

**Monday  
20 March 2023**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**Monday 20 March 2023**

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# HIS MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. RISHI SUNAK, MP, OCTOBER 2022)

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# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-EIGHTH PARLIAMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
[WHICH OPENED 19 DECEMBER 2019]

### FIRST YEAR OF THE REIGN OF HIS MAJESTY KING CHARLES III

SIXTH SERIES

VOLUME 730

SEVENTEENTH VOLUME OF SESSION 2022-2023

## House of Commons

*Monday 20 March 2023*

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

### PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### HOME DEPARTMENT

*The Secretary of State was asked—*

#### Illegal Migration Bill: Asylum Seekers

1. **Marsha De Cordova** (Battersea) (Lab): What assessment she has made of the potential impact of the Illegal Migration Bill on the wellbeing of people claiming asylum. [904157]

**The Secretary of State for the Home Department (Suella Braverman):** We must stop the misuse of our asylum system so that we can focus our resources upon those who really need our help, not those who can afford to pay people smugglers to transport them from safe countries.

**Marsha De Cordova:** The Illegal Migration Bill is yet another example of the Tories scapegoating asylum seekers to distract from their incompetence. It will not be compatible with our legal obligations under the Equality and Human Rights Commission and it will leave asylum seekers, such as those from Iran, in limbo so that they will be deemed permanently inadmissible to our asylum system. We need more safe and legal routes now, not after the boat crossings have stopped, as we

know that the Bill will never achieve that. Why will the Home Secretary not seek to provide safe and legal routes for everybody now?

**Suella Braverman:** We always place a high priority on the wellbeing of asylum seekers, which is why we are also committing to rolling out safe and legal routes as part of our plan.

While I have the attention of the hon. Lady, may I take this chance to invite her to apologise to the nation? She campaigned in 2020 to stop the Government from deporting a serious foreign criminal. Thanks to her efforts, together with those of 70 Labour MPs, the Government were subsequently stopped from removing Ernesto Elliott, who went on to murder in the UK. Mr Speaker, will—

**Mr Speaker:** Order. The Home Secretary should know better. This is sub judice.

**The Minister for Crime, Policing and Fire (Chris Philp):** He has been convicted—it is not sub judice.

**Mr Speaker:** He has appealed his sentence, and I do not need any lectures from the Front Bench either. I look forward to an apology. Am I going to get an apology?

**Chris Philp** *indicated assent.*

**Mr Speaker:** Thank you. Home Secretary, will you take the advice that I have been given? I know you do not like it, but I am only working on the facts of the case.

**Suella Braverman:** Well, I will still say that what Labour MPs have done is outrageous, and I encourage them to apologise.

**Vicky Ford** (Chelmsford) (Con): Last week, the Italian Defence Minister made a direct link between the rise in asylum seekers coming to Europe by small boats and the activities of the Wagner Group in Africa. Given the atrocious activities of the Wagner Group in Ukraine and elsewhere, will the Home Secretary proscribe it?

**Suella Braverman:** We keep the list of proscribed organisations under review. We do not routinely comment on security and intelligence matters, but where a group meets a test of being a terrorism concern and where it meets our legal criteria, then a group can be proscribed, if it is necessary and proportionate to do so.

**Rachael Maskell** (York Central) (Lab/Co-op): What is more frightening than this toxic Bill that locks up the most vulnerable people who walk this planet, imprisons innocent children and pushes trafficked women back into the hands of their perpetrators, is that this Tory Government are peddling their divisive rhetoric because the Home Secretary has failed to govern or to provide communities with the support they need. Before she others the innocent, will she not admit that she is blaming the destitute to mask her own failures?

**Suella Braverman:** The only people who have failed here are Labour and Opposition Members who have failed to stand up for the British people and failed to support our measures to stop the boats. All they want is open borders and unlimited migration.

**Andrew Bridgen** (North West Leicestershire) (Ind): The Government have identified 57 countries deemed safe for the removal of asylum seekers, but there are no actual agreements in place to facilitate that legally. Will my right hon. Friend update the House on when those legal agreements will be in place? They will be good for the welfare of the asylum seekers and very good for the welfare of my constituents, because we can have our hotels back.

**Suella Braverman:** The hon. Gentleman is absolutely right that this is about enabling the Government to properly help the most genuine and vulnerable asylum seekers and refugees who come to this country. Currently, because of the influx of illegal migrants, and because our modern slavery and asylum system has been overwhelmed thanks to the efforts of the people smuggling gangs, we are unable to help those genuine victims to whom we owe a clear duty.

**Mr Speaker:** I call the shadow Minister.

**Stephen Kinnock** (Aberavon) (Lab): The Government's new asylum legislation is a sham that is set to worsen the backlog, because they do not have the facilities to detain tens of thousands of asylum seekers, or a returns agreement in place with the EU to send back those deemed inadmissible. For all her taxpayer funded photo ops this weekend, the Home Secretary has seemingly failed to bung the Rwandan Government enough money for them to increase the number of asylum seekers they are ready to take this year. For a deterrent to be effective, it has to be credible, yet these plans are just empty threats. Will she tell us where she expects to detain the tens of thousands of asylum seekers forecast to arrive this year, where she expects to remove them to, when Rwanda clearly has no intention of taking more than a very small proportion of those who she expects to arrive this year, and when this Government will get out of the way, so that Labour can deliver its five-point plan to stop the boat crossings?

**Suella Braverman:** I thank the hon. Gentleman for his approach to entertaining the House today, but let us compare what the Labour party has done over the last 10 days with what the Government have done.

In the last 10 days, the Prime Minister and I have secured a big deal with the French to increase cross-channel co-operation. I have presented and we have voted on measures to detain and swiftly remove illegal migrants. This weekend, I met refugees who have successfully been resettled in Rwanda and saw the accommodation that people will be using.

What has the Labour party done? Well, the shadow Home Secretary has been on Twitter. She is very good on Twitter. She has tweeted, in the last 10 days, Labour's paltry excuse for a plan. Half of it is stuff we are already doing; the other half is its plan for open borders and unlimited migration. What I suggest Labour Members do is get off Twitter and get to Rwanda, and I will show them how to stop the boats.

**Mr Speaker:** I call the SNP spokesperson.

**Alison Thewliss** (Glasgow Central) (SNP): Freedom from Torture has talked about the impact on torture survivors of the anti-asylum Bill, calling it

"a betrayal of the commitments made following the Shaw Review". Seven babies born to mothers in Home Office accommodation since 2020 have died, so it is no surprise that Women for Refugee Women and the Royal College of Midwives have opposed the Home Office's plans. Scotland's Children and Young People's Commissioner has warned that the plans to detain and remove children breach this Government's obligations under the UN convention on the rights of the child. There is nothing about protecting asylum seekers' welfare that the Bill will fix, so does the Home Secretary accept the harm that she is causing?

**Suella Braverman:** We take very seriously our duties to everybody who is within our care. Our measures will always, of course, ensure that proper wellbeing and welfare provision is available to those who are vulnerable, but let me say this: the hon. Lady has absolutely no right to lecture this Government on how to support asylum seekers when her own nation royally fails to take any or sufficient numbers into Scotland.

**Alison Thewliss:** That is simply not correct. The Bill is not about helping asylum seekers; it is about banning asylum seekers. What does it say about the Home Secretary's morals that she believes that Rwanda would be "a blessing" for asylum seekers, but when they come here she calls them a swarm and an invasion?

**Suella Braverman:** The problem that the hon. Lady is labouring under is that in opposing our plans, she sides with the people-smuggling gangs. She actively encourages, in effect, co-operation with the evil practice of exploitation of vulnerable people coming into this country. Vote for our measures, stop the people-smuggling gangs and stop the boats!

### Asylum and Immigration Applications Backlog

2. **Hannah Bardell** (Livingston) (SNP): What steps she is taking to tackle backlogs in (a) asylum and (b) other immigration applications. [904158]

14. **Dame Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): What recent progress her Department has made on reducing the backlog of asylum applications. [904174]

**The Minister for Immigration (Robert Jenrick):** The Prime Minister made a commitment on 13 December to clear the legacy backlog of asylum applications over the course of this year. I am pleased to report that we are on track to deliver that. We have already doubled the number of caseworkers, and we are on course to double the number again. We are streamlining processes to reduce unnecessary paperwork while maintaining robust standards. The productivity of caseworkers has more than doubled since the start of the year.

**Hannah Bardell:** My constituents Mr and Mrs Leeson have UK residency but are American citizens. They live in my Livingston constituency and are highly skilled, but they have had huge issues with getting their niece Karissa, who they have guardianship over, a visa to come to Scotland. A US court has ruled that they are her guardians, but they are being told that they will have to wait six months for an administrative review. Will the Minister meet me to discuss the case? My constituent and her niece are currently stuck in the US, and the family are being separated.

**Robert Jenrick:** I would be happy to look into the case that the hon. Lady raises. With respect to visas, I would just say that the UK visa service is now meeting or exceeding every one of its service standards, so the Government are providing a good service generally, but I would be happy to look into that case.

**Dame Meg Hillier:** The Minister says that the Government are providing a good service, but that is not my experience, either of asylum cases or across the piece. There are so many cases of work visas, visitor visas and so on being delayed for longer than I have seen in the 18 years I have served as an MP, which have included serving in the Minister's role. When will he get a grip? It is all very well saying that he is dealing with asylum, but it is like whack-a-mole: he puts effort into one area, and another area goes badly wrong. When is he going to get a grip?

**Robert Jenrick:** I prefer to trade in facts, and the fact is that in every single one of the visa categories the UK visa service is at or exceeding the service standard. It is true that we moved a number of people away from work and visit visa duties to ensure that we met the demands of the Homes for Ukraine scheme last year, but those people are now back on the job and the service is performing well. If the hon. Lady wants to give specific examples, I shall be happy to look into them.

**Jerome Mayhew (Broadland) (Con):** The backlog of asylum seekers is increasing the need for accommodation. We have just heard outrage expressed by the hon. Member for Glasgow Central (Alison Thewliss). Can my right hon. Friend update the House on the progress that the Scottish Government are making on housing numbers of asylum seekers similar to the numbers housed in the rest of the United Kingdom?

**Robert Jenrick:** My hon. Friend is right to suggest that the outrage of the Scottish National party is entirely confected. There are almost no individuals in initial and contingency accommodation in Scotland; in fact, there are fewer hotels in Scotland than there are in Kensington. However, it is not just members of the SNP who should

hang their heads in shame, but Labour in Wales, because in the whole of Wales there are only three hotels. There are more hotels in Earl's Court than there are in Labour Wales.

**Damian Collins (Folkestone and Hythe) (Con):** As my right hon. Friend knows, the sudden influx over, say, a bank holiday weekend of thousands of migrants who have crossed the channel in small boats causes substantial infrastructure problems in Kent. If we are to stop this dangerous trafficking of people across the channel, we must not only crack down on the gangs but demonstrate that it is a futile practice which will not lead to a shortcut into the asylum system in the UK.

**Robert Jenrick:** My hon. Friend has cut to the nub of the question. We cannot build ourselves out of this issue by creating more hotels or large sites. The only sustainable answer is to break the people smugglers' model, and that is what the Illegal Migration Bill sets out to do. We on this side of the House are on the side of the British people, while those who vote against the Bill are on the side of the people smugglers. It is only by stopping people crossing the channel, by creating a genuine deterrent—for instance, sending people to a safe third country such as Rwanda—that we will achieve that.

### Violence against Women and Girls: Charge Rates

**3. Debbie Abrahams (Oldham East and Saddleworth) (Lab):** What steps her Department is taking to improve charge rates for perpetrators of violence against women and girls. [904159]

**The Parliamentary Under-Secretary of State for the Home Department (Miss Sarah Dines):** We are committed to holding perpetrators of violence against women and girls to account, as has been demonstrated by the rape review, the tackling violence against women and girls strategy and the tackling domestic abuse plan, which includes violence against men and boys. To improve the police response, the Home Office is providing £6.65 million to develop the national operating model for rape investigations through Operation Soteria, and has funded domestic abuse training specifically for investigators.

**Debbie Abrahams:** Disabled women are twice as likely to be victims of domestic abuse as non-disabled women. I am currently dealing with the case of a woman who has ended up in hospital as a result of abuse from her partner. She has had no direct contact with the police, no personal statement has been taken, and she feels completely let down. I appreciate that thousands of women go through this, and I also appreciate that Greater Manchester police are doing the very best they can, but what is the Home Secretary doing to ensure that these women have the necessary confidence and trust to feel able to report such abuse to the police?

**Miss Dines:** The confidence of any victim of abuse must be increased, and to that end the Government are spending unprecedented amounts on training not only new but existing police officers in how to deal with victims. Disabled victims are no different from any other victim, and they are entitled to the same number and quality of responses. I should add that police guidance dictates that officers will visit the scene of every reported instance



of domestic abuse, the only exception being when it is unsafe for them to do so. The hon. Lady is right to raise this important issue, which we take very seriously.

**Kate Kniveton (Burton) (Con):** I welcome last week's announcement by the Government which will lead to tougher sentences for domestic abusers who kill their partners or ex-partners. Can my hon. Friend confirm that this Government will always do everything possible to protect vulnerable women and girls and deliver justice to those who attack or threaten them?

**Miss Dines:** This Government are made up of the party that believes in law and order, and wherever we can, we will continue to review sentences. Strictly speaking, this is a matter for the Ministry of Justice, but I know that the Deputy Prime Minister, and also the Prime Minister and the Home Secretary, are thoroughly committed to reviewing this sort of offence.

### Fraud Strategy

4. **Simon Fell (Barrow and Furness) (Con):** When her Department plans to publish its fraud strategy. [904161]

**The Minister for Security (Tom Tugendhat):** The fraud strategy will be published very shortly, and it will set out how the Government will work with industry to remove the vulnerabilities that fraudsters exploit.

**Simon Fell:** Over 70% of scams originate online, showing that tech and social media companies are not only significant to enabling fraud but key to preventing it. Given that tech and social media companies are currently driving the problem, will my right hon. Friend compel their sector to be part of the solution by going after frauds and fraudsters on their own platforms, as well as upping all our defences in the upcoming national fraud strategy?

**Tom Tugendhat:** I know that my hon. Friend is well versed in this subject. I read the article that he and my hon. Friend the Member for Cheadle (Mary Robinson) recently wrote. It is a very good piece, which I recommend to the House. The article referred to the increase in scam adverts on social media, and I agree with him that social media companies must take greater responsibility for the safety of their users online by stopping more of these frauds at source. The Online Safety Bill is a welcome first step towards that goal, but it is right that we continue to consider what more can be done.

**Andrew Gwynne (Denton and Reddish) (Lab):** Fraud now accounts for nearly half of all crimes, yet very few of those crimes are investigated and only 0.1% of them go to court. While it is welcome that we will eventually get this fraud strategy, what more are the Government doing to ensure that the police have the resources and expertise to tackle crimes of fraud and that the criminal justice system speeds up so that many more such cases get not only investigated but heard in court?

**Tom Tugendhat:** The hon. Member makes the case for me, and I am grateful to him for doing so. The reality is that we are seeing an explosion of fraud, not just in this country but around the world, and we have to deal with it. That is why bringing together the intelligence

resources, the policing elements and the will is so important. I was in Manchester on Thursday where I met the chief constable and others who are doing so much to tackle fraud, not just connected to the garment industry where I was on Cheetham Hill, but linked to human trafficking and, sadly, to state threats and even terrorist financing.

### Illegal Migration Bill: Compatibility

5. **Marion Fellows (Motherwell and Wishaw) (SNP):** What recent assessment she has made of the compatibility of the Illegal Migration Bill with the refugee convention. [904162]

11. **Ms Anum Qaisar (Airdrie and Shotts) (SNP):** What recent assessment she has made of the compatibility of the Illegal Migration Bill with the European convention on human rights. [904170]

**The Secretary of State for the Home Department (Suella Braverman):** I refer the hon. Lady to the statement in my name that appears on the front of the Bill. I would add that I am satisfied that the provisions of the Bill are capable of being applied compatibly with the human rights convention and compliant with our international obligations, including the refugee convention.

**Marion Fellows:** Apparently the United Nations High Commissioner for Refugees does not agree with the Home Secretary. They have said that this legislation amounts to an "asylum ban", adding that it would be a "clear breach of the Refugee Convention".

Does the Home Secretary not realise that the very nature of human rights is that they are universal and that it is not for Governments to pick and choose which rights apply to which groups of people?

**Suella Braverman:** I refer the hon. Lady to article 31 of the refugee convention, which makes it clear that there is not an absolute duty on states to offer provision to asylum seekers, particularly if they have come from a safe country. It is important to note that the Bill applies to people who have come here illegally from a safe country. It is important that we instil a framework that enables us to detain and swiftly remove them so that we can stop the boats and stop the people smuggling gangs.

**Ms Qaisar:** When introducing the Bill, the Home Secretary said that she was

"confident that this Bill is compatible with international law."—  
[*Official Report*, 7 March 2023; Vol. 729, c. 152.]

She then immediately confirmed that she could not make a declaration of compatibility under section 19 of the Human Rights Act. That followed her previous comments that she thought that it was less than 50% compatible. Can the Home Secretary please confirm to the House today which of these three views she holds?

**Suella Braverman:** I do not think the hon. Lady has quite got the point of the Human Rights Act. Section 19(1)(b) is designed for exactly these purposes. Although the Government believe our provisions are capable of being compliant with the Human Rights Act and the European convention on human rights, we are, none the less, testing legal arguments and legal bases,

and there is nothing wrong with that. In fact, a previous Labour Administration also introduced legislation carrying such a section 19(1)(b) statement.

The SNP is all talk and no action. Although Scotland makes up 8% of the UK population, only 1% of the UK's asylum seekers are housed in contingency accommodation in Scotland. It is very easy for the SNP to make all the right noises, but it has taken zero action to stop the boats.

**Richard Fuller** (North East Bedfordshire) (Con): The 1951 convention and the 1967 protocol are fundamental foundations of how humanity deals with refugees at times of crisis, but there are questions to be asked about whether the convention and the protocol remain robust enough, effective enough and sufficient to meet the challenges of refugees in the decades to come. Will my right hon. and learned Friend have the courage, as Home Secretary of the United Kingdom, to lead international discussions on this topic?

**Suella Braverman:** My hon. Friend makes an incredibly powerful point, and I agree with his sentiment. The historic conventions to which we subscribe are fundamentally challenged by modern travel and a global migration crisis in which more than 100 million displaced people are on the move today. It is right that western and democratic nations, which take pride in our duty and track record of offering refuge to vulnerable people, start a conversation to ensure that we strike the right balance.

**Aaron Bell** (Newcastle-under-Lyme) (Con): I am a strong supporter of the Illegal Migration Bill, on the grounds that it is the only practical solution to stop the wicked people-smuggling trade across the channel. Does the Home Secretary agree not only that those who compare this Government's policies to those of 1930s Germany are appallingly ill-informed, but that it represents a grotesque slander against the victims and survivors of the holocaust?

**Suella Braverman:** Many people have commented on this. All I will say is that people who resort to such analogies have already lost the argument.

### Police Funding Formula

6. **Andrew Selous** (South West Bedfordshire) (Con): What recent progress her Department has made on reviewing the police funding formula. [904163]

**The Minister for Crime, Policing and Fire (Chris Philp):** I thank my hon. Friend for raising this important topic. The Government are committed to reviewing the police funding formula, in which there are some unfairnesses. The police funding formula is historical and somewhat out of date, and we intend to consult on it in the near future.

**Andrew Selous:** Will the new funding formula be crime based, rather than just population based? Will it be implemented immediately for the winners, to stop the gross unfairness of the current formula to forces such as Bedfordshire?

**Chris Philp:** The intended consultation will cover topics such as the demand drivers of crime and how we should take account of the different costs of providing a police service in different parts of the country. In the meantime, Bedfordshire's excellent police and crime commissioner, Festus Akinbusoye, is working incredibly hard to spend his budget effectively and to drive down crime in Bedfordshire.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Is the Minister aware that many police forces are struggling to obtain good forensic science facilities? Is he further aware that the Westminster commission on forensic science, with which I am involved, is deeply concerned about the instability of forensic science in our country?

**Chris Philp:** Forensic science is critically important, as the hon. Gentleman says. The Home Office is continually discussing forensic science provision with our colleagues in the policing family to make sure there is adequate provision. We are always looking at the funding arrangements and the range of providers, so I can assure him that this topic is the subject of continual scrutiny.

### Antisocial Behaviour

7. **Dr Kieran Mullan** (Crewe and Nantwich) (Con): What steps her Department is taking to reduce antisocial behaviour. [904164]

10. **Jack Brereton** (Stoke-on-Trent South) (Con): What steps her Department is taking to reduce antisocial behaviour. [904169]

16. **Kate Osborne** (Jarrow) (Lab): What steps her Department is taking to help tackle antisocial behaviour. [904176]

**The Secretary of State for the Home Department (Suella Braverman):** We are committed to tackling antisocial behaviour and to recruiting 20,000 additional police officers, which will take us to our highest number ever. We expanded the safer streets fund to include the tackling of antisocial behaviour as one of its primary aims, and last year we published the ASB principles to establish a strong and effective partnership response to antisocial behaviour.

**Dr Mullan:** One challenge we have in Crewe and Nantwich on antisocial behaviour is groups of people at bus stops, on high streets and in other public spaces drinking alcohol all day long. That puts off families and elderly people, in particular, from making use of those public spaces. In theory, public spaces protection orders should work, but they can be burdensome to get into place. May we meet to discuss how we might make it easier for them to be enacted, in order to reduce that kind of behaviour in towns and cities?

**Suella Braverman:** My hon. Friend is right to focus on the blight that antisocial behaviour causes to communities. He mentions existing powers that the police have. We are keen to ensure that those are streamlined and improved so that they are more effective. I am pleased that his local force of Cheshire has more police

officers on the beat—316 in the force. Following my visit, I was pleased to meet his outstanding local chief constable last month.

**Jack Brereton:** We have seen significant antisocial behaviour and crime issues in Longton town centre. With Staffordshire police and the city council, we have been working up plans to improve CCTV and to gate up a number of alleyways. However, we need additional funding to deliver that, so will my right hon. and learned Friend update us on when the next round of the safer streets fund will open for bids?

**Suella Braverman:** I am pleased that those in my hon. Friend's constituency are starting to draw up plans for the next round of the safer streets fund. He will know what a difference safer streets has made to Stoke-on-Trent, with neighbourhood crime down by 26% since 2010. I cannot give him a precise date on the next round, but I can assure him that we hope to be able to say something more about safer streets in the near future.

**Kate Osborne:** Government austerity measures led to Northumbria police losing more than 1,100 police officers and to a huge increase in antisocial behaviour in my constituency, with thefts in local shops in East Boldon and Hebburn, and off-road motorbikes in Wardley and Boldon. The incident levels are so high that this week I am having a specific surgery with the police and crime commissioner in Wardley. When will Ministers allow recruitment to vacant policing posts, invest in our communities and tackle antisocial behaviour?

**Suella Braverman:** I am pleased that Northumbria's police and crime commissioner has received just under £3.9 million from the Government through safer streets to date. That has included £3.5 million in the current round to fund projects such as community engagement, target hardening and guardianship interventions. Those are measures where Government funding targeted in local communities, in response to input from local leaders, is making a difference to safety in our communities.

**Helen Morgan (North Shropshire) (LD):** I recently attended an open meeting in Oswestry in my constituency, where residents expressed concern about escalating antisocial behaviour in the town centre. The police and crime commissioner was there, but I am afraid to say that he was a little dismissive. Will the Home Secretary assure me that when the new police officers materialise, they will be properly allocated to market towns in rural places such as North Shropshire, so that the antisocial behaviour is dealt with effectively?

**Suella Braverman:** It is thanks to this Government's commitment to increasing the number of police officers that we will have many more resources on the frontline in forces throughout the country to tackle antisocial behaviour. I only wish that the hon. Lady would get behind our plans.

**Mr Speaker:** I all the shadow Minister.

**Sarah Jones (Croydon Central) (Lab):** I see from the weekend papers that the Conservatives are about to introduce an antisocial behaviour strategy. After 13 years of doing nothing, of dismissing antisocial behaviour as low level and unimportant, apparently the strategy will include Labour's plan to tackle fly-tipping, Labour's

plan to tackle graffiti and Labour's plan for community payback. May I ask the Home Secretary which other Labour policies she is going to adopt? Would she like me to arrange a full briefing from the Labour party?

**Mr Speaker:** This is going to get tedious in the run-up to the local elections.

**Suella Braverman:** It really is, isn't it, Mr Speaker? May I point out that Labour-run Croydon Council has just cut the graffiti cleaning team? Will the hon. Lady just give us some advice on how that has worked?

### Illegal Migration Bill

**8. Chris Stephens (Glasgow South West) (SNP):** What recent assessment she has made of the potential impact of the Illegal Migration Bill on levels of (a) modern slavery and (b) sex trafficking. [904165]

**The Minister for Immigration (Robert Jenrick):** Let me be clear: the UK Government are committed to tackling the heinous crime of modern slavery and to supporting victims. We continue to invest in the police to support them to improve the support they offer victims, and to drive up prosecutions. A total of £16.5 million has been provided by the Home Office since 2016, including £1.4 million last year for the modern slavery and organised crime unit.

**Chris Stephens (Glasgow South West) (SNP):** First, my thoughts and prayers are with my constituents the Gentle family, who lost their son Gordon during the Iraq war. We should remember all those military families who lost loved ones during that conflict.

Is the Salvation Army correct when it points out that detaining trafficking victims as they arrive and then removing them will simply deliver vulnerable people back into the hands of the criminal gangs that exploited them in the first place, and that that does nothing to break the cycle of exploitation but only further fuels the profits of these criminal gangs?

**Robert Jenrick:** No, the hon. Gentleman is wrong. The Illegal Migration Bill makes it clear that we want to break the cycle of the human traffickers. We will do that by carefully considering cases and returning those people who can be returned to their home country, where it is safe to do so. In cases such as Albania, we have worked closely with the Government to put in place the procedures necessary to ensure that those people are carefully looked after and not at risk of re-trafficking. If that is not the case, they will be taken to a safe third country such as Rwanda where, once again, their needs will be looked after.

**Mr Speaker:** I call the shadow Minister.

**Jess Phillips (Birmingham, Yardley) (Lab):** Just to correct the Minister, it was not the hon. Member for Glasgow South West (Chris Stephens) who made that criticism, but the Salvation Army, which the Home Office employs as its main contractor on trafficking.

I asked the Prime Minister this, and I got no answer, so I am trying again. When I worked on a Home Office contract, I met many women and children who had been brought here illegally to be repeatedly raped as sex



slaves. The Prime Minister tweeted that such victims would be denied access to support from our modern slavery system—a tweet that will be an absolute delight to traffickers. How will we help to prevent a woman who is brought here illegally from being repeatedly raped if she is denied access to our modern slavery system?

**Robert Jenrick:** The hon. Lady and I agree that we want to do everything we can to support the victims of human trafficking, but we disagree on how we do that. She is content for people to be brought across the channel in small boats at the behest of human traffickers. We want to break that cycle once and for all, and we believe that that is the fair and the moral thing to do. Today, a majority of the cases being considered for modern slavery are people who are coming into the country—for example, on small boats. We are seeing flagrant abuse, which is making it impossible for us to deal appropriately with the genuine victims, to the point that 71% of foreign national offenders in the detained estate, whom we are trying to remove from the country, are claiming to be modern slaves. That is wrong, and we are going to stop it.

#### Dungavel House Immigration Removal Centre

9. **Neale Hanvey** (Kirkcaldy and Cowdenbeath) (Alba): Whether she has had recent discussions with the Scottish Government on the operation of the Dungavel House immigration removal centre. [904167]

**The Minister for Immigration (Robert Jenrick):** There is regular contact between Dungavel House immigration removal centre and relevant local stakeholders, as necessary, on issues relating to the day-to-day running of the centre. Although immigration is not a devolved matter, we will keep the Scottish Government informed should there be any significant changes.

**Neale Hanvey:** I share my constituents' shock at the distasteful photoshoot of the Home Secretary outside the transportation camp in Rwanda. Will she set out the following in regards to Dungavel? How will this whole process work? How many refugees at Dungavel House are earmarked for transportation to Rwanda? How many are children or pregnant women? If the Home Secretary cannot give us those numbers now, I am happy to receive a letter later.

**Robert Jenrick:** Well, I share the disappointment at those who peddle misinformation of any kind. However, with respect to Dungavel House, it is an immigration removal centre and it is used routinely to detain, prior to removal, foreign national offenders and those who have entered our country illegally and whom we are seeking to remove. The hon. Gentleman and I may disagree on this issue. We on the Government side of the House want to remove foreign national offenders. We do not want them to remain in the UK. We also do not want to close detention centres. The right hon. and learned Member for Holborn and St Pancras (Keir Starmer) campaigned to be Leader of the Opposition on a pledge to close detention centres, but we want to get dangerous offenders such as murderers and rapists out of this country.

#### Islamic Revolutionary Guard Corps

12. **Alicia Kearns** (Rutland and Melton) (Con): What steps her Department is taking to close facilities used by the Islamic Revolutionary Guard Corps in the UK. [904171]

**The Minister for Security (Tom Tugendhat):** As I outlined in my statement to the House on 20 February, we are taking increasing steps to address the threat from Iran—but, I should make clear, not to address the welcome we extend towards the Iranian people. Today of all days, we should say, “Nowruz etan Pyrouz.”

**Alicia Kearns:** There are three—if not seven—cut-outs of the Islamic Revolutionary Guard Corps operating here in the UK, silencing critics of the ayatollah, inciting hate, celebrating terrorists and recruiting for a terrorist state. The Government know that this House wants the IRGC proscribed, but in the immediate term, will they please protect us from transnational repression by shutting down these cut-outs of the Iranian state? I also ask the Home Secretary or the Security Minister to meet Vahid Beheshti, who is on day 26 of a hunger strike outside the Foreign Office because he wants the IRGC proscribed. I am seriously concerned about his health, and it would help if the Government were to meet him.

**Tom Tugendhat:** I would be very happy to meet him and, indeed, anybody else who takes the threat of the IRGC in this country as seriously as we do. We have had this work ongoing for a number of months now, and my hon. Friend will be aware that asking for actions to be taken means we must be legally compliant with the responses. That is where we are getting to; we are increasingly at the point where we are taking more and more action against the IRGC. So may I say, in the words of Omar Khayyam, in his poem for new year:

“No words about last winter can bring cheer;  
don't speak of yesterday—rejoice today.”?

**Jim Shannon** (Strangford) (DUP): I thank the Minister very much for that. The Islamic Revolutionary Guard Corps is involved in all sorts of unspeakable activities in Iran—abuse of people, persecution of Christians and other ethnic minorities, and attacks on women—but here in the United Kingdom it is also involved in subversive activities through the buildings it has. I think that everybody in this House wants to see it proscribed, so can the Minister give us some indication of when that will happen?

**Tom Tugendhat:** The hon. Gentleman knows very well, sadly, that we cannot discuss individual proscriptions, so I will not go down that route. However, he has been a voice for freedom of religion and belief in this country and around the world for many years. He will be aware of the brutality not only against women and the LGBT community in Iran, but against people of faith, Baha'i, Jews and Christians, who have seen their lives destroyed by an extraordinarily brutal regime. This Thursday is the beginning of Ramadan, and I am sure everybody in this House wishes every Muslim in our community Ramadan kareem and the blessings of the season. The reality is that this is a time for communities to come together, yet in Tehran it is time for the regime to ignore the Islamic faith and to tear people apart.

### Knife Crime

**13. Rebecca Long Bailey** (Salford and Eccles) (Lab): What steps her Department is taking to tackle knife crime. [904173]

**The Minister for Crime, Policing and Fire (Chris Philp):** Tackling knife crime is a priority. That is why, since 2019, we have not only spent £340 million on diverting young people into alternative activity via the violence reduction units, but had targeted Grip hotspot policing in areas where knife crime is particularly prevalent. That has led to a 19% reduction over the last three years in hospital admissions with a bladed weapon injury, and since 2010, according to the crime survey for England and Wales, violence is down by 38%.

**Rebecca Long Bailey:** Last year knife crime in Salford fell, thanks to the extensive work with young people by the Salford community safety partnership and Greater Manchester police operations to remove weapons from circulation. Sadly, since January this year there has been a spate of serious knife crime incidents that have destroyed lives and distressed the community. We need urgent Government support to implement a wider proactive reduction strategy. Will the Minister commit to ringfencing dedicated funding today for knife crime reduction initiatives and for lifesaving bleed kit roll-outs across Salford?

**Chris Philp:** That is a very fair question. We are already directing ringfenced money towards Greater Manchester and other areas via the Grip hotspot funding, which we are going to at least maintain and possibly increase next year, and the violence reduction units, which try to get young people on to a better path. I am visiting Greater Manchester a week today and look forward to discussing those initiatives and more with Chief Constable Stephen Watson, who I must say is doing a very good job, and others in Manchester.

**James Gray** (North Wiltshire) (Con): Deterrence through tough sentencing must play an important part in dealing with the scourge of knife crime, such as that committed against my constituent Ellie Gould some years ago. I very much welcome Ms Wade's report, which came out on Friday, about sentencing in murder cases involving knives, but I am disappointed that the Government have so far accepted only three of the 17 recommendations. Will the Minister speak to his colleagues at the Ministry of Justice to ensure that all 17 of the recommendations are implemented?

**Chris Philp:** I know that my hon. Friend has been a tireless campaigner on this topic over many years following the appalling murder of his constituent. Yes, I will raise the issues that he mentions with colleagues in the Ministry of Justice, who I am sure will be extremely receptive.

**Mr Speaker:** I call the shadow Minister.

**Naz Shah** (Bradford West) (Lab): This week, the five young men who murdered a 17-year-old boy from Poplar using knives were pictured for the first time. Those young men were sentenced to a total of 93 years in prison. Although sentencing is a form of justice, the reality is that this Government have lost their grip on preventing such violent crimes. Time and again, they have failed to

act until it is too late—sticking-plaster politics at the heart of power. When will the Secretary of State show some leadership and lay out a proper plan for crime prevention?

**Chris Philp:** As I set out to the hon. Member for South Shields (Mrs Lewell-Buck), the Government have spent £340 million in the last three years directly to tackle knife crime, and, contrary to the hon. Lady's question, that is yielding results. Hospital admissions for injuries caused by knives have dropped by 19% in the last four years, and violent offences, as measured by the crime survey—the only statistically approved measure of crime—have come down by 38% since the last Labour Government left office.

### Topical Questions

T1. [904182] **Anna Firth** (Southend West) (Con): If she will make a statement on her departmental responsibilities.

**The Secretary of State for the Home Department (Suella Braverman):** Like the public, I want common-sense policing focused on keeping people safe and driving down crime. The disproportionate recording of non-crime hate incidents must not be used to inhibit free speech. We must be very careful about what is kept on an individual's record. That balance has not always been struck, so I introduced a new code of practice on non-crime hate incidents and the recording and retention of personal data. It introduces new safeguards so that personal data may be included in an NCHI record only if the event is clearly motivated by an intentional hostility and where there is a real risk of significant harm to a group or an individual. Those changes are endorsed by outstanding police leaders such as Stephen Watson, the chief constable of Greater Manchester police, and I hope that the whole House will get behind the draft code.

**Anna Firth:** Last summer, teenagers abused hundreds of canisters of nitrous oxide along Southend seafront. Today, firefighters have reported cutting people out of vehicles because of nitrous oxide abuse behind the wheel. Given the severe effects of such abuse, will my right hon. Friend consider taking tougher action to restrict the sale, possession and abuse of nitrous oxide in the UK?

**Suella Braverman:** I know that my hon. Friend has been a powerful advocate on this subject, as well as on the issue of dangerous weapons, and I pay tribute to her for her brilliant work. The Psychoactive Substances Act 2016 provides police with the powers to clamp down on the supply of nitrous oxide for non-legitimate use, but she is right, and I am clear, that the use and proliferation of nitrous oxide is unacceptable, and we will announce new measures soon.

**Mr Speaker:** We come now to the shadow Home Secretary.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): We welcome the Home Secretary back from her expensive interior design tour.

The Louise Casey review will be published tomorrow and is expected to be damning, with far-reaching findings. The Home Secretary has known about failures on standards and vetting in policing for a long time, so why has she



repeatedly refused to bring in mandatory vetting standards and automatic suspension for officers under investigation for domestic abuse and sexual assault?

**Suella Braverman:** I regret the tone that the shadow Home Secretary adopts when it comes to Rwanda. I encourage her to ditch her outdated and ignorant views on our friends in Rwanda.

When it comes to the Casey report, which I have read, it is clear that there have been failings within the Met. That is why the commissioner is right to accept those past failings, and that is why he has my total backing in moving forward to turn around performance and standards in the Met, so that every citizen in London has total confidence in those who wear the badge.

**Yvette Cooper:** The problem is that the Home Secretary's response is too little and too late. We should all back the commissioner to take urgently needed action in the Met, but confidence in the Met has dropped sharply and confidence has also dropped nationally. The system for national standards that the Home Secretary presides over is far too weak, with no proper regulations or requirements and no proper intervention when things go wrong. Neighbourhood policing, which sustains confidence, is being hollowed out. That is damaging for communities and for the vital work that the police do. Will she now commit to urgent legislation and a full overhaul on standards? The proud British tradition of policing by consent is in peril unless the Government act urgently.

**Suella Braverman:** I am proud of this Government's track record on reducing crime and increasing the number of police officers. Since 2010, violent crime is down, robbery is down, neighbourhood crime is down and burglary is down. When the right hon. Lady talks about the Met, what I would gently say is that London has a Labour Mayor—as well as a Labour police and crime commissioner—who has failed to hold the Met to account properly. I am afraid I must encourage her to speak to her Labour colleague and ask him to do a better job of holding the Met to account.

**Mr Speaker:** Order. I say to both sides that topical questions are for Back Benchers. If people want to ask a longer question, they should be called earlier and not wait for topicals.

T2. [904184] **Duncan Baker** (North Norfolk) (Con): As a host to Ukrainian refugees, I have been able to witness at first hand the difficulty and hardship when someone is separated from their family. My constituent Hazel Randall hosts a 24-year-old, Katya, who wanted to help her family reunite briefly in the UK, but they were faced with a £100 per person visa fee and a 200-mile round trip to the application centre to be able to travel to the UK. Will my right hon. Friend consider temporarily waiving tourist visa fees for Ukrainians wanting to visit their families?

**The Minister for Immigration (Robert Jenrick):** Last week marked the first anniversary of the launch of the Homes for Ukraine scheme, which my hon. Friend took part in, and it is a powerful rejoinder to anyone who says that the UK is anything other than generous and compassionate to those in need. I have listened to his

remarks, and I have had a conversation with His Excellency the Ukrainian ambassador in that regard. We have taken an important step in the past month by reopening our visa centre at our embassy in Kyiv, so that Ukrainian nationals can begin those processes in their home territory, rather than having to leave and go to Warsaw.

T3. [904186] **Christian Wakeford** (Bury South) (Lab): Reports in today's edition of *The Times* about the extreme activities of those promoted by the Islamic Centre of England, a UK-registered charity funded by the Iranian authorities and under the direction of the UK representative of the Iranian supreme leader, are just the latest evidence of the threat that Iran poses in the UK. The Security Minister has already told the House about the very real threat that Iran has made to UK-based individuals, including the Jewish community. Does the Minister agree that it is finally the time to proscribe the Islamic Revolutionary Guard Corps?

**The Minister for Security (Tom Tugendhat):** The hon. Member will well know that the work we have been doing against the Iranian threat in the United Kingdom has not diminished—in fact, it has increased in recent months. He is right to talk about cultural centres. Sadly, the Islamic Centre of England is not alone. Indeed, the work of the IRGC is not limited to those Iranian proxy organisations. We have to ensure that we have the resources and the attitude, and that is exactly what this Government are pulling together and exactly what we are deploying against this vile threat that has taken over a country and is now threatening ours.

T5. [904189] **Andrew Lewer** (Northampton South) (Con): What guidance is the Department planning to issue on policing the provisions of the Public Order Bill, especially relating to preventing people from being arrested in a public place for what they are thinking about or for silent prayer?

**Suella Braverman:** My hon. Friend knows my position on that issue. He also knows about the guidance we have issued on the policing of non-crime hate incidents. He will note from the announcement recently that we are encouraging the police to strike a better balance, so that freedom of speech is more protected in their efforts to keep the public safe. The College of Policing and the National Police Chiefs' Council will be working on new guidance to reflect the new offences in the Public Order Bill, but I reassure him that we are doing everything to ensure that the sensitive balance is struck, so that freedom of speech is protected while safeguarding the public.

T4. [904188] **Marion Fellows** (Motherwell and Wishaw) (SNP): The Refugee Council estimates that if 65,000 people crossed the channel this year, it would cost £219 million to detain them for 28 days, or £1.4 billion to detain them for six months. Are figures such as those the reason for the Home Secretary's refusing to share the economic impact assessment of the Illegal Migration Bill with the House?

**Robert Jenrick:** The hon. Lady makes a powerful case for deterrence, which is exactly what the Illegal Migration Bill does. It will deter people from crossing the channel and break the model of the people smugglers.

**T7. [904191] Sir Edward Leigh** (Gainsborough) (Con): Tomorrow is the 80th anniversary of the formation of the Dambusters 617 squadron at RAF Scampton. Will the Home Secretary have a conversation with her Minister for Immigration about the meeting I had this morning with him, West Lindsey District Council and Scampton Holdings, in which the Minister was told in terms that if the Home Secretary goes ahead with her plan for 1,500 migrants to be placed there, it will scupper the long-term retention of the runway and the £300 million-worth of investment by Scampton Holdings?

**Robert Jenrick:** I had a helpful and constructive meeting with my right hon. Friend and his constituents. No decision has been made with respect to RAF Scampton, and we will consider all of the things that were said in that meeting extremely carefully as we come to a final decision.

**Mr Speaker:** I call Neale Hanvey—not here.

**James Daly** (Bury North) (Con): In 2021, only about 10% of rape allegations were referred by the police to the Crown Prosecution Service. The figure is even lower when we take into account other sexual offending. Has my hon. Friend ever received a satisfactory explanation from the police for such a lamentably poor referral rate?

**The Parliamentary Under-Secretary of State for the Home Department (Miss Sarah Dines):** My hon. Friend is right to raise this really important issue. The nub of the issue is that historically police officers have not developed a new way of dealing with rape in a modern, digital world, among other things. I am pleased to say that the Government are investing extra money in education in this field. For example, the Government are supporting the National Police Chiefs' Council and the College of Policing to design and pilot a new rape and other sexual offences investigative skills development programme for police officers, to make sure they know how to deal with victims. Chief Constable Crew, down in Avon and Somerset, is doing similar work.

**Carol Monaghan** (Glasgow North West) (SNP): In my constituency, I have employers who are struggling to recruit staff living next door to asylum seekers who are not allowed to work. Last week's Budget talked about boosting employment. Does the Home Secretary agree that lifting the ban on work for asylum seekers would help to boost employment?

**Robert Jenrick:** We do not agree with that: we do not want to see any further pull factors to the UK. We want to see deterrence suffused throughout our approach, and one element of that is ensuring that those who come illegally are detained and then removed from the country.

**Stephen Crabb** (Preseli Pembrokeshire) (Con): I was encouraged by the answers that my right hon. Friend the Security Minister gave earlier in relation to Iran, and the evidence put forward by my hon. Friend the Member for Rutland and Melton (Alicia Kearns), as well as the report in *The Times* this morning that has been referred to. Does the Security Minister therefore agree that that reflects a deliberate attempt by the Iranian regime to use whatever foothold available in our national life to spread conspiracy theories, extremism and radicalisation?

**Tom Tugendhat:** My right hon. Friend is absolutely right. What we have seen from the Iranian regime, sadly, is that overlap of crime, state threats and the use of terrorism to threaten the British people and our allies around the world. This Government will absolutely not allow those to flourish, and will stand extremely firmly against any such threats in this country.

**Dame Diana Johnson** (Kingston upon Hull North) (Lab): Indecent exposure and non-contact sexual offending can be gateway offences to very much more serious offending against women and girls, as in the cases of Libby Squire in Hull and of Wayne Couzens, as we heard in his sentencing last week. When are the Government going to act on these early warning signs?

**Miss Dines:** This is a really important issue, and I am grateful that the right hon. Lady has raised it. We all know from new academic research that indecent exposure can lead to far more serious crimes, and it is now the time that the police chiefs and also the College of Policing take it more seriously. Again, with the extra money that we are spending in this field, with education and allowing police officers to know what they are dealing with, I expect a lot more progress to be made in this area.

**Eddie Hughes** (Walsall North) (Con): We have seen a number of murders recently in Walsall as a result of knife crime, but we have seen no sign of the Labour police and crime commissioner. Does the Minister agree that it is important that the police and crime commissioner visits all part of the west midlands, rather than simply staying in Birmingham?

**The Minister for Crime, Policing and Fire (Chris Philp):** My hon. Friend is absolutely right. Police and crime commissioners, particularly the one in the west midlands, should visit all parts of their patch. I was also rather concerned to hear that the Labour PCC in the west midlands is formulating plans to close up to 20 police stations, despite having received a 10% increase in funding over recent years, which I think is pretty shocking.

**Ronnie Cowan** (Inverclyde) (SNP): On the back of last week's Budget, I made a speech about industrial hemp. The industry is telling me that it can create 105,000 jobs and pay £1 billion in tax if it is allowed to grow—pun intended. I will be writing to the Minister to explain this in detail, but it would be really helpful if I could sit down with the relevant Minister and industry representatives so they can make their case.

**Mr Speaker:** Who wants it?

**Chris Philp:** Mr Speaker, I will take this question. The hon. Member and I have had a number of discussions on this topic. We are always happy to engage, discuss points of detail and hear industry representations, so if he would like to meet face to face to discuss it further, I would be very happy to do that.

**Alexander Stafford** (Rother Valley) (Con): It was great news in the Budget last week that Dinnington High Street got £12 million for regeneration, knocking down the burnt out building and opening up the marketplace. What we need now is a police station to combat antisocial behaviour. Will the Minister support my campaign to

reopen the police station on Dinnington High Street, which will clamp down on antisocial behaviour, and use some of the underspend in the Labour police and crime commissioner's budget to do that?

**Chris Philp:** I think my hon. Friend has formulated an excellent plan. I notice that South Yorkshire next year is getting an extra £10.7 million in funding, and the idea he suggests sounds like a good way of spending some of that.

**Taiwo Owatemi** (Coventry North West) (Lab): Today I heard harrowing testimonies from the Turkish community in Coventry North West who have lost family members in the tragic earthquake. They would like to be reunited with the family members they have left, hopefully via a family visa scheme, so what steps is the Home Office taking to provide support to those affected by the earthquake in Turkey and Syria?

**Robert Jenrick:** Our sympathies go to all those affected by the tragic events in Turkey. The UK Government are doing a number of things, including sending specialists to help with those who have been trapped in the wreckage. We have a range of visa options, including family reunion and visit visas, so that those people who have strong family ties to the United Kingdom can come here.

**Munira Wilson** (Twickenham) (LD): Last week, I raised with the Foreign Secretary that, for the past 15 months, I have been trying to bring to safety five British children in hiding in Kabul after their British father was blown up by the Taliban. They are too young to travel alone, but the Home Office will not grant their Afghan mother a visa, unless she passes an English test. However, she is not allowed to access education in Afghanistan. The Foreign Office tells me it is a Home Office issue. The Home Office is not responding to my correspondence, so will the Minister grant me a meeting to discuss this case?

**Robert Jenrick:** I would be happy to look into the case. I would just say that over 25,000 individuals have been brought safely to the United Kingdom since Operation Pitting and that is something we should all be proud of.

**Janet Daby** (Lewisham East) (Lab): Children are regularly detained in police cells for long periods and for too long without an appropriate adult being present, despite that being both a requirement and an essential safeguard for children. Will the Minister confirm today that, when police powers and procedures data is published later this year, it will include the number of minutes taken for an appropriate adult to arrive and the duration of time present—and if not this year, when?

**Chris Philp:** The hon. Lady is raising a very important question. The case of Child Q is of course on our minds as we consider this. Some revisions are being made to the Police and Criminal Evidence Act 1984 code of practice—it is code C—that are relevant in this area. In relation to the reporting question she asks, I can certainly undertake to look into that.

