales main line should be a priority for the UK and in Wales.

In my first words in Parliament, delivered a month after being elected to represent the people of Aberconwy, I highlighted how:

“In the past 20 years, the people of north Wales, and the people of Aberconwy, have grown used to being overlooked and underfunded”.—[*Official Report*, 15 January 2020; Vol. 669, c. 103.]

Members will recall that, in December 2019, constituencies and communities across north Wales had elected—if hon. Members will forgive me—a blue wall of Welsh Conservative MPs, which stretched from Clwyd South and Wrexham in the east right across to Ynys Môn in the west. Like all my Conservative colleagues in north Wales, I am determined to secure the opportunities of the levelling-up agenda, which was at the heart of the 2019 manifesto. It is inevitable, then, that much of our focus has been on the strategic north Wales coast main line. We seek investment for it as a key part of securing levelling up in north Wales.

The disparity in investment in rail infrastructure over the last two decades between north Wales and south Wales and other parts of the UK is clear. In June 2020, the electrification of the London Paddington to Cardiff line was completed. Thanks to that, it is possible to increase the capacity on that line by running a greater number of services, with new bimodal electric-diesel rolling stock. In turn, this has allowed for lower ticket fares due to economies of scale and lower running costs. Furthermore, it has improved the environmental footprint of each journey on that line.

Of course, south Wales is already benefiting too from £734 million of investment in the South Wales Metro, which is due to be completed by the end of 2023. This infrastructure project consists of the electrification of the Core Valleys lines and a further £50 million investment in the integration of the Cardiff Capital Region Metro. By contrast, across north Wales, the only investment in recent decades that we can speak of is the re-signalling between Chester and Llandudno Junction in my constituency, which was completed in 2015. In fact, the last great infrastructure investments across north Wales have been the development of the A55 road.

There was of course the construction of the Conwy tunnel in the late 1980s—admittedly, at the time it was the largest engineering project in Europe—and then the completion of the dual carriageway of the A55 across the Isle of Anglesey, or Ynys Môn, in 2000. These works removed crippling bottlenecks in Conwy and across the island, and allowed for a significant increase in capacity at the port of Holyhead. Irish Ferries’ MV *Ulysses* arrived, which at the time was the largest roll-on roll-off vehicle ferry in service in the world, and shortly after came the arrival of Stena Lines’ *Stena Adventurer*.

In recent months, we have seen more evidence of this disparity. The consequences of north Wales being overlooked and underfunded have been highlighted in two incidents: the closure by the Welsh Government of the Menai suspension bridge between Anglesey and the mainland, and the effective relegation of the north Wales coast main line to branch-line status by the withdrawal of through-train services from Holyhead to London.

For so many across north Wales, levelling up is so much more than the investment, jobs and opportunities that it promises. It is something that I have personal experience of: the chance to stay at home in our communities. I am a proud Welshman—born, raised and schooled in Bangor—but like so many of my friends and so many who I speak to today, we still have to choose to move away to pursue a career. Levelling up would mean it would not have to be that way.

Having established—I hope—an imperative for levelling up for north Wales, I turn to some of the specific impacts of investment in the north Wales main line. First, the line is a critical piece of UK infrastructure. It is essential cross-border infrastructure linking England to Wales, as identified by Sir Peter Hendy’s Union connectivity review. It runs from Holyhead via Chester to Crewe, where it joins the west coast main line and connects directly to London. It is also vital in connecting us to the island of Ireland, including connecting Northern Ireland with the rest of the United Kingdom. It does so through the port of Holyhead, which is the UK’s main port to Ireland and its second-busiest roll-on roll-off port.

Secondly, investment will maximise returns on the UK Government’s investments in High Speed 2. This is a really important point. The England and Wales designation of HS2 relies on investment in the links from Crewe to north Wales. The Welsh Government have disputed that, and claimed an estimated £5 billion as a Barnett consequential for investment in England where the benefits have not been realised in Wales. That claim can be rebuffed properly based on benefits to north Wales.

Thirdly, rail investment would put London within three hours of the university city of Bangor, and within two hours of north-east Wales. That would transform inward private investment and enable remote working for the majority of the population of north Wales, in particular the more deprived parts of north-west Wales. Further investment would promote the advanced manufacturing cluster, which exists across north-east Wales, Cheshire and Wirral. This leading global advanced manufacturing cluster has an economic output of £35 billion per annum. Better quality, faster access to London via rail will unlock further private sector investment and growth for this sector.

Investment will also help deliver on the promise to decarbonise our economy. The line is not as well used as it could be. Some 680,000 residents of north Wales rely on it for movements within north Wales and into England—for business, for pleasure, for contact with family and friends, and for public services. Higher service levels, line speeds and rolling stock, and lower-than-average fare levels, would result in higher usage, as they have done in south Wales. It is important that, in addition to

[Robin Millar]

fulfilling our manifesto commitment to levelling up, we invest to help bring us closer to our aim of decarbonising our economy.

As it stands, north Wales has one of the lowest usage rates for public transport, and rail in particular, which is perhaps evidence enough of the poor performance of public transport in comparison with road travel. Electrification of the main line would therefore make an invaluable contribution to reducing the carbon footprint of travel across north Wales. I hope I have made the clear case that not only is north Wales due a levelling up, but the impact of that levelling up is realistic and measurable. The corporate and commercial development of north Wales would benefit the entire community.

**Esther McVey (in the Chair):** There are a couple of Back Benchers wanting to speak. I remind them that we will go to the Front Benchers no later than 5.15 pm. It would be helpful if the Minister could remember that Robin Millar has a couple of minutes to wind up too.

4.39 pm

**Simon Baynes (Clwyd South) (Con):** It is a pleasure to serve under your chairship, Ms McVey. As was eloquently expressed by my hon. Friend the Member for Aberconwy (Robin Millar), north Wales transport infrastructure is of strategic importance to the entire United Kingdom, and investment in it is a priority for Wales, for the UK, and for me as the MP representing the north Wales constituency of Clwyd South. My hon. Friend talked about how trains were vital to him because he grew up in north Wales. The same was true for me; I grew up just a few miles south of Clwyd South in rural Wales, where trains have been my lifeline for as long as I can remember.

This debate is also important given the need for step-free access at Ruabon station in my constituency. I am grateful for the support of the Department for Transport, which included a visit by the former Secretary of State, my right hon. Friend the Member for Weymouth and Portland (Grant Shapps), to Ruabon station in April last year. I am pleased that, in September this year, following the Department's call for nominations and my written support, Ruabon was nominated for possible inclusion in the next round of the Access for All programme, covering control period 7, which I understand will begin in April 2024 and last for five years.

Sir Peter Hendy's Union connectivity review, which was published in November 2021, highlighted the strategic significance of transport infrastructure across north Wales to the UK through its connections to Northern Ireland and the Republic via Holyhead, the busiest port in Wales and the second busiest roll-on roll-off shipping port in the United Kingdom. His report recommended the improvement of the north Wales coast main line, for faster journey times, more resilience and greater capacity. That was placed ahead of other projects in Wales, such as improving journey times and capacity between Cardiff and the midlands.

Such investment will maximise returns on the UK Government's investments in HS2. The England and Wales designation of HS2 relies on investments in the links from Crewe to north Wales. The Welsh Government,

who dispute that, have claimed an estimated £5 billion as a Barnett consequential—a claim that was rebuffed based on the benefits to north Wales.

These investments will level up north Wales by attracting investment and higher-skilled jobs. That will transform inward investment and remote working for the whole of north Wales, including my constituency of Clwyd South. It will further promote the advanced manufacturing cluster across north-east Wales, Cheshire and Wirral, which is vital to my constituents. It is one of the top 10 global advanced manufacturing clusters, and has an economic output of £35 billion per annum. Better-quality, faster rail access to London will unlock further investment and growth in that sector, as well as providing an opportunity to open up the vital north Wales tourism sector. Areas such as Clwyd South have developed an international reputation for tourism. I am pleased that Clwyd South's successful bid to the UK Government's levelling-up fund has further strengthened the promotion of tourism, and I am keen to see it flourish further.

Finally, such investments will deliver benefits of decarbonisation through electrification, as my hon. Friend the Member for Aberconwy said. The electrification of the north Wales line is key to reducing the carbon footprint of the traffic, and vital to our meeting our decarbonisation commitments. The infrastructure of north Wales has been overlooked and underfunded by the Welsh Labour Government in Cardiff Bay for far too long. As was mentioned earlier, the last major step change was the Conwy tunnel, which opened in 1991—many years ago—and was the biggest construction project in Europe at the time.