**Simon Lightwood** (Wakefield) (Lab/Co-op): Far-right Islamophobic Danish politician Rasmus Paludan has said he is going to travel from Denmark to Wakefield for the sole purpose of burning a Koran in a public place. Mr Paludan was previously jailed in Denmark for his hateful and racist statements. He is a dangerous man who should not be allowed into this country. Can the Home Secretary assure me and my community that the Government are taking action to prevent this?

**Tom Tugendhat:** I inform the House that Mr Paludan has been added to the warnings index. Therefore, his travel to the United Kingdom would not be conducive to the public good, and he will not be allowed access.

**Several hon. Members** *rose*—

**Mr Speaker:** That completes questions.



## Rail Services

3.35 pm

### **The Secretary of State for Transport (Mr Mark Harper):**

With permission, Mr Speaker, I wish to make a statement on the progress the Government are making in improving rail services for passengers.

Let me begin by saying how pleased I am that, today, members of the National Union of Rail, Maritime and Transport Workers at Network Rail have voted to accept a 5% plus 4% pay offer over two years. Seventy-six per cent. of members voted to accept the offer, on a turnout of nearly 90%, showing just how many of them wanted to call time on this long-running dispute.

From the moment I became Transport Secretary, the Rail Minister and I have worked tirelessly to change the tone of the dispute. We sat down with all the rail union leaders and facilitated fair and reasonable pay offers. Now, all Network Rail union members have resolved their disputes, voting for a reasonable pay increase and accepting the need for a modern railway.

But not every rail worker is being given that chance. Despite the Rail Delivery Group putting a similar fair and reasonable offer on the table on behalf of the train operating companies, the RMT has refused to put it to a vote. It refused to suspend last week's strike action even to consider it. Such a lack of co-operation is disappointing—and what does it achieve? It deprives the RMT's own members of a democratic vote, denies them the pay rise they deserve and, most importantly, delivers more disruption to the travelling public.

My message to the RMT is simple: call off your strikes, put the RDG offer to a vote and give all your members a say because it is clear from the vote today—the “overwhelming” vote, in the RMT's own words—that its members understand that it is time to accept a deal that works, not only for their interests, but for passengers.

Let me turn to the steps we are taking to help passengers and fix the issues on the west coast main line. Members will know that rest-day working, or overtime, is a common way for operators to run a normal timetable. However, last July, drivers for Avanti West Coast, who overwhelmingly belong to the ASLEF union, simultaneously and with no warning stopped volunteering to work overtime. Without enough drivers, Avanti had little choice but to run a much-reduced timetable, with fewer trains per hour from London to destinations in the midlands and the north. Passengers, businesses and communities along vital routes up and down the west coast main line rightly felt let down, facing cancelled services, overcrowded trains and poor customer information. Put simply, it has not been good enough.

While the removal of rest-day working was the main contributing factor, my hon. Friend the Rail Minister and I repeatedly made it clear to Avanti's owning groups, Trenitalia and First Group, that their performance needed to improve, too, because we should always hold train operators to account for matters within their control. That accountability should come with the chance to put things right. That is why my predecessor, my right hon. Friend the Member for Berwick-upon-Tweed (Anne-Marie Trevelyan), extended Avanti's contract by six months in October. She rightly set a clear expectation that performance had to improve—no ifs and no buts.

I am pleased to say that not only was Avanti's recovery plan welcomed by the Office of Rail and Road, but it has led to improvements on the network, with weekday services rising from 180 to 264 trains per day, the highest level in over two years, and cancellation rates falling from around 25% to an average of 4.2% in early March, the lowest level in 12 months. Nearly 90% of Avanti's trains now arrive within 15 minutes of their scheduled time, over 100 additional drivers have been recruited, reducing reliance on union-controlled overtime working, and it is very pleasing to see Avanti's new discounted ticketing scheme benefiting passengers on certain routes.

As you would expect me to say, Mr Speaker, there is much more still to do to ensure that Avanti restores services to the level we expect and to earn back the trust that passengers have lost, but we should welcome those improvements and recognise the hard work undertaken to get to this point. The Rail Minister in particular has overseen weekly meetings on Avanti for months and kept hon. Members from both sides of the House regularly informed. He deserves credit, along with Avanti, for that turnaround.

October's extension was not popular, least of all in parts of this House, but it was the right decision and Avanti is turning a corner. Its recovery so far has given me sufficient confidence to confirm that today we will extend its contract by a further six months, running until 15 October. However, that short-term contract comes with the expectation that it will continue to win back the confidence of passengers, with a particular focus on more reliable weekend services, continued reductions in cancellations, and improvements in passenger information during planned and unplanned disruption. My Department will continue to work closely with Avanti to restore reliability and punctuality to levels that passengers have long demanded and have a right to expect.

I realise some hon. Members will also want to hear about TransPennine Express. I will update the House separately about TransPennine Express ahead of the contract expiring at the end of May, but let me be clear: its current service levels are, frankly, unacceptable and we will hold it to account on its recovery plan. We have made it clear that, unless passengers see significant improvements, like we have on Avanti, all options regarding that contract remain on the table.

I spoke earlier about holding operators to account, but if we stand here and rightly criticise poor operator performance, we should also recognise that across the industry train operating companies have few levers to change it. Avanti, like others, relies on driver good will to run a reliable seven-day-a-week railway. Like others, it is at the mercy of infrastructure issues out of its control. In fact, seven separate infrastructure issues affected Avanti's performance in the first week of March alone.

Outdated working practices and track resilience are why predictable calls for nationalisation wildly miss the point. Any operator would face those constraints and struggle to run a reliable service. Ideological debates about ownership are therefore a distraction, like wanting to paint your car a new colour when what it needs is a new engine. Only fundamental reform will fix rail's systemic issues, which is what the Government are delivering, bringing track and train together under the remit of Great British Railways, taking a whole system

approach to cost, revenue and efficiency, and freeing up the private sector to innovate and prioritise passengers. Having set out my vision for rail last month, very soon, I will announce the location of the headquarters of Great British Railways, another clear sign of the momentum we are building on reform.

We are getting on with the job of delivering a better railway. It is why we are finally seeing improvements along the west coast main line, as we continue to hold Avanti to account. It is why we are making progress on rail reform. It is why we will always defend the travelling public from unnecessary strike action. And it is why we will always play our part in resolving disputes in a way that is fair to rail workers, the travelling public and the taxpayer. Unlike others, I am not interested in pointless ideological debates about privatisation and nationalisation. The Government are focused on gripping the long-standing issues facing the industry for the benefit of its customers—freight customers and passengers—taking the tough but responsible decisions in the national interest, and building the growing, financially sustainable and modern railway Britain deserves. I commend this statement to the House.

**Mr Speaker:** I call the shadow Secretary of State.

3.43 pm

**Louise Haigh** (Sheffield, Heeley) (Lab): I thank the Secretary of State for advance sight of his statement. What a relief it is to see him in his place. Since he announced huge changes on HS2, affecting billions of pounds of investment and jobs, costs to the taxpayer and particularly affecting the north of England, this is the first we have seen or heard from him. You can call the search party off, Mr Speaker.

I welcome the deal on Network Rail, but it is overdue. After 10 months in which the Government refused to negotiate and, according to the chief executive of Network Rail, engaged in “noisy political rhetoric” that had been “counterproductive” to negotiations, a compromise has finally been made. However, passengers across the midlands, the north and Scotland, Members from both sides of the House, and possibly you, Mr Speaker, will be looking on in disbelief today as millions more in taxpayer cash is handed to an operator that is so demonstrably failing passengers. For the Secretary of State to stand at the Dispatch Box and hail a turnaround in the service demonstrates how staggeringly out of touch he is with the lived reality of people in this country.

The figures speak for themselves. Over the past six months, under the Secretary of State’s intensive improvement plan, Avanti West Coast has broken several records—records for delays and cancellations: the highest ever number of trains more than 15 minutes late and the highest single month of cancellations since records began. In one month, almost a quarter of services were badly delayed. That is higher than during the chaos in August and during the height of the pandemic.

That is not all. Under the Secretary of State’s so-called improvement plan, the number of trains on time actually fell to just one third. If that is what success looks like to the Government, is it any wonder that people question whether anything in this country works any more? They look on in disbelief as the answer to this prolonged failure is always millions more in taxpayers’ cash.

This issue matters because across the north, services remain in chaos. Today alone, more than 35 services have been cancelled on TransPennine Express. This has been an issue for not months but years. Six years ago, TransPennine Express had exactly the same issues that it faces today. Then, as now, it blamed staff shortages and the unions. It said then that it would recruit drivers and improve resilience. Then, as now, the Government shrugged their shoulders and let it off the hook as performance plummeted. The Secretary of State dismisses as pointless debates about the future of railways—little wonder, when the answer to the enormous challenges facing the railways is always more of the status quo.

The Conservatives promised competition that would serve passengers and lower fares; instead, as is happening today, contracts are awarded without the faintest hint of competition while fares rise again and again, and passengers suffer. Their answer to it all is more of the same: the same failing operators; the same waste and fragmentation; the same broken system. Labour will end the fractured, fragmented system holding our railways back and put passengers back at the heart of our rail network, prioritising long-term decision making. But the message that today’s decision sends could not be clearer. Under the Conservatives, our broken railways are here to stay. Under the Conservatives, passengers will always come last.

**Mr Harper:** The hon. Lady must have been listening to a completely different statement; what she just said bears very little relationship to either facts or the things I set out. Let me take her points in turn. I am pleased that she welcomed the acceptance by RMT members of the deal on Network Rail, and that—she obviously did not say this—she recognises that my approach since I became Transport Secretary has clearly been the right one, having helped lead to the situation we are in today. I did not expect her to pay me any credit for that, but I note that she welcomed the result.

The hon. Lady said that the Avanti figures speak for themselves, and they absolutely do. Weekday services have risen in the new timetable since December to 264 trains a day. The cancellation rate that she talked about was last year; the most recent rate is down to 4.2%, the lowest level in 12 months. That is a clear improvement. I have said that it needs to be sustained, which is why Avanti has an extension only until October. Some 90% of its trains now arrive within 15 minutes of their scheduled time, which is not good enough—it is in the pack with the other train operating companies, but at the bottom of the pack. I have been clear that Avanti needs to deliver improvement in the next six-month period. But the figures do speak for themselves: they demonstrate an operator that is turning things around but still has more to do, which was exactly what I said in my statement.

I was clear that TPE’s current service levels are unacceptable and that no options were off the table. I am interested in the hon. Lady’s focus on guarding taxpayers’ money. If I have added this up correctly, she and her Front-Bench colleagues have made unfunded promises of £62 billion of rail spending with no demonstrable means to pay for them. I am afraid that she will have excuse me for finding her professed concern for the taxpayer a little incredible.

[Mr Harper]

Finally, I was surprised that the hon. Lady does not seem to have noticed that far from talking about the status quo, last month I set out in detail a clear set of proposals for reform to bring track and train together in Great British Railways, which I reiterated in my statement. That is what we will continue doing: not having an ideological debate about who owns the railways but talking about delivering better services for passengers. That will remain our relentless focus.

**Mr Speaker:** I call the Chair of the Transport Committee.

**Iain Stewart** (Milton Keynes South) (Con): May I start by welcoming the resolution of the industrial dispute? I congratulate my right hon. Friend and the Rail Minister on their constructive work to bring that about.

In his statement, my right hon. Friend rightly pointed out that there are many reasons behind train cancellations and delays, including infrastructure works and failures, industrial action and the weather, as well as those that are the responsibility of the train operating companies. Would it not help scrutiny and accountability of those operators—not just Avanti and TransPennine Express, but all operators—to have available a clear breakdown of the reasons behind poor performance, so that we can hold to account those who are responsible for which bits of the delays?

**Mr Harper:** I would say two things about that. I will look carefully at whether there is more we can do to show the public clearly and transparently the reasons for delays, so that they can understand their cause. To some extent, I do not think that it is that important to passengers, because they do not really care whether the train operating company or Network Rail has caused the problem—they want it to be fixed. My hon. Friend makes the case for reform. It is exactly why we need to bring together the guiding mind on track and train operators—to join up the system, make better decisions for passengers and, ultimately, deliver a better service, which is what passengers are interested in.

**Mr Speaker:** I call the Scottish National party spokesperson.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): While the Secretary of State was finishing writing his statement before coming to the House, Avanti was doing what it does best—causing more chaos to the west coast. I was glad that I got the London North Eastern Railway down, rather than Avanti. Avanti was far and away the worst-performing company for cancellations in period 11 and the second worst in period 12, according to Office of Rail and Road tables. It was beaten in period 12 only by TransPennine Express. Coincidentally, both franchises involve FirstGroup. By contrast, ScotRail is by far the best performing major operator for cancellation percentages, and it runs eight times as many trains as Avanti.

Since the much heralded Government intervention, ORR data for periods 8 to 11 shows that the number of trains arriving on time is lower, and hovers around 32% to 35%. The Secretary of State talks about facts, but the fact is that still only a third of trains are arriving on time. Does he really think that merits coming to the

Despatch Box and bragging about a turnaround? Even on Avanti's 15-minute threshold for arrival, performance has been consistently lower than in earlier years. In period 10, a quarter of trains arrived outside that 15-minute window. Period 11 was only marginally better. Yet again, ScotRail significantly outperforms it. LNER has had its own issues, but it still outperforms Avanti by some distance. There is no shareholder dividend system for ScotRail or LNER. Despite the Secretary of State saying that there is ideological battle on this issue, why are the Government still so opposed to nationalising rail companies and giving them public sector ownership?

The Secretary of State mentioned discounted ticketing, yet no one north of Preston benefits from that, so passengers in Scotland are paying full whack for services that barely exist to cross-subsidise tickets for trains that stop 200 miles away. Scottish commuters have seen plans to shelve the Golborne link for HS2, with no replacement identified, and further delays to the Euston link. Even when HS2 comes into being, our trains will be slower on the west coast main line than Avanti's are at present. Despite the rhetoric about rhetoric, is it not the case that this Government just do not care?

**Mr Harper:** Let me deal with those questions in order. First, it is important to focus on the facts. To take today's Avanti service, 95.5% of services were running within 15 minutes of their planned time. There was a service issue today, which I know at least one hon. Member was affected by. There was a Network Rail points failure between Carstairs and Carlisle, which resulted in the delay and part-cancellation of two services, including the 0939 from Lancaster, which started instead from Preston and arrived three minutes late at Euston. It is interesting that the issue was caused by the bit of the industry that is, of course, owned by the taxpayer, so that does not demonstrate the hon. Gentleman's case for nationalisation.

Secondly, on timekeeping, I said in my statement that Avanti's punctuality was now within the pack of the train operating companies, but that it was at the bottom of the pack and there was more work still to do. I was very clear that Avanti has improved its performance but it is not where it needs to be, which is why I have sufficient confidence only to extend the contract until October. Both I and the Rail Minister have been clear that Avanti needs to continue to deliver improved performance.

On LNER, on the east coast, in my view one of the reasons why good performance is delivered on that route is that there are open-access operators providing competition and choice to passengers. It is important for us to bear that in mind when we think about the future shape of the rail service.

On the hon. Gentleman's points about HS2, because I have to consider the interests of the taxpayer and the fact that inflation is significantly high at the moment, I had to make difficult decisions. The choice I made was to continue delivering phase 1, in order to ensure we deliver it as promised; to have a short delay to phase 2a, to continue to deliver phase 2b on track; and to look again at delivering a station at Euston, within the budget that has been set. I think those were the right decisions to deliver improved infrastructure, to benefit the country over decades to come.



**Chris Loder** (West Dorset) (Con): I warmly congratulate my right hon. Friend the Secretary of State, the Rail Minister and the leadership team of Network Rail on bringing this prolonged period of industrial action to a close. Does my right hon. Friend agree that when an offer is put to members of the RMT and employees, it must be clear that they indeed want it and accept it? Does he agree that it is right that the RMT should now put the offer to the train operators to its members as well?

**Mr Harper:** I very much agree with my hon. Friend. The offers that have been made by both Network Rail and the train operating companies—broadly the same value of offers—are fair and reasonable, balancing the interests of the workers on the railways, the passengers and the taxpayer. It is important that the staff themselves get to make a judgment about whether they think those offers are fair, and I urge the RMT to put the offer to the train operating companies to its members, and to let the members decide. Surely that is the right thing for it to do.

**Mike Amesbury** (Weaver Vale) (Lab): It seems that an assessment has been made by the Secretary of State that actually the service is just a little less rubbish. Is that really a just case for extending the contract? My constituents are flabbergasted.

**Mr Harper:** I was very frank with the House that the service last summer and autumn was completely unacceptable. Avanti brought in a new timetable in December. For the first month, we did not really see any improvement because there was sustained industrial action on the railways. Since then, it has delivered improved performance. Is it good enough? No, it is not—I have made that clear—but I believe that it has demonstrated that it has turned things around enough to justify giving it the chance of a further six months to show that it can do the job. We will see whether it does that job in the next six months, but it has demonstrated that it can turn things around.

**Jack Brereton** (Stoke-on-Trent South) (Con): As the Secretary of State suggests, things have started to improve on Avanti West Coast, including through Stoke-on-Trent, but we need to see further improvements, particularly when it comes to services and delays. But that is not just down to the operators: as the Office of Rail and Road suggests, every single Network Rail region has seen more delays attributed to Network Rail than in the previous period. Does the Secretary of State agree that we must focus on track as well as train if we are to get the improvements we need?

**Mr Harper:** I very much agree. The Rail Minister has met Network Rail to raise the specific issues that my hon. Friend raises and others, but let me say two other things. First, now that we have resolved all the industrial disputes on Network Rail, the company's management can now focus 100% on delivering improved performance rather than on dealing with an industrial dispute. Secondly, it has ambitious plans for reform to deliver improved maintenance of the network in a safer way for the people who work on it and at a lower cost for the taxpayer, all of which will deliver better services for my hon. Friend's constituents.

**Cat Smith** (Lancaster and Fleetwood) (Lab): I assume from the Secretary of State's earlier comments that he is aware of my Twitter thread about my cancelled and then delayed journey to London this morning. It will have come as no surprise to my constituents, whose lives have been disrupted by this train company for far, far too long. Today's announcement of the contract extension has been met with anger by my constituents. I have to say that Avanti really did take the biscuit today when it even managed to serve mouldy food in its on-board shop. My constituents would like to know what on earth Avanti has to do, other than be the worst-performing rail operator in the country, to actually lose the contract.

**Mr Harper:** I would say a couple of things. First, I did see the hon. Lady's tweet, which is why I set out clearly the position with respect to the train service that was disrupted this morning: there were two services that were part-cancelled, and the rest of Avanti's services this morning were running perfectly all right. The issue with the cancellation was to do not with Avanti, but with Network Rail's performance.

On the hon. Lady's second point, I come back to what I said earlier. I am not pretending that Avanti has fixed its performance or that it is up there with the best-performing train operating companies—far from it—but the question I faced was whether it had done enough to demonstrate that it was capable of turning its services around. I have set that out, and I will not try the patience of the House by saying it all again. It has made a significant improvement—enough to justify an extension until October. Is there more to do? There absolutely is. The hon. Lady is right to make that strong argument on behalf of her constituents, and we will hold the company to account.

**Mr William Wragg** (Hazel Grove) (Con): My right hon. Friend is the antithesis of the Fat Controller, but may I thank him very much indeed for all his efforts in securing a satisfactory agreement with the unions recently? Owing to the complete shambles that at times we see from Avanti, which purportedly seeks to run a rail service, there will be concern among my constituents. Has my right hon. Friend reflected on the question of over-promising in bidding for franchises? Will his judgment of Avanti's success or otherwise over the next six months be conditional on improvements such as the ability to book tickets further in advance than is currently possible?

**Mr Harper:** My hon. Friend is quite right, and I will take his initial comment in the spirit that I am sure he intended. We will judge Avanti in the same way that it is judged on the fee that it earns: on its operational performance; on the experience of its customers; on its financial management; on how it works with Network Rail, other train operating companies and other stakeholders; and on the fundamental performance that it delivers in its timekeeping, its punctuality and its level of cancellations. It will also be judged on its customer service experience. It is quite right to say that it has had some issues with the ability to book tickets ahead, and over the past week it has had some issues with its website. It knows that it needs to fix those issues and that we will hold it to account, as will my hon. Friend.

**Hywel Williams** (Arfon) (PC): I just cannot reconcile the Secretary of State's statement that services have improved with my own experience as a passenger over the past month, from today's minor inconvenience of no food being available on the long journey from Bangor to London, to the delays in last week's trains, to what happened the previous week when the trains did not turn up at all—and that is on top of the withdrawal of direct services on the vital Irish route through my constituency and Ynys Môn to Holyhead. How can the Secretary of State have any confidence that in six months' time the service from Avanti will be any better?

**Mr Harper:** There has been an improvement over time. Last year, I made it very clear that services were completely unacceptable. Avanti introduced a new timetable in December, but it was impossible to see any improvement during the first month of its operation owing to sustained industrial action affecting either the train operating companies or Network Rail. Avanti has since improved its performance, but I accept that it is not all the way there, which is why I extended its contract by only six months. Those at Avanti are well aware that they are still on probation and have more work to do, and I shall expect to see sustained improvement on punctuality and timekeeping, on cancellations, and on the way they work with their customers. We will be holding them to account, and my hon. Friend the Rail Minister will continue his regular meetings with them to ensure that their performance continues to improve, for the benefit of the hon. Gentleman and his constituents.

**Rob Roberts** (Delyn) (Ind): I am pleased to see that the cancellation rate has fallen to 4.2%, but one swallow does not a summer make, and this service has been letting my constituents and me down for a prolonged period of time. What will the Secretary of State be looking for during those six months, and will he be able to publish the precise metrics of what he would consider to be a success in order to allow the contract to be refreshed in future?

**Mr Harper:** I do not disagree with my hon. Friend. I said in my statement that performance had been poor, but improvements had been made. This will be a question of punctuality and timekeeping—of whether Avanti hits the required on-time performance—the number of cancellations, and how easy its customers find it to deal with the service. I will also have to judge it on the basis of what is going on in the industry. It would be much easier to judge the performance of train operating companies if their staff were not going on strike, which I why I think that if the RMT puts its deal to the members, we can resolve the industrial dispute. The issue of holding management to account would then be very clear, because it would be the only thing left on which we can focus. It is very difficult to hold management to account when the workers keep going on strike and disrupting the service for passengers.

**Jeff Smith** (Manchester, Withington) (Lab): The Secretary of State said that the contract would be extended with the “expectation” that Avanti would win back the confidence of customers. I have to say that my constituents in south Manchester are a long way from having confidence in Avanti. I speak regularly to people who are driving rather than taking the train because

they know it is the only way in which they can guarantee that they will arrive at their destination on time. Leaving aside the cancellation statistics, how will the Secretary of State measure the confidence of customers in Avanti's currently shambolic service?

**Mr Harper:** I made it very clear that Avanti would have to earn back the trust of its customers, which, for rather obvious reasons, it has lost over the past year. The only way to win back the trust of customers in a service business such as passenger rail is to deliver sustained performance improvement over time. During the most recent period for which we have statistics, the cancellation figures clearly improved, but Avanti still has more work to do. It needs to sustain that performance, making the trains more punctual and reducing the number of cancellations for a sustained period. If it does that, it will win back the trust of its customers. If it does not, it will not, and we will make decisions accordingly.

**Mrs Heather Wheeler** (South Derbyshire) (Con): I congratulate my right hon. Friend on his statement. The arrangements that will hopefully end the strikes are very good news, and the RMT should certainly ballot its members. As for Avanti West Coast, my constituents who use Lichfield Trent Valley station will be pleased to see what has been done, but we do need more improvement. He has used the phrase “Great British Railways” a number of times. I am really looking forward to any announcement that its headquarters might be in Derby.

**Mr Harper:** On that last point, I promised to update the House before Easter on where GBR's HQ will be, and I will stick to that promise. On my hon. Friend's other points, I reiterate what she says: this is about delivering reform and bringing track and train together in GBR, which will lead to improved performance across the rail network.

**Daisy Cooper** (St Albans) (LD): The Secretary of State seems to be celebrating a 4% cancellation rate on Avanti. May I invite him to look at the cancellation rate on Thameslink trains from St Albans City station, which is 8%? In fact, only 47% of our trains run on time, and our tickets are almost a third more expensive per mile than the average London commuter route, which means that St Albans is now rated the worst commuter station into London. Will the Secretary of State look at those cancellation rates and tell me when the prices affecting my constituency will go down and when reliability will go up?

**Mr Harper:** We look at the performance of the rail network overall but, as the Chairman of the Transport Committee said, we need more transparent information. The most important thing is that lots of the issues to do with the performance of train operating companies are partly to do with infrastructure. Passengers do not care what causes the problems, which is why GBR, with its new regional structure, will ensure that we deliver a more joined-up system and better overall performance, which is what is ultimately important for the hon. Lady's constituents.

**Andrew Jones** (Harrogate and Knaresborough) (Con): I welcome my right hon. Friend's statement. It is very positive that RMT employees at Network Rail are



ready to accept the offer, and therefore disappointing that those who work for the train operating companies have not been given a chance to express their views. On the specific points in the negotiations, does he agree that reforms to working practices in order to modernise and bring greater efficiency to the railways are critical to their future? Can he confirm that this is central to the negotiations taking place?

**Mr Harper:** I welcome my hon. Friend's support for reform in general, but this is also part of the deals that have been accepted. On Network Rail, the modernising maintenance programme is central to delivering the savings that will help to fund the pay offer that has been made. We need to see similar reforms in the train operating companies in order to deliver a reliable, seven-days-a-week rail service that is better for passengers, particularly given that we have seen a bounce-back in leisure travel at the expense of commuter rail, which I do not think is going to come back post-pandemic. We need to see a more flexible railway delivering for passengers.

**Rebecca Long Bailey** (Salford and Eccles) (Lab): Last year we saw £4.1 million in bonus payouts despite the worst performance figures for all rail operators. Today we see contract extensions despite the Office of Rail Regulation showing that 17% of trains had been cancelled since December. Does the Minister think that rewarding failure on this scale is justifiable to the UK taxpayer or, indeed, to passengers?

**Mr Harper:** I do not think the hon. Lady listened very carefully to what I said. I did not say that Avanti had fixed all the problems, but it has delivered an improvement in performance compared with last year. As I have said, since it introduced its timetable in December, we did not see much improvement in the first month because either train operating company staff or Network Rail staff were on strike, but since then it has delivered an improved performance. Has it improved as far as it needs to go? No, it has not—I was clear about that. We need to see that performance sustained over the coming months, and that is how we will judge its performance when we make a decision towards the end of this next six-month period.

**Greg Smith** (Buckingham) (Con): The vast majority of my constituents who use rail rely on Chiltern Railways, and passengers have faced massive and dangerous overcrowding on services to stations such as Haddenham and Thame Parkway and Princes Risborough at commuter times and at weekends. That is due in no small part to customers frustrated with Avanti who would ordinarily choose Avanti to go from Birmingham to London being displaced on to the Chiltern line instead. What assessment has my right hon. Friend made of the impact of Avanti's failures on overcrowding on other railways, and what can he do to alleviate that pressure?

**Mr Harper:** I have not made a specific assessment of the extent to which Avanti's poor performance, particularly last year, has led to the effects that my hon. Friend describes, but he has set them out clearly. If the improved performance that has taken place over the past few months is sustained, it will enable a reverse of that effect, which will deliver better services not only for

those who use Avanti but for his constituents who use Chiltern's services, for whom the level of overcrowding will reduce.

**Andrew Gwynne** (Denton and Reddish) (Lab): Frankly, we could do with a Secretary of State who has to use Avanti West Coast twice a week, as many of us in this Chamber do. I must be the unluckiest rail user in this place, because I always seem to be on a train that he says is one of the 10% that triggers delay repay. Avanti has failed, and it has failed spectacularly. Even by the Government's own admission, Avanti has failed to the point that my constituents genuinely do not understand why it was allowed to have £4 million of bonuses and £12 million of dividends. Can he explain to my constituents why we have a rail service that allows and rewards abject failure?

**Mr Harper:** I cannot help that the location of my Forest of Dean constituency means I use Great Western Railway rather than Avanti. The hon. Gentleman can criticise me, but that is the geographical fact of the case.

**Andrew Gwynne:** Come and try Avanti.

**Mr Harper:** I used Avanti when, for example, I went to Manchester to meet the northern Mayors to discuss Avanti's performance when it needed improving. Since I met them, Avanti's performance has significantly improved.

On bonuses, the hon. Gentleman is talking about a period that predates last year's extremely poor performance. We have not yet seen the published figures to assess the period since last year.

Finally, the hon. Gentleman is right that we need to see sustained performance improvement. As I said in my statement, we will make sure Avanti has done that when we come to make a decision about the period after October.

**Virginia Crosbie** (Ynys Môn) (Con): I am concerned that the Government have extended the Avanti West Coast contract to 15 October 2023. My Ynys Môn constituents and businesses are at their wits' end over Avanti's terrible and unreliable service to Holyhead, which is the UK's second busiest port. The Minister mentioned that more than 100 additional drivers have been recruited, reducing reliance on overtime. Is there a target figure that Avanti needs to recruit by 15 October for the contract to be extended?

**Mr Harper:** The majority of pre-covid services to the north Wales coast have been restored, and there are five trains a day in each direction between London and Holyhead. Avanti has recruited more than 100 new drivers, which needs to be sustained for it to continue delivering a reliable timetable without depending on rest-day working. We will work closely with Avanti to make sure that performance continues over the coming months.

**Paula Barker** (Liverpool, Wavertree) (Lab): During the period of Avanti's improvement plan, the operator had the highest proportion on record of trains running more than 15 minutes late. By the Secretary of State's own admission, Avanti has also lost the confidence of its customers. Why are the Government rewarding this gross incompetence with yet another six-month extension?

**Mr Harper:** I was clear in my statement about the facts on Avanti's punctuality. Although it is now back in the pack with the other train operating companies, it is at the bottom of the pack and still has more work to do. The question for me, as I said in my statement and as I said in answer to the shadow Secretary of State, the hon. Member for Sheffield, Heeley (Louise Haigh), is about whether Avanti's performance has improved enough to demonstrate it can continue improving. The statistics I read out show that Avanti is clearly running a much better service, with 40% more trains, and has significantly reduced cancellations in the past few months, but I was very frank that its performance is not good enough today. Avanti needs to continue delivering service improvements for us to give it a further contract. That is what we will judge Avanti by as we run forward to October.

**Mr David Jones** (Clwyd West) (Con): I must confess that I was disappointed to hear from my right hon. Friend that he has decided to extend Avanti's contract by six months. Avanti has been letting down the people of north Wales for far too long and I had hoped that he would be coming here to say that he was terminating that contract. It would appear that the progress Avanti has made is that it is no longer delivering a truly deplorable service and instead is delivering something rather less than a mediocre one. Will he confirm that he will expect Avanti to be delivering an excellent service by October, failing which it will be stripped of its franchise?

**Mr Harper:** I think my right hon. Friend is being a little unfair in not recognising the performance improvements Avanti has made. I completely accept that its performance last summer and autumn was terrible, and I said that, but it has made significant improvements. It needs to continue those improvements, particularly in delivering reduced cancellations, improvements at weekends—its weekday services are better than its weekend ones—and improvements in how it deals with its customers. All those things absolutely need to continue happening for both him, and me, to be satisfied with Avanti.

**Stephanie Peacock** (Barnsley East) (Lab): Today, more than 30 services were cancelled by TransPennine Express. The Minister has outlined his concern about the service, so will he reassure the House that when performance figures are published we will find that TPE will not have received a penny in performance bonuses, given the misery that millions are facing?

**Mr Harper:** The hon. Lady is right about TPE; I made it clear in my statement that its current performance is unacceptable. The rail Minister and I met its senior leadership and made it clear that the current performance was unacceptable. As I said at this Dispatch Box, if there is not considerable improvement, all options are on the table.

**Martin Vickers** (Cleethorpes) (Con): Staying with TPE, the Secretary of State will know that I have raised this issue on more occasions than I would wish to do so. The service out of Cleethorpes is supposed to be hourly through to Doncaster, Sheffield and Manchester, but today there was a six-hour gap between 8.20 and 14.20, and 10 days ago there was an eight-hour gap between

trains. This is having a terrible effect on business and leisure facilities, and tourism to Cleethorpes, and it has been going on for 16 months, so it is not something new. When he comes to make a decision on TPE, will he please take an extremely robust position?

**Mr Harper:** I know that my hon. Friend has had a particularly difficult time on the route that serves his constituents. I was clear at the Dispatch Box that TPE's service is not acceptable, to put it mildly, and it needs to improve. The one thing I would say is that it is overly dependent on rest-day working. When I met northern Mayors, who made this point to me clearly, I ensured that a refreshed, more generous offer on rest-day working was made to ASLEF, but again, it did not even put it to its members. That offer would have made a significant difference in the performance delivered to his constituents. I ask ASLEF to look again at the offer that has been made on rest-day working and take it up, so that we can do the most important thing: deliver improved services to passengers, rather than continue an unnecessary dispute.

**Tim Farron** (Westmorland and Lonsdale) (LD): Avanti's abysmal performance is not just demoralising its own hard-working staff on stations and on trains, but causing a huge blow to our economy. The Lakes is the second biggest visitor destination in the country, and it is connected with the biggest, here in London, and the impact on the economy is huge and massively damaging. During this six-month probation period we are talking about, Avanti has recorded almost one in five trains cancelled, with almost one in two delayed. What appalling additional reduction in the quality of service must Avanti do to lose the contract? People in Cumbria will be appalled at the apparent low standards.

**Mr Harper:** The hon. Gentleman will have to forgive me if I have this wrong, but I do not think he was here for the whole of my statement, so he may have missed the bit where I set out the improvement that Avanti had delivered. It weekday services have risen from 180 to 264 trains a day, and cancellations were down to 4.2%. I made it clear that Avanti had demonstrated enough improvement to justify the extension until October, but it absolutely has more work to do to deliver for his constituents and others who use the service. That is what the Rail Minister and I will be expecting Avanti to do in the months running up to October.

**James Daly** (Bury North) (Con): The ideologically driven actions of the RMT have brought chaos to the wider economy. Rail strikes alone cost the UK hospitality sector £1.5 billion in December—that affects jobs and livelihoods. Will my right hon. Friend reassure me that the Conservative party will always be the champion of the public and their right to get on with their daily lives—even in the face of the RMT's actions?

**Mr Harper:** That is a very well-aimed question, because it demonstrates that, when we have rail strikes, there is an immediate impact on not just passengers but the wider economy. I reiterate that, with a 90% turnout and a 76% acceptance of the offer, Network Rail's RMT staff have demonstrated that they thought it was fair and reasonable in all the circumstances. They have accepted it, which seems to me to justify the RMT

putting a very similar offer to its members working in the train operating companies. I would urge it to do so, and to do so quickly, so that it can call off next week's strikes. That probably needs to happen by the middle of this week so that we do not damage the passengers, or the businesses that depend on them, any more than they already have been.

**Navendu Mishra** (Stockport) (Lab): The people of Stockport have to suffer the extremely poor services provided by Avanti and TransPennine Express. It is extremely frustrating that the Government have decided to extend Avanti's contract by six months. The Secretary of State pretends that Avanti was an excellent service provider before last summer, but in 2021-22 it had the most complaints of any operator. Why do new figures prove that the Government sanctioned a £12 million dividend for Avanti shareholders, and will the Secretary of State demand that money back?

**Mr Harper:** I think I am right in saying that the hon. Gentleman is talking about the period before the very poor service last year. However, he will also know that the judgment about whether train operating companies have hit the performance targets they have been given is reached independently, not by me, and I think that is a good safeguard.

On the hon. Gentleman's general point about Avanti's and TransPennine's performance, and whether it is good enough, I was clear that TP's performance is not good enough at the moment. If TP does not demonstrate improved performance, all options remain on the table.

**John Penrose** (Weston-super-Mare) (Con): I congratulate the Secretary of State and the Rail Minister on successfully working their way through the Network Rail strike. They have rightly mentioned winning back the trust of customers, so as they start to consider whether Avanti, TransPennine Express and others have successfully improved their performance, will they also consider that open-access operators—which the Secretary of State mentioned as a shining example of good practice and which have maintained their customers' affection—may be the answer for both these routes? Why do we not have more of them and fewer monumental, single provider-dominant contracts?

**Mr Harper:** I welcome my hon. Friend's question. On the point about drivers, almost 100 drivers have been recruited—I said more than 100 earlier, but it is almost 100, and I would like to correct the record at this early opportunity.

My hon. Friend's point about open-access operators is right. As I said in answer to a previous question, that competition and choice are welcome, but we can only have that when we have sufficient capacity—that is important. I also note that Avanti's announcement today makes it clear that the new managing director it has brought in to grip its performance and to continue delivering improved performance has been responsible for two of those very successful open-access operators. I think that bodes well for Avanti's customers.

**Samantha Dixon** (City of Chester) (Lab): I have to tell the Secretary of State that the only cancellation my constituents would welcome is the cancellation of the

Avanti contract. He mentioned the five services a day between Holyhead and Crewe, but he may not be aware that two of them have been cancelled today. For communities in Chester and north Wales, this ongoing nightmare is affecting lives and economic performance. When will the Secretary of State stop rewarding failure and get a grip on this service?

**Mr Harper:** I think the hon. Lady's question would be fairer if I had pretended there was not more work to do. Avanti has delivered performance improvement, running 40% more services, reducing the rate of cancellations to 4.2% and running significantly more trains on time, but I was very clear that it needs to do better on punctuality and deliver sustained improvement on cancellations. I know how much cancellations inconvenience passengers—not just those who wanted to catch the cancelled services, but passengers on other services that are then overcrowded. Avanti has work to do, but I think it has done enough so far to justify a six-month extension. We will consider whether it has sustained that performance when we have to make a further decision later this year.

**Aaron Bell** (Newcastle-under-Lyme) (Con): The service my constituents endured from Stoke-on-Trent last year was truly appalling, as my right hon. Friend acknowledged earlier. Does he agree that, although things have been better this year—I can testify myself that there are more services, they are less crowded, and most of them turn up on time—it is still not good enough, and 4.2% is not an acceptable cancellation rate? Will he hold Avanti to account before extending the contract any further?

**Mr Harper:** I welcome my hon. Friend's words, which paint a balanced picture. He recognises that there has been improvement, and I have talked to colleagues in this House and outside who have recognised that improvement, but there is more to do. Avanti has more to do on driving down cancellations and on punctuality, where it is at least now in the pack with the other train operating companies, but at the bottom of the pack. That is why we have only extended the contract for another six months. Avanti must demonstrate to our satisfaction that it can deliver that improved performance in a sustained way, which is what is important for my hon. Friend and his constituents.

**Dame Diana Johnson** (Kingston upon Hull North) (Lab): TransPennine's performance is rubbish. Its cancellation rates are appalling, Members on both sides of the House have lost confidence in it, and it cannot even run the toilets at Hull Paragon station properly. Why do we have to wait until May for a decision on the future of TransPennine?

**Mr Harper:** I think I was very clear in my characterisation of TransPennine's performance. I was perhaps a little more diplomatic than the right hon. Lady, who was franker in her assessment, but I said that its performance was not acceptable. The contract expires on 23 May; I will have to make a decision ahead of that and, as I have said, all options remain on the table if TransPennine does not improve its performance.

**Clive Efford** (Eltham) (Lab): It is five years since the newly refurbished London Bridge opened; apart from teething problems at the start, it ran relatively smoothly



[Clive Efford]

until the Government-imposed timetable changes came in in December. Since then, we have seen several very dangerous situations occur at London Bridge. At a stakeholder meeting a couple of weeks ago, Southeastern stated that one of the problems is that it has to make £10 million-worth of savings, imposed by the Government. The Secretary of State may not be a portly controller, but he is the controller none the less. Is it not the tinkering of this Government that is leading to a chaotic railway service, whether on Southeastern or Avanti?

**Mr Harper:** The particular set of circumstances the hon. Gentleman talks about requires Network Rail to work closely with Transport for London, as it is doing, to look at those circumstances. I know there have been issues with the timetable on his particular line and I remember a conversation he had with my hon. Friend the Rail Minister at the last set of oral questions, where my hon. Friend was able to supply the House with some positive news. I have listened carefully to what the hon. Gentleman says, and I will take that away and look at it to see whether there is more we need to do in the short term to improve performance for his constituents.

**Bill Esterson** (Sefton Central) (Lab): Many of my constituents are unfortunate enough to have to rely on Avanti. They thought the Secretary of State's predecessor should not have extended the contract last time, let alone this time. I want to look at some of his claims about improved performance, because they do not stand up to scrutiny over any extended period of time. Everybody knows what is going on here, because they have experienced the service for themselves. The average number of cancellations between September 2022 and March 2023 was just as high as over the previous six months, and Avanti had the highest proportion of trains more than 15 minutes late on record. The travelling public know it, we know it, and I suspect he knows it too: Avanti should be stripped of its franchise.

**Mr Harper:** I think we should judge Avanti's performance fairly. The hon. Gentleman is mashing periods together. Before December, I was quite clear that Avanti absolutely had to deliver an improved timetable—that did not start until December. Of course, as I said in response to previous questions, the first month or so of that was disrupted enormously by industrial action either in the train operating company or in Network Rail, or in both. Since Avanti brought it its new timetable, it has delivered 40% more services. Yes, it has not delivered sustained reductions in cancellations, but it has delivered reductions more recently.

There is no point in looking at the performance last summer and autumn, which I have accepted was terrible. There was a problem to fix, which is why Avanti needed

to bring in its new timetable. Since it has done that, it has delivered improvements. Are they good enough? No, which is why I have extended it for a further six months only. Avanti is very clear that it has to deliver sustained performance improvement, and I judged that that was the best way to deliver improved performance for the hon. Gentleman's constituents and those of other hon. Members.

**Rachael Maskell** (York Central) (Lab/Co-op): The performance and service of York-based LNER is the best across the network. That service is under the operator of last resort. By contrast, TransPennine Express, which is operated by FirstGroup, is failing my constituents abysmally. Will the Secretary of State look at bringing TPE under the same public ownership as LNER, and draw on York's advanced rail and digital rail cluster to make TPE an effective and efficient service?

**Mr Harper:** TPE's contract expires on 28 May, not 23 May. I recognise what the hon. Lady says about the excellent skills that are available in York. On LNER, that franchise often delivered very good performance. The reasons why it ended up being brought under the control of the OLR were to do with financial performance—the operational performance was very good. On TPE, we are carefully considering the performance of the existing company and structure, and we will make a judgment about that. I have said that no option is off the table if TPE does not deliver improved services. I listened carefully to what she said, and I will bear it in mind when we make a decision.

**Jim Shannon** (Strangford) (DUP): I thank the Secretary of State very much for his statement. For able-bodied people like us, travel can be a problem, but it is even more of a problem for disabled people. Will he outline whether improvements to disabled access will be extended to rural locations, which, although small in nature, are vital and pivotal to connectivity, especially for disabled people, who wish to be—and must be—fully considered and included in this statement and, indeed, in the delivery of services?

**Mr Harper:** The hon. Gentleman will know that, in a previous life, I served as Minister for Disabled People, so I take accessible transport very seriously. That is why one thing that I did when I became Secretary of State was to make all my Ministers clear that, in all their decisions, they had to think about how disabled people could have access to all modes of transport. He will know about the services that we have to improve station accessibility. I will make sure that, as we think about rural services, the Rail Minister thinks about access for all, because that is incredibly important, as the hon. Gentleman says.

## **Immigration and Nationality Fees (Exemption for NHS Clinical Staff)**

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

4.39 pm

**Rob Roberts** (Delyn) (Ind): I beg to move,

That leave be given to bring in a Bill to exempt NHS clinical staff from the requirement to pay fees under section 68 of the Immigration Act 2014; and for connected purposes.

I declare a partial interest for the avoidance of doubt, as my fiancé is a healthcare professional from overseas. However, he already has his British citizenship, so would derive no benefit from this Bill whatever.

The NHS is a fundamental part of British life, as it has been for decades. It has been under a particular spotlight for the past couple of years as we have battled with the most significant public health crisis in our lifetimes, and right hon. and hon. Members from all parts of the House have spoken at length about the debt we owe to the NHS clinicians who put themselves in harm's way to make sure they could provide healthcare to the rest of us, who rely on them so profoundly.

I have spoken on this topic several times both in the Chamber and in Westminster Hall, and last year I tabled an amendment to the Nationality and Borders Bill to exempt NHS clinical workers from paying the fees associated with applying for indefinite leave to remain. I discussed the amendment with the Minister at the time, the hon. Member for Corby (Tom Pursglove), as well as with the hon. Member for Torbay (Kevin Foster), who had responsibilities in this area. I was told that the amendment, which was unusual in this House in having signatures and support from Members from six different parties, was not acceptable to the Government because we could not make special cases out of certain groups of people. Shortly afterwards, as the Bill was making its way through the House of Lords, the Government announced that armed forces veterans would be exempted from paying fees for ILR applications. I thought that was interesting, given that NHS workers had not been worthy of a special classification just a couple of months before.

The Home Secretary at the time, the right hon. Member for Witham (Priti Patel), said:

“Waiving the visa fee for those Commonwealth veterans and Gurkhas with six years’ service who want to settle here is a suitable way of acknowledging their personal contribution and service to our nation.”

To take nothing away from the veterans who have put their lives on the line in service of the country and the Commonwealth, we would be hard-pressed to find many members of the public who do not believe that our NHS clinical staff are worthy of the same consideration.

While the entire NHS played a vital role, our thanks and gratitude should go in particular to NHS workers who have come from other countries. Those individuals have travelled huge distances to be here, are often separated from their families, and have put their own lives at risk to help and save our lives—citizens from a different country to their own. Regardless of their or our citizenship, the duty and responsibility to care and contribute to the wellbeing of others always comes first for them. It is amazing, and it should be highly commended.

I welcome the many steps that the Government have already taken for foreign NHS workers, including the health and care worker visa and the exemption from the immigration health surcharge, but we need to go further. These people want to make the UK their home. They have put down roots, and we have a duty to put in place a framework that allows them to do just that, without thousands of pounds-worth of costs just to stay in a country to which they have already contributed so much.

With fees for indefinite leave to remain at more than £2,400 and citizenship applications costing another £1,800 or so, plus another few hundred for biometrics, English language tests and all the supplementary things that need to be done, the total cost of the naturalisation process is more like £5,000—among the highest in the world. The process of becoming a citizen for our NHS workers is costly and challenging, and includes the ridiculous “Life in the UK” test, which asks questions about such useful topics as the Great Exhibition of 1851 and which British actors have won Oscars recently. Quite how anyone could be expected to integrate into British society without that pivotal knowledge remains a mystery.

Doctors, nurses, physiotherapists, occupational therapists, psychiatrists and all manner of clinicians come to our shores to work in the NHS. They pay their taxes every month. They work in intensive care units, high dependency units, paediatric cancer centres and in everything from obstetrics and neonatal units to geriatrics and palliative care. They spend their working life in this country saving lives, and that was especially so during the pandemic. They have to take out loans to pay for their residency applications. As I have said a number of times before, we should not be driving them into debt; we should be in their debt.

It is our duty to create a new route to citizenship for NHS clinicians—one that will not leave workers in debt, in poverty or in constant worry about funding their next application—by abolishing the costs associated with applying for indefinite leave to remain and citizenship for NHS clinical workers. There would obviously have to be some caveats, in that those workers would need to have worked in the NHS for at least three years and would also need to commit to remaining in the NHS for at least a further three years; otherwise, the fees that they would have paid would become due. That is necessary to stop people gaining the benefit that I hope would benefit clinicians in our NHS, then deciding to go into the private sector immediately after they have received their right to reside. That would be counterproductive to what I am trying to achieve.

I am proud that our NHS attracts such global talent and recruits from around the world; quite frankly, we would not be able to run it without them. In 2021, over 160,000 NHS staff from over 200 different countries stated that they were a non-British nationality, accounting for nearly 15% of all staff for whom a nationality is known. However, the current fees and process is a huge barrier for both future NHS workers, who are put off coming to the UK to fill our many vacancies, and current NHS workers, who are unable to afford the final step and receive the permanent residency that they have earned through their service to our country.