Today, the rolling stock on north Wales lines is ageing and struggles to deliver a reliable service. It is unreliable and frequently overcrowded. The north Wales coast line has been relegated to unofficial branch line status by a failure to provide a reliable direct service to London. Roads offer little relief: they are overwhelmed daily, and Telford's crossing to Anglesey, the Menai bridge, is closed for three months of emergency repairs. The Welsh Government's response has been to suspend all new road building and improvements. It is imperative that residents, communities and businesses throughout north Wales are prioritised for investment to make a step change in rail services.

4.45 pm

**Virginia Crosbie (Ynys Môn) (Con):** It is always a pleasure to serve under your chairmanship, Ms McVey. I thank my hon. Friend the Member for Aberconwy (Robin Millar) for calling this important debate. He is an assiduous champion of his constituents. I am honoured to follow an excellent speech by my hon. Friend the Member for Clwyd South (Simon Baynes).

My dad had to leave Wales to find work, and I am determined to bring good-quality jobs to Ynys Môn so that our young people do not have to leave their community, their culture and their Welsh language. I am working hard every day to bring jobs and investment to Ynys Môn and I have been successful, bringing in over £200 million of investment and hundreds of jobs, including £4.8 million for the Holyhead hydrogen hub, £45 million for the His Majesty's Revenue and Customs inland border facility in Holyhead, and a record £175 million in investment in RAF Valley. But I am not stopping there: I set up and



chair the Anglesey freeport bidding consortium—our bid for Anglesey to be a freeport will be submitted on 24 November—and, as chair of the nuclear delivery group, I am determined to bring new nuclear to Wylfa.

As my colleagues have mentioned, Holyhead is the second busiest ro-ro port in the UK and Stena is one of the largest employers on the island, yet there is only one direct train a day to Holyhead from London. To attract the investment that Ynys Môn so desperately needs, I need to be able to offer companies good transport links. Mona airport has closed, the Menai bridge is closed for urgent repairs, and the Britannia bridge is also closed for periods at night for maintenance work. Therefore, the rail link to the island, particularly the port of Holyhead, is vital.

The UK Government are committed to levelling up, and that means attracting investment and good-quality jobs. I am so proud that Anglesey is known as energy island, with wind, wave, tidal, solar, hydrogen and hopefully new nuclear. I am so proud that Bangor University on my doorstep has been voted one of the UK's top five universities. Ynys Môn is one of the best constituencies in the UK—once you get there.

I need the Minister's help. Businesses and people across Anglesey need a reliable and frequent train service to Holyhead. Indeed, Sir Peter Hendy's Union connectivity review highlighted the strategic significance of the transport infrastructure across north Wales for the UK through its connections to Northern Ireland and the Republic via Holyhead, the busiest port in Wales and the second busiest ro-ro port in the UK.

Avanti West Coast has a woeful track record and reputation in north Wales, bringing misery on a daily basis to thousands of people trying to get to work or school, or simply trying to live their lives. Like many others, I was shocked when, at the beginning of October, the UK Government awarded First Trenitalia West Coast Rail Ltd a short extension to its current contract to continue to operate the Avanti West Coast contract until 1 April 2023. That was incredibly disappointing for me, my colleagues and my constituents, who have suffered train services that are well below par for the past two and a half years. Avanti West Coast has committed to delivering around 90% of its pre-pandemic timetable from 11 December, with five direct trains a day from London to Holyhead and four at weekends. I have no faith that Avanti will be able to deliver that timetable.

The issue seems to be an overreliance on the good will of Avanti drivers volunteering to work overtime. I respectfully ask the Minister to join me in meeting Avanti train drivers to hear from them directly about their working conditions and why they are not volunteering to work overtime. I would be happy to facilitate the meeting in Holyhead, where my home is. I would be grateful to hear from the Minister in considerable detail how he plans to ensure that the north Wales service will be of an acceptable standard after 11 December, so that I can report back to the many constituents who have contacted me in frustration. I ask that Avanti's performance is closely monitored over the next few months and that no further extension is granted on 1 April 2023 unless there is a significant improvement in its services.

I believe that Avanti West Coast does not have the capacity or competence to provide the sort of service that my constituents and people across north Wales

expect, and I very much hope that the Minister will heed these representations. I have applied for a Backbench Business debate so that we can have a proper, cross-party, three-hour debate on the Floor of the House to share the frustrations of our constituents and push the Government for assurances that Avanti will deliver the reliable and frequent service our constituents demand and deserve.

4.50 pm

**Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): It is a pleasure to serve under your chairship, Ms McVey. I welcome the new Rail Minister to his place. This is the first time we are meeting across the Dispatch Box, so to speak, but given his track record as a very capable Chairman of the Transport Committee, he will no doubt look very carefully at all these various issues. I know that we will work together where possible for the betterment of our railways and our nation. I congratulate the hon. Member for Aberconwy (Robin Millar)—I will go so far as to call him my hon. Friend—on bringing forward this important debate so that we can discuss and address the strategic importance of the north Wales main line.

We face the longest recession for 100 years. Unemployment is set to double. The UK is the only leading economy that is shrinking. The Conservative party's kamikaze mini-Budget cost the country at least £30 billion and counting. Given that bleak context, we look to the Government to boost growth.

The Welsh Government get it. Wales's leaders understand the economic need to keep the railways running and to invest where possible, committing £800 million to rail and ensuring that 95% of rail journeys in Wales and its borders are on new trains, with more than half of those trains assembled in Wales and delivered by a publicly owned train operating company. When the Chancellor gets to his feet on Thursday, he must commit to linking our nations and regions, speeding up journey times, modernising stations and boosting growth.

As was eloquently highlighted by the hon. Members for Aberconwy, for Clwyd South (Simon Baynes) and for Ynys Môn (Virginia Crosbie), the north Wales main line drives growth and sees significant cross-border travel, yet Ministers treat it like a neglected branch line and take its passengers for fools.

I recently met the Growth Track 360 partnership in the north-west, which is made up of businesses and local authority leaders from north Wales, the Wirral, Cheshire and Chester. Alongside more investment for the Mersey Dee Alliance, the partnership has been calling for electrification. Where is it? It is important not just for connectivity but for the climate. Can the Government explain why they completed just 2 km of track electrification in that area last year? At the rate they are going, they will not meet their own net zero rail target until past the year 2100—almost 50 years late.

What about HS2? Ministers have thrown the project into utter chaos. As cuts loom, there is considerable concern that the number of trains per hour planned to run from north Wales to Crewe will be drastically reduced. As I am sure the hon. Member for Aberconwy would agree, we cannot stand idly by and let that happen. We need answers now. I hope the Minister can clarify that such cuts will not take place in preparation for the Chancellor's autumn statement this Thursday.

[Mr Tanmanjeet Singh Dhesi]

Finally, let me turn to the Avanti in the room, as highlighted by the hon. Member for Ynys Môn. It is astonishing that Ministers have rewarded Avanti with an extension to its franchise. Ask any Avanti passenger who has waited for trains that never come, been stranded miles from home, or been rammed like cattle into carriages, corridors and toilets, “Should Avanti be rewarded with more public money?” and they will say, “Of course not.” With the fewest trains on time, failure to train new drivers and more complaints than any other operator in our nation, Avanti has stripped back services to and from north Wales to virtually nothing. Some days, there is just one train to London. To call it a skeleton service is an insult to skeletons. Why on earth was such failure rewarded?

**Robin Millar:** I thank the hon. Member for his speech, much of which I support entirely. Will he join me in urging the Minister, as I have done before in this place, to consider, at some suitable point in the future, rebranding the franchise as the north Wales and west coast main line service? That would properly reflect the strategic importance of the north Wales part of the franchise.

**Mr Dhesi:** That suggestion definitely needs to be looked at. At the moment, the franchise is an absolute disaster. Having recently visited the area on a family holiday to Snowdonia, I can attest to the fact that many of the good people of north Wales feel that they are being neglected, so if that is what it takes, then that is what needs to happen. At the moment, Avanti is doing a huge disservice to the good people of north Wales.

Does the Minister agree that if Avanti continues to fail passengers in December, it must be stripped of its franchise immediately? The people of north Wales cannot endure more months of Avanti’s failure. They deserve a world-class railway. Today, on this Government’s watch, they are getting a third-class shambles.

4.56 pm

**The Minister of State, Department for Transport (Huw Merriman):** It is a pleasure to serve under your chairship, Ms McVey, as it was to serve as your Parliamentary Private Secretary all those years ago—now look what has happened. I thank my hon. Friend the Member for Aberconwy (Robin Millar) for securing this important debate on the strategic importance of the north Wales main line, and for the passionate manner in which he made his case.