Residency and citizenship should not be about cost—whether a person can afford it—but about contribution and inclusion in our communities. NHS workers have

[Rob Roberts]

perhaps made the biggest contribution of all, saving our lives and keeping us safe. Despite being such valued members of the communities in which they live and work, without being citizens they struggle to be fully part of those communities. Without ILR, individuals face barriers to home ownership, as it is almost impossible to get a mortgage, as well as barriers in higher education and so many other aspects of life. Therefore, scrapping the fees would not only make residency and citizenship more affordable and a viable option for foreign workers in our NHS, but would create a more diverse and, crucially, a more integrated society.

People from other countries who have worked in our NHS during this pandemic and throughout their lives deserve to be able to call the UK their home, and actually feel as though it is. The pandemic had one benefit, in that it highlighted what many of us already knew: that our NHS workers, whether British or not, are the backbone of our health service and our country. Those who have come here to provide such incredible care should not be penalised for it, but currently, the high application fees do just that. In conclusion, it is time to abolish the fees for indefinite leave to remain and citizenship for those clinical staff who work in our NHS, so that those who spend time helping and treating us can finally feel like they belong, and are welcomed in our country with open arms.

*Question put and agreed to.*

*Ordered,*

That Rob Roberts, Dr Philippa Whitford, Martyn Day, Margaret Ferrier, Ben Lake, Sarah Atherton, Mark Fletcher, Henry Smith, Jim Shannon and Claudia Webbe present the Bill.

Rob Roberts accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 24 March, and to be printed (Bill 272).*

## Ways and Means

### Budget Resolutions and Economic Situation

[Relevant documents: *The Eleventh Report of the Treasury Committee, Fuel Duty: Fiscal forecast fiction, HC 783, and the Government response.*]

#### INCOME TAX (CHARGE)

*Debate resumed (Order, 16 March).*

*Question again proposed,*

That income tax is charged for the tax year 2023-24.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

4.48 pm

**The Secretary of State for Science, Innovation and Technology (Michelle Donelan):** Last week, my right hon. Friend the Chancellor of the Exchequer delivered a Budget that gets straight to work in addressing the Prime Minister's five priorities, which are of course the people's priorities. We on the Conservative Benches are putting the country firmly on a path to halve inflation, grow the economy, reduce debt, cut waiting lists and stop the boats. [Interruption.] Opposition Members do not like that, not just because they do not have a plan to address the priorities themselves, but because they do not recognise the things that matter to the British people in the first place: strong, financially stable families; public services that innovate and pioneer new technologies; high-paying, high-quality jobs for our children; strong borders; and a respect for British law and our way of life.

It is because we on the Conservative Benches focus on the priorities of the entire country that the British economy is getting back on track. Ten-year gilt rates, debt-servicing costs, mortgage rates—all of them are falling, and inflation has already peaked. Despite continuing global instability, the Office for Budget Responsibility reported just last week that inflation in the UK will have fallen from 10.7% in the final quarter of last year to 2.9% by the end of 2023. Thanks to this Government's responsive and responsible approach, we will have more money for public services benefiting British families right now, and less of a burden on our children and grandchildren. Our plan to deliver on the Prime Minister's priorities is already starting to work. We have restored stability, and now it is time for the next part of our plan.

**David Linden** (Glasgow East) (SNP): Who was it that caused the instability?

**Michelle Donelan:** It may have escaped the hon. Member, but we have had a global pandemic and a war in Ukraine.

We are using these firm foundations to build long-term sustainability and healthy growth—growth that will bring security, prosperity and opportunity to British businesses and British people. To get that growth, we are on a trajectory of innovation in every part of our economy. Since the industrial revolution, our country's willingness to rethink and reimagine has led to the



inventions of the telephone, the TV, the world wide web and much more. That is why, under this Government, our tech sector has already become third in the world to reach a value of \$1 trillion, behind only the US and China. We are ranked fourth above China, Germany and Japan in the global innovation index, we are second in the global talent index and we have four of the world's top 10 universities.

I could go on, but we are not a Government who are focused on where we were or where we are; we are a Government who are focused on the future. That is why we have set up the Department for Science, Innovation and Technology with one single mission—making Britain a science and technology superpower. It has been just six weeks since we became the new Department, and we have already published the UK science and technology framework, setting out our vision for science and technology. We have responded to the second largest bank failure in the US, and this Government helped facilitate a deal to save the UK arm of Silicon Valley Bank, protecting thousands of important jobs in the life sciences and tech companies, and safeguarding them in the long-term.

In the Budget, we announced a staggering £2.5 billion of funding for the quantum technologies that we anticipate will revolutionise everything from healthcare to farming. That built on the announcement we made of £370 million of new moneys for things such as technology missions, which will set Britain up to lead on artificial intelligence, quantum technologies, bioengineering and much more. These things matter, because the British public rightly expect Britain to be leading in the technologies of the future and for these technologies to deliver real tangible benefits to their local communities and their families.

**Geraint Davies** (Swansea West) (Lab/Co-op): The Secretary of State will know, because I have told her before, that there are 1,000 jobs across universities in Wales that are about just to end because of the sudden end of EU structural funding. The Government promised that not a penny less would go to Wales for those jobs in 260 projects that are generating green growth in high-tech areas. Will she keep those jobs going by providing bridge funding for the next year?

**Michelle Donelan:** The hon. Member has already raised that with me, and I have already said that I will meet him to discuss it. The Government have of course launched the shared prosperity fund, and we will ensure that spending on research and development outside the south-east is increased by 40% by 2030.

**Sir Desmond Swayne** (New Forest West) (Con): How are we going to get vital private sector investment into the industries the Secretary of State is so rightly concentrated on when so many of our own institutions are concentrating on Government debt, effectively crowding out this highly vibrant sector?

**Michelle Donelan:** My right hon. Friend is quite right. That is one of the key pillars in our science and technology framework. This should be a partnership with industry. We have already begun that journey, working with the likes of the Schmidt Foundation, and I look forward to updating the House on our further collaboration with industry.

Let us look at something like Alzheimer's disease, an illness that is projected to impact one in three people born this year in their lifetime. Many people here today or watching the debate will know at first hand the devastating impact that that illness can cause, yet there is hope, through the extraordinary opportunities for progress made possible by quantum technology. British researchers are already in the building stages of quantum sensors that can map the human brain in a way that is unimaginable to us at the moment.

**Sir Chris Bryant** (Rhondda) (Lab): My father has dementia and is in a care home—he has been during covid—so I know that it is really important to make significant advances in this field. One of the difficulties for business that are trying to take great scientific and medical ideas into the market is that it is much more costly if we have a different regulatory regime in this country from the rest of Europe. Will the Secretary of State ensure that we align our regulatory regime in this field with the rest of Europe, rather than diverge from it?

**Michelle Donelan:** The Chancellor, at the same time as delivering the Budget, published the Vallance review of the regulation of new and emerging technologies. That is all about how we can support the incubation of technologies, and how we should have a lighter touch to regulation in the first stages and then synergise with the rest of the world later on. I invite the hon. Member to read that very useful document.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): Will the Secretary of State give way?

**Michelle Donelan:** I will make some progress, because I am getting nowhere and I have already been very generous.

We announced an extraordinary £2.5 billion in the Budget for quantum technology over the next decade. We did more than fund a crucial strand of scientific discovery; we laid the building blocks for a future where early diagnosis and prevention of these kinds of diseases gives us more time with the ones we love and cherish.

**Emma Hardy:** Before she proceeds, will the Secretary of State give way?

**Michelle Donelan:** Once.

**Emma Hardy:** I thank the Secretary of State for giving way. It really is welcome news that we are doing advanced research and using AI and technology. Will she look again at the rules for animal testing and the use of live animals in experimentation? Surely, as we develop our AI research and the technology side of research, we should be moving away from the barbaric and cruel use of animals.

**Michelle Donelan:** We are supporting and accelerating advances in biomedical science and technologies to reduce reliance on animals in research. I pledge to write to the hon. Member with further details on that rather than hold the House up any longer.

This is the power of innovation when we are bold enough to unleash it: we already rank second in the world to the US for the number of quantum companies.

[Michelle Donelan]

On top of that, the quantum technologies mission, which I announced a few weeks ago, dedicates £70 million in this spending review period to accelerate quantum technologies. Building on the success of the 10-year national quantum technologies programme from 2014, the new strategy sets out our vision and plan to further establish the UK as a world leader by 2033. We want these technologies out of the lab and into our lives, because we know what they mean to families and communities in every part of our country.

The same goes for the limitless possibilities before us in the world of artificial intelligence. My vision for an AI-enabled Britain is one where NHS heroes are able to save lives using AI technologies that were unimaginable a few decades ago. I want our police, our transport networks, our climate scientists and many more to be empowered by AI technologies that will make Britain the smartest, healthiest, safest and happiest place to live and work.

**Jim Shannon** (Strangford) (DUP): On saving lives, will the Secretary of State give way?

**Michelle Donelan:** Yes.

**Jim Shannon:** I very much welcome what the Secretary of State has said, and there are clearly many positives in the Budget, but the British Heart Foundation contacted me to say that cardiac care is time-critical, and that delays to vital tests, procedures and operations can lead to otherwise preventable heart attacks. At the end of January there were 370,000 heart patients waiting for elective care. What will be done to save those people's lives?

**Michelle Donelan:** We are talking today about investing in the technologies that can progress our healthcare system and about our use of green technology so we can get to work in a cleaner, greener way. Our technologies can progress our society in so many different ways. I am happy to meet the hon. Member to discuss that in detail, but it might be more of a question for the Department of Health and Social Care.

That is why the Government's commitment to AI goes much further than just warm words. Over five years ago, we identified AI as one of the four grand challenges in the industrial strategy, investing £1 billion in the AI sector deal in 2019. In 2021, we set out our ambitions in the national AI strategy—ambitions which the AI action plan shows we are determined to deliver. In the last decade, we have also invested over £2.5 billion in AI.

**Dr Luke Evans** (Bosworth) (Con): On the Secretary of State's new role in the new Department, one key thing we need to look at is keeping regulation updated with advancements. Already, things such as ChatGPT mean that people can get their homework done, generate images and make apps using a computer. Can we take the example of the Medicines and Healthcare Products Regulatory Agency, which learnt, through the vaccine, to do the research and put the regulation in place, so we do not find ourselves, with the Online Harms Bill, where we found 10 years ago when the internet was

brought through? Is there an opportunity for her to put regulation in place to ensure we move it along as the technology develops?

**Michelle Donelan:** I absolutely agree. That is exactly why the Prime Minister announced, just days ago, the establishment of a large language model taskforce to look at that and to ensure we can gain sovereignty in this particular area. Over the coming weeks, we will also publish the AI White Paper.

Earlier this month, I announced £110 million for AI technology missions. That funding, which we anticipate will be matched by equal private investment, will support the science behind some of the most important AI technologies of the future. We will also realise some of AI's transformative applications, from reducing greenhouse gas emissions to increasing productivity in sectors such as agriculture, construction and transport.

Success in AI requires the UK to be a hub of the best and brightest AI minds in the world. We have already backed AI with £8 million to bring top talent into the UK. That is coming on top of £117 million in existing funding to create hundreds of new PhDs in AI research. In the Budget, the Chancellor took a further step forward with the announcement of the Manchester prize, which will back those harnessing the immense power of AI to break new ground.

The Chancellor also announced a staggering £900 million in funding for an exascale super-computer and a dedicated AI research resource, making the UK one of only a handful of countries in the world to have such a powerful computing facility. We are creating thousands of high-quality jobs and ensuring that the UK is going to be the home of the AI technologies that will directly help to address the priorities of the British public. These are not just jobs that will power our future; every single job will create these exciting fields—opportunities that will release the potential of thousands of talented people up and down the country.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): The Manchester-based physicist and Nobel prize winner Andre Geim has said that the top researchers around the world and in the UK are either not coming or looking to get out because living standards are so low; they can earn far better wages elsewhere. Does the Secretary of State not agree that all these aspirations, great though they are, will never be met so long as living standards in the UK fall well below those in other western European countries?

**Michelle Donelan:** I cannot believe the hon. Member is insisting on talking down our great nation. We are already attracting these people to our country. That is why we are third in the world when it comes to AI. That is why we are boosting that supply as well as growing our own talent.

The right skills, the right investment and the right infrastructure: these are the ingredients of a science and technology superpower, and perhaps nowhere is that more true than in our world-class research sector. In January, we launched the Advanced Research & Invention Agency, or ARIA—a new independent research body custom built to fund high-risk, high-reward scientific research, backed by £800 million in funding.



**Tim Loughton** (East Worthing and Shoreham) (Con): I am so pleased that the Secretary of State is placing great emphasis on AI. When I was a child growing up on a farm, AI stood for artificial insemination—a somewhat messier affair than what we know it as today.

Far from what the hon. Member for Glasgow South (Stewart Malcolm McDonald) was saying about the standard of living in this country, many international investors do come to London because of the quality of life. The disincentive is that we do not reward risk enough and it is still too difficult to raise money on the London capital markets for some of these emerging industries. It is great that the Government are putting in seed funding, but we also need to make it much easier and more attractive for private business to put their money where their mouth is.

**Michelle Donelan:** I completely agree with my hon. Friend's latter point; obviously, when I was referring to AI, I was not talking about what he described to start with. We will continue to work across Government to ensure that we are attracting companies to locate in the UK and create British jobs.

With unique freedoms, ARIA will be able to empower extraordinary people who have a radical vision for a positive approach and positive change for our country. We are a nation of inventors—from the toaster to the television and from tarmac to teabags, we have never been short of good ideas. This rich history of invention and extraordinary research must, of course, be backed to ensure that it continues and that we continue to grow our economy.

As I have emphasised, it is vital that everyone, no matter where they live, has the opportunity to play their part in Britain's innovation economy. That is why the Chancellor announced the creation of 12 investment zones, to supercharge growth in some of the most exciting areas of the economy, from digital and tech to life sciences and advanced manufacturing. The zones will be clustered around a university or research institution and bring growth to areas that have traditionally underperformed economically. Each new zone will be backed by £80 million of investment over five years.

We have also established the Innovation Accelerator programme, investing £110 million into 26 transformative R&D projects to accelerate the growth of three high-potential innovation clusters—from new health and medical technologies in Birmingham, to productivity-enhancing AI in Manchester and the development of quantum technologies for cleaner and more efficient manufacturing in Glasgow. By bringing universities, local leaders and businesses together, those projects will drive regional economic growth and provide a vital boost to the Government's levelling-up agenda.

The Chancellor also rightly paid special attention to regulation in the Budget. Smarter, pro-innovation regulation will ensure that we continue to attract and grow the most promising start-ups and scale-ups. Once again, the Budget put the money where it counts. We announced £10 million of extra funding in the next two years for the Medicines and Healthcare products Regulatory Agency, helping it to become the most innovative healthcare regulator in the world, to support our life sciences sector and our NHS—and most importantly, to save lives.

The Chancellor also accepted all nine recommendations of the Vallance review on regulating digital technologies, to ensure that we have a coherent, agile and flexible regulatory approach. We need to minimise undue burdens on businesses and grow the economy. That includes the creation of AI sandboxes, which will support the innovative regulatory approaches that we need to drive forward the responsible and safe development of artificial intelligence. We will take that forward in our forthcoming AI White Paper, which will set out our proportionate and pro-innovation approach to regulating AI—designed to make sure that the UK is the best place in the world to develop and deploy AI.

Finally, the Chancellor shares my view that international collaboration has a critical role to play in ensuring that Britain can continue to deliver world-leading research. We welcome the EU's recent openness to discussions on Horizon association, following two years of unfortunate delay. On 14 March, just last week, I met Pedro Serrano, the EU's ambassador to the UK, to discuss collaboration on science and research, including the Horizon Europe programme. The Government will continue to back our research community, which is why we have extended the Horizon guarantee and are clear that we will not let our researchers wait another two years for certainty.

This Government are unashamedly pro-growth and pro-business. Even after the corporation tax rise this April, we will have the lowest headline rate in the G7. Only 10% of companies will pay the full 25% rate. It is particularly vital that we support the businesses that are investing in research and development and bringing those science and technology benefits to the British public. That is why loss-making SMEs for which qualifying R&D expenditure constitutes at least 40% of total expenditure will now be able to claim a higher payable credit rate of 14.5% for qualifying R&D expenditure. Our life sciences and tech sectors are expected to be among some of the main beneficiaries of the changes, enabling those crucial companies to drive sustainable growth and jobs in the years to come.

This is not just about giving growth a short-term boost: we have a long-term plan for building an economy fit for the future. That is why the Chancellor also announced that the capital allowances super-deduction will be replaced with full expensing of capital allowances for three years, with a move to make that permanent as soon as possible. That will ensure that the UK's capital allowances regime is world-leading, as the only major European economy to have such a policy.

Before I conclude, I pay tribute to the millions of people who work in our science, innovation and technology sectors, who are working to change our lives for the better every single day. Budgets are not about Government but about real people who have real families and real jobs that they have to think about. They are looking to this place today, and they want to see that we know what matters to them and are prepared to invest in the things that deliver on our country's priorities. They want more time with their loved ones. They want to be able to travel safer, faster and cleaner than the generation before us. They want higher-quality jobs, stronger borders, and cleaner and greener towns and cities. These are the things that motivate us to become a science and technology superpower. It is not about status or achieving goals for their own sake, but about making British people happier,

[Michelle Donelan]

healthier, smarter and more prosperous. This is a Budget that puts those priorities at the heart of Government and delivers. I commend it to the House.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. I think we will start with a time limit of six minutes, and see how we go from there. In the meantime, I call the shadow Secretary of State.

5.12 pm

**Lucy Powell** (Manchester Central) (Lab/Co-op): It is a pleasure to open the debate on science and technology, as one of the few Members in this place probably with a science degree. You might be aware, Madam Deputy Speaker, that I studied chemistry at Somerville, like another well-known female politician very popular on the Government Benches. I hope that is where the similarities end, although we both have a reputation for, how shall I put it, getting our own way.

Science, technology and innovation are close to my heart. I welcome the new focus—not before time—on these issues, which I will come to. Even with the new Department and a few mentions in the Budget, we are still miles behind where we need to be in exploiting the potential of the UK as a science and tech superpower.

First, let me address the Budget overall. Having had a few days to digest and analyse, the verdict on the Budget is in. It is not a

“sustainable plan for long-term economic expansion”.

Those are not my words but those of *The Daily Telegraph*. The Federation of Small Businesses was no more complimentary, saying that its members would feel “short-changed” by the “meagre” Budget. The Institute for Fiscal Studies labelled Britain a high-tax economy, with households feeling “continuing pain”.

The public view is that it is a Budget not for them, but for a tiny few—a growing theme after 13 years in office. No wonder most now trust Labour over the Conservatives when it comes to the economy. That is the verdict, because this is a Budget divorced from most people's reality—or as we have just heard, from anybody's reality. There was no mention in the Chancellor's speech that this Parliament is set to see the biggest fall in living standards ever recorded—the biggest fall by a country mile, according to the Resolution Foundation. That means families worse off and prices going through the roof, as wages fall through the floor.

New research for the BBC, out today, shows that the average British worker is now £11,000 a year worse off than they should be, after 13 years of a Conservative Government. That is the reality for most people. The reason for that cannot be passed off as global forces, as it is relative too—middle-income Britons are now 10% worse off than the French and 20% worse off than their German equivalents. When holidaying Brits return to the continent in force this summer, they will feel like the poor man of Europe once again. That is the record of this Government; no wonder they hardly mentioned it.

It was a Budget divorced from the realities of most businesses, too. Nothing for them on their unaffordable, rising costs; nothing on business rate reform; and very

little to boost their immediate workforce challenges either. Small businesses were offered thin gruel. Perhaps that was what the former Prime Minister meant when he said something quite unparliamentary about business.

It was a Budget utterly divorced from the realities facing our public services too, with hardly even a mention of the NHS or care. Yet we have 7 million patients stuck on waiting lists, A&E waiting times at an all-time high, social care in crisis, putting extra pressure on hospitals, and a chronic workforce emergency.

**Dr Luke Evans:** Does the hon. Lady welcome the statement by the British Medical Association about the changes to pensions, which will get senior doctors back to work? The chair of the BMA pensions committee said in the media that the changes had the immediate effect of getting people back to work, which means the NHS workforce will be strengthened.

**Lucy Powell:** I will come on to say something about that, but as my husband is an A&E consultant I am all too familiar with these issues. As the IFS said, it was a golden

“sledgehammer to crack a very small nut”.

The realities facing our public services are not addressed in this Budget.

It is another Tory Budget so divorced from reality that it exposes, once again, who the party in government is really for—tax cuts for the wealthiest, tax hikes for the rest. The last Tory Budget had a cut to the 45p top rate of tax; this Budget has a pension tax cut for the top 1%. Government Members might groan and wail, but that is the reality.

Wealth managers already see the Budget as a bonanza, and not only a huge tax break for the super-wealthy but an inheritance tax wheeze for the super-rich too, with one wealth adviser describing it as

“a great opportunity for tax-free growth.”

**Tim Loughton:** The hon. Lady has been quoting experts and the newspapers. Will she now admit that the figures that her colleague, the shadow Chancellor, gave about the benefit that the pension changes will bring was grossly miscalculated? A quote that appeared in the *Financial Times* said it was

“based on a muddled understanding of how the pension tax rules operate”.

Will she apologise for the calculations in the Labour press release or are they just muddled?

**Lucy Powell:** I will not apologise for those figures, and in the next part of my speech I will explain that the figures are perhaps worse than previously thought. There are issues for doctors, but only 16% of those who will benefit from this massive boon are doctors, and that is before all the speculators dive into this new wheeze. That is the political choice that this Chancellor and this Government have made—trickle-down economics, and tax perks for the tiny few. That is the record that they just will not be able to dodge.

**Dr Luke Evans:** On that point, will the hon. Lady give way?

**Lucy Powell:** I will not give way again. Government Members have plenty of time to give speeches.

It is a Budget divorced from the reality of who caused this economic crisis. It was the Conservative party that crashed the economy, sending markets into freefall and interest rates sky high, resulting in a Tory mortgage penalty for millions of homeowners. The Government want to blame others, but their record is falling living standards, a stagnant economy, falling house prices and the worst growth forecast in the G7—all stats the Chancellor failed to mention.

**Andrew Bridgen** (North West Leicestershire) (Ind): The hon. Lady is very unhappy about this Government's pension changes. Would a future Labour Government reverse them immediately?

**Lucy Powell:** We have already said that we will, but we will make sure that there is a fix for doctors who need it.

Let us move on to the realities in science, tech and innovation. Technology is moving at breakneck speed and changing the way we live, work and play in ways that we cannot even imagine yet. Not only can we search the entire world's knowledge from devices in our back pockets or communicate with anyone anywhere at any time, but AI and computer programmes can increasingly perform roles better than humans. An AI bot could probably have written me a better speech than the one I have made today—perhaps the Secretary of State might want to look at that the next time she is giving a speech.

The choice facing countries, companies and citizens is either to harness those changes and keep up with them or to fall behind. That is why a huge global race is going on to develop and adopt the technologies of the future and seize the opportunities of the digital revolution. The UK has led industrial revolutions before, and we can lead this one. We have world-leading universities and research, a global appeal with the English language, and digitally savvy consumers. We have a competitive advantage in life sciences, professional and financial services, healthcare and creative industries, all helping to attract fintech and the best talent.

However, there are also some worrying signs. Our universities and research are not translating enough into commercial success for UK companies. We have a productivity problem because not enough of the economy is adopting the latest technologies. We have been slow to bring in digital regulation, so our world-leading position is being lost. Our public services could be cutting-edge and more efficient, but they have not seized the data and digital opportunities. Companies start up in the UK but do not scale up to compete in a global market: Arm's recent decision to be listed in the US, not the UK, gave us yet more evidence of that. That is the story of Britain: we invented the silicon chip, but not silicon valley. That is why we need a Government who are up to the challenge of the tech revolution, not a slow-moving analogue Government divorced from the reality of what it takes to win the race.

The announcements in the Budget pale in comparison with some of our international competitors. The Government announced new money for AI research, but we are already lagging far behind Canada, the US, France, Italy and others. For context, the EU is looking at a £7 billion project to support computer innovation across Europe. Even when the Government's new

supercomputer to support AI is up and running, it will have capacity equivalent to only 10% of what a single American company already has today. That does not sound like winning the global race to me, although I do think the Government showed excellent judgment in choosing the name of the new AI research challenge—"Manchester", for those who were not watching.

It is the same story with 5G infrastructure, which is so critical to the digital revolution: while the Government have invested £200 million in early-stage trials, Germany is investing billions and South Korea has already got a third of the country on 5G. The quantum strategy and funding are welcome, but Germany, which until recently was governed by a quantum chemist, invested the same amount over half the time and started two years ago, again putting Britain behind in the race.

It is not just about investment. The UK should be at the forefront of regulation around new technologies, making sure that we are the first to set the rules of the game and are helping to attract businesses looking for certainty and a supportive regulatory framework, so that it is our values shaping how new technology develops, rather than those choices being made in China or elsewhere. The mess over TikTok was just the latest example of the Government dragging their feet. We saw the same thing with Huawei: the Government failed to invest in our sovereign capabilities and then failed to predict the security concerns, resulting in a chaotic and expensive unpicking of Huawei's role in our national infrastructure.

We now have a chance to get ahead of the curve in technologies and to help to secure our national resilience, so where is the regulation of digital markets that has been promised for years? Where is the semiconductor strategy? Where is the media Bill to protect and promote British broadcasters in the streaming age? Where is the commitment on Horizon? It is the elephant in the room. The ongoing uncertainty is costing collaboration opportunities, research projects and jobs across the country.

While the Budget featured at least nods in the direction of the most advanced companies and technologies—in which regard we are already doing relatively well—there was nothing at all to bring up the long tail and answer the UK's great productivity challenge. No wonder growth forecasts were down. This is another case of trickle-down thinking and a Government divorced from what constitutes the real problem.

Technology should be a great leveller, but that will not happen by accident. We need to plan to ensure that the benefits of the digital economy are not concentrated only in London and the south-east, and that we take advantage of our great potential ingenuity and creativity in the rest of the UK. We need to boost tech adoption. We have one of the worst long tails of companies, particularly small and medium-sized enterprises, that are not taking advantage of digitalisation and the latest technologies, and their productivity is suffering.

We need to harness data for the public good. Proposals in the Data Protection and Digital Information Bill are nothing more than tinkering with the General Data Protection Regulation, while the huge potential for data to transform our public services, empower citizens and put the UK at the forefront of open data is being left on the table. We need serious action on skills so that young people are not just endangered by social media but have



[Lucy Powell]

the entrepreneurial and creative skills that the AI economy will need, and the current workforce are not made redundant by robots but are able to secure the new jobs of the future. We need to boost our digital infrastructure so that everyone has fast, reliable and affordable connections and we are at the leading edge of industrial 5G and the next generation of connectivity.

It is Labour that is leading the way in tackling the big challenges that our country faces. Because of our ambitious plans for skills, start-ups, growth, industrial strategy, the digital economy and devolution, businesses are flocking to Labour. [HON. MEMBERS: “No they’re not.”] Oh yes, they are. John Allan, the chairman of Tesco, said recently that Labour was

“the only team on the field”

when it came to growth. Kasim Kutay, of the life sciences firm Novo, says that Labour is the only party that has “demonstrated an understanding of the challenges facing the UK”.

Apparently, however, it is not just business leaders who like Labour’s plans. We have proposed GB Energy, and the Conservatives have proposed GB Nuclear. We said “windfall tax”, and they said “energy profits levy”. We said, “We need a bold plan to fix childcare”, and they seemed to like that one too. Where Labour leads, the Conservatives follow. They do say, do they not, that imitation is the sincerest form of flattery? But the truth is that the Conservatives are not up to the job. They are divorced from reality. They crashed the economy, they are responsible for the biggest fall in living standards that we have ever seen, and they are losing the global race for jobs of the future. They are out of road and out of ideas, so instead of pinching our ideas, why do they not just make way?

5.27 pm

**Damian Collins** (Folkestone and Hythe) (Con): It is, as always, a pleasure to follow the Shadow Secretary of State, although I could not help noticing that she seemed to spend longer making general political points about the Budget than actually addressing issues relating to the Department for Science, Innovation and Technology. [Interruption.] The hon. Lady says “So?” from a sedentary position, and she is perfectly entitled to do so—the Budget debate is a general debate during which Members can bring up topics relating to any subject, not just the one that is slated for the day—but I mention that because I think this is an area of Government activity in which the Government have an incredibly strong record over many years.

That is demonstrated by the fact that investors and businesses recognise the UK as a global hub—a leading centre in Europe and in the world. When we talk to tech investors working in hubs in Berlin or Barcelona or Tel Aviv, we hear that they regard London as the primary centre where they go to raise funds to grow and scale their businesses. As the Secretary of State said, we have the leading research institutions in the world: four of the world’s top 10 universities are based here. Our university clusters are driving innovation and growth in the sector, which is why we are so well regarded and respected. Our strategy for making the UK a world centre for tech and innovation is based on three key areas: driving growth in the economy, having a pro-competition strategy, and setting high standards.

When it comes to growth in the tech sector, we should look at investment not just in London and the south-east but across the UK, and at the way in which tech sectors have emerged and developed over the last decade. A good demonstration of that, as the shadow Secretary of State knows, is that we can jump on the Metro or the tram in Manchester and see the emergence of Salford Quays as one of Europe’s leading centres for creative industries and technology. When I was Chairman of the Select Committee, we visited Dundee. Dundee and Edinburgh are leading centres for the video games industry.

In Birmingham, within a stone’s throw of where the Birmingham hub for high-speed rail will be, we can see institutions such as Birmingham City University with its fantastic STEAMhouse centre for tech skills, where AI training courses are being delivered. That is over the road from the Greater Birmingham and Solihull Institute of Technology, a centre for advanced engineering, which is down the road from Fazeley Studios, which has become an important hub for the broadcasting and creative industries in Birmingham. Many of the buildings on those sites did not exist a decade ago, and the idea that this would be a major cluster for the tech sector and the broadcasting and creative industries was not something that people would have envisaged in 2010, but it is a reality today as a consequence of policies that have been put in place by this Government. That is why the Chancellor was right to recognise in the Budget the strategic significance of investment in research and development, and also in the strategic hubs and clusters of businesses that are so important for driving the sector.

The UK will be a leader in digital competition, and that is one of the reasons we need to support British businesses throughout their life cycle; not just in the R&D phase when they are growing, but when they seek to scale as well. If emerging businesses are to scale in tech marketplaces, we need to ensure that they can compete fairly alongside the tech giants whose services they rely on to reach their customers. Many app developers cannot reach their customers without using products and platforms designed by Meta. Most businesses require Amazon services either for cloud storage or for selling. Most businesses also require a good ranking on Google to reach their customers. They should be able to do so fairly. There are only two app store markets: Google and Apple. Those two monopolies exist alongside each other. Any developer needs to use those stores to reach customers, just as any customer needs to use them to access the products they want. It is important that customers and businesses are treated fairly, and the digital markets, competition and consumer Bill, which will come forward soon, will be vital to securing that.

Standards are one of the most important aspects of the UK’s leadership. One of the best examples of standards, certainly for AI, is the Online Safety Bill. It is world-leading legislation that will effectively cover the regulation of the AI-driven recommendation tools that drive the experience of social media. AI is an enabling technology. It draws on data to make recommendations and decisions on behalf of users to improve that user experience. However, like any other form of technology, it requires the right standards and safety regulations around it to ensure that it is delivering. New chat tools have been mentioned. AI-driven chat boxes are new in their technology, but the principles behind them are not new.

We have also seen that with technologies such as autocomplete on Google, where online tools guess and make assumptions about what people want to see or what responses they want. We need to ensure that they are making sensible, reasonable recommendations and not directing people towards harmful content or hate speech, or driving people into isolated groups and communities.

There need to be standards that underpin the way that AI works and the recommendations it makes to users who engage with those tools. That is why the Government were right to recommend and support the creation of a UK AI sandbox, where companies can trial, and demonstrate trials of, new technologies before they are rolled out. This is common and standard in most other industries. The European Union is developing an AI sandbox, and it is right that we should do the same here. It is also right that we should build on the work of AI standards being developed at the Alan Turing Institute, to set a standards-based framework for the applications of AI in the future.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the SNP spokesperson.

5.34 pm

**Carol Monaghan** (Glasgow North West) (SNP): I cannot remember ever speaking in a Budget debate dedicated entirely to science, so it is a real pleasure. Like the hon. Member for Manchester Central (Lucy Powell), I have a science degree, although mine is of a different flavour, being in physics. It is nice to speak in this debate as the SNP spokesperson.

A flourishing research and development landscape will produce major economic benefits, so the focus on science should be a positive. The problem is that this Government are not creating an environment conducive to flourishing research and development. First and foremost, they have to convince those working in the sector that they are valued. They have to consider the push and pull factors for a career in science. The Secretary of State talked about financially stable families, but she has to recognise that the wages and job insecurity mean that many cannot afford to stay in the sector, so they leave for other occupations.

I will now digress a little. A number of years ago, I visited a hydroelectric museum in the Alps. It is more than 150 years since we started developing hydroelectric as a means of generating electricity. The museum had an interesting display that said hydroelectric power would have been developed to a far greater extent if not for the discovery of oil. We saw oil stifling innovation, particularly in renewable sources, 150 years ago, and now we have the nuclear revival.

Rather than investing properly in renewable technologies, this Government are happy to throw billions at what they consider to be an easy source of energy. Proper action on decarbonisation would mean revising grid connection charges that see Scottish renewable producers paying, on average, £7.36 per megawatt-hour to access the grid, whereas producers in England pay, on average, 49p per megawatt-hour. Worse still, producers in Germany, the Netherlands and Luxembourg pay absolutely nothing. The Budget was an opportunity to address this inequality, to encourage greater energy innovation and, ultimately,

to lower energy bills for my constituents and for constituents across the UK. Instead, we are repeating the mistakes of the past by taking the easy but expensive and environmentally unfriendly route.

Nuclear is environmentally unfriendly. The mining of uranium is a dirty process, as a lot of acid is used to extract it from rocks. There is then the storage of used fuel rods. For the Government to classify nuclear power as environmentally sustainable, with the same investment incentives as renewable energy, is a sinister attempt to pull the wool over the public's eyes, and it shows a lack of real commitment to renewables.

As chair of the all-party parliamentary group on photonics and quantum, I am pleased to see a continued focus on quantum technologies. The creation of the quantum hubs in 2014, to which the Secretary of State referred, enabled the UK to place itself at the centre of this technology, and a number of Scottish universities—notably, Glasgow, Strathclyde, Edinburgh and Heriot-Watt—played a key role. But the sector requires sustained support and proper vision.

I was recently made aware of an ambitious proposal made by a group at Glasgow University, in collaboration with universities across the UK, to secure commercial leadership in the manufacturing of quantum hardware, which is crucial for its penetration into volume applications. A national institute for quantum integration would deliver nano-fabrication facilities for the integration of this hardware. The Secretary of State said, in her statement two weeks ago on the science and technology framework, that she will have

“a ruthlessly outcome-focused approach to this new Department.”—*[Official Report, 7 March 2023; Vol. 729, c. 182.]*

I would love to hear her thoughts on a national institute for quantum integration absolutely focused on outcomes.

With quantum, as with other technologies that are critical to national security, the issue is rarely starting up; it is almost always scaling up. There does not seem to be much commitment at all to supporting the scaling up of small and medium-sized enterprises. To scale up, some companies will potentially need to move out, which means that some are looking to other places around the world in order to develop their technologies. Of course, we are still waiting for the semiconductor strategy, something that would support the development of quantum, photonics and the wider technology sectors. Perhaps the Secretary of State will prioritise that.

It was disappointing to hear, yet again, that investment in carbon capture and storage is not coming to the Scottish Acorn project. We need such clusters across the UK, in every part of it. The Acorn project is perfectly situated and the proposals are mature enough to merit Government funding; this should not be a phase 2, with something in the future, perhaps, if we are lucky.

**Dr Evans:** It was announced in the Budget that £20 billion would go towards carbon capture. Is that not substantial enough?

**Carol Monaghan:** That would be substantial if it were coming to Scotland, so when will we see action on the Scottish cluster?

The Chancellor also made a song and dance last week about R&D tax credits. That system has been grossly mismanaged and therefore abused in the past. I would

[Carol Monaghan]

like more detail on how the new system will provide more value for money for both taxpayers and genuine researchers. How will it be managed? What checks and balances will be taking place? We need to make sure, once again, that the mistakes of the past are not repeated.

The ambitions of the Secretary of State, and indeed the Prime Minister, in science are laudable. However, they fail to mention the key issue: the people. That issue cannot be solved by cash alone. Supposed commitments to science clash entirely with this Government's hostile environment on immigration, and the lack of progress on association to Horizon is having a huge impact. While the Secretary of State dithers about whether association represents value for money, researchers are leaving the UK for better opportunities abroad, where they can develop rich collaborations and enjoy freedom of movement.

In response to last week's Budget, Sir Adrian Smith, president of the Royal Society, said:

"After a prolonged period of uncertainty, the Government urgently needs to deliver on its pledge to associate to Horizon Europe, and set out a longer-term, cross-party plan for science. This is vital to restore confidence among global research talent and investors that they should build their futures in the UK."

Stephen Phipson, the head of Make UK, said that Horizon had

"always been one of those areas of the EU budget where the UK gets more out than it puts in".

A number of other notable organisations in the UK—including the CBI, the British Heart Foundation, the Russell Group, the University Alliance and Cancer Research UK—and in EU R&D sectors have signed a joint statement to the UK Government, urging rapid progress on association to EU programmes, including Horizon Europe, Copernicus and Euratom.

However, there were worrying reports last week that the Prime Minister is unconvinced on Horizon, with the *Financial Times* reporting that "senior colleagues" said the Prime Minister was "sceptical" about the value of Horizon Europe and the cost of participation. Researchers need to know where the UK is headed. Is the dithering on Horizon a deliberate attempt to kick the can down the road? More than anything, Horizon is about people; there is no monetary replacement for this. So will this Government keep blaming the EU while projects and collaborations are lost?

However, there are areas where money is important and where I would have wanted to see action in the Budget. We heard from the Secretary of State about financially stable families. Let us assume that I am a quantum researcher from somewhere in the EU, I am at the top of my field and I have an invitation to join a team at one of the UK quantum hubs. I will, first, have to apply for my global talent visa, at a cost of £623, and that will also cost me £623 for my spouse and for each of my children. I have two children under 18, so my costs are now £2,492. I have to pay the annual health surcharge for myself, my spouse and my children, so that is £624 for myself and my spouse. There is great news, as children get a discount and so it is only £470 for each of them. We are now at £4,680 for me to come here under the global talent scheme, although that assumes that I have only two children—I know the Government like to pretend that people do not have any more than two children, but many of us do.

As an EU researcher, I have many options, so why would I put myself through the hassle of such an immigration regime? That is hardly how we attract the brightest and best. If the Government are serious about science, those fees have to be dropped. It would not be costly and it would have great benefits.

**Alison Thewliss** (Glasgow Central) (SNP): My hon. Friend is making excellent points about the cost involved in people coming to our city to work and share their talents. Is she as concerned as I am about stories from constituents of mine who have been here already and have been asked to take on a job with a promotion, but who have almost lost that opportunity because of Home Office delays?

**Carol Monaghan:** I do share those concerns. I have heard stories about individuals who were invited here and who were hoping to come, but the delays meant that that opportunity was lost. These people have been asked to come to the UK because of their particular skills. We are losing talent time and again.

While we are at it, international students seem to be a target again. The return of the post-study work visa took a lot of effort on the part of Members—from both sides of the House, it has to be said—but there is now news that the Home Secretary is talking about cutting it again. Many people who work in science first came here as international students and on the promise of a post-study work visa. There must be no change to the current system.

A commitment to research and development means a commitment to people, to international collaboration and to developing an immigration environment that supports companies, research groups and individuals to contribute. Ultimately, if that cannot happen in the UK, the powers should be given to Scotland. We will develop an immigration system that works for our science sector.

5.46 pm

**Tim Loughton** (East Worthing and Shoreham) (Con): I support the Budget. More importantly, the markets seem to support it as well. Stability and balance are the hallmarks of what the Chancellor has achieved, and I congratulate him on that.

**Mr David Davis** (Haltemprice and Howden) (Con): Will my hon. Friend give way?

**Tim Loughton:** If my right hon. Friend will forgive me, so many other people want to speak that it would be unfair if I took interventions.

With six minutes, and with a Budget containing so many measures, it is difficult to know what to speak about, but I want to speak briefly about children, the environment and booze—not necessarily at the same time. I very much welcome the Secretary of State's opening remarks and her concentration on the importance of AI. Even though some of us may not fully understand all of its implications, it is absolutely where we need to grow our economy.

The £20 billion of investment in carbon capture is huge and vital. It is a vital component of our target to get to net zero. We cannot get everything not to release



carbon, but we can have ways of mitigating emissions to bring us to our net zero target—hopefully sooner than 2050. It is slightly churlish of the hon. Member for Glasgow North West (Carol Monaghan), who spoke for the SNP, to say that if something is not in Scotland it does not really count. Climate change is no respecter of any border, let alone that between England and Scotland.

I absolutely welcome the Budget's huge implications for investment in R&D, which is really important. I also absolutely welcome the freezing of fuel duty for the 13th year in a row, which will mean £200 to the average driver.

There are lots of little things in the Budget that will have a big impact, such as the help for swimming pools and leisure centres, which were hit badly during the pandemic and have now been hit by energy costs. That will be a lifeline and it will help the health of our constituents. The measure on energy prepayment meters was long overdue; it was absurd and immoral that those least able to pay should be penalised and pay that much more for using prepayment meters. Thirty million pounds has been allocated for additional veterans' services, and there is £10 million to help with suicide prevention—a hidden illness that has a huge impact on many of our constituents and their families.

If I may talk briefly about children, I remain concerned—as I would, being a former children's Minister—that all the emphasis has been on adult social care and not enough has been on children's social care, where it is estimated there is still a shortfall of some £1.6 billion. We need to do something about that, because over 80% of our interventions on children in the care system and those coming into the care system are late interventions rather than preventive early interventions, which is a big change from what went on some years before.

We need to invest in our social worker workforce. This afternoon, I have been hosting the Social Worker of the Year awards, and some of the most remarkable social workers from around the country have been to Parliament to receive their awards. They are the fourth emergency service and we need much better workforce planning, as we do in the NHS, to make sure that we not only recruit more social workers, but keep them. It is a false economy not to be doing that.

I welcome the many good measures on children, particularly on children in care, but will the Chancellor consider what we can do to provide free bus travel for all care leavers aged between 18 and 25, for whom the cost of a bus fare to get to work or education is prohibitive? Will he also consider a national programme to allow care leavers to access a rent deposit as part of their benefits, since they find it harder than many to access accommodation?

On childcare, which was one of the most significant parts of the Budget, I absolutely support the measures that were announced. As Coram Family and Childcare puts it,

“the introduction of 30 hours childcare for children from 9 months old to three years old...will make a huge difference for families currently struggling with high costs”.

I welcome that, but there are question marks around sufficiency and shortages in the childcare available; currently only half of local authorities have sufficient childcare for children aged under two and less than half

have enough childcare for parents working full time. With these generous measures on childcare, there is more we need to do to make sure that people with the appropriate skills are there to provide it.

I welcome the wraparound childcare available through schools from 8 am to 6 pm, which will make a real difference to parents' ability to go to jobs and make a meaningful contribution. However, there is a problem in that only 25% of local authorities have enough after-school childcare for children aged five to 11 and the figure is even lower for those aged 12 to 14. Again, there are serious question marks about capacity, which I am sure the Chancellor will answer.

There is more I could say about children but, turning to the environment, insulating homes reduces energy waste and keeps people warmer, while lowering bills permanently. We need further public investment in insulating fuel-poor homes, and we need to create new tax incentives for owner-occupiers to do more to improve the energy efficiency of their homes—as is the case in other European countries, where it is reflected in council tax banding and other up-front fees.

Finally, on beer, the Chancellor's measures to ensure that tax on draught beer sold in pubs does not increase are great and will save the sector around £70 million a year. However, the British Beer and Pub Association, which is already seeing its members hit by an energy crisis and the weight of debt build-up over years, says that there is a 10% increase in the duty on non-draught beers—60% of all beer sales. Can we aim for a level playing field for our beer and pub industry, which has been particularly hit during the energy crisis and the pandemic? What is in the Budget is really good, but we could do a little bit more.

5.53 pm

**Shabana Mahmood** (Birmingham, Ladywood) (Lab): It is a pleasure to speak in the debate today, but, while I do not wish to be unkind, it was a little less of a pleasure to listen to the Secretary of State open the debate. I notice that she is leaving the Chamber. Listening to her assertions about economic growth and the record of this Government, I had to wonder what planet she was on.

The reality is that, despite the assertions made from the Dispatch Box by the Secretary of State today and the Chancellor last week, the OBR has downgraded the UK's long-term growth forecasts, with downgrades in all of the last three years of the forecast period. The OECD has confirmed that we will be the weakest economy in the G7 this year, no other G20 economy other than Russia is forecast to shrink this year, and our economy is still smaller than it was prior to the pandemic.

All that has a huge impact on the finances of families in Birmingham, Ladywood and all over the country. The hit to living standards over the past two years is the largest since comparable records began. Wages are lower in real terms than 13 years ago and real weekly wages are expected to remain below their 2008 levels until at least 2026. I believe that a little more humility was needed at the Dispatch Box today, because the measures taken by this Government over the past 13 years—in particular since the so-called kamikaze Budget last November—have car-crashed the finances of families and households all over our country, with no end in sight.

[Shabana Mahmood]

Given how deeply the cost of living crisis is hitting families all over our country and given the headline rates of economic growth, it is shocking that the only permanent tax cut the Government announced was the £1 billion tax cut for the richest 1% of earners. The pension changes announced by the Chancellor last week mean that for higher earners with a pension pot of £2 million, that tax cut is worth almost £250,000.

That measure is supposed to be about getting people back to work—older doctors in particular. Labour agrees that targeted measures are needed to deal with the NHS crisis and to make sure that doctors are not leaving the profession in the numbers they currently are, but the way the Government have gone about making these changes will cost them £70,000 for every single person returning to the labour market—and that is if the Government even manage to hit the number of people they say will return to the labour market as a result. There have been warnings, including from a former Pensions Minister in the coalition Government, that some people will retire early as a result of those measures, so in fact some people will now leave the labour market who were not originally planning on it.

Labour's priority would have been to take targeted measures to help doctors, given the acute crisis in the NHS labour market, not the golden

“sledgehammer to crack a very small nut”,

as the IFS calls it, announced by this Government. It is the wrong priority at the wrong time.

The burden of tax must be shared fairly; making a permanent tax change that benefits the 1% with the biggest pension pots is unfair and wrong and, in government, we will reverse it. I also wonder why the Government are still leaving more than £10 billion on the table with the windfall tax. If they closed down the holes and had a proper windfall tax, we could bring in billions of pounds more, which could help ordinary families if that money was put towards easing the pressure of the cost of living crisis.

We heard a lot about the people's priorities from the Dispatch Box today. The people's priorities are easing the cost of living crisis and measures that pay for that easing by asking those with the broadest shoulders to pay more and those profiting from the war in Ukraine to give that money back to the taxpayer so that we can help families in our countries. That is what was needed and that is what the Government have singularly failed to deliver.

If I may say something about the west midlands, I noted with interest the trailblazer devolution deals announced for both the Greater Manchester area and the West Midlands Combined Authority. That particular deal is welcome, although I worry about the very asymmetric way the Government have approached devolution in our country. We need a nationwide approach to an economic devolution settlement that has some coherence to it, not a “Hunger Games”-style system where areas fight it out over relatively small pots of money, while other areas that are already a little further ahead get more powers and more money. While the deal is welcome to west midlands MPs such as myself, I do not think it is an approach that helps people all over our country.

While I very much hope that both that deal and the levelling-up zone in the East Birmingham-North Solihull corridor are a success, they must ultimately be judged by whether they turn around the deep-scarring problem of high unemployment in Birmingham, which in the last decade or so has shown no signs of coming down. My constituency has the highest rate of unemployment in the country; Birmingham, Perry Barr is second, Birmingham, Hodge Hill is third, Birmingham, Erdington is fourth, Birmingham, Hall Green is sixth, Birmingham, Yardley is ninth and Birmingham, Northfield is 13th. The trailblazer deal, with all the powers within it and the greater financial devolution it entails, has to result in a step change. It must be a game changer on unemployment rates across Birmingham and the wider west midlands area if it is to be judged a success.