I thank my hon. Friends the Member for Clwyd South (Simon Baynes) and for Ynys Môn (Virginia Crosbie) for their contributions. I also thank the Under-Secretary of State for Wales, my hon. Friend the Member for Vale of Clwyd (Dr Davies), who is unable to speak due to his ministerial position but has been speaking to me and representing his constituents. I thank the hon. Member for Slough (Mr Dhesi), for whom I have always had a warm regard—I hope that continues, notwithstanding our various positions—for his kind welcome. I hope that we continue to work well.

In responding to the debate, I will speak first about Welsh investment and what is being done to invest in north Wales. I will then speak to the situation with Avanti. My hon. Friend the Member for Ynys Môn asked me to give some detail about that, and I hope that I can do so.

On Welsh investment, during the current railway investment control period, which covers 2019 to 2024, a record £2 billion will be spent in Wales by Network Rail. Of that, nearly £1.2 billion will be spent on renewing and upgrading the infrastructure to meet current and future needs. In addition, through the rail network enhancements pipeline, we continue to deliver ambitious enhancements to the rail network, investing in key priorities with an unrelenting focus on levelling up our nation and ensuring that all communities have the connections they need to support growth and prosperity.

By way of example, Network Rail is currently finalising an outline business case for upgrading the north Wales main line between Chester and Holyhead, and improving journey times between north Wales, the north-west of England and other major UK centres. We have this year delivered an upgrade to the digital signalling system on the Cambrian line, supporting the transformation of passenger experience and enabling the operation of state-of-the-art new trains. Those trains are currently undergoing testing and will soon be introduced on the line, as well as on other routes across Wales. We expect to be in a position to publish an update to RNEP, confirming the status of all enhancement schemes, very shortly.

My hon. Friend the Member for Aberconwy has highlighted the findings of Sir Peter Hendy’s Union connectivity Review. The Government are grateful to Sir Peter for his work, and we are considering his 19 recommendations carefully. As Sir Peter has highlighted, in most cases his report does not contain new detailed infrastructure proposals. Instead, he points the way to further work, which should better identify where, when and what to invest in for the best results for people across the United Kingdom.

In anticipation of Sir Peter’s recommendations, the Government set aside further funding at spending review 2021 to add to the £20 million previously allocated to take forward some of this essential development work. The funding will set us on the right path to developing the best infrastructure development options to strengthen our main transport arteries for people and businesses across the UK.

We have been discussing Sir Peter’s recommendations and the opportunities for development funding with the devolved Administrations to identify the solutions that work best for the people of the UK. We are pleased that the Welsh Government agree with Sir Peter’s recommendations and we are discussing with them how we can best support his work.

My hon. Friend the Member for Clwyd South mentioned the impact of HS2 on north Wales. HS2 will free up capacity on the existing west coast main line and enable faster journey times from the rest of Great Britain to both north and south Wales via new interchange opportunities. Journey times from many places in north Wales to London could be reduced to about two hours and 15 minutes, changing at Crewe station.

Hon. Members have ably addressed the reduction in Avanti services. I share and recognise their frustration, but want to be clear about the reasons behind the reduction and the action the Government have taken to mitigate the effects on passengers where possible. It is long-standing practice for rail operators to use a degree of rest-day working to operate the normal timetable, to the mutual benefit of companies and staff. It gives

companies a degree of flexibility to cover for things such as staff sicknesses and holidays, and it gives staff the opportunity to earn additional money should they wish.

Avanti, in common with many other companies in the rail sector and beyond, has experienced a range of difficulties in responding to the pandemic. Each rail operator is unique and the impacts fell differently across them all. In Avanti's case, they included a higher than expected retirement rate, restrictions on training that required two people in a cab and a number of drivers who needed retraining when they returned from an extended period of shielding. Approximately 15% of Avanti's driver workforce were unable to work for varying degrees of time during the pandemic due to being clinically extremely vulnerable and requiring partial or full retraining on returning to work. That contributed to a position where the company was relatively dependent on rest-day working, as has been pointed out.

None of that explanation is to exclude the operator's responsibility to manage its operation effectively, but it is important that we hold it to account for what it is responsible for, and do not seek to hold it to account for matters outside its control. The Department is considering that carefully, under the terms of the contract.

On 30 July this year, Avanti experienced immediate and near-total cessation of drivers volunteering to work passenger trains on rest days. That left Avanti unable to operate its full timetable and facing a choice of whether to try, day by day, to run what it could, with the inevitable short-notice cancellations, or to reduce the timetable to a level operable without overtime.

That was a difficult and invidious choice, but I am sure that Members will appreciate that the impact of short-notice cancellations is particularly bad for passengers. It is not possible for passengers to plan around them as they do not know in advance what will be cancelled, so it leads to late journeys and overcrowded trains. While that is bad for anyone, it is particularly bad for passengers who may have booked assistance, be unable to stand or be travelling with children, for example.

The alternative—reducing the timetable—is also highly disruptive, and that case has been made, but it is honest with passengers and gives them a chance to try to make alternative plans. That approach has reduced cancellations of about 25% of the service in late July and early August to about 5% today.

Members in today's debate have made the point that the impact on north Wales has been particularly severe because the majority of through trains to London have been replaced by a shuttle to Crewe. Avanti has sought to mitigate the situation by adding more stops at Crewe on its other services to improve the interchange, but I acknowledge the point and the particular impact the situation has had on passengers travelling to and from north Wales.

**Virginia Crosbie:** Will the Minister take me up on my offer of coming to Holyhead, having a panad and sitting down with the train drivers to hear at first hand about how their working practices impact them on a daily basis?

**Huw Merriman:** I assure my hon. Friend that I had not forgotten that ask—I will answer it now instead of later. I am keen in my new role to meet as many members

of the rail workforce as I can, as far across the nation as I can. I will be delighted to join her in Holyhead, meet those drivers and have a look around her constituency to see the impact she has so ably described. I look forward to having a good, honest conversation with the drivers. I always worked well with the rail force in my previous role, and hope I can do so again in my current one.

Let me turn to service restoration plans. Nearly 100 drivers will have entered service with Avanti between April and December this year, comprising new recruits and those who have completed the required retraining. As they have become available to work, Avanti started to introduce additional services where they are most needed, and where train crew resources allow. So far, those have been focused on London to Birmingham and London to Manchester. Avanti plans a further increase in December, at the next major timetable change. That will see the majority of direct north Wales services restored, with five trains a day in each direction between Holyhead and London, which I know Members and their constituents will welcome.

I want to see Avanti's plan to increase services succeed, so that passengers travelling to and from north Wales get the experience they deserve. My officials are holding weekly meetings with Avanti senior management, and are reviewing Avanti's progress against the plan and handling of risks. They are reporting to the Secretary of State and to me as Rail Minister.

I have also met Steve Montgomery, who is managing director for rail at FirstGroup, the ultimate parent company. The Office of Rail and Road—the independent regulator—and Network Rail's programme management office have both reviewed Avanti's plans, and are content. I hope that independence gives hon. Members some reassurance.

It is important to be clear that many of these factors are not in Avanti's control. Crucially, this improvement will require the support of the trade unions. It is important to modernise the railway to phase out old-fashioned ways of working, improve people's journeys, help make trains more reliable and create savings that can provide funding towards a pay rise for staff.

Finally, I turn to the contract that Avanti has with the Department, which I know has been a matter of interest for many across the House. On 7 October, the Department entered into a short-term extension of six months to 1 April 2023. That short-term extension will allow the Avanti side of the business to roll out its recovery plan. The Department will consider Avanti's performance, while officials finalise a national rail contract for consideration.

I conclude by thanking you, Ms McVey, and all hon. Members. I hope they have been reassured by the updates I have been able to give them. I look forward to working with all my colleagues across the House and in north Wales, so that we can give them the rail services they need.

5.7 pm

**Robin Millar:** I beg your indulgence, Ms McVey, to make a point in response to the Minister. I should have welcomed him to his new place—as gamekeeper, not poacher. I thank him for his comments. This has been a brief but pointed debate. I thank my hon. Friends the



*[Robin Millar]*

Members for Clwyd South (Simon Baynes) and for Ynys Môn (Virginia Crosbie) for highlighting the impact that investment would have on rural communities and tourism, as well as the Energy Island programme on Ynys Môn and the benefits it will bring to businesses there.

I make the point to the Minister that Wales works on an east-west basis. Money spent in one part of Wales does not always benefit the whole of Wales. North and south Wales are very distinct and different parts. Sir Peter Hendy in his review prioritised investment in the north Wales main line. Realising the benefits of HS2 and avoiding an expensive bill from the Welsh Government only underline the importance of priority investment in

the north Wales main line. The positive impacts on residents, visitors, students, business and the environment have all been set out for that investment.