5.59 pm

**Mr David Davis** (Haltemprice and Howden) (Con): I draw the attention of the House to my entry in the Register of Members' Financial Interests.

Like two of the previous speakers, I am also a science graduate, although I do not compare myself with the Conservative party's most famous science graduate. I had intended to make my speech essentially about science and technology, because they are massively important and, as the hon. Member for Manchester Central (Lucy Powell) pointed out, we have fantastic competitive advantages in those fields. That will be a major part of growth.

Since last Tuesday, however, dramatic events have unfolded in the banking sector—particularly over the weekend. Back in 2009-10, the then Chair of the Treasury Committee, Lord McFall, asked me to chair the Future of Banking Commission. The last week has, unfortunately, brought back some memories. One of the characteristic problems of the banking sector is its short memory, particularly when it is Wall Street that we are talking about. I hope that the House will indulge me if I remind it of the lessons of the major banking crashes of the past half century.

Back in 1933, after the great depression, the Americans passed the Glass-Steagall Act, which separated banks out into risky investment banks and straightforward commercial banks. That gave us about seven decades of stability until 1999, when President Clinton—under pressure from unwise and greedy Wall Street lobbyists—essentially removed Glass-Steagall. What followed was the collapse of several banks, including Lehman Brothers—probably precipitated by the new mark-to-market rules—in the great crisis that we saw in 2008.

In 2009, because of the crash, America passed Dodd-Frank, which required banks with more than \$50 billion in assets to be subject to tight regulation. Again, under pressure from Wall Street, President Trump relaxed those regulations in 2019. I talk about Wall Street, but the whole world followed. Of course, after that relaxation, banks assumed that they had an infinite period of low interest rates and that they could borrow ad nauseam. When global interest rates sharply increased by three, four or five times, the shock destabilised a number of those banks. One such bank was Silicon Valley Bank, which had been taken out of regulation by the Trump changes.



There is a lesson for us in all that. It has caused an instability in the financial system. Chancellors, central bank governors, financial secretaries in the States and regulators have no chance but to claim that the system is robust. I am not so sure. We will not know for a while whether it is actually robust, because of the complexity of the system. Of the three major banks that have failed so far, each has failed for different reasons, and we have no clear insight into what risks other banks have taken, partly because of the deregulation under Trump and his predecessors. In that respect, we in this country are probably in a better place than either the Americans or the Europeans, but I am keeping my fingers crossed as I say that so as not to tempt fate.

There is one lesson that we should learn. A big issue on which the world is hanging at the moment is whether the takeover of Credit Suisse by UBS is a success. I draw people's minds back to Lloyds taking over HBOS, which was done under pressure from the Government of the day—from Gordon Brown—and Lloyds itself nearly collapsing the very next year. I hope that UBS will not do the same. The point of this story is that we are in a period of extraordinary global financial instability.

I am a low-tax Tory—I would have loved the Chancellor to have had a lower-tax strategy—but I have to say that the events of the past week have demonstrated that a very small-c conservative strategy is wise under these circumstances. The more confident the markets in the Government, the better our prospects for the future. That said, I would be completely unsurprised if we had to have another Budget in the autumn owing to the nature of the transitions and changes that are now happening.

If that happens, I would ask the Chancellor, “Could you please look again at bringing back your super-deduction?” That will attract investment here in a way that will not happen with the 25% rate. I would ask, “Will you look at doing away with IR35 and at other concerns that will improve prospects for small businesses?” In my view, it will be incredibly difficult for the banks to get right the balance between inflation and growth now that their hands are tied by the instability of the banking sector. My one line to the Chancellor is this: please look, for the next Budget, at much more growth.

**Tim Loughton:** On a point of order, Madam Deputy Speaker.

**Madam Deputy Speaker (Dame Rosie Winterton):** We are in the middle of a debate, so I hope that it is a good one.

**Tim Loughton:** Given my references to children in care, I forgot, in my haste, to declare my interest as chairman of a safeguarding board.

**Madam Deputy Speaker:** That counts; fair enough. I am grateful to the hon. Gentleman for putting that on the record.

6.5 pm

**Wayne David (Caerphilly) (Lab):** I think it is fair to say that there are few surprises in the Budget. Many of the announcements were expected, and quite a few of them were borrowed from the Labour party, but a significant rabbit was pulled out of the hat—and it was a really big one. It was announced that there will be a

£1 billion tax cut for the richest 1% through changes to tax allowances. Someone with a £2 million pension pot will now get a tax cut of more than a quarter of a million pounds when they take their tax-free lump sum. Moreover, there will be no limit on how much the rich can put into their pension pots tax-free. That is not all: they will be able to pass that on to their heirs tax-free through the creation of a local inheritance law.

I am told that a competition is now under way in my Caerphilly constituency to find out whether anyone at all will benefit from those tax allowance changes. The odds are that not one single individual there will. The justification for that generous tax cut is that it will encourage people into work. Frankly, it is unlikely that that will happen judging by the reaction from a large number of commentators. As has already been said in the debate, if the measure is aimed specifically at doctors, why not have a proposal that is tailor-made for them?

If the Government really want to get people into work, I urge them to tackle economic inactivity effectively. Figures in the 2021 census indicated that of the 10 local authority areas in Wales and England with the highest levels of economic inactivity, five were in the south Wales valleys—because individuals are sick or disabled. Blaenau Gwent has the highest proportion—36.1%—of working-age residents who are economically inactive. Then, there is Merthyr Tydfil and the Caerphilly County Borough Council area, where the figure stands at 34%. The legacy of coalmining and heavy industry generally has much to answer for, but it is fair to say that in those areas there is a chronic lack of well-paid jobs and chronic ill health. The responsibility for that situation lies squarely with central Government.

Unfortunately, the measures in the Budget will do little, if anything at all, to tackle those issues. What they will do is make the rich richer and reinforce the trends that we have seen over the last 13 years. It is worth pointing out, though, that, if anything, the gap between the rich and the poor is growing. There were 147 billionaires in this country in 2020, for example; now, there are 177. At the same time, as the OBR has confirmed, there has been a huge fall in living standards over the last two years—the worst figures since comparable records began.

The crisis in living standards has had a hugely negative impact on my constituents. Like so many people across the country, my constituents are facing huge levels of inflation, as well as significant increases in their energy bills. The real hardship is manifested in a host of different ways, but I will cite just one for the moment: food banks.

Citizens Advice has recorded that between April and September 2020, 23,905 emergency food parcels were distributed in south-east Wales alone, which includes my Caerphilly constituency, and that 34% of those who accessed Citizens Advice and requested a food bank parcel were in work but facing real financial difficulties. This is in-work poverty. Unfortunately, the Government are doing little about it.

My local authority, Caerphilly County Borough Council, through its “Newsline”, is giving clear advice to people on how to claim the benefits they are entitled to and how to relieve the suffering they are going through. For many people, this Budget offers little at all, if anything. My conclusion is unavoidable and straightforward: we need a Labour Government who put people first, and we need that Government as soon as humanly possible.

6.10 pm

**Kate Kniveton** (Burton) (Con): I rise in support of the Chancellor's spring Budget and today's debate, focused on technology and science. On this topic, I am delighted to represent a constituency that offers huge potential to help us harness British ingenuity and make us a science and technology superpower. This Budget takes important steps towards achieving that goal, and my constituency of Burton and Uttoxeter in the heart of the north midlands manufacturing corridor is key to unlocking the vital growth that this country needs. I refer Members to my entry in the Register of Members' Financial Interests.

In Staffordshire, we have world-class businesses along the corridor driving the hydrogen technology revolution, including JCB in my constituency. We also have Toyota, Alstom and Rolls-Royce nearby. These technologies will play a vital role in contributing to our net-zero goals and advancing our manufacturing industries. The recent announcement that JCB has become the first construction equipment company to develop a fully working hydrogen internal combustion engine is a fantastic development that has the potential to transform the way we power heavy machinery, but these companies, and others along the corridor, want to do more. There is so much potential ready to be unlocked, but the infrastructure to support these industries is not matching the pace of their technological breakthroughs.

The Chancellor and Government colleagues have heard me banging on about my role as project champion for the north midlands manufacturing corridor and the importance of upgrading the A50/A500, and I make no apology for that. Delays along the A50/A500 corridor are costing the economy £8 million each year. Without improvements, increasing congestion could threaten growth and hold back investment. The Government, as they strive for growth in these sectors, need to upgrade this vital corridor as a priority. These improvements could create more than 12,000 jobs, generate £12 million for the economy and further solidify the UK as a global leader in the development of hydrogen technology.

I urge the Chancellor to look at the work of Staffordshire County Council, Midlands Connect and the Midlands Engine in supporting the creation of a hydrogen technologies valley investment zone in Staffordshire around this vital corridor. Major investment will enable the area to be a centre for innovation, design, manufacturing and the export of hydrogen products. This investment in Staffordshire—in Burton, Uttoxeter and surrounding areas—will mean economic growth, job creation and improved transport links, allowing these businesses to keep showing why they are world-class and helping establish us as a science and technology superpower. I fully support the Chancellor's Budget. It is only by embracing innovation and investing in our future that we can build a stronger, more prosperous Britain for generations to come.

6.13 pm

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): This was a business-as-usual Budget, but after 13 years of economic failure, what my constituents desperately need is change. In the north-east of England, wages in real terms are on average 3% lower today than when Labour left office in 2010. I would like the House to think about that for a moment. Over 13 years of Conservative

Government, my constituents have got poorer. Politicians are often asked if we know the price of a loaf of bread, so let me take that as an example. In May 2010, it was £1.16. In January this year, it was £1.39, a rise of 20%. How about a pint of milk? In May 2010, it cost 44p. In January this year, it was 69p, a rise of 57%. Prices have gone up, and wages have not kept pace.

Last Friday, I visited Atkinson Road Primary Academy in my constituency and heard from the absolutely wonderful students there. Over their entire lives, they have seen their parents, their aunts, their uncles, their brothers and their sisters all getting poorer. There are Conservative Members of Parliament representing seats in the north-east, and I ask them this: did they set out to make people poorer, or did it just happen through incompetence and arrogance?

It did not have to be this way. If the Conservatives had mirrored Labour's rate of growth, workers in the north-east would be £11,000 a year richer. What a difference that would make. We would not have half the children of Newcastle growing up in poverty and we would not have 100,000 people in the north-east forced to use food banks. Tory MPs and Government Ministers are offering the public budgeting advice when they have constructed an economy where the majority of people do not benefit from the wealth that innovation creates.

In addition to lower wages, £300 million-worth of cuts to Newcastle City Council mean our city has poorer public services. On Newcastle's streets, lone women are left stranded at 11 pm because we have lost 15% of our region's bus services in a single year. Of those buses we have left, just a fifth turn up on time. Businesses cannot open, because their workforce are delayed on different bus services. Across the board, and across our country, people are paying more for shoddy services. Regulated train fares have seen the highest increase since 2013 and, with the scrapping of HS2's eastern leg, northern communities are paying the price for broken Tory promises. More than 7 million people are waiting for NHS treatment, often in pain and discomfort. Do not even think about trying to get an NHS dental appointment. In December, the north-east saw the longest wait times for accident and emergency, at four hours. The longer the Conservatives are in power, the longer people wait.

In a statement last week, the Chancellor tried to claim that inflation was the root cause of strikes. Perhaps he forgot that it was his party, and this Government, who crashed the economy and left working people to pay for their mess. This Budget was a chance for the Government to unlock Britain's promise and potential—a chance to reverse 13 years of low growth, low productivity and low wages, and a chance to spread and deliver opportunities to people in Newcastle Central. What did we get? Just a handout for the richest 1% and their pension pots.

The Chancellor likes to talk about making the UK a science superpower, yet he failed to mention Horizon Europe in the Budget. At €90 billion, it is the world's largest science funding programme, but his Government have left our scientists out of it. At the same time, research and development tax credit policy is changing almost as fast as Chancellors, but with even less preparation. The Chancellor gave back only a fraction of the £4.5 billion he took from innovative small and medium enterprises in the autumn statement. The Federation of Small Businesses has, in its own words, been "left feeling mystified" by the changes.

The great businesses of Newcastle Central deserve a Government they can partner with to deliver jobs, growth and innovation. Fantastic life sciences start-ups and scale-ups, such as AMLo Biosciences, LightOx and NunaBio, and long-established innovative manufacturers, such as Spincraft, all deserve better. Labour will secure the highest sustained growth in the G7 through our long-term industrial strategy. A Labour Government will unleash the potential of the north-east. This Government just starve it.

6.19 pm

**Andrew Bridgen** (North West Leicestershire) (Ind): I remind the Chamber of my entry in the Register of Members' Financial Interests. For 22 years before coming to this place, I was the managing director and chairman of a food processing company. I am also a qualified transport manager, and I remain the equal largest shareholder in that company.

First, I want to highlight an aspect of the Budget that is of particular interest to my constituency of North West Leicestershire, which is fuel duty. The level of fuel duty is of immense importance to my constituents, given two facts: the first is that public transport is extremely limited—in fact, my constituency does not have access to any main line railway station, or any railway station at all. The second is that, since North West Leicestershire is the centre of the population of the UK, with good communication links with the M42 and the M1, a third of all jobs in North West Leicestershire are in distribution or are logistics-related. As such, the freeze on fuel duty that was first put in place in 2011 has been extremely significant to the huge economic growth we have seen in North West Leicestershire.

To think tanks such as the Social Market Foundation that complain that the Treasury has forgone money to benefit the rich, I say, “Why do you think we should penalise my constituents who have to use a car to get to work?” The fuel duty freeze is the right thing to do to maintain economic growth, and my constituents will certainly support it—and not just my constituents. We already have 1.2 jobs for everyone of working age in North West Leicestershire, so a lot of people have to travel in from surrounding constituencies to work in my constituency. I am sure those people will be very grateful for the tax freeze as well.

With regard to the lack of a railway station, I cannot help but give a push for the reopening of the Ivanhoe line, which Network Rail said would be the most beneficial reopening of a railway line that it currently has on the books. That line would link the great town of Burton upon Trent with Leicester, and would pass through North West Leicestershire and South Derbyshire, benefiting all of our constituents. It has cross-party support, including from the Members from Leicester.

Turning to energy and science, I would like to mention an energy source that I have been promoting for some time, which is small modular nuclear reactors. Only in November last year, I said to the Secretary of State that renewables cannot be relied on to provide all our energy needs, due to their intermittent nature. It is clear that we need to add more reliable baseload capacity, and nuclear is the favourite for that. Hundreds of my constituents work at Rolls-Royce, and many of them work on the development of small modular reactors. Therefore, I very

much welcome the announcement in the Budget of a competition through Great British Nuclear to build small modular reactors in the UK, and the inclusion of nuclear energy in the green zero carbon taxonomy. I am sure that my skilled worker constituents at Rolls-Royce in Derby will step up to the mark, and that we will see reliable baseload energy produced from that source sooner, rather than later.

Next, I turn to investment zones, and I note that the Treasury has identified the proposed east midlands mayoral combined county authority to deliver that policy. I feel that I have to point out that the ongoing issue we have in Leicestershire, and indeed in Leicester, is the veto being exercised by the current Mayor of Leicester, which is preventing Leicester and Leicestershire from joining that authority and creating that critical mass in the east midlands. That has particular relevance to the topic of the debate, as Leicester is home to the National Space Centre and has many space and science-related companies around it. Indeed, my own constituency of North West Leicestershire is home to a space company in the form of Zeeko, which makes ultra-precision polishing solutions for the optics for satellite cameras. Quite honestly, it would be an outrage if our county and the city of Leicester were to miss out on an opportunity to be involved in this situation because of the intransigence of the city Mayor. I wish all those in the city seeking to abolish the mayoralty very well in the May elections.

Energy security and scientific innovation are key to the future of the UK's economy and stimulating economic growth. There are many measures in this Budget that will help us to maintain and improve our place in the world when it comes to science, and this Government have demonstrated their commitment to that goal. In the area of energy and security, this Government are being realistic, and it is clear that nuclear has a significant part to play in achieving that goal in the future. Picking up on some points that have been made by the Opposition, I would add that the relationship between business and our excellent research establishments—our universities—has certainly improved, but more progress needs to be made. If we could harness all the innovations in research that we have at our great universities, we would be really accelerating our economic growth. We must work towards that endlessly.

**Madam Deputy Speaker (Dame Eleanor Laing):** I call Stewart McDonald.

6.24 pm

**Stewart Malcolm McDonald** (Glasgow South) (SNP): Thank you, Madam Deputy Speaker. It is a sign that God is shining on the House to see you back in the Chair—healthy and feisty as ever, I am sure. You will recall that, when I joined the House in May 2015, Conservative Members would regularly cheer the Chancellor and various Front-Bench Ministers when they uttered the words “long-term economic plan”. That was the No. 1 talking point of the Cameron Government, but of course, as we have seen since that Government left office, the Conservative party had no such thing. Indeed, it is somewhat telling that, in last week's Budget, the Chancellor stood at the Dispatch Box, content to let the applause wash over him because

“the UK will not now enter a technical recession this year.”—[*Official Report*, 15 March 2023; Vol. 729, c. 833.]



[Stewart Malcolm McDonald]

Such is the mess that the Conservative party has created that it is managing to celebrate a slightly lower level of decline for the economy.

The Chancellor's myopia is what worries me most, because he stood at the Dispatch Box like a sailor patching a leaky tap, not quite matching the moment in the way that one would expect from Britain's Finance Minister. By stark contrast, the United States steams ahead with almost \$400 billion of green subsidies to rewire its economy for the 21st century in the shape of the Inflation Reduction Act. The short-sightedness of this year's Budget has instead condemned the United Kingdom to another year of falling living standards and slow economic decay. Closer to home, the European Union also announced bold and strategic plans in the shape of the Net Zero Industry Act, which will similarly mobilise billions and billions of euros to reshape the economy of the world's largest single market so that it can produce at least 40% of the technology it needs in order to achieve its own climate and energy targets. While two of the world's major economic powers set out plans to meet the moment, this Government instead celebrate—I quote again—that

“the UK will not now enter a technical recession this year.”

Rather than championing a bold economic plan to improve living and working conditions, the Chancellor—clearly unable to meet the moment—settled for tax breaks for research and development, urging us to cheer on his efforts to turn the UK into a life science superpower. While that aim is entirely laudable, and one that every single Member of the House could undoubtedly sign up to, the Chancellor needs to engage with the reality here in this country. As I mentioned earlier, the gulf between ambition and reality was summed up by the Manchester-based Nobel prize winner Andre Geim when he said that the reason that researchers are not staying in the UK or being attracted to the UK is the low living standards here. They can come here and suffer higher costs and lower salaries, or go elsewhere for better opportunities.

That neatly sums up the running theme of this Conservative Government, who seem oblivious to the fact that firms and institutions are made up of human beings—human beings who need modern public services, a healthy public realm, and a Government who can offer them the prospect of a bright future. What the reality looks like has been mentioned in this debate: to quote Torsten Bell from the Resolution Foundation, “the worst parliament on record for living standards. By a country mile.”

The numbers were laid bare in today's *Financial Times*. The Office for Budget Responsibility is predicting that UK households' real income per person will still be below pre-pandemic levels in 2027-28, meaning hardly any improvement in living standards for the better part of 20 years. Jumana Saleheen, the chief economist at Vanguard Europe, has said that, on three key measures of living standards—household income, gross domestic product per capita, and real wages—

“we've seen stagnation over the last 15 years.”

According to the Office for National Statistics, average UK real household income is broadly unchanged since 2007. Paul Johnson, the director of the Institute for Fiscal Studies, has said:

“We are in the middle of a decade in which incomes are barely rising at all, with very feeble growth for two...decades.”

UK wages adjusted for inflation increased by 23% in the eight years to 2008, but fell by 5% in the following eight years, again according to the ONS.

Having the ambition to be a life science superpower is one thing. It is perfectly laudable, and all of us can agree and sign up to it. However, so long as we have living standards in this country that are grossly behind our western European counterparts—we have higher costs, higher prices, lower wages and a public realm that physically just does not work, if we are completely honest—the Government can completely forget being a superpower in anything other than a brain drain. If anything that Ministers have said from the Dispatch Box is to mean anything, they need to fix the living standards problem every household is dealing with.

6.30 pm

**Brendan Clarke-Smith** (Bassetlaw) (Con): I expected to spend longer talking about corporation tax following this Budget, but I will not talk much about that today. When we look at the rates elsewhere, we would all like to see it lower as a long-term ambition, but there is a lot of really good stuff in this Budget to offset that. In particular, there are the tax reliefs for R&D we have heard about. I would say that small and medium-sized enterprises getting £27 from HMRC for every £100 of R&D investment is a really excellent policy.

Locally, we very much feel that we have a great chance to become the superpower we have heard about recently, because Bassetlaw will be the home of the STEP—spherical tokamak for energy production—fusion project. It is something we are incredibly proud of, and for our future energy generation, it is something we can take out to the world. We will have the world's first commercial STEP fusion energy plant, which will be built at the home of one of the last coal-fired power stations, so this is very much about changing from old technology to new. It is about the billions this will generate, as well as the growth, the jobs and the apprentices we are going to get as we go from fossil to fusion.

**Sir Edward Leigh** (Gainsborough) (Con): And it is 5 miles from the town of Gainsborough.

**Brendan Clarke-Smith**: Yes, of course, and Gainsborough is a very important town to us locally. It fits within our local economy, and I am sure this project will benefit my right hon. Friend's town as well. I know he is very passionate about this subject, and at the moment he is campaigning for further involvement in and recognition of this project for his constituency.

We know we are going to get an investment zone in the east midlands, and I think this would be an excellent site for one. My hon. Friend the Member for Don Valley (Nick Fletcher), who is in his place, has been campaigning every single day for at least the last six months an investment zone at Doncaster Sheffield airport, which would be another really great site. Neighbouring zones will of course all work together for growth in our regions. We do not just draw a line around our region; we work together and interact, and Yorkshire is incredibly important to us.

Just last week, for Open Doors week, I visited Europe's largest concrete facility, Laing O'Rourke in Worksop, which is a centre of excellence for modern construction. It makes pre-cast components, and it is actually manufacturing a lot of the parts for Everton football

club's new stadium. I was going to make a few jokes about it being probably the best ground in the championship next season, but there is a lot of competition in the premier league right now, and I think I will stick to Notts County jokes before I upset anybody. There is also a £28 million privately funded carbon capture and power generation plant in Rhodesia in my constituency. Such companies want to invest in this country because of this Conservative Government, who are pro-growth and pro-business.

To top it off, the icing on the cake for Bassetlaw was to find out about the levelling-up partnership that we are going to be part of. This is worth £400 million for 20 different places in this country, and we are very proud to be one of them. We have had £20 million announced for Worksop town centre, which is going to be transformative as we move more from retail to leisure, get people going back into our town centre and get a bit of pride back into our town centre. This partnership also helps other towns that have missed out or have perhaps been neglected by a Labour council, such as Retford. There is lots to be done there, too, and we have great links on the east coast main line. It is a wonderful town with a lot of great facilities and great people, and the drive is there to go forward and grow.

How does this Budget affect the average, everyday person? We talk about these figures—millions and billions—all the time, but for me the Budget comes down to individuals and families, and what we are going to do for them. With our blue-collar offering, there is quite a lot we can be very pleased with. As a former children's Minister, I think the childcare proposals for those from nine months on that have been outlined can be absolutely transformative and really help parents. I have had parents say to me that they would like it to happen straight away, but I think we all realise that there are capacity issues, and the sector is of course going to need some time to adapt. I know there are arguments both ways on ratios—some people like them, some do not—but it is as much about flexibility for nurseries as it is about money. To give an example, one time when I took my young child along to the nursery, I and many other parents had to wait because a member of staff was stuck in traffic. I think the nursery was one child over the ratio level, and we had to wait until the member of staff got there. We are giving nurseries flexibility in that kind of situation, and of course it is optional, which is great.

The freeze on fuel duty is really great for working people. What is not so great are ultra low emission zones. Many people are having to drive through them and pay exorbitant amounts of money just to drop their children off at school. It is very much a tax on the white van man—if someone wants to go into Sheffield, they are going to be charged. People think this is just about London, but it is not. It penalises working people. *[Interruption.]* My hon. Friend the Member for Heywood and Middleton (Chris Clarkson) is mentioning Manchester, and I know people are very concerned about it there. This is something we need to stop: we should not be taxing people to go to work.

Finally, people will be really pleased with the action on energy prepayment meters. We have given a huge amount of support for people's energy bills, but we all know that those on meters are sometimes the most vulnerable in our society, and those who struggle the

most are paying a penalty. It is absolutely right that we have done something to change that. With all Budgets, a lot of people like to use the word “but”; I prefer to use the word “and” for the things we would like to see in the future. I think this is a good Budget, and there is lots of good stuff in it. It is a great Budget for Bassetlaw, and I commend it.

6.37 pm

**Mary Glindon** (North Tyneside) (Lab): I am sorry that I cannot be as enthusiastic about the Budget as the hon. Member for Bassetlaw (Brendan Clarke-Smith), but it is good to see somebody so upbeat about something.

Personally, I am very disappointed with the Budget. I had expected more from a Chancellor who had been a Secretary of State for Health, and subsequently Chair of its scrutiny Committee, with responsibility for one of our biggest and most treasured public institutions—the NHS. There was nothing in this Budget to address the staff crisis in the health service, and no mention of the long-awaited workforce plan. While the controversial decision to remove the lifetime pension allowance may or may not encourage senior doctors to put off retirement, there was no confirmation of a pay award for the health workers, or the thousands of other skilled and hard-working public sector workers across the board, who have had no option but to take strike action after 13 years of pay cuts and a fall in real wages. The OBR confirms they will fall again this year. Paul Nowak, the general secretary of the TUC, in commenting on the Budget, was right to say:

“The Chancellor spoke about a high-wage and high-skills economy but did nothing to deliver it. The UK is still in the longest pay squeeze for more than 200 years. And our public services are still run-down and understaffed.”

Childcare is important to the Budget and the economy, not just in North Tyneside but across the country. It is a massive issue for parents in North Tyneside and for nursery providers, and we know it will be a priority for an incoming Labour Government. The Chancellor's increase in funding for childcare is welcome, but the two-year phasing in programme does nothing to solve the immediate need. Where does that leave families struggling to find and fund adequate childcare now? How does it help the childcare providers struggling to pay ever-increasing overheads and meet salaries for existing staff, when the increase in Government funding for free childcare places still falls far short of the hourly rate of pay for those staff? That is not to mention the problems attracting new recruits to the profession; the salary hardly seems appropriate for years of training and the prospect of working long hours when people can earn more money working in unskilled jobs.

Save the Children says that we also need a strategy for investing in skills development for childcare workers. High-quality childcare must be about enabling every child to have the best start in life. That does not seem to be a priority for the Government. Reducing the ratio of adults to children, for example, just sends out the wrong signal.

Our seven local authorities, including North Tyneside, have welcomed the north-east devolution deal, which will bring £4.2 billion of investment into our region over 30 years and see additional powers transferred from Whitehall to local people. However, the Chancellor did not mention the all-important trailblazer status that was agreed with the Secretary of State at the signing of the north-east authority agreement.

[Mary Glindon]

North Tyneside itself was short-changed in the Chancellor's Budget. The council will get £500,000 in pothole funding, but that is only £1 of every £8 the Government have cut from the pothole budget since 2021. North Tyneside will not receive any of the regeneration funding that has been announced and will still have to bid as a lower-priority area in the next round of the levelling-up fund. While I congratulate South Tyneside Council on its new levelling-up partnership funding, I am concerned—and, I confess, a little jealous—that there is no such funding for North Tyneside.

I continue to be worried about the future of small businesses in North Tyneside. The Federation of Small Businesses says that the Chancellor missed the chance to bring in measures that could have jump-started a new era of growth and productivity. For years, small business have been the backbone of the economy. The Chancellor would do well to listen to the FSB.

With the cost of living crisis still bearing down on households in North Tyneside and across the UK, the Chancellor provided little comfort other than extending the energy price guarantee for a further three months and a few more crumbs from the table. For my constituents and people across the country, times have always been hard under the Tories, and that will continue while they remain in power. It is time for Labour to take the reins.

6.42 pm

**Mr William Wragg** (Hazel Grove) (Con): On the earlier theme, it is important that I declare that I do not have a science degree, but it would impress the shadow Secretary of State, the hon. Member for Manchester Central (Lucy Powell), to know that my degree, being as it is, does indeed come from the University of Manchester.

I put in to speak in the debate less on the allocated subject matter and more in the forlorn belief that the best time to speak in a Budget debate is after a set of Sunday newspapers, because they often allow the detail to percolate through. To the credit of my right hon. Friend the Chancellor of the Exchequer, very little seems to have come up in them to trip him up.

We have had all sorts of talk this afternoon of macroeconomic forces, my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) spoke of banking crises across the world, and we have heard a great deal about artificial intelligence—presuming that is what “AI” stands for—but, in the age-old Back-Bench tradition, I want to talk about very parochial matters.

I know that the House will have noted with great enthusiasm and interest, on page 72 of the magnificent Budget document, the announcement of a new community hub in Stockport—the Marple leisure hub. There was some bashfulness at the talk of swimming pools during the speech by my right hon. Friend the Chancellor of the Exchequer. I am not fussed about swimming pools in Richmond, Yorkshire, or indeed about general donations from the Treasury to keep the pool temperature in different leisure centres toasty warm; what I am concerned about is the success—finally—in securing the Marple leisure hub.

The hub will be a magnificent boost for Marple and surrounding districts in my constituency. It will deliver a gym, a fitness studio, a new library, a community

space and a five-lane swimming pool. When I saw the artist's plan at an earlier stage, I noted that there were only four lanes, but we have achieved five—a massive 25% productivity increase, delivered overnight by my right hon. Friend the Chancellor of the Exchequer. I am absolutely enthused. The artist's impression even has an inflatable flamingo. What could go wrong?

In all seriousness, I am very pleased that that levelling-up bid was successful for my constituency. I should pay credit—those on the Opposition Benches may enjoy this—to the then Labour minority-led Stockport Council, which agreed with me that that was the right bid for the Hazel Grove constituency. It will not surprise the House—I cannot spot any Liberal Democrats in the Chamber—that a few more have claimed credit for it who had, it is fair to say, very little to do with it. I will tone down my language for the sake of *Hansard*, but success has many parents and failure has fewer—let us put it that way.

I have been quite cheerful so far—those on the Treasury Bench must think, “What on earth has happened?”—but in the time remaining to me I will speak briefly about something else that lurks in the Budget document: Greater Manchester devolution. I am a contrarian. I can see many colleagues from Greater Manchester on the Opposition Benches. They must rejoice when the Mayor is given further powers and the ability to exercise them—

**Mike Kane** (Wythenshawe and Sale East) (Lab): Hallelujah!

**Mr Wragg**: Indeed, indeed. Whether he exercises them wisely is a matter for debate—I think even some Opposition Members would concede that point.

All I ask is that the Government pay attention to those of us who have the great honour to represent parts of Greater Manchester. Having been to a so-called briefing meeting with my right hon. Friend the Secretary of State for the Department for Levelling Up and whatever else it is called these days, I was somewhat perturbed and worried that I was, in the words of his WhatsApp message to the former Health Secretary, my right hon. Friend the Member for West Suffolk (Matt Hancock), simply in a therapy session, whereby our concerns would be heard but no action would be forthcoming.

In the spirit of cheerfulness, I simply say to the Government that if I and my colleagues from Greater Manchester are simply to be subjected to therapy sessions, then I shall make sure that I turn up at Delegated Legislation Committees in the same cheerful vein to argue against aspects of this so-called deal. I urge the Government to pay attention to Greater Manchester Conservative MPs—indeed, to any Member of Parliament from Greater Manchester—when they bring forward this tranche of powers that have no legitimacy and very little demand.

6.48 pm

**Mike Kane** (Wythenshawe and Sale East) (Lab): It is a pleasure to follow the hon. Member for Hazel Grove (Mr Wragg). I look forward to catching up once again at our annual meet-up at the carnival in July, and I wish him all the best with his therapy.



The Secretary of State mentioned the great British invention of tarmac. John Loudon McAdam was a Scottish engineer in the 17th and 18th centuries who added coal tar to stone surfaces. That became tarmac, or “tarmacadam”—that is where the name comes from. I thought it was an odd reference for the Secretary of State to make, though, as we cannot get enough money for our crumbling roads and the potholes that we all face.

Every day, I hear residents and businesses in Wythenshawe and Sale East talk about the harsh realities of the cost of living at the moment: old-age pensioners are afraid to put on their heating; more and more working families are using food banks; nurses, teachers and firefighters are struggling with household bills as costs go up and their pay stays the same; people are unable to meet private rents or manage rising mortgage rates; and local businesses are closing down because of overheads.

Last Wednesday, the Chancellor had a chance to show that he is on the side of Britain’s people and businesses with a Budget that offered real support and serious solutions, but that is not the Budget we got. Instead, what the Chancellor offered was a Budget that did worse than deny people’s realities: it insulted them, with a £1 billion pension cut for the richest 1%; a stealth tax freezing income tax levels, meaning workers will see their pay squeezed further; and an overarching message that the Government’s plan was working and the economy was not that bad, at the same time as the OECD announced that the UK will be the only—the only—G7 economy to shrink this year.

Where the Chancellor came closest to offering real support, he did so by stealing ideas from others, yet bungled the detail. The hon. Member for Bassetlaw (Brendan Clarke-Smith) mentioned the expansion of free childcare. Sadly, we will not see that crucial support to help parents get back into work introduced in full until September 2025. As it stands, the subsidy from childcare providers is so high that it threatens to put them out of business.

I welcome the extension of the help with energy bills. The Government again capitulated to what Labour and campaign groups have been calling for, for months. But with an extension of just three months and more limited support, what we are seeing is more sticking-plaster politics. Where is the investment in green energy, which is the only way we will achieve true energy security? Then there was more of the same, with recycled ideas and empty promises from the many Tory Chancellors and Prime Ministers of the past. To level up, the Chancellor announced plans for the Truss-Kwarteng “investment zones”. Forget HS2, Northern Powerhouse Rail or solid regeneration projects for Wythenshawe town centre and Sale town centre, all of which have been delayed or denied by the Government. Instead, they think these low-tax, reduced regulation, potential Canary Wharfs will generate jobs and skills in left-behind communities. These are far from the serious solutions that Britain needs. What the Chancellor put forward is a Budget that denies reality, delivers little and borrows heavily; a Budget from a Government who are out of touch, out of ideas and quickly running out of time.

Under this Government, people are getting poorer. People are being supported into work, but getting paid less and taxed more, while public services struggle to

cope—all the hallmarks of an economy in managed decline. Our people and businesses deserve more. We need a Budget that delivers for people, communities and businesses like those in Wythenshawe and Sale East: 1,600 homes for Wythenshawe town centre, if we had got our levelling up bid; 250 homes for Sale town centre; investment to regenerate Wythenshawe hospital, but with the hospital building programme stuck in the muck we could build 1,000 homes on that site with the right release of investment; an HS2 station near my constituency and an extended Metrolink loop line; a station on the mid-Cheshire line; scrapping business rates; and a proper plan to address skills gaps that are holding back our small and large businesses.

What we need is a Budget that acknowledges reality and the scale of the challenge head-on, but meets them with the hope, ambition and determination needed to get Britain back on the path to growth. But for that style of Budget, it seems we will have to wait longer still.

6.53 pm

**Maggie Throup** (Erewash) (Con): I would like to add my name to the growing list of Members with a science degree. My hon. Friend the Member for Hazel Grove (Mr Wragg) will be pleased to hear that it is from the University of Manchester.

Since I was last able to make a contribution to a Budget debate from the Back Benches, the economic outlook, both at home and abroad, has shifted dramatically. The aftermath of the pandemic, compounded by the effects of the war in Ukraine, has left many of the world’s leading economies battling a combination of high inflation and mounting debt.

My right hon. Friend the Chancellor is to be commended for the measures he has brought forward to meet the target of halving inflation by the end of the year, to continue to support people with record high energy bills and, crucially, to avoid a recession. That is not just my assessment, but one reflected in the feedback I received on the doorsteps from my constituents across Erewash this weekend as we were out canvassing. They described the Chancellor’s statement as measured, confident and logical.

I want to focus on tech, and specifically the support for the Medicines and Healthcare Products Regulatory Agency. Everyone will remember the important role the MHRA played during the pandemic. It was the first medicines regulator to authorise a vaccine against covid-19. Its worldwide reputation is second to none. Many other regulators quickly followed in its footsteps in authorising vaccines, as they trusted its decisions. It was not just the fact that it was first on so many occasions in approving new vaccines—including the bivalent vaccine, effective against the original Wuhan strain and omicron—but the way it did it.

Traditionally, the different stages of clinical trials are carried out sequentially, but whether it was a vaccine or a therapeutic, the acceptance that regulation could be made on data generated by stages of clinical trials carried out in parallel was a real and significant breakthrough. Yes, on most occasions the MHRA was first to authorise a vaccine from the variety of suppliers available, but on some occasions it was able to base its approval on Food and Drug Administration or European Medicines Agency approval.

[Maggie Throup]

That type of linked-up working for a wider range of medicines is now being facilitated by the allocation of funding in the Budget. As has been acknowledged by Dr June Raine, the MHRA's chief executive, the £10 million funding will be used to fund its ongoing innovation work and accelerate the development of groundbreaking global recognition routes. That will undoubtedly give UK patients faster access to the most cutting-edge medical products in the world.

A few weeks ago, I was invited by the former chief executive of the British Bankers Association and one of my predecessors as the Member of Parliament for Erewash, Angela Knight, to speak to a delegation of senior business leaders, during which we discussed the importance of public health and the value of health tech to the economy. It is estimated that the private sector alone loses over 100 million workdays each year to sickness absences, greatly impacting on productivity and hindering wealth creation.

To fully capitalise on the creation of new investment zones, as well as the expansion of UK civil nuclear, led by Derby-based Rolls-Royce, we must ask ourselves: how do we keep the UK workforce healthier for longer? The answer is through a combination of targeted public health measures aimed at prevention, such as tackling obesity and reducing levels of smoking, together with innovative health tech partnerships, such as the one signed by the Government and Moderna to invest in mRNA research and development and build a state-of-the-art vaccine manufacturing centre here in Britain.

Returning to the targeted public health measures announced in the Budget, I especially welcome the £60 million for public swimming pools. I trust it will be distributed fairly to ensure that swimming pools such as those at West Park leisure centre in Long Eaton and Victoria leisure centre in Ilkeston can continue to be used by my constituents to support both their physical and mental health.

This Budget is designed to inspire confidence in the British economy and will continue to provide the stability that has so often been the watchword of the Conservative Government led by my right hon. Friend the Prime Minister. My constituents stand to benefit greatly from the measures introduced to curb inflation, help with the cost of living—we heard about many aspects of that, including the change to prepayment meters and protecting energy payments—and safeguard vital public services. I am sure that many of my constituents will raise a glass or two to the Chancellor for again backing the British pub. I therefore look forward to backing the Budget in the Lobby tomorrow evening.

6.58 pm

**Dan Carden** (Liverpool, Walton) (Lab): May I, too, welcome you back to the Chair, Madam Deputy Speaker? It is good to see you there.

I want to use the couple of minutes I have to pass comment on this year's spring Budget to try to convey some of the reality that my constituents are living through and how these economic measures affect their lives. That is important, because it is the 13th spring Budget delivered by a Conservative Chancellor. The test is simple: how are the people I represent doing after 13 consecutive Budgets from a Conservative Government?

Are the communities that I represent thriving? Is life a little easier? Are they earning more and maybe working a little less? Real wages across every region of the UK are lower now than when the Conservatives came to power in 2010. Are schools being properly resourced to help give children the best start in life? Are hospitals functioning and well staffed? Are the buses and trains affordable and running on time? Obviously, my constituents would answer a resounding no.

What about the question of whether society is more equal than when the Conservatives came to power? Today, half of all UK wealth is held by the top 10% and the lion's share of it by the top 1%. Think of the circumstances in which this Prime Minister and Chancellor came to their positions: their predecessors lasted 49 and 38 days respectively, and the fallout from their disastrous mini-budget cost the country £30 billion. Necessarily, by simple contrast, that makes the current incumbents look uber-competent. That, with a couple of major macroeconomic developments such as the halving of gas prices over the last six months, makes the economic forecasts slightly less catastrophic than might have been the case just last year. All that can be spun to tell quite a good story and there are certainly press barons willing to print that up.

If the Prime Minister promises to cut inflation by half and declining energy costs make that a reality—it was quite a safe bet when the promise was made—should my constituents really be grateful? They are still worse off, although by a little less than they once thought they might be. I ask Government Front Benchers: is that the scale of expectation that the public should now have? Is it the best that the Conservative party can offer to the country?

This Budget is one of continuing, long-term managed decline: of people's wages; of the public services that people rely on; of social security; of security at work, where low-paid, insecure contracts are now the norm; of local authority budgets—another £50 million has been cut from Liverpool this year; of investment, with the UK having the lowest business investment in the G7; and of disposable income, with people working simply to pay the bills. Most tragically of all, there is the managed decline of people's living standards: the longest fall in living standards on record. It is the managed decline of people's hopes, dreams and ambitions, and our collective capacity to realise them. As Martin Wolf of the *Financial Times* has said, we are heading into

"a lost decade...coming on top of a very poor previous decade".

My time as an MP has been characterised by a constant struggle to prevent the worst from happening to my constituents—whether that is fighting to save local fire stations or care homes from closure, trying to stop vulnerable people from having their support taken away, or giving solidarity to workers whose jobs, pay and conditions are under threat. We are sick of just trying to prevent the worst. We are sick of managed decline. We want to unlock the potential of our people and give communities the power and the resources to focus on what they can achieve.

The latest Prime Minister and Chancellor could have taken the opportunity to change approach. Instead, we have a business-as-usual Budget from a Conservative Government out of ideas and out of time. We need nothing less than national renewal—a new deal for working people; a bold, clean energy transition; an investment-led economy, based on making, not taking; and wealth,

power and opportunity spread to every region and every community. Only then can we reclaim the future and look forward, once again, to a brighter tomorrow.

7.4 pm

**Sir Edward Leigh** (Gainsborough) (Con): I am delighted to follow my hon. Friend the Member for Bassetlaw (Brendan Clarke-Smith) in praising the Government for bringing a nuclear fusion site to West Burton. As I have already said, it is not 5 miles from Gainsborough—indeed, Gainsborough is the closest town. I very much hope that the Minister will support my campaign to rename the site the “Gainsborough West Burton” site.

Gainsborough was at the heart of the industrial revolution in the 19th century, bringing in new products. This site is a chance for us to go with the flow through a brand new technology. We want to create apprenticeships and to involve the whole region. I really want to make that clear. Gainsborough is an industrial town with traditionally high levels of employment. I am delighted that the Government have given us £10 million in levelling-up funds. We are grateful to the Secretary of State for Levelling Up, Housing and Communities for giving that to Gainsborough South West ward—the 27th most deprived ward in the entire country.

However, there is no point one hand of the Government giving us £10 million in levelling up if the other hand is potentially taking £300 million of investment away from my constituency. As I mentioned in Home Office questions today, we have developed a wonderful deal for RAF Scampton—home of the Dambusters and the Red Arrows—creating heritage, a spaceport, a hotel and industry. The whole thing is at risk because the Home Office is now marching in and threatening to put 1,500 migrants there. This has nothing to do with the fact that they are migrants or not migrants; it is about the fact that we cannot develop the site, which is relatively developed now, if it is held by the Home Office for two years. Levelling up is at the heart of this Budget. We must have co-ordinated government—co-ordination between the Home Office, the Ministry of Defence and the Department for Levelling Up, Housing and Communities.

I want to make a more general point. Thatcherites such as myself are always banging on about the need for tax cuts. There is no point in our doing that if we are not controlling public spending. Of course I regret that corporation tax is going up, but I recognise that the public finances are in a state of crisis. I really encourage Ministers on the Front Bench to redouble their efforts to ensure that there is efficiency and economy in our public services; I speak as a former Chairman of the Public Accounts Committee.

There is still grotesque waste throughout the public sector. I am now on the sponsor board of the restoration and renewal programme: hundreds of millions of pounds have been wasted on doing nothing to renovate the building where we are now—years wasted! It is a small point, but I read in the newspapers that we are already spending about £100 million on the covid inquiry, hiring hundreds of lawyers. Right through the public sector, we rely on the Chief Secretary of the Treasury to ensure that we get good value for money.

One of the ways in which we will eventually make the public sector work better is through more of a sense of self-reliance. I do not want to make further points

about the triple lock, because I will get into trouble if I criticise it in any shape or form—it is very politically difficult—but the Government must have a strategy to deal with it. The ideas developed by Peter Lilley when he was Secretary of State are exciting and interesting.

We cannot just go on having a national health service that consumes an ever larger proportion of national income but is riddled with waste and incompetence and delivers worse and worse outcomes. We have to be prepared and have the political courage to learn from countries such as Australia, France and New Zealand, which have a mix of public and private provision that ensures that they have what are frankly much better health services because they are unleashing people's enthusiasm to invest in their health. The previous Conservative Government gave tax relief for private health insurance, and we should not dismiss that.

I want to make one more point. Of course we all welcome the extra provision for childcare, but it is a massive extension of the state. It is desirable in itself—I am entirely in favour of mothers who want to work being allowed and encouraged to do so even when their babies are as young as nine months—but we must also support mothers who want to stay at home. The marriage tax allowance was introduced by Nigel Lawson. It was allowed to wither on the vine, and was then reintroduced by George Osborne in 2015, but it is not well-advertised or taken up. It is fairly derisory, and amounts to only about £1,700. If a couple earns £70,000, they are £7,000 worse off as far as the taxman is concerned if the mother stays at home looking after a child and the husband goes to work.

The marriage tax allowance is not just for married couples but for couples in a civil partnership. The Government should be neutral about the fact that, often, it is in the interests of the child and the mother, where the mother wants to do so, for her to be allowed by the tax regime to stay at home and not to be forced by the tax regime or by her personal circumstances to go out and work. A Conservative Government believe in choice, and that is what I want to impress on the Government.

7.10 pm

**Bambos Charalambous** (Enfield, Southgate) (Lab): It is a pleasure to see you back in the Chair, Madam Deputy Speaker.

Politics is about priorities. At a time when people in my constituency are struggling with the cost of living, this Budget was an opportunity for the Government to put working people first and to get us on the pathway to growth, making everyone—not just the wealthy—better off. From speaking to my constituents, it is clear that the cost of living should be the priority right now. One constituent wrote to me recently:

“I have had enough of constantly struggling every day, day after day for months and years.”

My constituent is not alone. Recent polling from 38 Degrees found that in Enfield Southgate, 40% of people have not been able to afford to turn the heating on when cold in the past month.

As people are forced to choose between heating and eating, I am pleased that the Government have followed Labour's calls to freeze energy bills for another three months, and for prepayment meter charges to be brought



[*Bambos Charalambous*]

in line with direct debit payments. However, the cost of living crisis is not over, and inequality is growing. For people struggling with sky-high bills, rents and mortgages, I fear that the help included in this Budget will not really touch the sides. Some 31% of my constituents are worried about having to use a food bank in the next year. Charities, food banks and community organisations such as the great Cooking Champions in Enfield, which provides groceries and cooked meals for those in need, face all-time-high demand, and 26% of people in Enfield Southgate have missed rent payments in the last six months as housing insecurity compounds cost of living pressures.

The Chancellor stood at the Dispatch Box last week and talked about the difficult decisions that the Government took in the autumn to deliver stability. While he and the Conservatives may dance around the issue, people in Enfield Southgate will not forget why those difficult decisions were needed, as the fallout from the Government's disastrous mini-Budget, fuelled by an ideological fixation on failed trickle-down economics, drags on to this day. In my constituency, families face mortgage hikes of more than £6,000. That is the devastating, real-life impact of the Conservatives' economic mismanagement—a Tory mortgage penalty in the middle of a cost of living crisis.

In that context, I return to priorities. This Budget was an opportunity to tackle the long-term challenges that we face with the cost of living, and to begin the clean-up after 13 years of Conservative failure on the economy. Instead, while family incomes and living standards fall to record lows and working people face the highest tax burden in 70 years, the Chancellor made it his priority to spend £1 billion on an untargeted tax cut for the richest 1% and their pension pots, in the midst of a cost of living crisis. That shows what side the Tories are on.

There are three issues that I would like to raise that were not covered in this Budget fully. First, the windfall tax was not mentioned last week, despite oil and gas giants continuing to rake in record profits at our expense. Last year, Shell reported the highest profits in its 115-year history and one of the largest profits in UK corporate history, while BP made profits of £23 billion in the same year, up from £10.6 billion. It is outrageous that the people of Enfield Southgate are struggling to pay their energy bills as oil and gas giants line their pockets. All the while, the Government sit idly by, leaving £10.4 billion on the table through holes in their half-baked energy profits levy. We needed a proper windfall tax on the oil and gas giants' unearned profits of war—billions of pounds that could help families and businesses across the UK through the cost of living crisis.

For renters, there was nothing from the Chancellor, despite rents in London increasing 17.8% on average last year. Every week, more constituents come to me with housing issues, from families facing eviction to people struggling to meet unaffordable rent rises. It is an incredibly worrying time for many, and this Budget did nothing to help them or to solve the housing crisis that has engulfed our country since the Conservatives took office. In Enfield, under this Government's watch, funding for the council has been cut by 60%. Quite simply, how can councils tackle

fundamental issues such as housing insecurity and shortages if the Tory Government in Westminster refuse to properly fund local government?

Finally, I would like to mention hospices because, although there is brief respite from the energy price guarantee freeze, long-term problems remain for hospices up and down the country. I welcome the announcement of more money for charities and hospices such as North London Hospice in Enfield, but the Treasury must release the money quickly to enable hospices to meet their energy bill demands as they struggle to maintain essential clinical services for some of the most vulnerable people in our community, in the face of unprecedented price rises and funding challenges.

Last week, the Chancellor said that "the plan is working". If the plan is papering over the cracks of 13 years of decline, I might agree, but this Budget should have been a game changer. The people of Enfield Southgate deserve better than a tired Tory Government with the wrong priorities and nobody left to blame. It is time that they stepped aside and let a Labour Government take over and deal with the real priorities that matter to the people.

7.16 pm

**Virginia Crosbie** (Ynys Môn) (Con): It is wonderful to see you in your rightful place, Madam Deputy Speaker.

This Budget is an example of how this Conservative Government are investing in Britain and in levelling up communities across the country, including in my constituency. The £20 million for the breakwater refurbishment in Holyhead will help to support the redevelopment of the second busiest roll-on roll-off port in the UK. The support offered to individuals and households, in particular for childcare, will open new opportunities for the working-age population in my constituency, but it is the nuclear energy announcements that I believe will have the greatest long-term impact on the people and economy of Ynys Môn. It is nuclear that I have consistently campaigned on and championed. I was delighted that my constituency was mentioned in the Chancellor's speech.

Earlier this month, I wrote a letter to the Prime Minister, co-signed by 57 right hon. and hon. Friends. In that letter, I asked the Prime Minister to push ahead with a bold new programme of nuclear power construction under the aegis of Great British Nuclear and to make new nuclear energy part of the green taxonomy. Great British Nuclear and the vision of our British energy security strategy would enable this country to make enormous strides toward energy independence, net zero and a more prosperous and balanced economy.

Every single nuclear power station online in Britain today was connected to the grid under a Conservative Government. The stations that we approve and build today will give the United Kingdom secure, reliable energy for at least 80 years. They will stand as this Government's green legacy to our children and our children's children. By announcing the intention to include nuclear in our green taxonomy, we open the gates to investment that was not previously accessible, and demonstrate to the world that we are committed to new nuclear. By backing small modular reactors through a competitive process, we will derive best value and drive our nuclear energy production forward in innovative ways that can tackle both national and local demand.

Ynys Môn is one of Rolls-Royce's four potential SMR sites. I have taken around the island SMR companies, such as Last Energy and GE Hitachi, with a view to investing on Ynys Môn. But it is the outcome of all these words that my constituents are most interested in. This Budget paves the way for regenerating Wylfa—currently the site of a nuclear power plant undergoing decommissioning. I hope, soon, to see spades in the ground for the UK's next new nuclear construction.

In case you have not heard, Madam Deputy Speaker, alongside these exciting developments, Ynys Môn is awaiting the outcome of its bid to become a freeport and I have an Anglesey freeport jacket especially for you. The freeport would be the last piece of the puzzle that would allow us to unleash the full potential of Ynys Môn. A freeport would work hand in hand with these nuclear announcements and make Ynys Môn a thriving, successful and economically productive part of the UK. Together, new nuclear and an Anglesey freeport would unleash our potential and make us roar.

The impact on Ynys Môn of such a step change in its fortunes would be huge—the culmination of decades of “nearly theres” for my constituents. It would bring employment, investment and the opportunity for local people to work locally. My dad had to leave Wales to find work. He could not afford to have his family in Wales. I have come back to ensure that other people do not have to leave and there is good-quality employment, right there on Ynys Môn.

The choice for our young people on Ynys Môn will no longer be to stay in their communities on low-paid and often seasonal work, or to leave in search of a career, like my father. They will be able to stay local, train local, work local and contribute local. That is what this Conservative Government and levelling up are all about. Diolch yn fawr.

7.21 pm

**Dame Nia Griffith** (Llanelli) (Lab): It is good to see you back, Madam Deputy Speaker.

Today, the United Nations Intergovernmental Panel on Climate Change climate science report reminds us that we are not doing enough to tackle climate change. While we continue to have a clear moral obligation to prioritise reaching net zero, we are now at a critical time for companies to invest in the technologies for the future. If the UK Government do not provide the appropriate conditions and incentives for multinational companies to choose to site their new production lines in the UK, they will go elsewhere. There will be not just one factory closure, but multiple factory closures. We will lose critical mass and a whole generation of investment. That would be a tragedy, when we think back to our role in the industrial revolution and about the world-class research and development that takes place in the UK's great universities and leading manufacturers.

The US Inflation Reduction Act and the European Union green deal industrial plan pose real challenges for the UK. Sadly, this Chancellor's Budget was an extremely disappointing response to what is going on elsewhere. It prompted the CEO of the Society of Motor Manufacturers and Traders to say of it:

“There is little, however, that enables the UK to compete with the massive packages of support to power a green transition that are available elsewhere.”

That is particularly galling as we do have the ideas to invest in innovation and research and development, and, at the same time, we have a desperate need for the Government to create growth. Just last week, the OECD report, “A Fragile Recovery”, repeated that Britain's economy will have the worst performance of any advanced country this year. That is a disgrace this Tory Government should be ashamed of.

The investment needs to be comprehensive. For example, the automotive transformation fund needs not just to support the development of batteries and electrical components, but to be available to companies such as those in my constituency investing in the development of lighter bodywork parts, which are essential for improved electric vehicles.

That is why we need a bold investment programme, such as the one Labour proposes of some £28 billion a year, so we can lead the green revolution, and develop, manufacture and export goods from our proposed export hubs, rather than find ourselves left behind in the green technological race, with factory lines shutting down as the manufacture of current models is phased out and our manufacturing base disappearing, leaving us ever more dependent on imports and exposed to the vagaries of world markets.

Time and again, from way before the current energy crisis, we have raised the issue of uncompetitive energy costs in industry and business. If the UK had invested considerably more in renewables, we would have been much less reliant on imported gas and in a much better position to control our energy prices. Yet this Tory Government have wasted so many years, dragging their feet on investment in renewables, with their absurd ideological ban on onshore wind in England—a ban there was absolutely no need for. We have just had a begrudging, half-hearted reversal of that ban, with no real enthusiasm and no renewed drive to accelerate the roll-out of this, the cheapest and easiest form of renewable energy to produce. And what did we hear in the autumn? Measures to curtail solar panel expansion investment. What will the Government now do to give a real boost to the transition to renewables?

We recently witnessed the fiasco where wind energy was being generated in Scotland, but because of lack of grid capacity, it could not be transmitted to England, where consumers needed it. So there is work to be done for the national grid just to catch up with the present, never mind prepare for the future.

I know the Climate Change Minister in the Welsh Government, Julie James MS, is mindful of the likely quantities of energy that will be generated by offshore wind in the Celtic sea. She has raised with the UK Government the vital work that is needed to the national grid to ensure that energy can be transported from where it is generated to where it is needed. Yet when I have mentioned that here in this place, I have been met with looks of incredulity from some Members of the Government Front Bench. So I ask again: given the huge potential for increasing output from both onshore and offshore wind, please can the Minister responding to the debate set out in detail what talks Ministers have had with National Grid about ensuring grid capacity will be able to transmit power from where it is generated to where it is needed? How do the Government intend to accelerate the development of the national grid?

[*Dame Nia Griffith*]

I turn to the Horizon programme, the EU programme that UK universities have particularly benefited from in the past, as they have been seen as attractive partners for other European countries. There was an abject failure by this Government in their Brexit negotiations not to come to a cordial agreement with the EU whereby we could, albeit from outside the EU, have collaborated on Horizon or similar programmes. Investors are now coming to the end of current programmes and unable to plan for the future.

The UK Government keep trying to blame the EU for the delays to the Horizon association, but they should be taking responsibility for their actions in breaking their manifesto promise to broker an association. In summing up, can the Minister update us on negotiations for the UK to have Horizon associate status, and ensure that our universities can benefit and compete with the best in the world?

7.26 pm

**Sir Robert Syms (Poole) (Con):** I draw attention to my entry in the Register of Members' Financial Interests. I am in the parliamentary pension fund and I may be affected by the lifetime allowance changes.

Listening to the debate today, one would be forgiven for forgetting the fact that we had the worst public health emergency for 100 years, in which the Government had to take actions to lock the economy down. I had my disagreements with my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), but you cannot say his motives were bad. He was trying to save lives and to get through a pandemic. We did not know whether the disease was going to be deadly, mild or what. That cost a lot of money and had a big impact on many businesses. If several million people are sent to sit at home for months on end while the Bank of England is printing money, it should not be a surprise if, at the end of that, inflation is high and living standards are under some challenge. The only people who could be surprised about the fact that the last 12 or 18 months have been difficult economically are those who did not think that there would be any consequences to lockdown. There were consequences. We are getting through them and things are improving, but that means there have to be some tough and difficult decisions on issues such as tax.

On the Government Benches, sometimes we do not like to put up taxes, but sometimes it is necessary. If we look at what the Government have done, we see that they have a plan, which is working. Between now and the next general election, there will probably be five statements or Budgets. We are at stage 2, so there are another three to go. In November, there were predictions of a recession—quite a big recession, actually—in the early part of this year, a rise in unemployment and a black hole in public spending. They have all sort of disappeared, which means the Government have stabilised the situation.

The Government have been trying to ensure that more people can get back into the labour force, with changes to childcare. They have protected a lot of capital budgets through their decisions, and their main objective in the Budget is to keep the economy growing.

I understand why people quote the International Monetary Fund, but its predictions, which are always educated guesses, were produced before the German economy went into a recession at the end of last year. At the moment, neither the French nor the German economy is performing as well as the British economy.

The truth of the matter is that we have a spike in inflation, which should come down quite rapidly this year. There will be a crossover point, somewhere around May, June or July, at which inflation will fall below the rate of pay increases. We will then start to have an increase in living standards from this summer onwards, and some of the squeezes that families are facing will be reversed. If the public finances improve as we grow, I hope that my right hon. Friends on the Treasury Bench will be able to cut taxation. There is a lot to be said for the Budget, which is one further step in the direction of sensible economics and nursing our economy and our public and individual finances back to health, so I support what the Prime Minister and the Chancellor are doing.

I was pleased by what my hon. Friend the Member for Ynys Môn (Virginia Crosbie) said about nuclear, particularly small modular. It is very important that we get on with that because, as always, we need a balanced range with not just renewables and gas but nuclear power.

I am generally pleased with what the Budget has done: I think that the outlook has measurably improved. We can still see some fragility in the world economy, certainly when we look at Switzerland or the United States, so we have to take a cautious approach, but I am sure that if we do so and nurse the economy back to health, our nation will be rather the better for it in 12 or 18 months' time.

I say to the Opposition: if we are right, we will beat you, and if you are right, you will beat us. I keep hearing about these 13 years of misery, but we won an election in 2015, we won an election in 2017 and we won an election in 2019. We may well win the election in 2024, but it will really be determined by whether the Treasury team get it right. My view is that they probably are getting it right; the Opposition's difficulty is that they have to sit there and watch us getting it right. I think it is going to be an interesting 18 months.

The hospitality sector in Bournemouth and Poole thinks that VAT is too high. The Isan Thai restaurant in Poole and the Lakeside restaurant in Poole would like to see it reduced when we can afford it, not least because many restaurants do not pay VAT on food, so the real rate of VAT at 20%, when they do not have many offsets, is quite a painful thing to pay. I told them that I would raise that point in this debate.

I think we are going in the right direction. I think we will see an improvement as we go through the year, and it will fundamentally change the politics of our country.

**Madam Deputy Speaker (Dame Eleanor Laing):** I call Liz Saville Roberts.

7.32 pm

**Liz Saville Roberts (Dwyfor Meirionnydd) (PC):** Diolch yn fawr iawn, Madam Ddirprwy Lefarydd. May I say that it really is a pleasure to see you back here? It makes something different about this place.



Communities across Wales are experiencing the biggest fall in living standards since records began. People will have looked to the Budget for a long-term economic plan to fix the structural issues impoverishing our economy, yet with incomes still set to be lower than their pre-pandemic levels by 2028, this Budget clearly does not go far enough. The UK Government must go further with investment in research and innovation, and must recognise the importance of our universities in unlocking Wales's economic potential.

Universities attract investment, ensure that our industries have access to skilled graduates, and provide the foundation for the research ecosystems that enable innovation. In response to the covid pandemic, for example, Bangor University developed a much-praised process for testing waste water for the virus, which could detect the emergence of new variants, and it is now exploring other ways in which waste water can be used to improve people's health and guide future healthcare policy. Yet Bangor tells me it is concerned that it was not able to bid successfully to provide that service in England, even though it is still doing so for the Welsh Government. It is a matter of concern if there is a two-system approach to university investments from this Government.

Despite the many such examples of research excellence, the Budget failed to address the looming cliff edge that Welsh universities face. In April, 60 research projects and 1,000 skilled jobs across Wales will be put at risk when EU structural funding comes to an end. Once they are lost, there is a real risk that most of those research projects will not return and progress towards both net zero and skills targets will be hindered. Welsh universities desperately need £71 million in bridge funding to enable those projects to continue for 12 months and to provide time to develop a more strategic approach to future funding. Ensuring that the UK Government do not overlook research excellence in Wales when initiating new contracts or national facilities will be critical to enabling Wales to continue to deliver the impacts of world-class research and to support the industries of the future.

One of those industries, of course, is renewable energy, which has the potential to create well-paid jobs, reduce our dependence on hydrocarbons and guarantee energy security. With significant generation opportunities along the Welsh coastline in both marine renewables and offshore wind, Wales has real potential to become a world leader in the manufacture of components and in exporting skills and expertise to a growing global market.

The development of marine energy is currently being hindered by the slow route to market for projects. Contracts for difference could play a key role in the development of this technology, so I was disappointed to learn that ringfenced support for tidal stream has been halved from £20 million in the last round to £10 million in the latest. With pre-consented demonstration zones in Wales, such as Morlais in Ynys Môn, depending on securing funding through the scheme to deploy, will the Government explain their rationale for halving the support and set out what steps they are taking to support Wales's first mover advantage in this technology?

I would like to set out how the nuclear licensed site at Trawsfynydd, which is entirely in public ownership, could be best used in future. Proposals for a national medical isotope centre in Trawsfynydd, known as Project ARTHUR, could be central to the UK Government's aim of becoming

a science and innovation superpower. Despite the importance of medical isotopes as a key pillar of cancer care and as a diagnostic tool, there are real fears about the security of supply because many of the isotope-producing reactors across the globe will be decommissioned in the next decade.

We therefore face the nightmare scenario of having to ration radioisotopes. We cannot leave it to the market to sort this out. It is about more than the rewards from long-term economic growth and long-term security; it necessitates action now. Bangor University argues strongly that securing an accessible supply of radioisotopes for the UK must be at the heart of expanding UK research and development capabilities in this field. Will the Minister therefore update the House as to what progress has been made on the medical radionuclide innovation programme, and on what recent discussions they have had with the Welsh Government about bringing Project ARTHUR to fruition?

Finally, Trawsfynydd is widely recognised as the lead location for the first SMR in the UK, not least because it has the UK's first site-specific development body up and running in the form of Welsh Government-supported Cwmni Eginio. Identifying technologies by the end of this year is therefore critical, as is acknowledging the need to hit the ground running with projects that actually have a chance of being ready for approval within the decade.

There have been many fine words about the need for nuclear to play its part in the energy mix, but since I became a Member of Parliament in 2015 we have been going round in circles discussing the need to move ahead. We have sites identified; Trawsfynydd is the most advanced in terms of decommissioning and is a publicly owned site. With Cwmni Eginio as a lead method of bringing forward development, will the Minister consider it—certainly for Traws and possibly also for Wylfa—as being ahead of the game in comparison with Great British Nuclear and a perfect model for innovation? Bringing forward this activity is so critical to the economic development of north-west Wales. I am sure that the Minister will mention GBN in her wind-up, so will she acknowledge that Cwmni Eginio and Trawsfynydd are key to successful strategic planning towards net zero?

7.39 pm

**Bob Seely** (Isle of Wight) (Con): It is great to see you in the Chair, Madam Deputy Speaker.

Like my hon. Friend the Member for Hazel Grove (Mr Wragg), I will be ultra-parochial: I am going to talk specifically about the funding model in my constituency in relation to public services, and what the Treasury says or does not say about it. The issue, which I will bring up in my Prime Minister's question on Wednesday and in my meeting with the relevant Minister in the next couple of weeks, is the funding of public services on the Isle of Wight.

Isle of Wight Council is the only island authority in the United Kingdom that does not receive a permanent, consistent uplift in its funding that reflects the additional cost of providing services on an island separated by sea from the mainland and without a fixed link. The "Fair funding review" of 2017, which was signed off by the current Prime Minister when he was in a different job, made clear that it recognised the additional costs associated with providing Government services on the Isle of Wight.

[*Bob Seely*]

It set those costs at a fairly high level, estimating them to be the equivalent of an extra 35 miles for ferry passengers on foot and about 70 miles—the distance from London to Peterborough—for those travelling in a car or lorry.

Since 1989, there have been six major studies of the impact of separation by sea on fair funding and public services on the Island. I shall refer briefly to two of them, the University of Portsmouth model of 2016 and a study commissioned last year by the Government, working with me, to examine the funding settlement for the Island. The University of Portsmouth, in an excellent study for which I thank its academics, confirmed that three separate economic factors were at play in making the provision of local services on the Island more expensive. The first was the lack of spill-over of public goods between the mainland and the Island, the second was the so-called Island premium—the higher prices charged by suppliers on the Island as opposed to the mainland—and the third was the additional costs to the Island that result from physical and perceived dislocation.

Two years ago, backing up and building on that report, the Government—at my request—spent about £50,000 on commissioning LG Futures, a respected local government think-tank, to review the evidence for the “additional costs” argument in relation to the provision of public services on the Island. The Government worked through with the council and me the parameters of what the review—which they had committed to and commissioned—would be investigating. It confirmed the accuracy of every relevant study of the funding of public services on the Island: it confirmed that it cost more to deliver public services there, for the reasons outlined by the University of Portsmouth.

In many ways I am delighted by what has been happening in the past few years, and I want Ministers to hear that. We have had a much better deal from the Government in recent years. Since I became the Member of Parliament for the Island, we have got more than £120 million of additional Government funding, including about £48 million for St Mary’s Hospital—and that does not include the £10 million for the new diagnostics centre, which is wonderful news. We have received £50 million to upgrade the railway and the Ryde railway pier. The work on the pier is under way, as is the work at St Mary’s. We have got £20 million for Isle of Wight College, and £6 million to support shipbuilding in East Cowes. All that provides much better life opportunities and life chances for Islanders, which are what I am here to try to deliver.

However, when it comes to the provision of local government services via Isle of Wight Council, we are lagging behind other islands in the UK, and our need—which has been confirmed by all coherent and responsible academic research into the Island—backs up our argument. I shall be meeting the relevant Minister in the next couple of weeks to discuss that, because the Government have, I am delighted to say, reopened the case for looking at Isle of Wight funding. The Secretary of State for Levelling Up, Housing and Communities will come to the Island in May to talk to the Islands Forum, which I helped to establish along with others, including council leaders in Orkney and, I believe, Wales. I also hope to talk to the Prime Minister about the issue in due course.

I ask Ministers, including those at the Department for Levelling Up, Housing and Communities and the Treasury, to look at a fair funding formula for the Island, because this is one of the outstanding issues that have still not been resolved in our efforts to secure a better deal. We have gone a long way towards delivering that better deal for health, shipbuilding, transport and Isle of Wight College, but a fairer funding settlement that takes account of the fact that the Isle of Wight is an island is still eluding us. I should be extremely grateful if Ministers could work with me on that to solve the issue this year.

7.44 pm

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): It is good to see you back, Madam Deputy Speaker.

This Budget has been described as being “slightly better” than the previous Prime Minister’s Budget, which crashed the economy. At least during the delivery of this Budget statement we were not watching on our phones as the pound plummeted, but what a low bar to reach above. Nothing says “clutching at straws” like the staged cheering of a “pothole fund”, whose very existence tells us that routine road maintenance has been starved of funds—another example of the managed decline that we have seen after 13 long years of Conservative rule.

This Budget is weak and unambitious. It is a sticking plaster, an attempt to fix mistakes that consecutive Conservative chancellors have made, and it does nothing to address the real problems that people face. What does it give us? We find ourselves facing the biggest drop in living standards on record. The average French family is now a tenth richer and the average German family a fifth richer than their British counterparts. Wages are now lower in real terms than they were 13 years ago. This stalling wage growth has left British workers £11,000 a year worse off. Taxes as a share of GDP are at a 30-year high, which is the equivalent of every household paying £4,600 more tax each year than in 2019-20. The OECD has said that the UK economy is the weakest in the G7. The only other country that is set to have a lower rate of growth and more contraction of its economy is Russia.

Why is this? The Government want to point to international factors such as covid and Ukraine, but those factors do not explain away the unique situation that the UK is facing. Yes, the Conservatives’ Brexit deal has had an impact, but these roots go far deeper. The roots of our economic difficulties go back to austerity in 2010, and the utter chaos and dysfunction at the heart of Government since 2016. The British people are literally paying the price for the internal wars within the Conservative party. Let us be honest: the Conservative party has no strategy and no plan to grow our economy, because the Conservative party no longer knows who it is or what it stands for. We are seeing that again this week as the soap opera continues, and the headlines about what the former Prime Minister did hit the newspapers instead of a real analysis of what is happening to the cost of living crisis.

We see another example when we look at the Conservatives’ desperate attempt to form an economic plan. In January 2020 the Department for Business, Energy and Industrial Strategy introduced an industrial strategy that promised five foundations of productivity.

That lasted only a year. In the spring of 2021 the Budget abolished the industrial strategy and replaced it with “Build Back Better: our plan for growth”, which contained three core pillars of growth. That lasted less than a year. In February 2022 the Chancellor—now the Prime Minister—abolished the pillars and the foundations, and introduced three priorities for growth. That lasted seven months. In September 2022 the Chancellor, the right hon. Member for Spelthorne (Kwasi Kwarteng), left out the pillars, foundations and priorities in favour of a growth plan—the less said about that, the better. It lasted four months. In January 2023 the new Chancellor brought back the pillars, but managed to increase their number from three to four. So far, that has lasted three months. What an utter farce! No wonder business investment is the lowest in the G7. There have been five plans for growth in one Parliament, and as a result of this incompetence GDP has fallen by 0.2%.

Who are the winners? As usual, the richest 1% gain from a Conservative Budget via the changes to pensions, at a cost of £1 billion for the rest of the taxpayers. As for the ludicrous claim that this is all about helping the doctors, I gently suggest that if the Government want to help the doctors and get more of them back working for the NHS, they should go and talk to the junior doctors who are currently on strike.

Who are the other winners? Let us have a look at those. Research and development “claim farms” are exploiting the low level of scrutiny of tax reliefs. R&D relief is the largest co-operative tax relief, predicted to cost more than £9 billion by 2026-27. A recent report from the charity TaxWatch revealed that highly profitable finance companies are claiming millions in relief. Boundary-pushing is rife. Fraud and error in R&D totalled more than £1.1 billion in the last three years, and our HMRC is too under-resourced even to look at it properly. The Government were prepared to chase people who were accidentally overpaid in benefits and pensions more than companies that were exploiting the system.

This Budget is a continuation of the pattern of managed decline, and it makes me so angry that our brilliant country is being let down in this way. It is a Budget from a tired, fractious, divided and desperate Government, focused so much on the enemies within and not enough on the real struggles that people out there are facing. It is a Budget with nothing to say on social care, NHS waiting lists or the millions without access to NHS dentists. It is a Budget that fails to learn the lessons of the past, with the only growth we see being in claim farms in R&D relief and in the very richest in society. Our country can be and will be so much better than this when we consign these farcical plans for pillars, foundations and priorities to the past and get in a new Labour Government who will put working people first.

7.50 pm

**Miriam Cates** (Penistone and Stocksbridge) (Con): I am delighted that the Chancellor has set aside £4 billion to help families with young children. I am less delighted with how he is choosing to spend it. I am referring to the massive expansion of the 30-hour childcare scheme to include babies from the age of nine months. The stated aim of this policy is to get parents back into work and to grow the economy, but unfortunately it will probably fail on both counts. It will not get parents back into work, and the evidence of that comes from

the current 30-hour offer for three and four-year-olds, which has had limited success, with only 40% of eligible families using their full entitlement. That is not surprising, because it is not free and it is inflexible, being restricted to only 38 weeks a year and between 9 am and 3 pm—not many jobs fit those requirements.

Polling shows that a great many parents would understandably prefer to look after their children themselves. A recent IFS study showed that free childcare does not have a significant impact on parents’ childcare and work decisions. If these are the problems with the three to four-year-old offer, they will be even more acute with the nine months to two years offer. We are also forgetting that families in this country keep so little of what they earn that it is often not worth going back to work even if the childcare is cheaper.

The Treasury and others keep repeating the mantra that British parents face the highest childcare costs in the western world. That is not actually true. The absolute costs of childcare in the UK are similar to those in other countries. The problem is that British families’ childcare costs are a higher proportion of families’ net income than in comparable countries. So the problem is not the childcare costs; it is the low net income. That is the result of taking so much money off parents in tax, in comparison with other countries, combined with meagre child benefits, also in comparison with other countries.

The root of this problem is our unique individual taxation system, which does not recognise households with children and results in British families paying three, four, five, or even 10 times the amount of tax as families in other countries. It particularly penalises single-earner households or households with a large difference in earnings between the two partners. Under this policy, for example, a mother might return to work because the childcare costs are now reduced. She might earn a £20,000 gross salary, out of which she has to pay taxation, national insurance, pension contributions, student loan repayments and travel costs, while her universal credit and childcare top-ups could be withdrawn. Out of her gross salary of a little under £1,700 a month, she will be lucky to keep £290. That is an effective tax rate of nearly 80%. Some people will return to work for that, but many will not because of what they are losing in time with their children, so I do not expect take-up to be high.

Will this policy grow the economy? It might increase GDP if more people return to the employment market, but what does it mean in real terms for real people’s lives? Will GDP per capita grow? I think that is highly unlikely, because when mothers return to work it creates more low-paying jobs in childcare and elderly care—important but low-paying jobs—which increases the gender pay gap. This has happened in Denmark, for example, which has three times the gender pay gap that we have here in the UK.

I do not believe the policy will see mums flooding back to work and I do not think it will grow the economy in meaningful terms, but even if I am wrong, I still believe it is the wrong policy because it is the wrong policy for children. What is best for baby in the early years? The bond between mother and child is probably the strongest human relationship there is. This is not just a soppy feeling; it is a highly evolved survival mechanism, and strong attachment in the early years pays dividends in later life. There are many great people in the childcare sector, but no one replaces mummy.



[*Miriam Cates*]

It is heartbreaking when mothers feel they have no choice but to leave their babies in childcare from a very young age because of the financial imperative. Yes, there is a cost of living problem, and many women want to work for all sorts of reasons and should absolutely be supported to do so, but the issue for many families is not the cost of childcare per se, any more than it is the cost of food or energy; it is the inability to live on one income when children are young. This is what separates many women from their children: not choice, but tragic necessity.

The Treasury thinks the answer to our financial challenges is to send more mothers to work. I think the answer is to support all families in the early years to give parents a choice. We have £4 billion for this new policy and £4 billion for existing policies, so why not use this to fund a move to household taxation and to increase child benefits? Why not spend that £6,500 a year per child in a different way, to give parents the choice of how they spend it, perhaps on formal childcare, on informal childcare or on spending fewer hours in the workplace?

Elite feminism might say that motherhood is drudgery and inferior to paid work outside the home, but that is only true if we believe that status and meaning derive principally from our salary and status in the workplace. “I wish I’d spent more time in the office instead of with my small children”, said no one on their deathbed ever. Those making these policies think of women with high-flying, highly paid careers, and of course those women should be supported to stay in work and maintain their careers, but that is not most women. Most women have jobs, not careers. As Dan Hitchens wrote in *UnHerd* last week, those advocating for these policies

“assume that taking your little one to Wriggle and Rhyme at the public library is an unutterable burden, whereas stacking shelves or updating spreadsheets is a liberation of the human spirit.”

It is fundamentally un-Conservative to spend £4 billion separating parents from their babies in the pursuit of marginal gains to GDP. We offer tax breaks and incentives to reduce costs for companies investing in the economy. Why not offer the same to families nurturing the source of our future economic success? I commend the amount of money being spent on the early years, but please can it be used to offer parents a choice and babies the best start in life?

**Mr Deputy Speaker (Mr Nigel Evans):** Order. I remind the House that the wind-ups will start no later than 9.40 pm, and that everybody who has taken part in the debate will be expected to be present for them.

7.56 pm

**Cat Smith** (Lancaster and Fleetwood) (Lab): I will keep my comments tightly focused on how I see the Budget impacting my constituents. When I hear from them in advice surgeries, I hear that their lives are not better now than they were 13 years ago. In fact, wages are lower now than they were then. It was telling that when the Chancellor stood up and delivered his Budget statement, it was against the backdrop of quite widely supported industrial action across many different sectors, so if he wants to see a high-wage, high-growth economy, perhaps the best place to start would be to give our public sector workers the pay rise they deserve.

I was pleased that a lot of emphasis in the Budget was on education. However, I want to make a few points about where I think the Chancellor may have been getting it slightly wrong. My constituency has two universities in it—Lancaster University and the University of Cumbria—but the Budget did not mention students. I am currently surveying students across my constituency, and I am hearing from them how they are struggling with the cost of living crisis. There was nothing in the Budget for students facing the cost of living crisis. Many of them are working two or three jobs in order to be able to live and to pay their rent. Many of them are in the private rented sector, but there was nothing in the Budget to improve conditions for people who are privately renting.

Looking at education for younger children, I am privileged and lucky to have so many wonderful rural primary schools in my constituency. I recently visited Scorton Primary School, whose headteacher is struggling because there is no school hall, which means that there is no space for the children to eat lunch, so they have to eat at their desks. There is no school kitchen, so the school lunches are brought in by taxi. The idea that a primary school such as Scorton is going to be able to make a decision to provide the wraparound childcare offer proposed by the Chancellor, when the school budget is so tight that it is having to look at making savings elsewhere, is frankly for the birds.

I also saw children from another fantastic primary school in my constituency, Abbeystead Primary School. I was visiting it as part of a visit with a company called Broadband for the Rural North, which I am sure you are familiar with, Mr Deputy Speaker. I am delighted that its representatives are coming to Westminster in a few weeks’ time and I am glad that you will be able to meet them with me. This community benefit society was sick of waiting for the big players to deliver fibre broadband to our rural communities, and it decided in 2012 that it could wait no longer. Starting in Quernmore, a village I am sure many Members have not heard of, it started something big. It is now rolling out superfast broadband, including to very isolated farmhouses, which just goes to show that the standard size does not fit all.

I found the Budget to be quite deaf to a lot of rural issues. When it comes to things such as transport, I feel that my constituency is losing out. HS2 suddenly will not reach the north of England, and the money we have been promised to fix potholes is a fraction of what was taken away by the cut to the roads budget. Active transport has also been cut, even though it is good for both people and the planet. It is something about which many of my constituents feel incredibly strongly, but there was no mention of it in the Budget.

I spoke about the issues of poverty on a recent visit to North Lancashire citizens advice bureau. Poverty was not mentioned at all in the Budget, but it affects a growing number of our constituents. For people who are on the brink of homelessness, who are unable to feed their children or who are in constant fear of being evicted by their landlord during these cycles of poverty, there was nothing in the Budget to reassure them that they will be any better off.

Instead, people on universal credit were promised more sanctions. There is no evidence that sanctions have any impact on encouraging people. All they do is make life

more difficult when people know they do not have the money, so they have to rely on food banks. I give credit to all the volunteers who work in food banks across my constituency, but why do we have to have food banks? Why are they now so accepted? I find it shocking. I support my local food banks, I ran the London marathon for them and I will do what I can to support my community, but food banks should not exist. It feels like they are now an established part of our society's structure. We fundraise for them all over the place, and we have donation boxes in all our supermarkets, but I find it completely unacceptable that we have normalised poverty in that way. Poverty was not mentioned in the Budget. Frankly, I feel incredibly let down.

I would have liked to say more about childcare. Frankly, if we are increasingly to rely on private childminders without new state provision, prices will be pushed up and demand will outstrip supply, which could create a huge childcare crisis for many parents. People are already having to put their child's name down before they are born in order to be confident of getting a nursery place. Without that supply, it is difficult to know how working parents will be able to rely on this measure.

Investment zones have been heralded as levelling up all parts of the United Kingdom, but how can the Government suggest they are doing that when there are only 12 new investment zones? There is nothing for Lancashire, as we do not fall into any of the zones.

Frankly, this is a sticking-plaster Budget that does nothing to address the needs of my constituents and does nothing to address poverty in this country. I think it is a terrible Budget, and I hope the Chancellor will look again at his priorities.

8.2 pm

**Jack Brereton** (Stoke-on-Trent South) (Con): This Budget is about cementing stability in the economy after the turmoil of the pandemic, the lockdowns and Putin's illegal invasion of Ukraine. Halving inflation is rightly the Government's No. 1 priority, and we are forecast not just to meet that goal but to surpass it significantly this year, driving down costs for families and businesses.

The actions the Budget takes to maintain the energy price guarantee for a further three months, to remove the prepayment meter premium charge, to maintain the 5p cut in fuel duty, to significantly extend free childcare and to freeze the duty on a pub pint with a Brexit pub guarantee are all being delivered because this Government understand the need for immediate measures to help tackle the cost of living. And this Government understand that, to expand the economy with non-inflationary growth, we need to increase our productive capacity.

I am glad to confirm to the Chancellor that Stoke-on-Trent is exactly the kind of high-potential regional city with the capacity to expand an excellent science and technology base, including our world-leading local ceramics sector and a burgeoning new digital gaming sector, spurred on by our investment in gigabit digital connectivity.

I am delighted that the Budget confirms Stoke-on-Trent's much anticipated levelling-up partnership. This new partnership will help unblock the barriers to the levelling up of opportunities and productivity, delivering the improvements our city needs. It unlocks access to part of a £400 million fund, on top of the wider investment we have already secured, including the £56 million

levelling-up fund investment that is now being delivered, which will see the repurposing of the historical Crown works in my constituency.

I am also excited by the unique partnership secured by Stoke-on-Trent City Council, under the excellent leadership of Councillor Abi Brown, with Homes England. It is fantastic news that 3,000 homes will be delivered and that the city's economy will gain £400 million from unlocking this new development, particularly on more challenging derelict brownfield sites. Stoke-on-Trent has a strong record of delivering housing and, with Government support, delivered more than the average London borough last year, with 100% on brownfield sites.

I also welcome the significant extension of tax relief for firms investing in plant and machinery. That will make a big difference to manufacturers, incentivising them to invest more in improved energy-efficiency measures and increased productivity. It will mean a tax cut of up to 25p for every £1 that a company invests, putting £25 billion back into the economy over the next three years.

I am pleased to say that, since 2010, the gross value added of the ceramics sector has doubled in real terms, but it is not easy sailing and the sector is not always neatly compatible with the support schemes that are set up to help industry. I am thinking especially of the 97% of the ceramics industry that are SMEs, which have often not had the capacity to secure support, or have been excluded from the scale of support seen in other sectors. The ceramics sector is vital to our future economy, with almost every sector having supply chain links. There are advanced ceramic components in high-tech materials that are securing the future, from healthcare to aerospace. It is a sector with huge growth potential, and in which UK industry must take a global lead.

Ceramics works alongside other advanced manufacturing in Stoke-on-Trent. I look forward to seeing Goodwin International in the supply chain for small modular reactors, for example. This will help with decarbonisation. It is a hugely welcome step for nuclear now to be on a level playing field with renewables when it comes to investment incentives.

The ceramics sector itself has, so far, invested £600 million in decarbonisation, becoming more gas-efficient by recycling heat, and so on, but there are sadly no immediate viable options to convert the entire sector from gas to electric or hydrogen in the next decade. This reality needs to be acknowledged. It is certainly better for firms to be gas firing efficiently in the UK, and working on further decarbonisation improvements, than offshoring production to countries with lesser environmental protections.

It is also imperative that the Restoring Your Railway fund leads to tangible results, including a restored Meir station, which could be open as early as 2024 with Government support, and a reopened Stoke-Leek line to serve deprived neighbourhoods with notably low rates of car ownership and to support better access to jobs and skills.

Without local transport network improvements, HS2 will only ever be of limited benefit. For far too much of Stoke-on-Trent and Staffordshire, the current plans for phase 2 mean huge amounts of pain for very little gain. I welcome the pause because phase 2, as currently proposed, would be likely to result in the further diminishing of rail capacity, all at the cost of providing superfast HS2 services that do not connect to the places to which

[Jack Brereton]

people want to go. It is important that we use this opportunity to consider whether the money for phase 2 could be better invested in upgrading the existing network and further enhancing the local network, as through the Restoring Your Railway fund.

The Budget is another step in the right direction for unleashing further innovation from our excellent advanced manufacturing base. It maintains the momentum for levelling Stoke-on-Trent back up to where it belongs, as a world leader in industry, science and technology.

8.8 pm

**Stephen Morgan** (Portsmouth South) (Lab): This Budget is quite easy to characterise. Under the Tories we have had a lost decade, and under this Government we are sadly looking at another. Since the Conservatives came to office in 2010, we have seen stagnant living standards, stretched public services, falling investment and the complete absence of a long-term, coherent vision for our country. The real question we need to ask ourselves tonight is, "Will the Budget change any of this?" The answer is a resounding no.

According to the OBR, real incomes are forecast to fall almost to where they were a decade ago, which is the shocking legacy of those sitting on the Conservative Benches. What is more, the hit to living standards over the past two years is the largest since records began. Last week, the Chancellor lauded Britain's negative growth forecast this year as if it were something to be celebrated. Of course, the Government will blame it on external factors, but the reality is that the UK will be the weakest economy in the G7 this year and the only one with negative growth.

When we talk about a lost decade, it is easy to think of that in an abstract way, but we should remember the reality of it for the people of this country. It means more Portsmouth families struggling to heat their homes; more local businesses battling just to survive; more children in my city hungry and in poverty; more patients at the Queen Alexandra Hospital in pain and stuck on ever-growing waiting lists; and more Portsmouth people struggling to make ends meet.

The real tragedy is that our country has so much to offer. I see that at first hand in Portsmouth, a city fizzing full of potential. It just needs a bit of support to unlock it. This Budget represented a chance for the Government to do that, but instead they have decided to continue papering over the cracks of 13 years of economic failure. Portsmouth and the country were crying out for a long-term plan last week, yet in the midst of a cost of living crisis the only rabbit the Chancellor pulled out of his hat was a handout for the richest 1% and their pension pots.

Judging by this Budget, one would be forgiven for thinking that the crisis facing our NHS had been solved. Sadly, that is certainly not the case. Thirteen years of Conservative mismanagement has left the NHS without the doctors and nurses it needs, and patients are paying the price. People in Portsmouth are finding it impossible to get a GP or dentist appointment, or an operation, when they need one, and nothing the Chancellor said last week will help. It is true that the longer the Conservatives are in power, the longer patients have to wait.

From hearing the Chancellor's comments last week, one would also be forgiven for thinking that the climate crisis was over, but the sad reality is that the UK is being left behind in the global race for green good jobs. Our investment in green energies and industries is now five times less than that of Germany, and roughly half that of France and the USA. We urgently need a Government who understand the scale of this problem and can make Britain a clean energy superpower, to create jobs, cut bills, boost energy security and accelerate our economy to net zero.

To be fair, not everything in this Budget was bad; I am thinking, in particular, of the policies the Government decided to take from Labour. I was pleased to see the cap on energy bills extended and the scrapping of the extra charges for those on prepayment energy meters. It is now time for the Government to copy at least one more of Labour's policies. According to the OBR, the Government left £10.4 billion on the table through holes in the windfall tax. It is simply not right that oil and gas companies continue to enjoy astronomical profits at the expense of working people. There are no more excuses; the Government need finally to bring in a proper windfall tax.

In conclusion, in every town and city in our country, in every community, there is so much on offer, but 13 years of Tory economic mismanagement has left us lagging behind. Our country was crying out for a long-term plan this week, but instead we saw a Budget without any ambition and without any vision for Portsmouth or for Britain. It is time we had a Government who deliver on the potential in a way that Portsmouth and our country deserve.

8.13 pm

**Aaron Bell** (Newcastle-under-Lyme) (Con): It is a pleasure to follow the hon. Member for Portsmouth South (Stephen Morgan). I welcome the Budget from this Chancellor, as it is a sensible, forward-looking Budget that will give us the economic stability we need. It will continue to protect my constituents and all of our constituents from the global headwinds referred to by my neighbour, my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton), as we have done throughout the Parliament. Through covid, the war in Ukraine and the energy price crisis, we have been looking after our constituents and protecting them from the worst ravages of inflation. The Budget also offers a viable plan to energise growth, not least in science and technology, the theme of today's debate, to which I will turn in a moment.

Before I do so, I wish to welcome a few of the specific measures the Chancellor announced last Wednesday, starting with the extension of 30 hours' childcare all the way down, ultimately, to those as young as nine months. That will be welcomed by my constituents. It offers young families choice—the choice I want to see. It is not about compulsion or forcing anybody to go back into work; it offers people the choice to do that, just as we have done in relation to a higher age. We continue to bring that further down. So many schools in my constituency have a nursery attached to the reception, and this works well for getting children introduced to that concept, as and when the parents are ready for that.

I also welcome the extension of the energy price guarantee, at £2,500, for a further three months. We heard from the forecasts that inflation would fall this



year and I very much hope that will continue. Obviously, it depends on global oil and gas prices, which are what caused inflation to rise in the first place. As it falls, people will start to feel the benefits and we will see bills fall below that level later in the year. I also welcome, as my hon. Friend the Member for Stoke-on-Trent South did, the fixing of the prepayment meter premium that a number of my constituents have suffered from.

In a constituency such as mine, so many people rely on their cars to get to work, so I welcome the freeze in fuel duty and the extension of the 5p cut that I and others lobbied for last year. It has saved drivers, on average, £200 since we introduced that cut and it is the right thing to do for constituencies such as mine.

I had some concerns about the corporation tax rise, but they have been broadly tempered by the full expensing announcement. I am a former deputy chair of the Backbench Treasury Committee, along with my hon. Friend the Member for South Cambridgeshire (Anthony Browne) and Baroness Noakes. We did a lot of thinking about this and put those cases to the Prime Minister when he was Chancellor, as we have to other Ministers since, including the Financial Secretary, who is in her place. Full expensing is a positive move. It is vital that we put in place measures enabling businesses to thrive. In the autumn statement, my right hon. Friend the Chancellor also announced major reforms to business rates. That work needs to be continued. It will make a huge difference to Newcastle-under-Lyme's high street, so let us get on with it.

On the £200 million to deal with potholes across the country, with £4.5 million of that for Staffordshire, the county council can be assured that I will be lobbying to make sure that Newcastle-under-Lyme gets its fair share of that. We need to make sure that, when that work is done, it is done better than it has been by Amey in the past. The swimming pool support fund of £60 million will be welcomed by Newcastle-under-Lyme Borough Council, under the leadership of Simon Tagg, to keep costs and prices low, at Jubilee2, in particular.

On science and technology, I welcome the certainty on Horizon that the Secretary of State gave earlier. Contrary to some of the claims from the Opposition, the EU has been responsible for the delays in agreeing this, because it wanted to use Horizon as a negotiating chip. Now that we have the Windsor framework, I think we can look forward, but the Opposition cheered on the EU in that complaint, just as they did throughout Brexit.

It is vital that we invest in the technologies and jobs of the future, so I welcome the £370 million of Government investment that the Secretary of State announced the other week. I also welcome the private investment we are seeing, for example, with Moderna's £150 million investment in a vaccine centre in the UK, and all the various investments I see at the Keele science park in my constituency and the Keele medical school, on the same campus. It would be a great location for a new dental school, which I have been championing, along with my hon. Friend the Member for Stoke-on-Trent South.

The Select Committee on Science and Technology, on which I am proud to sit, has been all over the country looking at how we recover from covid and how we raise both public and private investment. However, it is important to note that we have a vibrant sector already.

The UK tech sector is No.1 in Europe, No. 3 in the world and last year it raised more than France and Germany combined.

I come to the lifetime allowance. As my hon. Friend the Member for Hazel Grove (Mr Wragg) said, it is a long-running tradition that sometimes a Budget is well received on the day but falls apart afterwards. This is the first time I can recall that happening to the Opposition, with their cynical, shameless opportunism. We delivered the exact policy they called for—I have heard this a few times on the Opposition side—the exact one that the shadow Health Secretary called for in *The Guardian*, the exact one that doctors in Newcastle-under-Lyme asked us for. However, the politics of envy overtook the Opposition and the shadow Chancellor took a decision to denounce it, even as the British Medical Association was welcoming it.

We heard that Labour would like to keep the policy just for doctors, but the reality is that the cap is pushing all sorts of workers into early retirement—headteachers, police chiefs, senior armed forces personnel, senior armed forces clinicians, air traffic controllers and prison governors, and many in the private sector, too, who would be getting less generous pensions than some of those in the public sector, from the same notional size of pension pot. These public servants will be getting generous pensions, but those pensions will be taxed, in many cases at 40%. I believe, contrary to the politics of envy, that it is vital that we retain their services for longer in the workplace, because that experience means more productivity and more growth for this country. Of course, while they stay in the workplace, they will be paying more income tax—it is a net gain for the country overall. Labour's policy would damage productivity and growth and contribute to a crisis in public sector retirement. To be honest, I would not be surprised if Labour quietly scrapped it before the election as it realises that the politics of envy will not work.

In conclusion, I really welcome the Government's Budget. I welcome what the Chancellor has said and what the Budget will do for places such as Newcastle-under-Lyme as we continue to level up and to get the benefits of Government spending. I commend the Budget to the House.

8.19 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to follow the hon. Member for Newcastle-under-Lyme (Aaron Bell), although I gently remind him that it was the UK that left Horizon Europe, not the other way round.

We can, however, probably agree that innovation and science are critical to building strong and resilient national and regional economies, and our universities play a key role in fuelling that vital innovation. I could cite many examples, but I would particularly pick out the Whittle Laboratory at Cambridge, which is spearheading cutting-edge work on improving the aerothermal performance of turbomachines. Those machines are the principal technology in the world's energy-conversion processes, and improving their efficiency is key to reducing the environmental impact of power generation and aviation.

London Economics recently calculated—it said this in a report launched on the estate this evening—that Cambridge University's net total impact on the UK economy is a staggering £29.8 billion annually, supporting

[Daniel Zeichner]

more than 86,000 jobs across the UK. A high percentage of that economic impact is generated by companies spun out from, or closely associated with, the university. That has been made possible by the university's long-term strategy of investment in innovation and commercialisation activities over decades.

However, universities and businesses cannot do these things alone. There is a vital role for Government in creating the right environment and culture for innovation and entrepreneurialism to flourish. That includes a strategic vision, stability, sustained investment and a tax regime that incentivises innovation and knowledge creation. However, I am afraid that the Government have fallen well short on those criteria in recent years. We have had nine changes of Science Minister in five years, and 26 months of Horizon uncertainty. The UK has lost out on investment and research projects across the country. Scientists have left international projects or have been told to relocate. The Royal Society—this point was also raised in a recent review by Paul Nurse—has strongly urged the Government to deliver on their pledge to associate to Horizon Europe, as that is vital to restoring the confidence of global research talent and investors in building their futures here in the UK.