I note what the Minister said about the control period, the £1.2 billion additional investment in infrastructure, and the work on the RNEP. I welcome the development of a business case for Chester to Holyhead, and look forward to the update of the RNEP.

*Question put and agreed to.*

*Resolved,*

That this House has considered the strategic importance of the North Wales main line.

5.9 pm

*Sitting adjourned.*

# Written Statements

*Tuesday 15 November 2022*

## FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

### Just Energy Transition Partnership: Indonesia

**The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell):** It is normal practice, when a Government Department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority, for the Minister concerned to present a departmental minute to Parliament giving particulars of the liability created and explaining the circumstances; and to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the statement, except in cases of special urgency.

I have today laid a departmental minute outlining details of a new liability being undertaken by the Foreign, Commonwealth and Development Office to support Indonesia's Just Energy Transition Partnership—JETP. This guarantee will support the development of the JETP and reduce the impact of climate change in the region. The new \$1 billion guarantee facility, which will guarantee additional lending from the World Bank, will be conditional on Indonesia implementing the ambitious commitments to energy transition made as part of the JETP, and on the World Bank reaching its lending limits in Indonesia, which would require the Bank to scale up its financial support for Indonesia's energy transition significantly over several years. If implemented, the UK guarantee would enable the Bank to lend an additional up to \$1 billion to Indonesia at affordable rates.

An announcement on Indonesia's Just Energy Transition Partnership will be made at the G20 summit in Bali, which is between 15 and 16 November 2022. The announcement will note that the guarantee is subject to this parliamentary notification process being completed. The Public Accounts Committee, the Foreign Affairs Committee and the International Development Committee have been notified of this.

FCDO Ministers and HM Treasury have approved this guarantee proposal. If, during the next 14 parliamentary sitting days, a Member signifies an objection by giving notice of a parliamentary question or by otherwise raising the matter in Parliament, final approval to proceed with incurring the liability will be withheld pending an examination of the objection.

[HCWS368]

## DEFENCE

### Type 26 Frigate: Batch 2

**The Secretary of State for Defence (Mr Ben Wallace):** Today I am providing an update on our plans for the next stage of the Type 26 frigate programme. I am pleased to announce that my Department has placed a contract with a value of around £4.2 billion with BAE Systems to start the manufacture on the Clyde of five Type 26 Batch 2 anti-submarine warfare frigates. This is an excellent deal for the taxpayer and will strengthen and secure the UK shipbuilding enterprise, as set out in the "National Shipbuilding Strategy".

The signing of the contract and the forthcoming cut steel for HMS Birmingham, the fourth ship in the class, are significant steps forward for the Type 26 programme. All three ships of the first batch of frigates are currently under construction in Govan and today's announcement delivers on the Government's promise to secure a build contract for the remaining vessels.

This Government are acutely aware of the importance of the UK maritime enterprise, particularly during these unprecedented times. The deal that has been negotiated for the Batch 2 ships is structured to motivate both sides to deliver a successful outcome, with both parties sharing in the pain and gain in delivering the programme, ensuring value for public money and, importantly, protecting taxpayers from any project overrun costs.

The contract will sustain more than 1,600 highly skilled jobs at BAE Systems on the Clyde, and secure a total of over 4,000 jobs across the supply chain in Britain. BAE has already employed over 500 apprentices on the programme, and plans to further expand and upskill its workforce as the build progresses. With over £1.2 billion of the new order being spent in the wider UK supply chain, the hiring of new apprentices, and an order book stretching into the 2030s, this contract provides a stable workstream across the British shipbuilding industry.

The Type 26 reference design has been successfully exported to Australia and Canada, which are developing the Australian Hunter Class and Canadian Surface Combatants respectively, demonstrating the world-class credentials of the platform and providing opportunities for British firms to contribute in the multinational supply chain.

The Batch 2 deal also introduces further investment in BAE Systems' facilities on the Clyde, most obviously demonstrated by the submission of planning application for a new 175-metre long, 85-metre wide Shipbuilding Hall at Govan. The new hall will allow two frigates to be built under cover simultaneously and allow the ships to be built faster, improving efficiency in the programme and expanding the facilities for future work at the yard.

[HCWS367]







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