Frankly, the Government have not put their money where their mouth is. Despite repeated promises to UK scientists that funding has been set aside and ringfenced for UK research and development, £1.6 billion that was previously earmarked for Horizon Europe association, or the alternative, has been taken back by the Treasury, and the science community is deeply disappointed by that substantial loss.

As for the tax regime, we witnessed a complete botch of the R&D tax credit system only a few months ago in the autumn statement. Leading experts queued up to express their exasperation that such a backward move would hinder growth for the early-stage and research-intensive tech companies that are key to the UK's future. According to auditor BDO, it would have meant support for loss-making companies dropping from an effective 33.4% subsidy to an 18.6% subsidy.

The Government did try to clear up the mess in last week's Budget, but all the damage has by no means been repaired. SMEs and start-ups are still worse off than they would have been before the changes that were made in the autumn. The Government are still cutting support for R&D in start-ups and small businesses—to the tune of £2 billion over the next five years, according to one estimate.

Further, the justification for the cuts—fraud and misuse—has not been addressed, and the high bar of 40% R&D expenditure leaves thousands of small firms out of scope. Start-ups spending below the threshold would, on average, receive £100,000 less in support under the new scheme—equivalent to a 30% to 40% reduction in funding. The threshold will also penalise companies that are scaling up as they begin to spend money on more mainstream business expenses.

The funding gap between early and late-stage businesses is simply too large. The bottom line is that most start-ups will still find it much harder to claim R&D tax credits than they would have before the Government took over.

In the words of Russ Shaw, CBE, founder of Global Tech Advocates, the R&D tax rebates are “short-sighted” and will “simply not suffice”.

I am afraid that this partial, half-hearted U-turn has not convinced our leading entrepreneurs and knowledge creators that the Government are serious about science and innovation or about the economic growth it stimulates. Indeed, the OBR has confirmed that the UK will be the weakest economy in the G7 this year and the only one that will see negative growth. No other G20 economy, apart from Russia, is forecast to shrink this year.

This Budget was the chance to repair some of the damage and to give us a fighting chance in the global race for advancement in science and technology. Instead, I am afraid that we have had more tinkering and short-termism. Now, more than ever, we need a Government who are firmly committed to generating a green, tech-driven recovery for the nation and to unlocking our potential as a real science and innovation superpower.

8.24 pm

**James Sunderland (Bracknell) (Con):** I rise to support last week's excellent Budget, but also to provide some context about why it is so important for my constituency and why our local offer is so good.

As we know, Bracknell Forest is the silicon valley of the Thames valley. It has a strong and vibrant economy and can boast a number of world-class companies. Some 150 international companies have their offices in Bracknell, including Syngenta, 3M, Fujitsu, Honda, Waitrose, Panasonic, Hitachi, Dell and many others. Why is that important? Bracknell can act as a template for what can be achieved elsewhere in the country, because business and the way we live personally are integrated so well. It is also home to fantastic infrastructure and businesses, and it is vital that those companies remain in Bracknell as we go forward.

Well, so what? Last week, the Chancellor announced the delivery of 12 new investment zones in the west midlands, Greater Manchester, the north-east, South Yorkshire, West Yorkshire, the east midlands, Teesside and Liverpool, with at least one in each of Scotland, Wales and Northern Ireland. That totals 11, and my contention is that Berkshire—Bracknell—could be a perfect candidate for the 12th. With the Minister in her place, I am going to push for that and to state the case right now.

To qualify for £80 million of support for a range of interventions, including skills, infrastructure, tax relief and business rates retention, each area will need to successfully identify where it can offer

“a bold and imaginative partnership between local government and a university or research institute in a way that catalyses new innovation clusters.”—[*Official Report*, 15 March 2023; Vol. 729, c. 838.]

Well, guess what? We have lots of innovation clusters right now in Bracknell. We have a close tie-up locally with Reading University. We also have Syngenta at Jealott's Hill, which is hopefully about to become a global hub for agricultural R&D, with huge investment and 3,000 jobs. It is a no-brainer—we have all the ingredients locally to make a really good case.

Bracknell has full employment. It has one of the best-performing healthcare trusts in the country. Forty of 40 schools are rated good or outstanding. We have

fantastic leisure facilities and open spaces. We have one of the top five average incomes of any borough in the country. We also have the Lexicon shopping centre. What more do we need? However, the important thing is that Bracknell is run by a Conservative council, and that council is absolutely focused on local investment, technology, infrastructure and full employment. The offer is really good locally.

Bracknell is a hub for R&D, and more than 200 organisations contribute to R&D in the constituency, in addition to the companies that are based there. Last week's Budget labelled economic growth as its core objective, and it achieves that for many of Bracknell's companies, especially in R&D. The Budget also promotes strong economic growth, exciting new job opportunities and stable local economies.

To prove the point, if a qualifying small or medium-sized business spends 40% or more of its total expenditure on R&D, it will be able to claim a credit worth £27 for every £100 spent. That is a huge tax rebate. When I talked to a boss of one of our Formula 1 teams based in the UK a couple of weeks ago, he told me that that is worth millions of pounds to him every year. It is worth millions of pounds to SMEs right across the UK. The UK has to be a place for R&D, for AI, for investment, for tech, for innovation—and we have just the place in Bracknell.

Before I finish, I have some concerns to raise. First, the way the R&D tax credits work is they are a net credit after tax. In other words, credit is taxed at the prevailing rate of corporation tax; if CT goes from 19% to 25%, the value of the credit goes down. My plea to the Minister is to please leave corporation tax as low as it can be, for the benefit of all of us.

Secondly, the type of business that will benefit in Bracknell will be life sciences businesses. Given the significant up-front development and—almost by definition—research costs, the challenge for these businesses locally is that pre-revenue and pre-profit tax credits may be of limited value, even if carried forward. Therefore, we need additional incentivisation to improve that.

Thirdly, we need a suitably qualified high-tech workforce to carry out R&D. We have that in Bracknell. Alongside tax credits, we need to ensure the availability of skilled labour. I cannot stress enough that in parts of the country, particularly the south-east and Berkshire, where we are lucky enough to have full employment, we need to do more to generate more labour. Therefore, the schemes announced last week to bring the over-50s and other people back into the workplace are absolutely brilliant.

I commend the Budget. It will entice people back into work and incentivise more R&D, which can only benefit Berkshire and Bracknell and elsewhere across the UK. Finally, why not an investment hub in Bracknell too?

8.30 pm

**Ruth Jones** (Newport West) (Lab): I am grateful for the chance to speak in this Budget debate and to give voice to the concerns of the many people in Newport West who are finding it tough and wanted a proper plan for growth and opportunity.

The Chancellor's Budget could have been a unique opportunity to unlock Britain's promise and potential and to break away, finally, from over a decade of decline and decay. Instead, the Tories have decided to continue

papering over the cracks of 13 years of Conservative economic failure. That was exemplified by a handout to the pension pots of the richest 1%, with no regard for the livelihoods and wellbeing of my constituents in Newport West or others around the country who want and need real change and real investment in their communities.

Growth was downgraded in this Tory Budget, but Labour will not allow us to keep bumping along this path of managed decline. I welcome our mission to secure the highest sustained growth in the G7, as set out by my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer). That way, we will create the good jobs and productivity growth across every part of our country that our people are crying out for. Let us be clear: where this Conservative Government have basically given up and thrown in the towel, Labour will build a better Britain.

Despite all the claims from the Chancellor, the OBR downgraded the UK's long-term growth forecast, with downgrades in all the last three years of the forecast period. The OECD has now confirmed that the UK will be the weakest economy in the G7 this year—a ringing endorsement of 13 years of Tory government. The OBR also confirms that the hit to living standards over the past two years is the largest since comparable records began. Let us just think about that for a minute. It means that the average French family are now one tenth richer than their British counterparts, while the average German family are one fifth richer.

Wages are now lower in real terms than they were 13 years ago. The independent OBR has confirmed that real wages fell last year and will fall further this year. That will mean that, under this Conservative Government, real weekly wages are now expected to remain below 2008 levels until 2026.

This Government have let down the people of Newport West, Wales and our United Kingdom. This Budget was a wasted opportunity that delivered a tax cut for the richest and nothing for the many. It continued a Conservative agenda of delay and decline. The only way forward is to change course, to deliver for our people and to move forward with a Labour Government, and the sooner the better.

I want to conclude by talking about real people who have been directly affected by this Government's careless attitude to financial matters. Dawn Jones is a 76-year-old pensioner living alone in Newport West. She had to take out a retirement plan mortgage some years ago and was making interest-only payments of £200 per month. However, thanks to the previous Prime Minister and Chancellor crushing the economy, she is now paying over £500 per month. She is a pensioner. How can she afford that?

Dawn is now at her wits' end wondering how she will make the repayments. She cannot afford to put the heating on and has been having to wear three or four layers of clothing throughout the winter. When it got really cold she had to use hot water bottles. She finishes her heartrending email by saying:

"The Tories do not live in the real world, they have no idea how most of us live."

I completely agree with Dawn.



8.33 pm

**Nick Fletcher** (Don Valley) (Con): We are speaking today about science and technology, but I want to speak first about some of the important issues raised in the Budget, starting with the pension changes. They were made to get Mr and Mrs Jones's hip replacements done, or to get someone's tumour removed. They will get the consultant in the operating theatre and each of us on the road to recovery when we need it—and they will do it immediately. If the change had been made on a sector-specific basis, I believe it could have taken much longer. We were all young and struggling once, but young doctors' future is bright—so bright that they will complain in 20 years' time that they want to put more than £1 million in their pensions—so I suggest that they get off the picket line, ask for a sensible pay rise and start to earn their stripes.

On childcare, I am a social conservative, so I believe that the best people to look after the children are mum, dad, nana, grandad—family. I know that it is tough for many out there; I know that some have no choice. I am judging no one on their choices or the position that they find themselves in. I also know that the Chancellor wants to help, but I think that part of the £4 billion could be used to provide some choice for parents by giving them the option to stay at home or go to work.

I am sure that we all think we have important jobs—especially in this place—but we should never devalue the job of being a great parent. When I was bringing my children up, I was always told, “Spend time with your kids when they're young, or you'll be forced to spend time with them when they're older”, meaning in the headmaster's office, with the social worker, with the police or with the judge if they stray. We do not want that for any child, so let us do all that we can to embrace family life. It works, and it is proven, so let us do it.

Doncaster is not necessarily the first place that someone thinks of when they think of science and technology, but it needs to be if levelling up is ever going to work, and I think that it is close—really close. If we are helped by the Government, we have an opportunity to get Boeing in Doncaster, to get hybrid air vehicles in Doncaster, to get the advanced manufacturing and research centre in Doncaster.

Somehow, along the way, Doncaster and South Yorkshire lost their industry—mainly because of strikes. I grew up with strikes and saw the damage that they did. I saw the jobs go. That is why I am no supporter of strikes. But we now have an opportunity to be leaders again. In the centenary year of the Flying Scotsman being built in Doncaster, how great would it be to have the University of Sheffield Advanced Manufacturing Research Centre open a new innovation site in Don Valley?

Although 2022 was not a good year for Doncaster, with the loss of our airport, maybe 2023 will be the start of a new revolution. Who knows? Maybe we can get not only Boeing aircraft flying in and out of our airport when we get it open again, but Boeing manufacturing in Doncaster. The investment zones announced for South Yorkshire will benefit from £80 million of tax breaks and should entice the investment that we need.

Why can Doncaster not be part of the nuclear story through SMRs? Why can Don Valley not be part of the carbon capture story? Those industries will all benefit from this Budget, and I want them all in Doncaster.

“Growth” and “investment” are the words of this Budget, and I want them there. If we can land that, the children of Doncaster will have a future—a future where quality jobs are available right where they live, in a city where they can bring up their families and their parents can help with childcare, and they can reciprocate later in life by looking after their ageing parents. That would mean an end to fractured families with hundreds of miles separating them.

There was lots in this Budget that the Opposition have tried to denounce, but we all know that the Conservative side of the House earns and the Labour side spends. The Conservative side understands its people and where they work; it understands the value of work; it understands the balance between achieving net zero and killing our towns and cities in a competition of who wants to be the greenest; it understands the value of education, skills and increased productivity, rather than just opening our borders.

No one has shouted loudly enough for Doncaster. The people have only ever heard that they are left behind and deprived, and that it is always the Tories' fault. Well, they do not hear that rubbish from me; they hear only that if they try, try, try, they cannot help but achieve, achieve, achieve. Excuses will always get us nowhere. Excuses over the last 60 years from a Labour-run authority have got Doncaster nowhere—look at what happened to our airport, and all the excuses from the authority on why it could not use its devolved powers.

Things are changing. Doncaster is great because its people are great, but it could do so much better. Yes, our city could be so much better, and under this Government, it will be better. With this Budget, we will get through the cost of living crisis, get a future for our next generation, and make saving our planet work for us, not against us. The future is now bright for the first time in 60 years, but that is only because we have a Conservative from Doncaster in this place, and it would be even brighter with two more. I will vote for the Budget. I thank the Government for the £20 million and the new direction that the levelling-up partnership will bring to my city, Doncaster.

8.39 pm

**Mike Amesbury** (Weaver Vale) (Lab): It is a pleasure to follow the hon. Member for Don Valley (Nick Fletcher) and to disagree with nearly every word uttered from his lips. It is clear to working people and hard-pressed families in my Weaver Vale constituency that last week's Budget offered them little in the midst of this cost of living crisis, and that point has been echoed right across these Opposition Benches.

We have to ask ourselves the fundamental questions. Thirteen years on, are people in our constituencies better off? Are houses—genuinely affordable houses and social houses—being built? Are schools being resourced adequately? Are they being rebuilt? Are the 40 wonderful hospitals that the Government claim they are going to build being built? The answer to all those questions is no, no, and no. After 13 years, we have sticking-plaster politics. We have no growth and taxation at a 70-year high. People in my constituency and in others up and down the land look at their mortgage bills, particularly those who are remortgaging, and they think there is a nearly £2,000 tax upon their hard-pressed shoulders.

I spoke to many of my constituents over the weekend, asking, “What did you think of the Budget?” It was the chatter in cafés and on the buses—the buses that run, of course; the buses that have not been cut. I asked, “Do you feel helped?” They said no. They decried that huge tax giveaway to less than 1% in our society, including very wealthy pensioners. In fact, it is a great way to avoid inheritance tax. That is well documented by people more in the know than I am.

Was it a Budget for people? Was it a Budget for growth? Was it a Budget to turbocharge the green economy? Again the answer is no, no, no. It was a failure, and that failure we can measure not just in figures, but in people’s purses and wallets, which are empty. People have referred to food banks. Food banks are a growth industry, and that is shameful. My good friend and colleague, my hon. Friend the Member for Lancaster and Fleetwood (Cat Smith), who is no longer in her place, spoke about that. Our mission in this place should be to ensure that we do not see food banks and that people, particularly those on the Government side, do not use them as a photo opportunity, standing in front of them with a great big smile on their face. It is shameful.

Was it a Budget that increased people’s wages? I think there was only one passing reference to people’s wages. As Members have pointed out, the figures are there to see. The OBR says that wages are expected to fall by 5.7% over the next two years—the largest fall since records began. Is that something to be proud of? Absolutely not, and it is a fact. It is not me, a Labour politician, saying that; it is the OBR, set up by the very Government we face today. It is simply not good enough.

What about public services in the Chancellor’s Budget? Did it re-resource our local authorities to fill the potholes? Absolutely not. More importantly, what about adult social care and children’s social care? Did it talk about the most vulnerable in our society? Absolutely not. There was hardly a word in that regard. From our postbags, Members from all parts of the House are aware of the people who cannot get operations, including elective surgery and serious operations for cancer. More than 7 million are now waiting. Did the Budget deal with that? Absolutely not—it is a resounding no, yet again.

In conclusion, I look forward to the day when the people get an opportunity to deliver hope and to look forward to something better, and when the next generation can get higher wages and better opportunities. The only way that will happen is if this Government step aside, sooner rather than later, face the wonderful electorate, and we get rid of every last one of them.

8.44 pm

**Paul Blomfield** (Sheffield Central) (Lab): There was an extraordinary omission in last Wednesday’s Budget: absolutely nothing to deal with the crisis in our public services, which is nowhere clearer than in health and social care. Every year, I hold an annual community consultation, giving my constituents the opportunity to say what priorities I should be taking up in this place and what the Government should be focused on. Over the 13 years that this Government have been in power, health and care has been a growing concern, and this year almost one in three said that it was by far the biggest issue for them—but clearly not for the Chancellor.

Is it any surprise? NHS staff morale is falling with the value of their pay. Ambulances are taking up to 15 hours to reach critically ill patients, with more than 500 deaths recorded last year when an ambulance did not arrive on time. Some 1.6 million people waited more than 12 hours in A&E, with waiting times linked to 23,000 excess deaths. There is a backlog of over 7 million patients for elective care, and the worst delays on record for cancer patients needing urgent treatment. So many people are struggling to get a GP appointment, and GPs themselves are struggling under pressure. There were 4.6 million—that is 9%—more appointments last December and January than in the same months in the winter before the pandemic, but the number of fully qualified GPs to deal with those appointments dropped by 2,077 since 2015, or 7%.

Then there are the difficulties that many face in getting any NHS dental treatment at all. Across England, 50% of NHS practices have reduced their NHS commitment, and 75% are planning to reduce or further cut their contracts. Patients are facing not simply the frustration of a search for a NHS dentist, but the pain of not finding one, and some are resorting to shocking, desperate DIY measures. Perhaps most shocking of all, children are unable to see a dentist. Three years ago, 58% of children saw an NHS dentist during the year. That was not good enough, but last year the figure fell to 47%. It is no surprise that in 2021 hospitals in England carried out almost 180 operations a day on children to remove rotten teeth. Last July the Government tweaked the dental contract, but according to my local dental committee, without more money we will simply see the slide towards the death of NHS dental provision continue.

Alongside the crisis in the NHS, and fuelling it in part, is the crisis in social care. How we all remember the pledge of the new Prime Minister back in July 2019 on the steps of Downing Street:

“we will fix the crisis in social care once and for all with a clear plan we have prepared to give every older person the dignity and security they deserve.”

Of course, like so many of his pledges, it was no such thing at all. Although the structure within which people make payments for the care they receive is hugely important, the crisis in social care goes deeper than that: it is about the way in which we provide services. There are so many in the care sector who work so hard, and we saw their extraordinary commitment during the pandemic, but they work with one hand tied behind their back.

There is a massive staff shortage, with 165,000 unfilled posts in adult social care in England last year, up 52% on the previous year. Pay is obviously a key factor, and it is a poor reflection of the way in which this country values those looking after our most vulnerable that care workers are struggling on a minimum wage because of the way in which local authorities have been starved of funds. Domiciliary care workers are restricted to 15-minute visits, reducing the value of that interaction with people desperately in need of care—some of our most vulnerable—to a quick, functional task. We need a fundamental paradigm shift in social care, with care workers paid, trained and supported properly—more like nursing.

The Budget also failed to recognise the support that is needed by the army of 10.6 million unpaid carers who play such a vital role. The right to carer’s leave is an

[Paul Blomfield]

important step, and I welcome the fact that it is being taken by the Government, but for many that leave needs to be paid in order to be meaningful. Carer's allowances need urgent reform, as one in six carers are facing debt as a result of their role. Opportunities for respite care need improving, and there also needs to be proper support for young carers, some of whom came to Parliament last week and set out their objectives in a letter to the Prime Minister on Young Carers Action Day.

I recognise that addressing all of this comes at a cost, but we need an honest debate about what we need in health and care and how we fund it, stopping some of the political football around it. Rather than some of the attack lines—on one side, the “death tax”; on the other side, the “dementia tax”—we need a real debate about how we fund what the people of this country want in health and social care, and we can fund the services we need. We could start by scrapping the pension tax handout to the richest 1%, which would bring in £1 billion. We could align capital gains tax with the rates applied to income, making the system fairer and raising an extra £16 billion a year. We could scrap the gaps in inheritance tax, which benefit the wealthiest, raising an extra £4 billion a year. A wealth tax of just 1% on individual wealth above £10 million would raise £10 billion from the wealthiest 0.04% of the population. There are ways the Chancellor could have begun to address the challenge, but he did not even recognise the need to. Above everything, this Budget fails on that.

8.50 pm

**Jessica Morden** (Newport East) (Lab): The Chancellor's statement last week, which was the first proper Budget in 17 long and chaotic months, reflected the unacceptable reality of 13 years of Conservative failure, with growth downgraded, wages lower now in real terms than they were in 2010, the highest tax burden on households since the second world war and, over the last two years, the biggest hit to living standards since records began. Constituents reflect this, such as the resident in Newport East who said to me last week:

“Last year for my gas I was topping up £20 a week, now it's over double that. I'm not sure what I am supposed to do. I cannot afford to live.”

Last week's Budget said nothing to her, and nothing to all those struggling with the cost of living crisis or the £11,000 hit since 2010 due to stagnant wages, which was so ably outlined earlier by my hon. Friend the Member for Manchester Central (Lucy Powell). There was no redress for my constituent whose plans for retirement this year were ruined by last autumn's disastrous mini-Budget, which wiped out a substantial amount of her pension. Politics may have moved on, but our constituents are still paying for the economic carnage caused by the Conservative party in that mini-Budget, including homeowners, with average interest rates on outstanding mortgages now twice as high as forecast two years ago.

It is notable that the Chancellor did find time for one permanent tax cut in the Budget—the £1 billion tax reduction for the richest 1% of earners via changes to pension allowances. It is an outrageous tax giveaway for the rich, while millions of older people on modest incomes will find themselves paying more tax because of the six-year freeze on personal allowances. It is a

clear reminder that whichever Tory Chancellor sits in No. 11 Downing Street—and we have had a few in recent years—the same skewed sense of priorities remains.

One of the themes of today's debate is innovation, which is at the core of our steel industry, including at Llanwern steelworks in my constituency of Newport East. That the word “steel” did not feature once in the Chancellor's statement or the Budget document itself speaks volumes. It proves that, despite the Chancellor fleetingly using the phrase “industrial strategy” last week, this Government do not have one. We have a Business Secretary who, when asked whether Britain should offer steelmaking capacity in the future, carelessly said that “nothing is ever a given”, and we have a Chancellor—well, a succession of Chancellors—unwilling to go as far as European counterparts in supporting our steel sector on the crucial issue of decarbonisation. The German and French Governments have already spent billions of euros and committed even more towards greening their domestic steel sectors, while there have been other ambitious investments in green steel in Canada, Belgium and Sweden. UK Steel highlights that a lack of similar capital funding for decarbonisation in Britain is making our steel industry unattractive for investors. We will await further details from the support pledge for carbon capture, utilisation and storage. There was no information last week on where or when this will be spent, but we clearly need an improvement on the current infrastructure fund.

On industrial energy costs, Make UK has noted that the Budget does little to tackle the real and very immediate threat that manufacturers face with rocketing energy bills far higher than their European competitors. It is no surprise that UK steelmakers will stump up a whopping 63% more than their German counterparts for electricity in 2023. The recent announcements at Liberty Steel show just how serious this issue is.

I mentioned the impact of energy costs on steel businesses, but the same is true in other sectors, including hospitality. At last week's meeting of the all-party parliamentary group on hospitality, events and major food and drink businesses in Wales, we heard from hoteliers and publicans how their businesses have been effectively locked into contracts agreed at a time of very high energy costs last year, before the fall in wholesale prices. They want the Government to make it easier for customers to withdraw from expensive energy contracts signed during the chaos of 2022.

Rising energy prices are also having an acute impact on the hospice and home care sector, as my hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) mentioned. Many hospices are facing up to fivefold increases in their energy costs. For these vital facilities, reducing energy consumption is simply not an option. Hospice UK recently met Ministers to put those points across. It called for increased support beyond the energy bills discount scheme, but that call appears not to have been heard. I ask Ministers to look at that again with the sector.

Finally, the Budget confirmed that the 2023-24 settlement for Wales is £900 million lower in real terms than was projected at the time of the 2021 spending review, with no extra funding made available for health, social services or local government. There is a derisory £1 million extra in capital funding for Wales in 2024-25. The Welsh Government are right to point out that while the UK



Tory Government talked up a Budget for growth, in reality they have shown no interest in building a way out of the current financial crisis. We deserve better than a Government that will keep on bumping us along a path of managed decline.

8.56 pm

**Helen Hayes** (Dulwich and West Norwood) (Lab): In his Budget speech, the Chancellor explained that the economic outlook is not quite as bad as it might have been and heralded that as a cause for celebration. He claimed that his plan is delivering the country from the difficulties we are facing, as if those difficulties were nothing to do with him or the Government of which he is a part. We must be clear: the current situation is dire, and responsibility for it rests squarely with the party that has been in power for the past 13 years.

According to the OECD, we have the weakest economy in the G7; we are the only country that will see negative growth. We are seeing the biggest decline in living standards since records began. The covid-19 pandemic and the war in Ukraine have had global impacts, but here in the UK they have exposed the underlying weaknesses in our economy and public services, which are the consequences of more than a decade of government by the Conservative party.

Along the way, this Government have inflicted entirely new damage of their own making. It was Conservative Members who voted for a Prime Minister who was content to send inflation and mortgage bills spiralling and the economy into freefall, completely unnecessarily, in pursuit of her right-wing economic dogma. This Government have neglected public servants, so many of whom have been at the frontline of the covid-19 pandemic—nurses, doctors, railway workers, teachers, paramedics, postal workers—who are now so demoralised, underpaid and burned out that we are seeing the biggest wave of industrial action since the 1980s.

The challenges we face are the result of the Conservatives' political decisions and priorities. The state of our country is their record—and it is a shameful record of crumbling public services, struggling high streets, falling wages, increasing poverty and deprivation, and declining mental and physical health. This Budget tells us that the Conservatives' priorities are all wrong and they do not know how to fix what they have broken.

The state of our economy is deeply linked to our response to the climate crisis. Household energy bills have increased because of our dependence on fossil fuels. Yet the Conservatives have wasted a decade failing to invest in onshore wind, crashing the market for domestic solar, and comprehensively failing to deliver a retrofit programme to insulate homes and decarbonise domestic heat.

A fair taxation system is another foundation of a strong economy, yet this Chancellor's priority, in the context of a biting cost of living crisis, is a £1 billion tax cut for fewer than the richest 1% of earners—not a specific fix to incentivise doctors to remain in work longer, but a tax giveaway in which someone with a pension pot of £2 million will get a tax cut of almost a quarter of a million pounds. The Government have implemented a poorly designed windfall tax that fails to maximise funding to protect households from the energy crisis.

We have the most expensive childcare in Europe, with some families across the country paying far more than their rent or mortgage, and parents, especially women, increasingly deciding that work does not pay. Yet for all the Chancellor's fanfare about childcare, there is no acceptance by the Government that the current system is broken. Nurseries and childminders are leaving in their droves and staff are leaving. Additional funding is welcome, but without a plan to expand the early years education workforce and reform the complex and confusing hours-based model of funding, it will not make the critical difference that families need.

The Budget ignored completely the biggest issue facing my constituents in Dulwich and West Norwood: the shortage of genuinely affordable social housing. There was not a single commitment to boost the supply of social housing or to improve the quality of existing housing. The rabbit in the Chancellor's hat could have been the investment to retrofit 19 million homes, or to end non-dom tax status to double the number of training places for doctors and fund free breakfast clubs for every primary school in the country. It could have been a pledge to reform business rates to level the playing field for struggling town centre businesses. It could have been investment in onshore wind and solar. Instead, the Chancellor chose a tax cut for the rich and a packet of sticking plasters for the gaping wounds his party has inflicted on our country.

The Conservatives are out of touch and out of ideas. It is clear from the Budget that it is time for them to make way for a Labour Government who can begin the process of rebuilding our country, investing in green skills for a strong economy, building the childcare system families need, tackling the housing crisis, supporting small businesses and investing in an NHS workforce for the 21st century. The next general election cannot come soon enough.

9.1 pm

**Bell Ribeiro-Addy** (Streatham) (Lab): Just because, unlike the previous Budget, this one has not unravelled in about 20 minutes and led to panic selling in financial markets, the Government should not think that they have vastly redeemed themselves. We now know that the Chancellor's flagship childcare policies will see nurseries going out of business. The fuel duty levy freeze makes a mockery of any commitment to net zero emissions targets. The removal of the cap on pension pots will affect hardly any consultant doctors at all. Instead, it is a general giveaway to very high earners, and one that protects them from inheritance tax to boot. Most egregiously of all there is a £29 billion handout to businesses, the same businesses that are already swimming in profits because of price gouging and profiteering. We know that this policy will not boost investment, because it has been tried before and failed.

All that has a context. The context is the worst fall in living standards in living memory and a wave of industrial disputes that the Government provoked. The response from Ministers is to claim there is no money left or that paying public sector workers would be inflationary, but it is the price gouging and profiteering by firms that is inflationary. That is not just something you hear me say on a picket line, Mr Deputy Speaker; the Bank for International Settlements research says it, too. This is

[Bell Ribeiro-Addy]

the central bank for central banks, and no one has ever been stupid enough to claim that it is a left-wing or radical body.

The Chancellor's policy choice was very simple: to reward those who are responsible for inflation with a multibillion pound handout of taxpayers' money, and to punish those struggling with that inflation with derisory and insulting pay offers. The Chancellor decided that there was £29 billion left for the profiteers, but, remarkably, that there was no money left for inflation-matching pay rises. The sheroes and heroes of the pandemic are meant to get by on claps. He is a Robin Hood in reverse, stealing from the poor and low-paid, and giving to fat cats, their shareholders and the rich.

This is simply repeating the austerity policy that has hobbled the economy ever since 2010. The Resolution Foundation says that the policy has left British workers £11,000 worse off on average. The Office for Budget Responsibility is very clear about the damage the Budget will do to living standards. It says there will be a record fall in living standards over the two years to the end of March 2024 and that real household disposable income per person is on course to fall by 5.7% over the next two years—the biggest two-year drop since records began in 1956.

There was also nothing in the Budget to address the crisis in public services. In fact, spending on public services as a proportion of GDP is expected to decline in each of the next five years. In a stagnating economy, that means real hardship for millions. There are only even more cuts for local authority services, too.

Government Members may be interested to know that I believe we have seen exponential growth in two areas: privatisation and deregulation. That is warmed-over Thatcherite nonsense. If they believe that Thatcherism worked, they are as deluded as some Members have pointed out today. We are going to see life expectancy falling, poverty growing, child hunger rising and an increase in the number of food banks. This Budget will only ensure that those inequalities continue to grow.

9.5 pm

**Steven Bonnar** (Coatbridge, Chryston and Bellshill) (SNP): In his Budget statement, the Chancellor set out his four Es that make up the priorities for economic growth and the direction of the Government: enterprise, education, employment and everywhere—he must have been running out of ideas when he got to that last one. Given that the Tories do not speak for Scotland, but speak at it—they have done since the 1950s—I thought I would set out my own four Es in response to the Chancellor's statement.

The first E is for Europe. It is crucial that we understand the impact that the lack of European co-operation continues to have on the science and technological sector. Brexit—a word that many now dare not mention on either side of the House—has seen Scottish and UK universities lose almost £1 billion in funding since we left the European Union. That has undoubtedly harmed our research and development potential and strangled the ambition of those looking to make their mark in that sector.

Employment opportunities at world-leading projects such as Horizon Europe have been decimated, with 115 grants having been torpedoed in the past year alone. Nineteen of our top highly skilled researchers say that they would seek a move to the EU in pursuit of funding assurances that are not forthcoming in the United Kingdom. That puts Scotland's research and development position at a disadvantage, and scientists look towards our friends and neighbours in Europe as the science superpower.

Scotland punches way above its weight in science and research, accounting for 12% of the UK research output. Although the Scottish Government are committed to delivering for science in Scotland, several of the key levers of power remain reserved to this place. Recent UCAS data highlights the devastating impact that Brexit is having on the numbers of new EU students choosing to come to study in Scotland, with a 73% decrease since 2019. There has also been a 64% decrease in the number of EU students securing places across the United Kingdom. That is a consequence of Brexit and we must reckon with the harm that Brexit is continuing to do to our communities in Scotland and the limits on the Scottish Government's ability to militate against those harms. If we want our science sector to thrive and excel, we cannot rely on this Tory Government's methodology and direction, which are so deeply rooted in isolation.

Next, we have E for essential. What I have already said alone proves that it is essential for Scotland to retake its place within the European community, but when we examine the most cutting-edge work across the three priority technology areas, we see that the UK represents only around a quarter of the level that would be expected to support the Government's so-called science superpower narrative. A smattering of tax cuts here and there or lukewarm commitments to funding are simply not enough.

For the UK Government truly to make the UK a science and innovation superpower, it is essential that they rethink their understanding of how science is pushed forward. It is essential that the Tories abandon their isolationist agenda and return the UK to European research networks, which foster scientific development both here at home and further afield. That is essential for many reasons—none more so than the fact that scientific progress is not driven forward by isolation and national competition, but through international co-operation and collaboration. The European Union knows that, and the Tories have repeatedly proven themselves to be ignorant of it.

In the SNP, we have consistently stood behind Scottish science, research and development, and we will continue to do so, but we are held back by the lack of control over areas such as foreign policy and immigration. It is essential that Scotland's Government have the powers they need at their disposal. That makes independence essential.

Thirdly, E is for energy. The pinnacle of science is understanding and building upon its merits and enhancing the renewable energy sector for future generations. Instead of utilising time, skills, and research into that practice, this Tory Government are set to take the easy route out, reclassifying nuclear power as sustainable. In Scotland, we have no need and no desire for nuclear power. How can we allow such action simply to be forced upon us, when the negative impacts of nuclear power can last not

for months but for years upon years? We can solve the energy crisis with the array of energy resources that we already have to offer, and with a proper wealth tax and a proper windfall tax. It really is that simple.

The Chancellor's fourth and final E was for everywhere. The destruction caused by 13 years of persistent Tory government that Scotland did not vote for is everywhere and it is evident for us all to see. This will continue only if Scotland remains without the powers that our independence will give us.

Since I am coming to the end of my speech, my final E is for ending: ending the stagnation of our science and innovation sectors, allowing Scotland to bring world-renowned excellence to the heart of the science sector; ending the lack of Tory ambition to deal with the climate emergency; ending the dehumanisation of refugees and asylum seekers; and, finally, ending this unequal and involuntary Union.

9.11 pm

**Rebecca Long Bailey** (Salford and Eccles) (Lab): Today, the Resolution Foundation reported that workers in the UK are £11,000 worse off per year, after 15 years of almost completely unprecedented wage stagnation. It said:

"Nobody who is alive and working in the British economy today has ever seen anything like this... This is definitely not what normal looks like. This is what failure looks like".

Far from being a global phenomenon, as the Government would have us believe, the UK is lagging behind comparable economies such as Germany. In 2008, the gap was more than £500 a year; now, it is more like £4,000. The UK is the only country in the G7 where pay is lower today than it was in 2008. It is the only economy in the G7 that is smaller now than pre-pandemic, and it has the lowest growth forecast for 2023 of any G7 nation.

Any responsible Government should have done two things at last week's Budget. First, they should have insulated people from the cost of living crisis and tackled poverty pay in the process. Secondly, they should have invested in a comprehensive industrial strategy to reverse the decline in living standards. Neither happened. On a day when so many of Britain's key workers were forced to strike over poverty pay, they were offered nothing. Instead of setting out how his Government would tackle widespread in-work poverty, or how the 7.1 million people on NHS waiting lists, many of whom want to go back to work, could receive the treatment that they need to do so, the Chancellor threatened more vigorous benefit sanctions.

The families struggling to afford energy bills were offered crumbs. The Government announced that energy bills would be kept at the same rate for just three months, but that is still a real-terms increase of 19%. There was no mention of making the windfall tax more robust, to provide much needed support, and there was no promise that bills would come down in line with falling wholesale prices. All the while, big oil and gas giants are still raking in billions of pounds in super-profits. The Chancellor ignored collapsing public services, too. Unprotected departments face 10% cuts to real day-to-day spending per capita by 2027-28.

On industrial strategy, to be fair to the Chancellor, he did utter the words "industrial strategy", but they were a passing reference and that is where it ended. There was no extension of support for energy bills for businesses

and no support for manufacturing, which is predicted to contract by 3.3% this year. There was no mention of the urgent support needed by our the steel industry, and nothing for SMEs. We heard about the full expensing scheme for larger businesses, which might have been meaningful if it sat alongside an actual industrial strategy. But in the absence of one, it is just another tax break for large companies.

On the vision for the future, which the Minister gave a nod to earlier, there was certainly a mention of AI, quantum computing and ARIA. All that is good, but the funding does not match the rhetoric. The reality is that, out of the 38 leading OECD nations, we are 27th in terms of our investment in research and development.

This Budget should have been a game changer. It should have been bold, ambitious and dedicated to improving lives. It should have set out a clear industrial strategy, with an investment plan alongside it. It should have increased the living wage to £15 an hour, and seen a major improvement in benefits for the poorest and a pay deal for all public sector workers. It should have included a genuine tax on oil and gas companies, and the introduction of a wealth tax on the assets and profits of the super-rich, which could have easily funded a massive injection into our public services. Indeed, that is not a radical idea. Patriotic Millionaires and Tax Justice UK provided a wealth tax plan for the Government prior to the Budget, which would have raised over £50 billion a year for our public services.

Instead, we got a Budget that entrenches poverty and restricts our country's potential. Off the back of the Budget, the Office for Budget Responsibility projected that living standards are expected to fall by 6% over the next two fiscal years. That is disgraceful. The only answer is a general election because we do not have a fiscally or socially responsible Government in office.

9.16 pm

**David Linden** (Glasgow East) (SNP): As outgoing chair of the Scotch whisky all-party parliamentary group, I was interested that there was a lot of trumpeting of draught and draught relief in the Budget. Unfortunately for the Scotch whisky industry, the only thing that is blowing in now is a very cold draught as they see the 10.1% increase on duty. That represents another 97p added to the cost of a bottle of whisky.

Some Conservative Members will find that almost something in the abstract, but in a constituency such as mine, where there are roughly 400 direct supply-chain jobs connected to the Scotch whisky industry, that is hugely significant. It ill behoves a Conservative Government who made massive promises to the Scotch whisky industry about the fairness of the taxation system to hand out that 10.1% increase, but at the same time turn around and talk about tax cuts, for example, when it comes to draught beer and some wines. I will leave that for the Government to reflect on, specifically in relation to resolution 36.

Over the course of the Budget debate, there has been a lot of talk about taxation and pensions taxation. As someone who sits on the Select Committee on Work and Pensions and takes an interest in these issues, the vast majority of the commentary about that, particularly from the Government Benches, has been completely



[David Linden]

ill-thought out. It seems to me that many Members of the Government have no ability to tell the difference between the tapered allowance and the lifetime allowance.

The reality is that the Government's cover story on abolishing the lifetime allowance altogether is that they are trying to tackle some of the shortages of clinicians and doctors in the national health service. In reality, 86%, I think it is, of people who will benefit from the lifetime allowance are not doctors or clinicians in the national health service. It strikes me as being an incredibly expensive policy, something that the OBR's blue book refers to in its Budget commentary.

On the crisis that we have in terms of the workforce and the general issues that we have around economic inactivity, particularly among 16 to 25-year-olds and the over-55s, there are some good things that can be done, particularly around childcare. There will be some big supply and demand issues when it comes to childcare, but that is something for the Government to work through. But tinkering with—not even tinkering with, but abolishing—the lifetime allowance and giving that massive giveaway, equating to some £900 million, according to the blue book, is a very expensive policy that will do nothing when it comes to retention of nurses in the NHS or in any of the other sectors that are experiencing workforce shortages.

One reason why the Government are having this big debate about economic inactivity is that the hostile immigration policies they pursue means they are left with a situation where they have lifted up the drawbridge and do not have people coming to these islands. Without inward net migration, we have a falling population, so do not be surprised when we have these situations. But the answer is not a massive giveaway of the kind we can see in Budget resolution 18 on the lifetime allowance.

This all has an impact on my constituents on the streets, whether they are in Easterhouse, Shettleston or Parkhead. The week before the Budget, my hon. Friend the Member for Aberdeen South (Stephen Flynn) and I went to visit Tollcross advice centre. For me, it is all about whether the Budget passes the Bernie test. Bernie is one of the staff at Tollcross advice centre. She told us quite clearly that the biggest issue that people come about is energy bills, yet this Government are scrapping the £400 energy rebate. Bernie and so many other people across my constituency find it utterly unfathomable that they live in a country that is energy-rich, yet they are having these sky-high energy bills. They wonder why. The problem, unfortunately, is that for Bernie and for so many people the Government have the wrong priorities: they are giving away almost £1 billion in tax cuts while many of my constituents have to experience high energy bills.

Finally, I want to say something about economic inactivity. The Government often talk about their plan for jobs, but it seems to me as a member of the Work and Pensions Committee that the Government's interest is just in putting people into any old job. That is cost-inefficient for a lot of employers, who train up someone who, three or four months later, leaves. The answer is not moving things like the automatic earnings threshold in universal credit. It is not about sanctioning people, which is what this Government seem to be moving far more towards. The Government have said that this Budget is about being a science superpower, but the Red

Book put in front of us last week shows the reality: we are moving closer to being a sanctions superpower. That is not something that my constituents in Glasgow East will tolerate—and the best way they can get rid of it is with independence.

9.21 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): When we are the only economy in the G7 that is still smaller than it was pre-pandemic, it is not unreasonable to expect greater urgency from the Government when dealing with turning that around, but I came away from last week's Budget thinking, "Is that it?"

The Opposition recognise that this is not a moment for tweaking the current, failed approach to the economy. When the major tax change announced is a tax cut for the richest 1% that is badged as a plan to help the NHS, we have embarrassing levels of spin that would make even the hardest spin doctor blush, as well as making real doctors cringe at the thought of being used as a cover for a tax giveaway for the richest. It is a telling sign of how low expectations have got that last week we had the absurd spectacle of the Chancellor standing up at the start of his speech and telling us we would not be going into a recession this year, as if that were some kind of triumph. It does not get much better beyond this year, either: over the entire Parliament, growth is forecast to be just 0.5% a year on average, which is way below historical standards.

What makes all this worse is that we have sky-high inflation right now. As we have heard, real wage growth has been non-existent since 2010, and real wages are projected to be 5% less at the beginning of 2025 than at the start of 2019. Before Conservative Members use the pandemic as an excuse, we must not forget that that is part of an 18-year pay squeeze. The OBR has forecast that real wages will not return to their 2008 level until 2026. That really is a dramatic statistic that shows how badly we have all done under this Government.

If wages had continued to increase at their pre-2008 rate, every single one of us would have been £233 a week better off today, and that gap would grow to £304 a week by 2027. As we have heard, the Resolution Foundation has put a figure of £11,000 a year on what 15 years of wage stagnation has cost every family in this country. That should really give us a warning about the direction we are travelling in. By the end of this decade, average incomes will lag behind those in Poland if we carry on as we are.

We are paying more for worsening public services and earning less in the process. This is hitting the majority of people really hard. There should be an OBR forecast of how many more people are expected to use food banks, but in its absence I will quote our local citizens advice bureau:

"The scale and size of the crisis is unlike anything we've seen and it's affecting people we haven't helped with crisis support before with this being nearly 50% higher than 2021 and more than double the numbers we helped in 2020."

The number of people it has helped who are in employment has also doubled since 2020, which tells us everything we need to know about how wages have not kept up with costs and how our economy is stagnating.

Last year, we in Cheshire did think briefly that it would be recognised that areas outside the city regions might need some special attention when it was announced

during the September “fiscal event” that Ellesmere Port’s industrial area would be one of 40 investment zones, but last week we mysteriously disappeared from the list of investment zones, with no explanation, no apology, and no refund for the time and money that had been wasted in preparation for something that will not now happen. For us, as for so many areas, last week’s announcement came as a crushing blow. In fact, it has been estimated that local authorities spent some £12.5 million on preparing bids that are now completely redundant. What a waste of resources, when local authorities are already stretched. So far, no official rationale has been offered for the removal of support from us, and there has certainly been no offer of an alternative scheme or support. We are being treated with contempt. It is particularly galling that, when we look at the areas that have been chosen, it looks as if we are being punished because we do not have and do not want an elected Mayor.

Only two weeks ago, during a Westminster Hall debate, three Cheshire Members asked for a meeting with the Parliamentary Secretary, Cabinet Office, the hon. Member for Brentwood and Ongar (Alex Burghart), so that we could try to make progress with our devolution plans. Needless to say, we have not received a response, and now we learn that we are to be consigned to the devolution dustbin because we will not dance to the Government’s tune and give them an elected Mayor. That is not what devolution is about. It is a diktat from the top, and the Government ought to be ashamed of themselves for attempting to bully areas into accepting a Mayor when there is no public appetite for one.

I want to say a few words about access to cash, as I was unable to attend a Westminster Hall debate on the subject earlier today because I was in the Chamber. As we know, millions of adults rely on cash to a great extent in their daily lives, and many of them are vulnerable or disabled. I know from talking to constituents that it is getting harder and harder to put cash into bank accounts. That means that lots of businesses cannot accept cash because the branches in which they used to put the cash have gone. We need to get the banking hubs up and running in every town and city in the country, and to ensure that businesses are required to accept cash.

Let me end by quoting the words of a disabled constituent who, because she is on legacy benefits, has missed out on thousands of pounds of extra help already, but whose situation is becoming steadily worse. She told me:

“I am out of pocket now by well over £400 a month—due to mortgage payments, energy costs, food costs and petrol. I’ve had to sell furniture to cover this cost! Does this government think this is acceptable?... And what happens next month?...How am I supposed to live?”

I do not know what will happen to my constituent next month, or the month after that, or what will happen to the many other constituents in the same position. That uncertainty and anxiety should weigh very heavily on the shoulders of Conservative Members.

9.27 pm

**Geraint Davies** (Swansea West) (Lab/Co-op): This is a terrible Budget from a busted-flush Government. We have heard from the other side, “Give them another chance—the new Tory dynamic duo of Rishi and Jezza.”

They certainly talk the talk on growth, debt, inflation and the NHS, but do they walk the walk? The answer is no.

We have seen stagnant growth for 13 years, with no real prospect of it being any better than the worst in the G7 in the year to come. Let us compare that with what happened under a Labour Government. In 10 years we saw the economy grow by 40%, and we used the money to double investment in health and education and lift a million children and a million pensioners out of poverty. With that level of growth—that trend growth—we would have been £11,000 better off in terms of average wages. The Prime Minister says “That’s not my fault”, but during much of the time during which we have seen this decay and mismanagement, he was the Chancellor.

What about debt? Since the last Labour Government, debt as a share of the economy has doubled from 45% of the economy to 90%. That is an appalling record, and an indictment of this Government’s failed austerity platform. As for inflation, the Government’s ambition is to halve it from 10% to 5%. According to the forecasts it will be 3%, so it should not be that difficult. People seem to think this will reduce prices. Obviously, if inflation is 10% and then becomes 5%, prices will have gone up by 15%; and if the Government are offering workers at the Driver and Vehicle Licensing Agency in Swansea 2%—in fact, a 13% pay cut—it is no wonder that they are on strike. This Government are busy causing strikes left, right and centre. If the RMT’s original bid of 7%, from before it went on strike, had been accepted, we would not be in the position where now the workers are—deservedly, in fact—getting 14%. We have had this disruption and chaos because of Tory mismanagement, because the Government will not negotiate. They just create strikes.

We are told that we have to live within our means. That is all very well for the Chancellor, who is a millionaire, or indeed for the Prime Minister, who is a billionaire. He has his hedge fund Theleme, which appreciated from £7 billion to £39 billion after the Government decided to buy the Moderna vaccine as recommended by the then Health Secretary, who has since made his money in the jungle.

What about waiting lists? We have waiting lists of 7 million people—are we going to get those down under this Government? We know that the cost of treating someone with low nourishment is something like £7,000 compared with £2,000 for someone who is properly fed, yet in Britain today one in four people are in food poverty. The inequality created by this Government is making the health service worse, not better, and the billion pound that they have put into pension fund tax relief will not make it better. The workers are being blamed, of course, for inciting pay demands, but wage growth is in fact down now, year on year, from 6% to 5.7%, at a time when inflation is well over that.

Who else is going to pay? Of course, homeowners have to pay. They have to help bring down inflation. How? By bringing down the price of houses by 8%. So new homeowners will see mortgage rates double or triple from 2% to 6% at a time when the value of their houses is going down—and they are supposed to be the growth creators of the future. The Bank of England’s base rate has gone from 0.1% in November 2021 to 4% now. The economy has gone out of control under Tory mismanagement.

[Geraint Davies]

And what about businesses? The Government talk about businesses, but we now have record insolvencies. They are up 30% since 2020. Material prices and energy prices are going up, borrowing costs are going up and demand is weak, so businesses are struggling.

We have heard about R&D in this debate, and as I have mentioned, in Wales 1,000 university staff at the cutting edge of developing green growth initiatives are being sacked because the promise of us getting “not a penny less” after the withdrawal of the EU structural funding has been broken by this Government. We are talking about losing innovative projects to turn waste plastic into nanocarbon tubes for electric vehicles. We are talking about converting steel slag heaps back into raw materials such as iron ore. We are talking about work with Tata Steel on cladding for homes that stores solar energy as well as absorbing it. On infrastructure, Wales has had just a 1.5% share of rail enhancement for decades for 5% of the population—we are not even getting our 5% for HS2.

There has been profiteering—we have seen the oil companies and the retail companies making profits out of the Ukraine war and the pandemic respectively, and we have seen natural monopolies such as the water companies profiteering. It is not good enough. The Tories are saying, “Trust us again”, even after the inflation, after the debt, after the lack of growth, after one in four have been living in poverty and after a 15% cut in trade. No, no, no! We want a stronger, fairer, greener future, and that will only come with a Labour Government. Let us have an election, put the country out of its misery and build a better future with the Labour party.

**Mr Deputy Speaker (Mr Nigel Evans):** Could Members who have taken part in today’s debate please make their way to the Chamber, as this will be the 43rd and final contribution from the Back Benches?

9.33 pm

**Jim Shannon** (Strangford) (DUP): Thank you for calling me, Mr Deputy Speaker. I think I am the Duracell bunny; I seem to go on longer than anybody else. I have been here since 25 past 2, so that gives you an idea of how long we have been here, and I will be here for the Adjournment debate as well.

May I begin by thanking the Chancellor for his and his team’s hard work? I do not underestimate the blood and sweat that goes into the decision-making process. Before I highlight the issues on which I would like clarity and further consideration, I want to make it clear that I know there is not a money tree—at least, I am not aware of one—that we can shake to satisfy us all. However, there are needs, and needs must be met.

I am thankful that fuel duty has been frozen. However, it should be remembered that things are still difficult for public transport providers. They are putting prices up, and commuters are feeling the difference. The Chancellor has rightly focused on getting people into work, but we need to make sure work is worth their while.

It is always good to give examples, and a mother came to see me last week to get her driving licence signed. She works two jobs, and she spoke about the expense of all the extras at school. Swimming and trips add up, so she took a second job delivering Chinese

meals in the evenings. She relies on her tips to pay for those extras. Women in the UK should not have to work all day and into the evening to provide a basic standard of living. I asked her to look into universal credit as a top-up—we advise people on the benefits to which they are entitled—and she said, “Jim, it’s just too much hassle. I prefer to work and know that what I have is mine, rather than worrying that I will get a bill because I have done something wrong.” It seems wrong to me that those who work the hardest receive no help and are living hand to mouth, afraid to ask for help.

I welcome some of the good things the Government have done, such as the pothole plan, from which the Barnett consequential will help us in Northern Ireland. I also welcome the help for SMEs, which have ingenuity, positivity and ability. SMEs are so important to my constituency.

The Financial Secretary to the Treasury is in her place, and she knows I am like a dog with a bone on child benefit, but it is important to keep at it. The responses I have received during debates on the child benefit threshold do not satisfy me, and they certainly do not satisfy my struggling constituents. People who work hard for a living, earning not a penny of benefits other than their child benefit payment, do not understand why the threshold has been frozen for 10 years, why it does not include the family income rather than a single income, and why it does not matter whether a family has one child or 10, as others have mentioned. It is not right and cannot be right that the threshold is the same, and with respect, it must be made right.

People who were once comfortable on their wage are now struggling to meet the rising costs of their mortgage, their car payments, their student loan repayments and everything else, but they are afraid to accept a modest pay rise because they are frightened of losing child benefit or having to pay a large tax bill. I know that was never the Government’s intention, and I urge the Minister, for the sake of the squeezed middle class, to allow my constituents to see the benefit of their education and hard work, rather than wondering what the point is of working for all those years only to find themselves struggling. This needs to be changed, and it needs to be changed now.

The hon. Member for Swansea West (Geraint Davies) spoke about health issues, and the British Heart Foundation has contacted me to say that, despite the unwavering efforts of NHS staff, the pandemic has caused huge disruption to every aspect of cardiovascular care. That care is time critical, as delays to vital tests, procedures and operations can lead to preventable heart attacks, avoidable hospital admissions, disability from heart failure or even premature death. At the end of January, 370,000 heart patients were waiting for elective care. My goodness, what a massive number of people—we need to address that. That includes people waiting for echocardiograms, initial appointments with specialists and surgery. The British Heart Foundation has said it is disappointing not to see anything further announced in the Budget to address the urgent NHS backlog challenges. I ask the Minister and the Chancellor to take that on board.

Official NHS England statistics do not go far enough in providing information about sub-specialisms and demographic workforce information, including retirement rates. Planning intelligently for the future is impossible if we do not know where we are today, so I ask the



Government to develop a robust, integrated process for collecting, compiling and sharing workforce data at specialty level. Alongside that, the integrated care system planners must be resourced with the appropriate training and support to understand and utilise that information.

I support the BHF in its calls for this funding. I know everyone has a wish list, but my wish is a simple one. It is a cry for investment in the things we need to help the people who slog away, morning, noon and night, for the quality of life that they were able to provide for their children five years ago, whether it is piano lessons or dance lessons. They are stressed and worried, and ultimately they have less money to put into the local economy. The squeezed middle class spends locally, helping the wee shops, dance studios and restaurants nearby. This needs to be addressed, and the Chancellor and the Minister can make the calls that make a difference. Let us make a difference in this Budget for all our people.

9.39 pm

**James Murray** (Ealing North) (Lab/Co-op): Thank you, Mr Deputy Speaker, for the chance to close today's Budget debate on behalf of the Opposition. We have heard powerful speeches from many of my hon. Friends about the Government's Budget and economic record. The impact on our constituents of the Tories' failure on the economy and public services was laid bare by many Members, including my hon. Friends the Members for Birmingham, Ladywood (Shabana Mahmood), for Caerphilly (Wayne David), for Liverpool, Walton (Dan Carden), for Enfield, Southgate (Bambos Charalambous), for Newport West (Ruth Jones), for Weaver Vale (Mike Amesbury), for Sheffield Central (Paul Blomfield), for Streatham (Bell Ribeiro-Addy), for Salford and Eccles (Rebecca Long Bailey) and for Swansea West (Geraint Davies).

Critical questions were raised about the delivery of the Government's announcement on childcare, including by my hon. Friends the Members for North Tyneside (Mary Glendon), for Wythenshawe and Sale East (Mike Kane) and for Lancaster and Fleetwood (Cat Smith). The total lack of an effective and ambitious plan for growth from the Government was underlined by many Members, including my hon. Friends the Members for Newcastle upon Tyne Central (Chi Onwurah), for Llanelli (Dame Nia Griffith), for Kingston upon Hull West and Hessle (Emma Hardy), for Portsmouth South (Stephen Morgan), for Cambridge (Daniel Zeichner), for Newport East (Jessica Morden), for Dulwich and West Norwood (Helen Hayes) and for Ellesmere Port and Neston (Justin Madders).

All my hon. Friends have been clear that last week our country needed a Budget with a plan to end 13 years of economic failure. Families, businesses and our public services needed a plan to grow the economy, but instead what is the reality we face? Ours is the only G7 economy forecast to shrink this year; our long-term growth forecasts have been downgraded; and we are suffering the worst falls in household incomes in a century. The shocking impact of the Conservatives' economic failure is laid bare by the fact that wages are not expected to return to their 2008 level in real terms until 2026. Across the UK, people and businesses rightly want better. They want to get on with making our country better off, but they are being held back by a Government who are out of energy and out of ideas.

The only good ideas in the Budget were the ones that Labour has been calling for for months. We were glad that in the Budget the Chancellor followed our lead by committing to extending the energy price cap, ending the unfair premium for people on prepayment meters, cancelling the planned fuel duty increase, helping the over-50s back into work and improving childcare for working people. All those announcements are ideas that Labour has been calling for and the Conservatives have finally caught up with. The Tories did not adopt all our ideas, though. The Prime Minister and Chancellor are still stubbornly refusing to close loopholes in the windfall tax to pay for the extension of the energy price cap. Billions of pounds of oil and gas giants' windfall profits are being left on the table, as working people are once again made to foot the bill.

Again, we have another fiscal event where the Prime Minister and Chancellor decide to turn a blind eye to the non-dom tax status, which lives to see another day. We know that some residents of Downing Street are very familiar with non-dom status and may be keen to see it continue, but Labour believes that those who make Britain their home should pay their taxes here. The non-dom rules are costing us more than £3 billion every year, and it is wrong to let an outdated, unfair loophole continue when ending it could fund the biggest expansion of the NHS workforce in a generation.

I have so far spoken about Labour ideas, some of which the Government copied and others of which they chose not to. To be fair, the Budget did include at least one idea that was not ours and that, to be honest, surprised us all. That idea was the Budget's one permanent tax cut: a £1 billion bung to the richest 1% and their pension pots. In the middle of a cost of living crisis, and just weeks before stealth tax rises hit working people across the country, it is astonishing that the Conservatives could possibly see this as the right way to spend public money. This handout, given through changes to tax-free pension allowances, is the wrong priority, at the wrong time, for the wrong people. What we needed was a fair fix for doctors' pensions, to get them back in work. What we got was a tax giveaway for tens of thousands of the very top earners. Why on earth did the Government not design a targeted scheme to encourage doctors to work overtime and not to retire early? That could be done at a fraction of the cost, as the British Medical Association has made clear.

Furthermore, we know that reforming NHS doctors' pensions is not a new idea. It was identified in a report by the Health and Social Care Committee in July last year, which said:

"The Government must act swiftly to reform the NHS pension scheme to prevent senior staff from reducing their hours and retiring early from the NHS."

I would not assume that every member of the Government had read the Committee's report, but I would assume that the Chair of the Committee certainly did, and he is of course now the Chancellor. In his Budget, the Chancellor is happy to take good ideas from Labour—it is just a shame he did not take a good idea on doctors' pensions from himself.

A sure indication of a policy's weak foundations is when Ministers are not even able to get the facts straight. We saw that yesterday in reported comments by the Chancellor of the Duchy of Lancaster, who claimed that "it tends to be a lot of public sector workers who are hit by this cap".

[James Murray]

However, the reality seems rather different. The post-Budget report published by the Resolution Foundation made it clear that

“more than half of those with the largest pension pots” are

“actually in the private sector.”

Pensions expert John Ralfe went further, saying that

“this is not about supporting a hard-pressed NHS, it is really a tax giveaway for tens of thousands of the very highest earners”.

Ahead of the vote that we will be pushing on this measure tomorrow, I therefore urge the Minister to come clean over its impact on the NHS. How many NHS doctors will benefit from this policy, and what proportion of its total beneficiaries do they comprise? How many NHS doctors are expected to return to work as a result of this policy? If the Minister and her colleagues are asking fellow Conservatives to follow them down the path the Government have chosen, they should at the very least not let them do so in the dark.

Today we have debated many of the individual measures in last week’s Budget, but when we take a step back from individual measures, it is clear that perhaps the most serious failure of this Budget is to leave us on the Conservatives’ path of managed decline. As the Resolution Foundation pithily summed it up in its report the day after the Budget,

“the UK’s underlying challenges remain largely unaddressed. We are investing too little and growing too slowly; our citizens’ living standards are stagnant; and we are asking them to pay higher taxes while cutting public services.”

The only way to get us out of this Conservative doom loop is to support businesses and get the economy growing, and that is what Labour’s green prosperity plan is all about. It is a plan that sees the challenge of climate change as an opportunity to grow our economy. It is a plan to make sure that British businesses and workers benefit from the jobs and industries of the future.

The world economy is changing, and we need to make sure Britain is ahead of the game in terms of not just our transition to zero-carbon energy and the green industries of the future but, as my hon. Friend the Member for Manchester Central (Lucy Powell) set out earlier, the global race on technology. As the shadow Secretary of State said, the Conservatives are divorced from the reality of what it will take to win that global race, and they are leaving us lagging behind in the race for the industries of the future. Ministers are letting businesses down by missing the chance to make the UK a leader in regulations for new technologies, and they are letting people down by failing to put in place the training that will allow everyone to benefit from the opportunities of the future.

When I meet businesses across the country, they are clear that they need a Government who will support them through the headwinds we face and who will work with them to succeed in the economy of the future. They want stability and certainty above all else, but instead we have seen corporation tax change almost every year since 2010, and this Budget delivers the fifth major change in capital expensing in just two years. As Paul Johnson of the Institute for Fiscal Studies said in response to the latest temporary tweak to the tax regime for businesses:

“There’s no stability, no certainty, and no sense of a wider plan.”

The truth is that the Conservatives cannot provide stability or certainty. They have grown so riven by division, so used to looking inward and so ready to put party before country that they are incapable of providing the stability and certainty that people and businesses across the UK need. The Conservatives may know that we need to grow the economy—even the last Prime Minister seemed to realise that—but they are incapable of coming up with or delivering the plan we need to make it happen.

We need to grow the economy, yet ours is the only one in the G7 forecast to shrink this year. We need strong growth in the future, yet the UK’s forecasts have been downgraded. We need fairer taxes for working people, yet stealth tax rises are going ahead next month. We need investment in the NHS, yet the Government are protecting non-doms instead. And we need support for British businesses to grow, yet all we see is the US and Europe pulling ahead. The Conservatives have had 13 years and they have failed. Now they need to stop failing the British people. It is time for a general election and time for a new Government to put our country back on the right track.

9.49 pm

**The Financial Secretary to the Treasury (Victoria Atkins):**

I thank colleagues across the House for a spirited debate, in which we discussed some profoundly serious issues facing our constituents and our country. Although there may be very different ideas across this Chamber on how to deal with those issues, I am sure that Opposition Members will accede, in an air of understanding how important this is to our democracy, that while we may have different ideas, we all fundamentally want the same thing: to look after our constituents and this great country.

I particularly want to thank all right hon. and hon. Members who have revealed to us their expertise in science. I commend my hon. Friend the Member for Hazel Grove (Mr Wragg) on his frankly ingenious use of the phrases “levelling up” and “productivity increase” when it comes to the number of swimming pool lanes in the Marple leisure hub. I also suspect he is the first colleague to get “inflatable flamingo” into *Hansard*.

The Government have a bold and ambitious plan to grow our economy, which will be driven in part by our taking a seat at the table of science and innovation superpowers. It is a plan for the future, not just in the realm of science and technology, but of our economy altogether. Just as we can improve people’s lives through science, innovation and technology, as my right hon. Friend the Secretary of State outlined at the start of the debate, we can also create highly paid and rewarding jobs across the UK, and we plan to do exactly that through our levelling-up work and our investment zones.

Of course, the way taxes are levied will be an important part of our success. As the Minister responsible for the tax system, I have asked my officials to keep three objectives in mind: making tax fairer, making tax simpler and making tax supportive of growth. By creating the right incentives through tax, we will harness British ingenuity to make us a science superpower.

We have heard a lot of statistics in this debate. In an effort to share the goodwill and cheer everybody up a bit, I thought I would give some more statistics, to put

just a little colour and context on some of the stats we have heard. Since 2010 we have grown more than major economies such as France, Italy and Japan, and about the same as Europe's largest economy, Germany. On growth, last year we had the highest growth of any G7 economy.

While Opposition Members understandably like to focus on the bad news that this year we are not meeting the hopes we all have in respect of growth, it is important to draw out the OECD's fuller forecast, which is that cumulative growth between 2022 and 2024 inclusive for the United Kingdom is predicted to be higher than for Germany, Japan or the United States. The World Bank says that, out of all of the big European countries, we are the best place to do business. Surely the Labour party does not disagree with that. Global CEOs say that, apart from America and China, we are the best country in which to invest.

That is precisely why we have announced the full expensing policy, which will support the corporation tax policy and the annual investment allowance for smaller businesses. We have the world's third trillion-dollar technology economy, after the United States and China. We have built the largest film and TV industry in Europe—again, we had some good news for that industry last week with the tax reliefs that the Chancellor announced. In terms of the personal, a disadvantaged pupil is 85% more likely to go to university now than they were a decade ago.

We have also built the largest life sciences sector in Europe, something my right hon. and hon. Friends representing Cambridgeshire are particularly keen to emphasise every time we meet. The Government recognise the value of small and medium-sized enterprises to the wider R&D ecosystem of the UK and the hugely important role that research and development and innovation plays for the economy and for society.

Even in extremely challenging fiscal circumstances, we must prioritise R&D, and indeed we are prioritising it. That is why we are introducing an enhanced credit whereby, if a small or medium-sized business spends 40% or more of its total expenditure on R&D, it will be able to claim a credit worth £27 for every £100 spent, something welcomed by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton).

**Emma Hardy:** Does the Minister share the concerns that I set out earlier about the fraud involved in the R&D tax relief, which equates to more than £1 billion being lost in fraudulent investments that HMRC is yet to be able to fully claw back for the taxpayer?

**Victoria Atkins:** Not only do I agree with the hon. Lady, but I am going even further than the changes that we have made to the R&D scheme. She will see in the Finance Bill some practical measures to help small businesses ensure that they are not inadvertently—or indeed, sometimes fraudulently—dragged into that scheme. I do not want a pub restaurant claiming that discovering avocado is a research and development issue, so we are absolutely clamping down on that. I know that other hon. Members around the House raised that as well.

To put a little context on the R&D changes, they mean that an eligible cancer drug company spending £2 million on research and development will receive more than half a million back to help it to deliver

breakthrough treatments. Of course, R&D is not confined just to life sciences and the tech sector; it is also, as my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton) rightly set out, even present in the ceramics industry. I very much look forward to the things he mentioned coming into fruition.

My hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell), the hon. Member for Llanelli (Dame Nia Griffith)—I apologise for my pronunciation of her constituency—and others mentioned Horizon. The latest update that I can give the House is that, of course, we have expanded the Horizon guarantee until the end of June this year. I am delighted to say that my right hon. Friend the Secretary of State and my hon. Friend the Science Minister met the EU ambassador only last week to continue our discussions about that scheme.

In relation to corporation tax, of course, we have one of the most supportive business tax regimes in the world. We have the lowest corporation tax in the G7. The UK's research and development expenditure credit offers the joint highest uncapped headline rate of R&D tax relief support in the G7 for large companies, and the Government's announcement of full expensing for businesses from 1 April this year will make a huge difference to businesses.

As my hon. Friend the Member for Poole (Sir Robert Syms) noted, that tax cut, which is worth an average of £9 billion a year for every year that it is in place, is focused only on those businesses that invest. That is targeted help for the businesses that will invest in our country—I hope, having noted his comments about the super-deduction, that my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) will welcome that.

I genuinely think that the confirmation of the 12 investment zones is one of the most exciting parts of the Budget. Each investment zone will drive innovation and growth in one of our key future sectors—including life sciences, advanced manufacturing, green industries, digital and technology, and creative industries—and, importantly, will be aligned to local economic strengths, with a total investment of £80 million over five years.

My hon. Friends the Members for Don Valley (Nick Fletcher) and for Bracknell (James Sunderland) both put up strong, heartfelt arguments in favour of their areas. I am afraid that I cannot make decisions at the Dispatch Box, but I wish them well in that.

Another exciting development is for my hon. Friend the Member for Ynys Môn (Virginia Crosbie), who is developing a real reputation for representing her constituency and the need for nuclear. We are delighted that Great British Nuclear will launch the first stage competition for small modular reactors, which is expected to attract the best designs from domestic and international vendors. I know that she will watch that carefully.

My hon. Friend the Member for Erewash (Maggie Throup), who brings to the Chamber her expertise not just as a former science graduate but, importantly, as a former Health Minister, welcomed the announcements made last week on medicines and medical technology regulation. The MHRA has some exciting developments coming down the road, including being able to set up new approval processes for the most cutting-edge medicines and devices to ensure that we continue to be a global centre for their development, and a new system that will



[Victoria Atkins]

allow rapid, often near-automatic sign-off for medicines and technologies approved by other highly respected and trusted medicine regulatory bodies around the world.

On pensions, Opposition Members have appeared not to support the Government's efforts to get more doctors back into the NHS. A fact: the Royal College of Surgeons of England has reported that 69% of respondents to its survey said that they were cutting their hours because of pensions rules. Another fact: the chair of the Association of Police and Crime Commissioners says that this is a "game changer" for keeping police chiefs fighting crime. Another fact: the Association of School and College Leaders said:

"It is in the national interest".

I take some guidance from the shadow Health Secretary, the hon. Member for Ilford North (Wes Streeter), who said that it will "inevitably save lives" to make these changes. That is why we are doing it. We can introduce it in two weeks' time, and I very much hope that Opposition Members will support it.

Childcare is another massive policy, but I am very pleased—

10 pm

*The debate stood adjourned (Standing Order No. 9(3)).*

*Ordered, That the debate be resumed tomorrow.*

## Operation Telic

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

10 pm

**Dan Jarvis** (Barnsley Central) (Lab): I am very grateful to Mr Speaker for granting me an Adjournment debate this evening, as we mark 20 years since British armed forces crossed from Kuwait into Iraq. Operation Telic—the Iraq war—had begun, and many lives would change forever. By its end in 2011, 179 members of our armed forces had made the ultimate sacrifice for our country, and it is a solemn privilege to pay tribute to them tonight, and to all who served on Telic.

As a veteran of the campaign, I had the privilege of knowing some of the 179. I served two tours, from February 2003 as the adjutant of 3 Para, and then again in 2004 as a deployed staff officer from the Permanent Joint Headquarters. Twenty years on, it is understandable that differing views are still held on the decision to deploy military force in Iraq, and the role that the UK played, but I focus my remarks tonight on commemorating those who stepped forward to serve and on those who did not come home.

All conflicts have their own unique characteristics, and Telic posed a particular set of threats, not least the heat and the sand, which got everywhere, but also the terrifying prospect of chemical warfare. Thousands of veterans will remember what it was like deployed in the desert, as do I. Chemical warfare drills were practised as soon as members of our armed forces deployed to Kuwait at the start of 2003. We will all remember one simple, but deadly word, shouted three times: "Gas. Gas. Gas." That was the signal to put on our respirators. In the intense heat on the hot sand, and often in pitch black, we kept them on for long periods while wearing thick protective suits. There were no complaints, because we knew that the threat was real, and we practised the drills again and again.

Outside of military and fitness training, church services were held and attended by believers and non-believers alike. Padres provided private counsel to those who sought it on what the burning cauldron of conflict might bring. Most of us kept our thoughts to ourselves, and cracked on as best we could. The camaraderie was comforting to us all, and we took pride in serving our regiments and our country.

**Jim Shannon** (Strangford) (DUP): I commend the hon. and gallant Member for bringing this debate forward. Does he agree that the 20th anniversary of Operation Telic is an opportunity to look at how we are treating veterans 20 years on? I think he is coming to this point, but the support can be lacking. Will he join me in thanking charities—I have many charities in my constituency—such as Beyond the Battlefield in Portavogie in my constituency? It has opened a café at its veterans centre to fund projects and support for veterans throughout Northern Ireland. It does an excellent job and reaches people who the other charities miss.

**Dan Jarvis:** I am grateful to the hon. Gentleman, who has long been a doughty champion for those who serve. I completely agree with the point he made about supporting the armed forces charities, which do extraordinary work

supporting those who serve. I also completely agree with the point he made about veterans, and I will come to that point in just a moment in my speech.

I was reflecting on what life was like in the desert, and was about to make the point that contact with home was very limited, through the odd precious phone call and “blueys”—airmail letters. However, there was always the radio, and to this day, the theme played on the BBC World Service, “Lillibullero”, instantly takes me back to that time in the desert 20 years ago. Looking back, I remember the quiet fear about what was coming, but I also remember the resolute determination to do our jobs and to look out for our soldiers.

When British forces did finally cross the line of departure into Iraq, they would conduct themselves with extraordinary bravery and professionalism. There is not time tonight to do justice to all those courageous acts during Telic. Instead, I will list the awards for gallantry received between 2003 and 2011: 23 Queen’s Gallantry Medals, five George Medals, two Air Force Crosses, 18 Distinguished Flying Crosses, 85 Military Crosses, one Distinguished Service Cross, nine Royal Red Crosses, 15 Conspicuous Gallantry Crosses, 18 Distinguished Service Orders, three Orders of the Bath, two George Crosses and one Victoria Cross, awarded to Private Johnson Beharry of the Princess of Wales’s Royal Regiment. Through those awards, all three branches of our armed forces were rightly recognised for their outstanding contributions.

Out of those decorated for acts of gallantry, some did not live to receive their awards—making the ultimate sacrifice for our country, thousands of miles away from home in Iraq. In total, 179 lives were lost, with families and loved ones left to grieve and to carry the pain of loss for the rest of their lives.

**Richard Foord** (Tiverton and Honiton) (LD): I sincerely thank the hon. Member for giving way, but moreover for bringing this debate about in the first place. On those 179, I wanted to pay tribute to one constituent: Daniel Coffey, a rifleman who, not content to serve on Op Telic 7, went back subsequently on Op Telic 8, where he was sadly killed while providing top cover. He died protecting his mates in the way that he saw fit.

**Dan Jarvis:** He did indeed, and I am very grateful to the hon. Member for making reference to that. He does so at a most opportune moment, because I was literally about to refer to two men who I will be thinking about tonight, who also made the ultimate sacrifice and did not come home: Private Kelly, of A company, 3 Para—Andy was 18 years old—and Major Bacon. Matt was an outstanding officer in the Intelligence Corps and a friend from Sandhurst. I will never forget them, nor all of those who fell.

I recently visited the National Memorial Arboretum, where I stood in contemplative silence, reading the names on the memorial wall. I also looked at the willow trees grown in memory of those who fell in Iraq, each dedicated to a life cut short. It was a poignant but calming reminder of the price paid and the enduring loss.

**James Sunderland** (Bracknell) (Con): I had the privilege of commanding two sub-units out in Iraq on Operation Telic 4, and a few years later on Operation Telic 13. I can recall vividly in Basra, on Telic 4, deploying into a relatively benign environment—floppy hats and shorts, open-top Land Rovers at Basra International airport—but

my word, at the end of that tour, we were deployed with body armour, helmets, electronic counter-measures and the full suite of protection. How far we came in that particular tour. I can vividly recall journeys from Basra up to Al-Amarah and other locations. I think Operation Telic was the most kinetic tour for many years.

I want to raise two points. First, will my hon. Friend join me in commending and thanking all those brilliant soldiers who served alongside us in our tours there? Those people made those tours, and thank God, I brought them home. Secondly and more importantly, many were not quite so fortunate, and I commend all of those who were engaged in the most hostile circumstances, the most hostile encounters, in really hostile conditions. I hope my hon. Friend will join me in paying tribute to all those who did not come back, and to all those who sacrificed so much.

**Dan Jarvis:** I am very grateful to the hon. and gallant Gentleman, and I completely agree with his analysis. It is absolutely right that we take this opportunity to pay tribute to those who served, and of course in particular to those who sacrificed.

While, of course, we will never forget those who fell in the service of our country, we should also tonight remember the 5,791 members of our armed forces who were injured in the course of their service on Telic. Some recovered quickly and fully, returning to service. Others, however, still live with their injuries. Some are physical and visible, but others sustained mental injuries that are less visible, but no less severe. We must support them all, because we owe them a debt of gratitude—a debt of gratitude that must be paid in full. So it is vital that, in this place, we work together for injured veterans of Telic, and of all conflicts, to ensure that we do right by them.

It is absolutely right that we reflect tonight, 20 years on, on the courage, hardship and loss of those who served, and in particular the families that lost loved ones who did not come home. The Iraq war still casts a long shadow over so many lives, and on decisions being made today. History will continue to review why it happened, but the truth of what happened—the experiences of those who stepped forward—will always endure. The legacy of Iraq should not lock us into inaction; it must spur us to look our recent past in the eye, learn from it and be better. It is our sombre duty never to forget and to commemorate milestones such as this, as, after every conflict, time can be the greatest unraveller of our collective memory. Time is also a privilege of the living, and out of reach for the 179 who fell in Iraq. They have taken their place in a long line of others who came before and follow after them—the fallen. While we grow old, they cannot, and while we remember, they cannot, so we will remember them today, 20 years on, and forever more. Thank you for your service.

**Mr Deputy Speaker (Mr Nigel Evans):** Adam Holloway has the permission of the Member who has secured this debate and of the Minister responding to make a short contribution, and I have been informed.

10.12 pm

**Adam Holloway** (Gravesham) (Con): Thank you, Mr Deputy Speaker, for allowing me to do so. It is a great pleasure to follow my thoughtful and distinguished

[Adam Holloway]

friend's speech—the hon. Member for Barnsley Central (Dan Jarvis) is a proper professional soldier, who does not feel the need to gob-off about his military service in this place. I also thank the Minister, who currently serves as a royal naval reservist on the active list.

I was in Iraq for both Gulf wars—in 1991 as a soldier, and 20 years ago as a correspondent. As my distinguished friend says, today we remember the 179 servicemen and women who died in Iraq, and we pay tribute to their bravery and professionalism. They have always given such service, seeking to protect our constituents, but they were committed to it and the subsequent almost two decades of war by people here and in Ministries immediately around us. I regret that, over these years, our forces have too often been let down by the decisions of those near here and in this place.

At Sandhurst, as my friends here will recall, virtually the first point we were told was that we use violence—extreme violence—only in support of a clear set of political objectives. In Iraq and Afghanistan since 9/11, those political objectives were never clear, and through our negligence and indeed ignorance we have often cast many millions of people in these places into frankly unimaginable insecurity, because we would rip down structures that pre-existed and that held these places together.

I remember very well the early morning that Mosul fell. American jets were coming down low and there were bodies in the streets—retribution was taking place. I remember a mob wheeling incubators out of the hospital, looting—just looting everywhere. It was the only place as a correspondent that I ever armed my team. It was that dangerous.

I went to the police headquarters and there were all these Saddam Hussein lookalikes. I was staggered when the Mosul police chief said to me, because he knew I was going to see the small American contingent at an airfield, “Will you please get them to come up and see me, because I want my instructions about what they want us to do?” That was astonishing, frankly. Mosul had just fallen and he was prepared to co-operate with the Americans to do the right thing.

I went to the airfield and I did my business with this American colonel. I said, “Look, the Iraqi general is very keen that you go up and see him and tell him what you want.” He said, “You can go right up there yourself and you can tell him to eff himself.” At that point I thought, “Yeah, you know, we haven't really thought this through. Where are we going with this?”

Anyway, the rest is history in Iraq, and to a degree that tragedy plays on today. I do not have time to go through the disaster that followed in Afghanistan, where, again, our troops did magnificently but, through poor planning by us, basically, we again tore down existing structures thinking that somehow we knew better. Well, we have been here before. Back in 1851, John Kaye said of an earlier war in Afghanistan:

“A strange moral blindness clouded the vision of our statesmen: they saw only the natural, the inevitable results of their own measures, and forgot that those measures were the dragon's teeth from which sprang up armed men.”

We pay tribute tonight to the veterans, and we remember all those who died in these wars, especially those from our own armed forces. But we should also hope that in

the future people in this House and surrounding Ministries honour the risks that they take by having a proper plan for what comes next. That is the least we can promise our troops.

10.17 pm

**The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison):** I very much welcome the opportunity that the hon. Member for Barnsley Central (Dan Jarvis) has provided to commemorate the 20th anniversary of the start of Operation Telic. I want to begin by paying tribute to him, both for his own outstanding service and for his deeply moving tribute to those with whom he served and the veterans he champions.

For me, too, Iraq is personal. Somewhat ironically, having opposed the war here, I was recalled to serve as a battle group medical officer during Telic 2. I have expressed my feelings about the Iraq war on a number of occasions and I will not rehearse them again today. Suffice it to say that lessons learned were dearly bought. Even now, Sir John Chilcot's landmark inquiry is helping to set the contours for the way we see discretionary, expeditionary warfare. I think it is fair to say that few of us at the time anticipated the long shadows that would be cast by Operations Telic and Herrick.

Whatever one's views of the wisdom and judgment of those who preceded us, it is unarguable that our brave men and women stepped up to the plate as only soldiers, sailors and aviators can. Despite enormous pressure, they went on to do remarkable things. It is their service and sacrifice that I want to reflect on tonight, as the hon. Gentleman did. As I do so, and as a Wiltshire MP who represents a garrison town, I remember the silence—the silence of Royal Wootton Bassett as the flag-draped coffins rolled by.

Of course, we make decisions in this place that change lives all the time, but the consequences of some are more stark—more vivid—than others. As the hon. Gentleman remarked, Operation Telic involved a vast military effort. It was one of the largest deployments since the end of world war two and involved all three services. Some 46,000 troops were deployed, among them 9,500 reservists. The UK sent 19 warships, 14 Royal Fleet Auxiliary Service vessels, 15,000 vehicles, 115 fixed-wing aircraft and nearly 100 helicopters. They in turn were supported in the United Kingdom and elsewhere by an army of civilians and contractors. Many of those individuals would never have experienced a conflict remotely like this one. Some would have served as peacekeepers in Bosnia and Kosovo. Some would even have taken part in the first Gulf war to liberate Kuwait, yet that conflict was won within 42 days. This one dragged on for years.

Yet, as I recall, in the early days, hopes had been high for a swift resolution thanks to an impressive series of lightning successes. Overcoming stiff resistance, our forces achieved their first objective at the port of Umm Qasr. They then moved on to take Basra, Iraq's second largest city. Again, the 7th Armoured Brigade, the famous Desert Rats, despite participating in the biggest tank battle by UK forces since the second world war and despite constant harrying from Iraqi regular troops and Fedayeen militia, emerged victorious. Within a month, the UK, alongside its coalition allies, had accomplished nearly all its military goals. The brutal dictator Saddam Hussein had fled. His regime had



evaporated. Key infrastructure had been secured. And cheering crowds congregated on Baghdad streets to welcome coalition forces and topple Saddam's vainglorious statute into the dust. Meanwhile, stringent targeting and unprecedented use of precision weapons had kept UK and Iraqi casualties to a minimum.

But that was the high point. As the late Sir John Chilcot documented in his report, there had been a shocking lack of preparation for regime change. What followed was a bitter and bloody insurgency. Mobs murdered Royal Military police. An RAF Hercules was shot out of the sky. Soldiers were ambushed by snipers. Fighters were attacked with machine guns and rocket-propelled grenades. The improvised explosive device became a staple of the news bulletins. Borne by vehicles, buried in the ground or dumped in piles of rubbish, the notorious IEDs claimed and maimed many lives. By the time the UK left in 2011, thousands had been wounded and 179 British troops had paid the ultimate price. Today, our thoughts and prayers are with the loved ones of all who lost their lives and who suffered life-changing injuries.

**James Sunderland:** Our armed forces bear arms voluntarily through choice and because of the duty they have in doing their job. But it is not just about being told what to do; it is also because they believe in that particular cause. May I ask the Minister, on that very serious point, to confirm to the House that, for all future operations and all future decisions taken to deploy armed forces in possible expeditionary warfare, that rigour will be employed with every decision, we will not take that good will for granted, and there will be a very good reason for the use of force?

**Dr Murrison:** My hon. Friend is absolutely right, of course; as a soldier, he knows full well the horrors of war and what war means. No Government would join battle willingly and, as I said in my early remarks,

lessons have been learned from this pair of conflicts that we have had in the 21st century. Only a very imprudent Government would embark upon such an initiative or initiatives now, knowing what we now know about the nature and consequences of this kind of operation and the long shadow that it casts—in the case of Iraq, of course, we are living with it still. Some, I am afraid, live with it more than others.

Twenty years on, the Iraq war remains deeply controversial and contested. Whether it was for good or ill, the decisions taken then have continued to shape our attitude to military interventionism. Yet although we can continue to debate the politics, what is not up for discussion is the fact that the soldiers, sailors and aviators of Operation Telic at no point gave less than their all. Those who wear the Iraq campaign medal should do so with pride. It is also worth reflecting that today Iraq and the UK share a close and enduring bond, as well as a determination to defeat Daesh finally and for good, and a desire to enjoy peace and stability.

This afternoon, I had the very great privilege of laying a wreath at the Iraq and Afghanistan memorial that stands just outside the MOD main building. It is a powerful sculpture, carved out of Portland stone—unusual in that it contains no names of the fallen. In fact, only two words are etched on to its smooth surface: “duty” and “service”. The veterans of Operation Telic did their duty. Their service was exemplary. They were, and remain, the very best of us.

**Mr Deputy Speaker (Mr Nigel Evans):** It is right that we commemorate the bravery of our service personnel and the ultimate sacrifice of the 179. I thank you, Mr Jarvis, for bringing this debate to Parliament today. We will remember them. We have today.

*Question put and agreed to.*

10.26 pm

*House adjourned.*



# Westminster Hall

Monday 20 March 2023

[HANNAH BARDELL *in the Chair*]

## Cash Acceptance

*[Relevant Documents: Second Report of the Scottish Affairs Committee, Access to cash in Scotland, HC 80, and the Government response, HC 695; Summary of public engagement by the Petitions Committee on acceptance of cash, reported to the House on 14 March, HC 73.]*

4.30 pm

**Hannah Bardell (in the Chair):** Before we begin, I want to put on the record that we are delighted to see so many members of the public in the Public Gallery for this important debate. I ask that everybody's phones are turned off and that we keep noise to a minimum to allow Members to enjoy the flow of debate and for those watching at home.

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I beg to move,

That this House has considered e-petitions 605030 and 622284, relating to the acceptance of cash.

It is genuinely a pleasure to serve under your chairmanship, Ms Bardell. The petitions before us attracted more than 58,500 signatures between them, having closed on 5 July 2022 and 10 March this year respectively. I thank the creators and signatories of the two petitions. Their actions have meant we are here today to debate an issue that is clearly of interest and concern to many people across the UK.

The petitioners call on the Government to:

“Make it illegal for retailers and services to decline cash payments”,  
and to:

“Require all businesses and public services to accept cash payments”,  
with the exception of internet-based businesses. They argue:

“Not everyone wants a digital trail and others simply cannot pay by card.”

The petitioners expressed concern about cashless payments creating an “enforced dependency on banks” and a

“threat to privacy as people cannot make anonymous payments.”

They stated:

“If we wish to uphold freedom of choice and the right to privacy, it is imperative that we protect the use of cash.”

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): In response to the Petitions Committee's online survey, 61% of respondents said that they use cash to help with budgeting and, in the light of the cost of living crisis, by way of tracking their spending. Does my hon. Friend agree that the UK Government must recognise and protect cash as a tool that helps people to survive the cost of living crisis?

**Martyn Day:** My hon. Friend makes a good point. Indeed, I emphasise that it is essential not only for many people who budget, but for those on lower incomes, the elderly and those with disabilities, who need that facility the most.

**Ronnie Cowan** (Inverclyde) (SNP): As my hon. Friend mentioned, freedom of choice is imperative. Currently, we need cash and card. We need to make everyone comfortable with the direction of travel. Does he agree that an education programme is required akin to the one we had back in the day when we introduced decimalisation? Given the average age of people in the room, I may have to explain what decimalisation is.

**Martyn Day:** I am grateful to my hon. Friend. I am perhaps giving my age away, but I came in with decimalisation. I recall the ready reckoners that my elderly relatives had for me to play with as a toy many years ago. An education programme would be helpful. In 20 to 30 years from now we will be in a different place, but here and now there is a real demand for cash, particularly for many vulnerable groups, such as disabled users who need cash and may not even have their own bank accounts.

**Sir Peter Bottomley** (Worthing West) (Con): Just in case the hon. Member for Inverclyde (Ronnie Cowan) was referring to those of us with more experience, I should say there was a time in 1971, when I was selling coin-operated tea and coffee machines, when someone wrote in saying, “The elderly will find the new coins difficult. The elderly don't live forever; could the change be postponed until they're all dead?”

The more serious point, which will be shared throughout the House, is that people should not be excluded from being able to buy or pay for things just because they do not have a card or an account. Many people rely on the use of cash. Those businesses that do not need their custom ought to be told, “You should have it because you should not exclude people just because they aren't up to date or a 14-year-old with a debit card.”

**Martyn Day:** The Father of the House makes a valid point, and one that I shall echo a number of times as I make progress through my speech—if there are no other interventions.

Zachary Stiling, creator of the more recent petition, told me:

“We must protect the individual's right to use cash in all physical transactions. While there are many obvious advantages to digital payments, it is not suitable at all times or for all people...There are dangerous political implications with going cashless, as instances of banks and financial service providers closing accounts for political reasons are not unprecedented and are clearly at odds with liberal society's cornerstone of freedom of belief.”

As we have heard from a number of interventions, freedom of choice is a central tenet of this issue. To be clear, the choice to use cash is still one that many people wish to make. Indeed, 95% of respondents to the Petitions Committee survey ahead of this debate stated that they preferred to use cash to pay for things over other means of payment. I know from my own experience that I would be happier using cash when I am in a pub or a restaurant than when I am shopping. It is different horses for different courses.

Figures from the Royal Society for the Encouragement of Arts, Manufactures and Commerce 2022 cash census showed that 96% of people withdraw cash at some frequency, with 83% having cash either in their wallet or at home. Furthermore, figures from the Financial Conduct Authority's 2022 “Financial Lives” survey showed that



[*Martyn Day*]

6% of adults in the UK had used cash to pay for everything, or for most things, over the 12 months from May 2021. That is a significant number of people.

**Mr Gregory Campbell** (East Londonderry) (DUP): Last year, I was at a coffee outlet in London City airport that only took cards. A constituent asked me to take up the issue, which I did. A few weeks later, it introduced a process for cash and card. Three months later, the constituent sent me a photograph of a sign saying, “Cards not working today, only cash.” How ironic was that?

**Martyn Day:** The hon. Member makes a very good point on which I wholeheartedly agree. As I said, 6% of adults use cash payment for almost everything. That figure increases to 9% of those in the most vulnerable circumstances. I shall return later to the impact of cash refusal on the most vulnerable in our society.

Although the covid-19 pandemic undoubtedly affected payment habits, there has been both a sustained, albeit partial, recovery and a stabilisation in trends around the use of cash, as noted by the Bank of England in its third quarter bulletin in 2022. The Bank also noted that the value of bank notes in circulation remains close to an historic high, reflecting the fact that up to 60% of the population are holding more cash as a store of value.

Beyond freedom of choice, there are other clear benefits to using cash. One benefit for retailers is that unlike card schemes, for which they must pay set-up and transaction fees to providers, with cash every penny goes to them. Another benefit that should not be underestimated is the role that cash can play when other payment methods fail, as the hon. Member for East Londonderry (Mr Campbell) illustrated. I am sure that many of our constituents have had the experience of being unable to use online services or cards in the face of card rejection, IT glitches or system outages.

I can give an example from my own life, when I visited a friend who was recovering from surgery in hospital. I stopped for fuel on the way, which was lucky for me because although I had no cash in my pocket, my card was accepted, and when I got to their house I had an email from my bank telling me that it thought there had been a suspicious card transaction so my card had been stopped; had I tried to buy fuel on the way home, I would have had no means of paying for it. Cash is essential.

**Margaret Ferrier:** Figures show that 70% of people prefer to use cash because they are concerned about the privacy of alternative forms of payments, and 49% said they used cash because of concerns about fraud. Does my hon. Friend understand the worries that a move to a cashless society could militate against consumer privacy and may leave sectors of society more vulnerable to fraud?

**Martyn Day:** I agree entirely with my hon. Friend’s good points. It appears to be something that concerns very many people. Research from Which? has shown that 82% of Scottish consumers are likely to keep cash in case electronic payments are down.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): My hon. Friend is making a powerful case about the importance of having the choice to use cash. Does he

agree that access to cash is fundamental to this debate? In order for people to have the choice to use cash, access to it is at the basis of all that we are seeking to do.

**Martyn Day:** Absolutely, and I will come to that later in my speech. I hope the Minister takes cognisance of that well-made point.

There are also those who have valid privacy concerns about electronic payments. In an age of technology, algorithms, digital footprints and cyber-crimes, it is understandable that some—perhaps many—of our constituents would prefer the financial privacy offered by cash transactions. Some constituents wrote to me in recent weeks to make that point. Many stated that they regard barriers to using cash as a violation of their right to privacy. Cash clearly remains an important and valued part of our transactional landscape. As such, the ability to access and use cash must be protected.

In their response to both petitions, the Government state:

“The Government does not intend to mandate cash acceptance.”

They say that they will instead make provisions through the Financial Services and Markets Bill to ensure reasonable access to infrastructure such as withdrawal and deposit facilities. Of course, the availability of such infrastructure is clearly a concern for consumers and businesses. In Scotland, 53% of bank branches have closed since 2015, and since 2018 some 20% of Scotland’s free-to-use ATMs have closed. In many communities, banks have withdrawn completely, often leaving the post offices as the last place in town to do basic banking.

**Damien Moore** (Southport) (Con): The hon. Gentleman is talking about banks closing; the bank on my high street is still open but will not give cash and directs people to the post office. Does he agree that it is appalling that we have banks on our high streets that are not providing the services that customers want?

**Martyn Day:** Absolutely; the hon. Gentleman makes a good point, for which I thank him. I am flabbergasted that a bank is not dealing with cash—it beggars belief.

The issues raised need to be addressed, but protecting access to cash is not the same as protecting the right to use cash—a right that, for many, amounts to an absolute necessity. For some of our constituents, not being able to use cash is a profound barrier in everyday life. Cash can be a vital means of budgeting. As noted in the 2019 access to cash review, that is especially true for those on lower incomes. The 2022 cash census identified that there are cash users who are highly dependent on cash for budgeting and would struggle to switch to digital payments. It concluded that 15 million people in the UK use cash to budget. That is backed up by the responses to the Petitions Committee survey: 61% of respondents stated that they use cash to budget.

Earlier, I touched on the impact of cash refusal on vulnerable groups, to which I now return. The access to cash review drew a stark conclusion. It identified that more than 8 million adults in the UK

“would struggle to cope in a cashless society. For many people in the UK, using cash is not a matter of choice, but of necessity.”

It highlighted that

“poverty is the biggest indicator of cash dependency”.

Dependence on cash is closely tied to barriers to digital connectivity—for example, for those living in rural areas and those with low or no digital engagement.

In its 2022 policy briefing on the subject, Age Scotland raised the importance of cash for older people. It highlighted that many on low or fixed incomes prefer to use cash to budget. It also noted that

“140,000 adults in Scotland do not have bank accounts”,

and that

“34%...of over 60s in Scotland do not use the internet”.

Furthermore, a 2020 survey by the Financial Conduct Authority explored the relationship between cash usage and factors including education, health and wealth. It noted that 26% of those in poor health use cash to a great extent, and that some people with physical or cognitive disabilities find payment methods other than cash difficult to use.

**Margaret Ferrier:** My hon. Friend is generous to give way again. It has been reported that about 10% of people have been unable to pay for medical supplies with cash. We know that older people and those with some physical and mental health problems prefer using cash. Is my hon. Friend concerned that certain societal groups may be at risk of being unable to access the medical care they require if they cannot pay with cash?

**Martyn Day:** That is a valid concern that I hope the Minister will address when he responds to the debate.

Some 8% of respondents to the Petitions Committee survey said that they had a physical or mental health issue that made using alternatives to cash difficult. The issues included bipolar disorder, anxiety disorder, depression, arthritis, visual impairment, cognitive disability and strokes. It is reasonable to conclude, therefore, that the impact of cash refusal is felt acutely by those on lower incomes, those who experience barriers to digital payments, those who are disabled, and those with physical or mental health conditions. Indeed, the Government acknowledge that in their response, stating that they want to ensure that vulnerable people

“have appropriate access to banking”

and payment services.

However, to reiterate my earlier point, protecting access to banking and payment provisions, although important, does not address the issue of cash acceptance. There is growing evidence that cash refusal is becoming a very real issue. The covid-19 pandemic has undoubtedly accelerated the cashless trend. As Which? research has shown, the pandemic led to an increase in the number of retailers that refuse to accept cash. The cash census similarly found that as the economy reopened in the summer of 2020, retailers were increasingly going cashless, with 42% of people reporting that they had visited a shop that did not accept cash in July 2020.

The results of the Petitions Committee’s survey also make for stark reading: 77% of respondents said that a business had refused to let them purchase something with cash, with the most common refusals of cash coming from restaurants, takeaways and transport; and 88% said that cash refusal had a large or moderate impact on them, describing feelings of embarrassment or anxiety as a result.

Our daily lives are filled with examples of the cashless trend as the consumer experience becomes increasingly dominated by technology, from bus companies encouraging

people to use contactless payments to card-only self-checkout machines in supermarkets. However, the march towards cashless risks the exclusion of a great many people and a profound and negative impact on their lives.

The Government’s current position of focusing on infrastructure but ultimately leaving the decision in respect of cash acceptance to individual businesses simply does not go far enough. It is essential that gaps in the provision of banking facilities are addressed so that people can access cash easily in their community and small business owners do not have to travel many miles to access deposit facilities. However, that alone does not guarantee cash acceptance. It is a difficult issue for many businesses, especially where the ability to deposit cash might involve lengthy journeys away from their business.

The Association of Convenience Stores advises that 60% of transactions in independent convenience stores are paid in cash, and that 99% of shops in its sector continue to accept cash, with retailers striving to give customers access to their preferred payment options. While supporting access to cash to facilitate financial inclusion, the ACS would rather the decision on what payment methods to accept be left to individual businesses and not mandated by the Government, whereas an overwhelming 98% of respondents to the Petitions Committee survey agreed with the petitioners that shops and services should be required to accept cash. This is clearly an issue that affects and concerns many of our constituents, customers and businesses alike. The Government need a plan to ensure that those dependent on cash are not left behind, and part of that must be about protecting their right to use cash.

The UK Cash Supply Alliance has called for businesses to be required by law to accept cash payments for in-person services equivalent to the maximum value of contactless transactions. In their response, the Government talk a lot about what is reasonable—“reasonable access”, “reasonable provision” and so on. Ensuring that individuals and businesses have easy and convenient access to banking facilities is not only reasonable but essential, and a requirement to accept cash for lower-value transactions is also reasonable. To have the certainty that when we walk into a shop or restaurant our cash will be accepted is reasonable and, for many, vital. The Government can and must act to protect access to cash, the ability to use that cash, and the ability of businesses to easily deposit that cash. Those are very much connected issues, and they must be equally addressed.

This is a complex issue, and I am aware that I have touched on a lot of different factors in a short space of time. Indeed, I could have touched on many other factors, but I look forward to comments from other Members. I have covered some factors in more detail than others, and I look forward to the Government’s response at the end of the debate.

4.50 pm

**Duncan Baker** (North Norfolk) (Con): I thank the hon. Member for Linlithgow and East Falkirk (Martyn Day) for such a good speech, and for hosting today’s debate. We are discussing a topic that I find greatly interesting. In a previous life—not many Members realise this—I was a businessman, but also a postmaster, or at least I had

[Duncan Baker]

the legal title of a postmaster. As such, understanding retailing as I do, access to cash is an absolute necessity in all parts of society, particularly, as has been mentioned, in rural communities. It is therefore important that we discuss the thorny issue, which has already been touched on, of the wilful negligence of banks in closing their branches on our high streets up and down the country, despite all of the changing public behaviour, and the issue of traders accepting cash as payment.

Despite the advances of technology and those changing consumer behaviour patterns, it is clear to me that the acceptance of cash should remain an option for the foreseeable future. The country at large, and the public, are simply not in a position to close that door off. All the research that has ever been conducted in this area shows that people must be able to still access cash.

In 2021, I presented my own Banking Services (Post Offices) Bill. It did not get very far, but, nevertheless, the intention was to try to ensure that banks were required to offer banking services for their customers, including the provision of cash, via the post office network. The 11,500 post office branches on our high streets seemed like absolutely the right place to be the authorised financial services dealer to enable cash to always be accessed on our high streets.

**Margaret Ferrier:** Cambuslang, in my constituency, was honoured to host a bank hub, through the pilot scheme between post offices and the high street banks, to help protect community access to cash at a time when more and more banks were facing closure on local high streets. The hub on Cambuslang's Main Street has been a great success and very popular with constituents. Does the hon. Member agree that more bank hubs could and should be funded for communities in need?

**Duncan Baker:** I thank the hon. Member for her question. Yes, bank hubs would be a very good idea. The Minister will probably correct me, but I believe that the Government have initiated putting bank hubs in throughout the country. However, my point about using the post office network is that it is already there. There are already 11,500 post offices on our high streets.

Instead of a sweetheart deal with banking services between the Post Office and the Government, we should legislate, and make it legally binding that post offices must always be allowed to offer banking services, so that we do not have some bank, at the drop of a hat, withdrawing its services because it does not like the deal that it is getting from the Post Office. We should set it in stone so that people and consumers always have that offering on the high street.

The European Central Bank found that cash remained the most frequent method of payment in 2022, at 59%. Despite that, and all of the research that we have outlined, we continue to see a steady decline of bank branches on our high streets. In 2021, 736 bank branches closed throughout the UK. From my constituency, I remember some of closures proposed by Barclays. The reason for closing was that the research indicated a drop in footfall. I said to the bank team that presented the findings, "We have had lockdown; consumers have not been able to go to the bank. You cannot possibly use a

drop off in footfall as an excuse to shut a bank branch when the public have been prohibited from even accessing our towns and villages." It was absolute madness.

In the east of England specifically, we saw a 39% decrease in the number of banks between 2012 and 2022. The far-reaching impacts that this has had, especially in areas where many older people live—I have the oldest demographic in the entire country—cause huge concern throughout my constituency and other rural areas, because all the research shows that the vulnerable and elderly are simply not able to go cashless at this moment in time.

I witnessed at first hand the serious impact of last year's Barclays bank closure in my home town of Holt, where I was born, despite the fact that we are a centre for retail in the area. We have a huge number of visitors coming to Holt, and Barclays was the last bank in the town to close. Cue pandemonium for a retirement area with elderly people—a vibrant market town that is rich with many retail shops—who were left with no ability to do their banking, which affects not just residents and businesses but visitors, who also need access to cash. Luckily, we were able to use a banking hub, exactly as the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) suggested, to try to safeguard people needing access to cash.

The research suggests that 10 million people would struggle to cope in a cashless society. Many of them are on low incomes and are older, but they also include people who have disabilities or ill health and those who run small businesses—a plethora of people across society. By preserving the physical infrastructure, whether through a post office or a banking hub, we also preserve the right for the most vulnerable to use cash, to make sure that they too can be looked after.

I was a retailer at one stage, so I appreciate traders' attitudes towards accepting cash, which can become expensive. The banks make it expensive and more difficult for people to do their banking. If banks shut, people have to use courier services, which charge, and there is a delay in deposits coming into the bank. I understand that it is far easier to stop using cash, but that does not mean that it is the right thing to do. Limiting the acceptance of cash payments puts pressure on people, who can become financially excluded. It may be very difficult for the Government to enforce the preservation of cash payments in a free market, but they should be straining every sinew to incentivise providers and make sure that they continue to accept cash.

The access to cash review provided some sensible and feasible recommendations to help keep cash payments an option for the foreseeable future, and I am sure the Minister will have looked at it. The crux of all this is that I recognise that, at some point—one day—cash will begin to fizzle out, but it is fundamental that we help consumers for as long as physically possible, because it is necessary. It is not about stifling technology or progression. It is a fundamental basic requirement that millions and millions of people up and down the country still need access to cash.

The use of cash will always play a vital role for many people—for budgeting and for people who may have poor spending habits, because it is a great way to help people manage their bills. Keeping cash as a viable option will help to support those on low incomes and vulnerable people, as well as our high streets and small



businesses. I do not think that cash should be something that we begin to dismiss and wind down. The crux of this is about not only keeping cash in circulation, but making sure that the Government play their part in ensuring that there is a proper, viable infrastructure for cash to circulate, which means doing something to legislate for the banks, whose corporate social responsibility has gone out of the window as they have closed as many branches as they can around the country. That has to be something we address as well.

4.59 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Ms Bardell. I thank my hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day) for securing this important debate. I thank the Petitions Committee, and most importantly the petitioners who allowed the debate to happen today.

This is about compelling the acceptance of cash. There have been some important points made about the fact that the issue has real implications for budgeting for many households. At its heart is the systematic reduction in the availability of cash, which has accelerated the refusal of cash. If cash is taken out of the system, of course that makes it more difficult for businesses to make that choice. That does not mean they should be allowed to make the choice to refuse cash, which should continue to be an important part of the system.

**Ben Lake** (Ceredigion) (PC): I am grateful to my hon. Friend for giving way and for making such an important point. The reduction in banking facilities, especially in rural areas such as his and mine, has accelerated the move to a cashless society, as he rightly mentioned. With banking costs, the depositing of cash for businesses is becoming even harder and more expensive. Does he agree that in this conversation, the Government need to ensure that banking services, including deposit services, are retained in rural areas to make it easier for particularly small businesses to continue to accept cash?

**Drew Hendry**: I completely agree with my hon. Friend and his timely intervention. I will come on to that when I talk about the impacts on my constituency, which is largely rural.

Access to cash is vital for people across the communities in Inverness, Nairn, Badenoch and Strathspey. I have been speaking to people out and about in my constituency, and I want to relate some of the issues in the villages and towns. Although I will focus on one item for each of them, all these things affect all of them, all the time. It is vital for people living in the highlands to get access to cash. The lack of availability has direct impacts on our communities.

For example, Aviemore is a popular tourist destination. Large numbers of visitors come throughout the year. Cash means additional spend, and the lack of it can restrict add-on sales. Not everybody wants to tap their card. If there is an opportunity to spend some cash, they will spend it on smaller purchases, as well as some larger ones. Impulse buying is also restricted in the same way. That is all vital in an experience-based economy like we have, where visitors come to enjoy the different activities that they can take part in.

Kingussie and Newtonmore, like Aviemore, are in the Cairngorms national park area. There is limited infrastructure. The closure of bank branches and the reduction in the number of cash machines have made life in those villages far more difficult than it was before. For example, with the increased cost of transport, the extreme inconvenience makes life challenging and difficult for many, especially those with no access to private transport and precious little access to public transport.

People in Grantown-on-Spey, also in the Cairngorms national park, rely heavily on tourism as well. They are directly affected by access to cash. I can relate a personal experience from last year. The Grantown show is the big showpiece event of the year; people come from not only miles around but countries around the world to experience it. It is a fantastic event. However, by the opening time of the show last year, Grantown-on-Spey had run out of cash. The paltry cash machines that were left in the village after the others had been stripped out by the removal of the banks had actually run out, and all the shops that were able to issue cash said that they did not have any more to give out. That was before the thing had got into its swing. It is immeasurable and impossible to judge the impact that having no cash had on that key day for the local economy.

Nairn has been badly affected by bank closures and the reduction in the availability of cash. Businesses—whether they are microbusinesses, or small or medium businesses—have all historically relied on cash. It has been really difficult for businesses there, particularly looking at the struggles on the high street. The locals have performed miracles in keeping up interest in Nairn as an attractive place, and the local business improvement district organisation has done its utmost, but there has no doubt been an impact on Nairn's ability to thrive. It is restricted from achieving its potential, at least in part.

Fort Augustus is a fantastically picturesque village at the southern end of Loch Ness in my constituency. Many older and disabled people there tell me that they rely on cash. It is a serious issue that affects people's mobility; it affects their ability to manage their financial affairs and participate in social and economic activities in their local area. We have not even touched on younger people who are not at the point of accessing a bank account by tapping their phone or a card. They often start off with pocket money given to them in cash so they can start to learn about money. As my hon. Friend the Member for Linlithgow and East Falkirk said, the ability to handle money and count it out is a vital part of financial education. There are unintended consequences to restricting the availability of cash because some people cannot access plastic.

The lack of access across my constituency is very noticeable now. It has had a significant impact on towns and villages. I cannot mention them all today, as it would take me ages to cover all the places in my constituency, but it is important to point out that these are real issues for real people in towns and villages. Other Members in this Chamber who have rural constituencies will have these issues in common. For many communities, this is an issue of sustainability, affecting tourism, businesses, young and older people and those with disabilities.

When we hear about a banking crisis the Government jump into action to protect the banks, but where is the same activity to support our communities who are in a

[Drew Hendry]

banking crisis? They do not have banks or access to cash anymore. Where is the activity and energy for them? The Government need to step up and make sure there is continuity for people and a reversal of this journey to drain cash out of these communities the way that has happened.

There should be a move to increase cash machines. We hear about reasonable access, but what does that mean? They are just words without any meaning. What people in my communities want to know is where, how and when they can get access to the cash they need. Yes, I support the move towards more shared hubs, but let us make sure those hubs are available to all communities and that everybody can access them in the proper way. We should be requiring banks to supply cash, particularly in rural areas when there are events coming up. This should be about protecting cash payments and access to cash.

Finally, if we are to move to a situation where the Post Office takes the strain, that is fine, but post offices must be properly supported and recompensed for taking on this social need. They are next to breaking as well. If we are relying on post offices to pick up the slack, what do we do when post offices are no longer there? People are genuinely worried about that. I thank my hon. Friend the Member for Linlithgow and East Falkirk for bringing this debate forward. We could have another half a dozen debates about the effect of lack of access to cash. I look forward to hearing from the Minister what he is actually proposing to do to help communities to maintain the cash in their communities.

5.9 pm

**Richard Foord** (Tiverton and Honiton) (LD): It is an honour to serve under your chairship, Ms Bardell. I thank the hon. Member for Linlithgow and East Falkirk (Martyn Day) for introducing the debate.

When I was a child, scratching around in the earth in Somerset I happened upon what I thought was a stone—it was more like a flat pebble—but was, in fact, a Roman coin. Reflecting on that today, it strikes me that we have spent 2,000 years in this country handling real currency. Coins and, in more recent years, notes have been with us for such a long time. I am therefore alarmed that our generation might see the end of real hard currency.

Members have expressed many real concerns this afternoon. Thinking about rural areas like mine, I am most concerned about the plight of older people. Both my hon. Friend the Member for North Shropshire (Helen Morgan) and I get stacks of correspondence from elderly constituents who just cannot abide trying to remember the PIN for a card that they have no assurance works, and have no faith or trust is reliable. In October 2022, the Bank of England stated:

“Cash remains an important payment method in the UK, and a critical means of payment for many people.”

In addition I endorse what the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) said about children and educating them about money. We do not know what the consequences may be for a generation who are not schooled with tangible money, but they may not be able to budget quite as well as their parents’ or grandparents’ generations for that fact.

We should also think about how our small businesses are affected. In rural areas such as my part of Devon, small businesses are concerned about the closure of not only banks, but cash machines. The other day, I received correspondence from the secretary of the Axminster chamber of commerce, who pointed out that the town of Axminster lost its last bank last autumn, and the neighbouring town of Honiton is set to lose its last branch of HSBC this summer. This issue is affecting in quite a miserable fashion some of the small businesses that depend on being able to deposit and withdraw money locally.

**Drew Hendry:** The hon. Gentleman makes a good point about businesses in rural areas. When these facilities are withdrawn, businesses often face insurmountable challenges in terms of what they then do, where they travel to and how they staff their businesses when they have to travel to different places to carry out transactions or indeed take on new methods. Sometimes they just do not have the time to do that. Does the hon. Gentleman agree that this is a significant issue that is never covered in any of our discussions?

**Richard Foord:** I completely agree. It is great that we have an opportunity today to hear reassurance from the Minister on what the Government are doing to address some of these concerns. We have to ensure that nobody is locked out of our society simply because it is seen as easier for others to use electronic payments. Some people are more inclined to give to charity or leave tips if they can do so with notes and coins.

I am also curious to know what the Government think of tax evasion in relation to tangible money. When the Government think about phasing out cash, do they have one eye on how small and medium-sized enterprises pay VAT? Is that a factor when they think about how we will access money in the future?

As I draw my reflections to a close, I want to talk about another personal experience, this time of travelling in China. Before the pandemic, I was working in China, and my Chinese colleagues found it hilarious that I had brought notes and coins with me, because they were so used to using Alipay on their mobile phones. In some societies, it has become unfashionable—really passé—to use coins and notes. I am proud that we live in a liberal democracy that serves to protect the rights of minorities. One of those rights ought to be the continued use of tangible cash.

5.15 pm

**Paul Maynard** (Blackpool North and Cleveleys) (Con): It is a pleasure to serve under your chairmanship, Ms Bardell. I thank the hon. Member for Linlithgow and East Falkirk (Martyn Day) for his presentation of the topic.

I declare an interest: I am a member of the Consumer Council for Link, which runs the national network of free-to-use ATMs. It also assesses the impact of banking closures and looks at what should replace them, whether it is a banking hub such as the one in Cambuslang, which the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) mentioned, or one of the alternatives.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) and I are often in this Chamber discussing this very topic. When we were first here,

almost three years ago, I made the point then the issues are twofold: acceptance of cash and access to cash. There is no point accessing cash if it cannot be spent, as she said; but here is no point accepting it in the first place if no one has it to spend.

This debate is not really about acceptance of cash; that is a misnomer. It is about who pays for our cash system. Is it businesses? Retailers do not get to keep every penny if people pay by cash, and the extra costs associated with handling cash and with the cash system are passed on to consumers. The financial services sector—everyone boos it quite happily—passes the cost on to account holders. Fundamentally, the cost of our cash system always ends up back with the customer. Tinkering with the intermediaries handling the cash and introducing new rules, as some have advocated today, will not change that fact, even if it makes for some media-friendly, savvy headlines in the *Daily Mail*.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): The hon. Gentleman makes a very good point. Nothing in life is free; eventually, somebody has to pay for it. This trend has been driven by Governments of all colours for decades. The most significant move towards a cashless society was the Labour Government's decision to prevent people from being able to access pensions at the post office by handing over a pension book, and insisting that all pensions go into bank accounts. There will have to be a different culture in Government before they have the authority to lecture banks.

**Paul Maynard:** I take the right hon. Gentleman's point, but I am not lecturing the banks on the basis of being a politician. I apologise if my approach today is technocratic, but I am not seeking to be political. The Minister can explain what the Government are actually doing on this front.

We have all had substantial lobbying on this issue. My inbox has been full of press clippings, videos of the hon. Member for Linlithgow and East Falkirk and so on. I am a little troubled by the emphasis on the compulsory acceptance of cash, and particularly by the suggestion that we should adopt something like the Spanish legislation that limits card payments to a €30 minimum. If someone wants to spend less than €30, they cannot use a card. That seems to be the very opposite of payment choice, and the cost would be passed on to consumers through higher prices. The cost to retailers comes in the form of driving further to deposit the takings at the end of the day. If they have to drive a long distance, they might have to close earlier to get to the post office or bank before it closes. That means they forgo income, so they might have to raise their prices.

In my constituency, the signs in shops saying "No card payments under £3" or, "No card payments under £5" have disappeared since the pandemic. That is progress; it gives people more choice. New technology, such as handheld card readers, has made payments both easier and cheaper, although I recognise that the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) might intervene to say that broadband is still not good enough in many rural areas to make such things reliable, particularly in the tourism sector.

Before people out there start to shout at me, let me say that I certainly do not believe that cash should be killed off and that the future is entirely digital—far

from it. People will always need cash, particularly the financially vulnerable and marginalised in society. My constituency of Blackpool North and Cleveleys has eight of the 10 poorest neighbourhoods in the country, and I know that some people rely on cash to manage their income. Some are nervous about using technology; they may struggle to remember their PIN or manage their personal finances. They may be among the 1.8 million people who are still unbanked, relying on a jam-jar approach and monitoring pots of money for bills, which cannot be done with a card.

I was troubled by some of the proposals briefed out ahead of this debate. One suggestion was that in return for requiring businesses to accept cash, certain denominations of coin would be done away with—giving with one hand while taking with the other. That fills me with dread. Another suggestion was requiring "exact-amount services", which is a euphemism for "rounding up"—something priced at 33p would be priced at 35p, for example. That would make no sense in the midst of a cost of living crisis. There is no mandate for it from the public, and it has no legitimacy in the eyes of consumers or, indeed, retailers.

The Minister is here to tell us what the Government have done, but I will make brief reference to the legislation on access to cash, which is entirely welcome. I would love him to talk about free access to cash, but I bet he will not—he has been disappointing me on that front for some time, so I will not hold my breath. I am also a bit frustrated that the policy statement explaining how we will guarantee access to cash will not come out until we pass the legislation, so we cannot judge how spot on it is, but he may be listening to me on that.

I have not heard many people talk about the notion of cashback without purchase, something for which the Government have legislated. It solved a long-term problem known as the £3.22 issue. Someone may want to take out a precise amount of money—they might not want £10 or £20 because they are managing their finances. They cannot take £3.22 out of an ATM, but they can now take out that amount from their local PayPoint in the newsagent without having to make a purchase. It is life changing for many people in areas such as the one I represent, but all the vested interests in this debate hate talking about cashback without purchase. They do not want people to know about it. They would far rather that the most vulnerable people in my constituency went down to a pay-to-use ATM.

The banks have produced some fascinating research into why people in the most deprived parts of this country often go to a pay-to-use ATM, which may charge £2 or £2.50 to take out small amounts of money, when they are actually very near to a free-to-use ATM. Understanding that strange behaviour is a real challenge for the financial services sector, and it is something that I find frustrating about this entire debate.

I commend the work of the access to cash review and Natalie Ceeney, who has done so much on access in recent years. Like her and the group, I believe that banking hubs are the way forward, but I also know from Link's work scrutinising the impact of bank closures that the introduction of a banking hub is not the only remedy to bank closures. I think of post offices, ATMs, and deposit-taking "reverse" ATMs. I was doing my own private secretary work, as a sort-of pretend Minister, by checking on my phone what happened in Holt when



[Paul Maynard]

Barclays closed; I understand that an ATM is now going to be installed. When I checked Axminster, I found that its residents are getting a banking hub—I am not sure when, but congratulations on that. I am sure they have heard how good it was in Cambuslang.

Many campaigners ask, “Is this enough? Are we going far enough and fast enough? Why aren’t they all open now? Why doesn’t a banking hub open the moment the bank shuts its doors?” but 38 banking hubs and 38 more deposit-taking ATMs have been announced so far, which is a pretty good first step. I would love things to move faster—that might stop the *Daily Mail* campaigning against banking hubs—but they are a rather new concept and certain legalities need sorting out. Indeed, in one case, they are still trying to remove asbestos from the preferred location. People who thought that the moment a branch shut a banking hub would pop up as a like-for-like replacement misunderstood the situation.

Campaigners set the bar so high that I think they will not be satisfied until they have a maternity unit included in the hub, as well as everything else—they almost seem not to want to win this battle that they have been fighting for so long. We need to keep the pressure on those introducing the banking hubs; we need to ensure that the pace of their introduction accelerates and that these initial hurdles are overcome, but I do not think we should talk down the idea of banking hubs because somehow they are not perfect.

I wonder if the aspirations are too high. I listened carefully to the House of Lords debate on the Financial Services and Markets Bill, in the special way that the House of Lords does it. Their lordships suggested in one amendment an obligation on banking hubs to have a representative from every single bank. That just is not feasible. Digital-only banks, such as Monzo and First Direct, offer a better service to customers because they do not have the overheads of a physical network. We would wholly undermine their business model if we were to insist that banks like Monzo suddenly have to recruit someone to physically exist in a banking hub. That makes no sense at all.

What the banking hubs should be used for is digital training and addressing financial exclusion. Someone mentioned decimalisation—I think it was the hon. Member for Linlithgow and East Falkirk. To me, a more pertinent example is the switch from analogue to digital television and the emphasis, training and preparation that went into that process, so that no one was left unserved when analogue was switched off. People knew it was coming and were helped through that process. I am not saying that cash will ever be switched off, nor do I want it to be, but we could learn from that process how we walk and talk people through it.

I want to make two final points. One is around deposit-taking ATMs. This may sound like a rather anodyne and technocratic point—I suppose it is—but not all ATMs are equal. Members may have heard me refer earlier to the challenges retailers face in having to go much further to deposit their takings at the end of the day. A deposit-taking ATM is fundamental to solving that problem.

The post office is not always the solution. My post office in Cleveleys is tiny, despite it being a town of 16,000; people queue out the door even when there are

no financial services activities, let alone every time a bank branch closes and they have to start using the post office again. I was speaking to the postmaster of the nearest post office to where I live. I have been hearing worrying tales that local businesses are struggling to deposit cash because the banks are putting limits on the amount a business can deposit in any one calendar year, to the point that some businesses are having to shut down, simply because they cannot deposit the cash takings at the end of the day. I tell the financial services sector and all those banks that normally monitor what I say in this place that I am not happy. I expect an email tomorrow morning from at least one of those banks that are obsessed with everything I say. This policy is a real deterrent.

I end on a note of agreement, though, with the UK Cash Supply Alliance. I know I have been giving them a bit of a hard time in the debate. This is the most technocratic issue imaginable, but it is the cost of the hardwiring of our cash system. The wholesale distribution of cash remains far too costly—£5 billion to the economy overall—and there is far too much duplication. We have not seen the radical reform I believe was needed when the Bank of England set up the wholesale distribution steering group to try to find an alternative model. I fear that some in the cash distribution sector are defending their commercial turf under the guise of protecting customer interests. That is simply not good enough.

I had a fascinating trip to Vaultex near Warrington several years ago. Vaultex is one of the cash-handling and cash-distribution centres that covers the north of England. All our bank notes come in and come out of the centre. I have never stood near so much money in my life. There is absolutely no chance of getting in or out with it—it even has a special roof that a helicopter cannot be landed on just to avoid any shenanigans—but what I saw there was duplication after duplication. Every bank required their bank notes to be counted, stored and separated in a specific way; there was no attempt to rationalise the process. I sat there thinking, “If only more banks could agree to handle their money in the same way, it would start to reduce this £5 billion cost.” I do not know how that is going. I gather there were proposals for a public utility model that would help to bring it all together to reduce the costs, but it is such an opaque process. The Bank of England does not update the minutes on its website for this wholesale distribution steering group, so I know very little about what is going on, which is frustrating.

Reducing that £5 billion cost is the answer to what we have been discussing today, making it cheaper and more affordable for small businesses to keep taking cash. If that does not happen, we will have a problem. The best way to protect the acceptance of cash is not by penalising consumers with higher costs or penalising retailers by forcing them to raise costs, but by addressing the reason why retailers choose not to accept cash in the first place, which is about cost and convenience. We should reduce the cost of wholesale distribution, and make depositing cash easier with more deposit-taking ATMs. If we do that, we will start to tackle the vested interests which have hovered ghoulishly over this debate for far too long.

**Hannah Bardell (in the Chair):** I call the SNP spokesperson.

5.30 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): Let me begin by thanking my hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day) for his excellent exposition of the challenges that we face. This e-petition debate calling for the legal right to use cash payments in shops and requiring all businesses and public services to accept cash payments is very important. Since I was first elected, repeated concerns have been expressed about the decline of our cash infrastructure and the need to preserve it. I have spoken in every single debate on this matter, along with the hon. Member for Blackpool North and Cleveleys (Paul Maynard), yet here we are again. It feels like we are banging our heads against a wall as we face, with increasing urgency, the existential crisis facing our cash infrastructure.

The arguments are well rehearsed, and have been again today. There is no denying that, as a result of changes wrought by the covid pandemic, the future of cash is even more uncertain. Many of us in this Chamber and beyond fear that its demise has been accelerated. Ultimately, this is a debate about inclusion—financial inclusion—and consumer choice. The situation becomes ever more urgent with every debate that we have on this issue and with each passing day. I wish to pay tribute to and commend the Scottish Affairs Committee for its report, which is a most informative and constructive contribution to the wider debate.

From the outset, it is important to underline the fact that the right to use cash, as the hon. Member for Blackpool North and Cleveleys said, cannot be separated from free access to cash. There is no point in legally ensuring the right to use cash if there is no reasonable access to cash. It is important to remember that, in Scotland, this debate takes place in the context of bank closures. This matters, because without access to cash it is simply not possible to use cash. That cannot be said too often. Fifty three per cent of Scotland's bank branches have closed. In my constituency, the situation is nothing less than appalling. Kilbirnie has no bank. Beith has no bank. Dalry has no bank. West Kilbride has no bank. Kilwinning has no bank. Stevenston has no bank. Ardrossan has no bank. Indeed, in the whole of my constituency only Saltcoats, Largs and Isle of Arran have a bank branch. If we are to protect the cash infrastructure, we need a two-pronged approach: protecting access to cash and protecting the legal right to use cash.

Overall, Scotland has suffered the highest percentage loss of bank branches among all the nations in the UK. It is against that backdrop that any debate about access to cash and the use of cash must take place. Alongside this, we see our post offices under threat, as postmasters struggle to make even the minimum wage. In all the towns in my constituency, the post offices—those towns have no banks—play a vital role in supporting our cash infrastructure, because the banks have washed their hands of the matter. Yet, as an example, the town centre in Kilwinning has now lost its post office. Although Post Office Ltd is working hard to find a sub-postmaster to take on the franchise, it is proving very challenging because it is so hard to turn a profit or even make minimum wage for the franchisee. Of course, it is true to say that the last Labour Government closed down a whole slew of post offices, including many in my constituency, and stripped others of the services that

they were able to deliver. All this has been exacerbated by the winding down of the energy support on which post offices currently rely.

Of course, it would help if the banks paid postmasters properly for the work they do on the banks' behalf as they abandon our towns. Banks must value postmasters, who are picking up the pieces left behind by doing the banks' work for them and for insufficient remuneration. The situation is simply unacceptable and has placed an unsustainable burden on postmasters, and I look forward to hearing the Minister's thoughts on that specific matter.

As if all this was not enough, we see a worrying decline in cash machines, especially free-to-use cash machines, in communities across Scotland. This is especially so in rural areas, as we have heard. The Centre for Social Justice recently found that 38% of people on low incomes report having faced cash machine charges, compared with 17% of all consumers. That is what you call a poverty premium: the exploitative practice of placing a disproportionate number of pay-to-use cash machines in our most socioeconomically challenged communities.

Access to cash is vital if we are to demand, as we should and do, that there be a legal right to use cash, and there must be a requirement that all businesses and public services should accept cash. As we have heard, the vast majority of us use cash often and when it is convenient to do so. Indeed, for many rural dwellers, there may be little choice due to digital challenges, which may be exacerbated by the weather, as we have seen in recent weeks, as well as by technical glitches, which can strike without warning at any time. For the most vulnerable customers, there must be the option to access and use cash if that is what they require and is most convenient for them.

The Financial Conduct Authority has found that over 1 million adults in the UK do not have a bank account. There are also many who struggle to manage budgets electronically, and others who simply prefer to manage their daily transactions in cash, such as older people and those on a budget. They would face financial exclusion if our cash infrastructure is allowed to deteriorate further. We know that many consumers were unable to buy what they needed during covid, and that 38% were turned away when trying to buy food from shops using cash. What happens to those who have no alternative to cash payments? Are they to be abandoned? What happened to the customer being king?

Anyone who has ever faced any level of financial difficulty knows that, when this is the case, banks cancel credit cards and advice centres giving debt advice advise clients to cut their cards in half. They do that to help people control their spending and manage their budget better, because we know that using plastic can often lead to losing track and overspending.

**Margaret Ferrier:** Research has shown that carrying cash can help people with gambling issues to budget, avoid debt and better control their habits. By contrast, it is harder for people to retain control and keep track of their spending while using debit cards. Does the hon. Lady agree that the UK Government must ensure that cash remains a viable payment method to safeguard against the risks of gambling harm?

**Patricia Gibson:** Yes, and we expect gambling companies to step up and take greater responsibility for the harm that gambling outlets can cause. Of course, we know

[Patricia Gibson]

that there are more ways to gamble on high streets in socioeconomically deprived communities than in better-off communities, which is another scandal that we really should debate another day.

People actually handling cash and seeing in real time what money they are spending is critical to helping them budget—even more so when budgets are under so much pressure and are so much more precarious during this cost of living crisis, when everything costs more each time we go to the supermarket.

There is, of course, another side to this. Electronic payments incur a cost for firms, especially those making many small transactions. The UK Government should seek to address that to help to support our overall cash infrastructure. It is not right that businesses should have to pay those fees. While the provisions of the Financial Services and Markets Bill, which grants new powers to the Financial Conduct Authority over the UK's largest banks and building societies to ensure that cash withdrawal and deposit facilities are available in communities across the country, were welcome, as many people have said in this debate, we need more detail. We need to know how that will work in practice. Again, I am hoping that the Minister will tell us more about that when he responds.

However, it is and has been clear for a long, long time—it was made even clearer as we tried to get back to normal after the pandemic—for a range of reasons that have been well rehearsed today and previously that consumers want and need the choice to pay for goods and services in cash. Consumers must not be forced down a cashless road which they do not want or are simply unable to go down. The Government should uphold that right and protect our cash infrastructure for all the sound reasons debated today. They should enshrine that right in legislation, which is becoming increasingly necessary.

Fundamental to all this is protecting free access to cash in all our communities. Financial inclusion matters, and the Government have a moral duty to uphold that in principle as well as in practice.

**Hannah Bardell (in the Chair):** I call the Opposition spokesperson.

5.42 pm

**Tulip Siddiq (Hampstead and Kilburn) (Lab):** It is a pleasure to serve under your chairship, Ms Bardell. I thank the hon. Member for Linlithgow and East Falkirk (Martyn Day) for bringing this important and timely debate to the House—I do not think it is necessary to be of a certain age to appreciate how important it is. Last year alone, there was a net loss of 797 banks and financial services shops providing cash and other services, while the latest Bank of England data, from July 2022, found that 35% of people have encountered a shop that does not accept cash. That should concern us all. I have had lots of representation from constituents in Hampstead and Kilburn who have found shops that will not accept cash, which has proven to be a real problem, as we have heard from Members across the House today. According to a recent report from the Royal Society of Arts, 10 million people depend on cash, and the pandemic, which saw an acceleration in the digitisation of payment services, has made it increasingly difficult for many to pay for the goods and services they need.

We know that a massive 3.8 million people in financial difficulty and 15 million people in total use cash for budgeting purposes. The need to protect cash services is only growing in importance, with data collected by the Post Office showing that the use of cash has risen in recent months. As the cost of living crisis deepens, the poorest in society are increasingly turning to cash, as has been reiterated many times in this debate, to manage their budgets on a week-by-week basis, and often day by day.

Of course, Labour welcomes the fact that the Financial Services and Markets Bill, on which the Minister and I both worked, and which is currently in the other place, will finally introduce protections for access to cash. However, we are worried that the Bill has some serious gaps: it fails to even mention cash acceptance, makes no commitment to protect free access to cash—something that Labour is concerned about—and does nothing to protect essential face-to-face banking services, on which the most vulnerable in our society depend for financial advice and support.

According to data collected by the consumer group Which?, there has been a notable decline in the provision of free-to-use ATMs in recent years. In January 2023, there were 12,000 fewer free-to-use ATMs in the UK than in August 2018—a huge decrease of nearly 24%. Does the Minister agree that with the poorest in society increasingly reliant on cash, forcing them to pay for access in the midst of the worst cost of living crisis on record risks further deepening financial exclusion in this country? Will he take action to address the problem? Which? has warned that if the Government do not make clear that their Bill will protect free cash withdrawals and deposits for consumers,

“the entire objective of...the Bill will be undermined.”

Cash acceptance is fundamental to securing the future of cash. There is little point in the most vulnerable having access to cash if they have nowhere to spend it. That is why the Labour party tabled an amendment to the Bill when it was in the Commons, which would have placed a duty on the FCA to collect data on cash acceptance. My colleagues in the House of Lords have been pushing the Government to empower the FCA to monitor and report on levels of cash acceptance across the UK. In his response, the Minister will likely say that we have to wait for the Government's access to cash policy statement. If so, can he confirm when the statement will be published? Does he also agree that if his Government are committed to protecting the future of cash, there is no reason not to make protections for free access and an FCA remit on cash acceptance explicit in the Bill?

I want to turn briefly to the important and connected issue of protecting face-to-face banking services, which has been mentioned a few times in this debate. Again, analysis by Which? found that over half of the UK's bank branches have closed since 2015. Additionally, at least 263 branches are expected to close by the end of the year. That will cut off countless people from essential services—I know that from listening to constituents in Hampstead and Kilburn.

Age UK has called for the Financial Services and Markets Bill to be amended to protect the in-person services that older people rely on, such as opening new accounts or applying for a loan, to ensure that banking services can meet their needs. It is not only older people who will struggle without support. Natalie Ceeney does



amazing work and has already been mentioned. As chair of UK Finance's Cash Action Group, she warned in evidence to the Public Bill Committee that there is significant overlap between the people who rely on access to cash—around 10 million UK adults—and those who need face-to-face support. She said,

“every time I meet a community, the debate goes very quickly from cash to banking. It all merges. The reason is we are talking about the same population.”—[*Official Report, Financial Markets and Services Public Bill Committee*, 19 October 2022; c. 49, Q98.]

She is completely right. It is the most vulnerable, people from deprived socioeconomic backgrounds and the older parts of society who rely on the extra face-to-face help, such as making or receiving payments or dealing with a standing order. Those are the people who will be left behind if the banking question is left unaddressed.

We also should not forget those without the digital skills needed to bank online, people in rural areas with poor internet connections, and the growing number of people who are simply unable to afford to pay for data or wi-fi as the cost of living crisis deepens. That is why I tabled amendments to the Bill that would give the FCA the powers it needs to protect essential in-person banking services. The Government did not vote for my proposal, but it is not too late for the Government to support the amendments in the Lords.

To be clear, we are not calling for banks to be prevented from closing branches that are no longer needed—far from it. Access to face-to-face services could be delivered through a shared banking hub or other models of community provision. We recognise that it is inevitable that payment and banking systems will continue to innovate. That is a good thing—online banking is a far more convenient way for people to manage their finances—but we have to ensure that the digital revolution that we are talking about does not further deepen financial exclusion in this country, and that will require protecting face-to-face services and putting in place a proper strategy for digital inclusion.

Banking hubs or other models of community provision will have to be part of the solution. Those spaces have the potential to tackle digital exclusion through their dedicated staff who can teach people how to bank online and provide internet access for those without it. However, only four banking hubs have been delivered, out of the underwhelming 38 promised. To ensure that no one is left behind, these services need to be protected in legislation.

If the Government are serious about securing the future of cash, they must listen to all the concerns raised both today and by many of their own Back Benchers during the Financial Services and Markets Bill debate. They must empower the FCA to monitor cash acceptance and protect free access to cash. I hope the Minister will be able to commit to that today, listen to the concerns voiced in this debate, and take heart from the fact that there are so many people in the Gallery who obviously care passionately about this important issue.

5.50 pm

**The Economic Secretary to the Treasury (Andrew Griffith):** It is a pleasure to serve under your chairmanship, Ms Bardell, and it is always a pleasure to follow the hon. Member for Hampstead and Kilburn (Tulip Siddiq). I commend the hon. Member for Linlithgow and East

Falkirk (Martyn Day) on securing this debate. I also commend the many members of the public who signed the e-petitions to rightly raise this important issue here, in the home of democracy, where it falls to us to resolve these matters. I know that the hon. Member for Linlithgow and East Falkirk has a long-standing issue with cash access and acceptance. We have had a wide-ranging debate, and I will try to address as many of the points raised by colleagues as possible. As the hon. Member said right at the beginning, this is a complex issue.

It falls to me to inject some balance into the debate. Cash has many virtues, and I assure Members that the Government recognise the role played by cash when other technologies fail and the real concerns regarding privacy and the potential, in a cashless society, for states to control freedom of speech. One of the first issues that I dealt with as Minister was the withdrawal of certain account facilities from the Free Speech Union. However, we should also recognise that despite its many virtues, cash is expensive to handle, can be subject to theft and can make businesses—particularly small businesses in the rural areas we have heard a lot from today—feel vulnerable and potentially targeted by criminals. The physicality of cash means that it has a higher carbon footprint, and it can be less convenient when someone is fumbling around and does not quite have the right change.

**Drew Hendry:** I am grateful to the Minister for giving way. He makes a fair point about vulnerability, with people feeling perhaps a bit unsafe with cash, but does he not agree that part of the reason why businesses are now feeling a bit more vulnerable with cash is because of the bank closures that have been allowed to go ahead? Now, they have to travel greater distances to deposit cash. Is the Minister willing to come up with a solution for businesses so that they can continue to have cash and use it safely?

**Andrew Griffith:** The hon. Member makes a good point. He talked a lot about his rural constituency, which is a little larger than mine but also very rural, and brought that to life by talking about the Grantown-on-Spey annual show. He is quite right, but if he will bear with me, I will talk about the solution to precisely the problem he raises. This is not just an issue of access to cash, or the use of cash, but, as my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) said, about how we can ensure that businesses and retailers have access to facilities to deposit cash. I will come on to discuss the legislative action that I assure the House we are taking on precisely that point.

I have followed this debate extremely closely so, to be clear, let me say for the Government that there is no plan, no drive and no conspiracy to eliminate cash. This Government continue to support the ability of citizens to use cash as an alternative to digital payments, and I am proud that the Government are taking legislative steps to support the use of cash well into the foreseeable future. It is this Government, for the first time, who are taking those legislative steps.

A number of Members have talked about the fact that the way people make payments is changing. We have seen that over time. Analogies have been drawn with the transition from analogue to digital television and with decimalisation—I do not remember that, but the Father

[*Andrew Griffith*]

of the House was not shy about his recall of going through that transition. Digital payments play an important role in people's lives. We see that from our own experience in the Tea Room of this House and also from the data. The industry body UK Finance found that in 2021 non-cash transactions accounted for 85% of UK payments, up from 45% a decade earlier and 60% in 2016. That is a really fast rate of change. I do not say that to unsettle anybody in respect of the continued attachment to cash, but it does mean that we in this place have to contemplate very rapid changes in society and technology.

Cash remains important for millions of people across the UK. We are an ageing society, and many Members have talked about the vulnerable groups—my hon. Friend the Member for North Norfolk (Duncan Baker) thought it was about 10 million people—who make up a significant part of society. We should rightly have great recourse to work out how we can protect them, whether that is through support with the convenience of managing their finances or with other vulnerabilities. Members made some great points about the importance of managing finances through the use of cash.

This is about striking a balance in society, which we have sought to do through the Financial Services and Markets Bill. I want to offer reassurance and protection for those who seek it. I am conscious that not everyone will be as familiar with the clause-by-clause detail of the Bill as the hon. Member for Hampstead and Kilburn and I am. That Bill, which has made its passage through the House, will mean that for the first time, not just since the hon. Member for Tiverton and Honiton (Richard Foord) scrambled for coins himself but since ancient Celts first manufactured coins on this great isle of ours, there will be statutory protection of access to cash and the ability to deposit cash. It is important that we get that Bill on the statute book in this time of rapid change. It will cover access to deposit facilities on a similar basis as access to cash withdrawal.

My hon. Friend the Member for North Norfolk reminded us that this is the domain not just of the banks and ATMs, but also the extensive post office network. I know that postmasters—notwithstanding the loss to the profession of my hon. Friend—do a fantastic job in our rural communities. We should support them, and we do want to see that support. The provision of cash and banking services can be one way in which we underwrite their continued service to the community.

**Patricia Gibson:** Will the Minister explain what my constituents in Kilwinning will do when the town centre has lost its bank? It will be a population of 16,000 with no bank and no post office. What advice would he give to the businesses and residents of Kilwinning?

**Andrew Griffith:** I advise the hon. Lady to explore with Link the provision of potential alternative cash machines and to explore with the Access to Cash Action Group the potential for a banking hub. A number of Members have procured banking hubs for their constituencies. The hon. Member for Tiverton and Honiton has a banking hub and has spoken up about that issue.

**Richard Foord:** On banking hubs, the Axminster chamber of commerce has been trying to get through to the Access to Cash Action Group to find out when it will

get its community banking hub, but has been unable to get through, so will the Minister comment a little further on Access to Cash Action Group communications?

**Andrew Griffith:** I will happily entertain treatises from the hon. Gentleman if he would like me to follow that up. There are 70 cash hubs on their way. Members throughout the House, including a number of his colleagues in Devon, have procured them. It sometimes takes a little while for them to appear because of planning issues or the need to get the right power arrangements and safe access in place for constituents. If the hon. Gentleman will bear with the banking hubs and work with them, he will find that there are solutions out there.

My hon. Friend the Member for Blackpool North and Cleveleys talked about the no-purchase cashback facility, which turns every single convenience store and retailer in the country into a potential cash-dispensing hub.

**Patricia Gibson:** Will the Minister give way?

**Andrew Griffith:** I will give way one final time before the hon. Lady combusts.

**Patricia Gibson:** I gently say to the Minister that local corner shops do not want to be cash dispensers. There are all sorts of security issues relating to no-purchase cashback.

**Andrew Griffith:** The hon. Lady makes an important point, although perhaps not the one she intended, about some of the challenges of cash in a rural location.

**Paul Maynard:** Will the Minister give way?

**Andrew Griffith:** I will because my hon. Friend made some strong points earlier.

**Paul Maynard:** Does the Minister think it is important to recognise that cashback without purchase is a voluntary decision by the retailer? Retailers are not obliged to embark upon it if they do not wish to; it is a commercial enterprise.

**Andrew Griffith:** My hon. Friend is absolutely right. That is one of the principles in how we have approached the issue. Although we are taking powers in the Financial Services and Markets Bill to mandate access to cash and cash machines, we must remember that 95% of the population are within 2 km of a free cash machine.

**Drew Hendry:** Will the Minister give way?

**Andrew Griffith:** I will make some progress, because I have been relatively generous in taking interventions.

Cash acceptance is an emerging issue that we contemplate for the future, but it is not a prevalent issue today, other than when people conflate it with the loss of bank branches. That is understandable, but we are seeing very rapid changes in society. I am clear that it is not the Government's position—I think this is also true of the Labour party and, probably, the Scottish Executive—that we will mandate cash acceptance on retailers or public services. If anyone has done battle with a local authority parking machine, or the Mayor of London's cashless

transport system, they will know that it is often public services that do not take cash, while 98% of retailers are happy to continue to take cash indefinitely, particularly if the facilities can be made available. Public services are often the first to migrate to a cashless economy.

**Drew Hendry:** I am grateful to the Minister for giving way one final time. I would love him to come to the highlands and take a 2 km walk around parts of my constituency and point out where the cash machines are. We always try to find things to agree on in Westminster Hall, so I agree with the Minister's earlier comment that his Government have "no plan and no drive". If the 70 hubs are to be spread across the UK, will the Minister tell us when my constituents in villages and towns will see hubs arrive near them?

**Andrew Griffith:** It would not be for me to promise any Member a hub; it is for them to make the case. I observe that many other Members have been able to make that case successfully, and the hon. Gentleman has proven very persuasive today, so I wish him well in procuring a hub for his constituency. I will now make some progress, in the interests of time.

It is important to have the flexibility to respond to changes in the market. What we are doing in the Financial Services and Markets Bill should not be underestimated. As I said, for the first time in law we are protecting the ability of people and businesses—businesses are in scope as well—to deposit as well as accept banknotes and coins. The Government's position is that it is much better that we will the means to enable businesses to continue to take cash, rather than simply will the ends without addressing any of the means, as some would do.

Apart from the Bill, the Government work with the financial services regulators to monitor and access trends related to cash. The hon. Member for Hampstead and Kilburn asked if the work to track the accessibility of cash will be done; it will. As part of that, the Financial Conduct Authority has surveyed retailers and found that even of small businesses—this is not an issue for big businesses, by and large—98% would never turn away a customer if they needed to pay by cash. I extend an invitation to any Member to share with me, the Treasury and the FCA any specific examples of retailers declining cash. I am conscious of a number of examples in the public sector—local authority car parks, and even municipal transport run by executive bodies—but I am not aware of a high level of prevalence among retailers.

We must also recognise that technology is providing solutions. *Big Issue* salespeople are now equipped with tap readers, and report 30% higher donations being given when people tap rather than use cash. That was my experience when I joined the Royal British Legion to collect for poppy sales. There are a number of other examples of how technology can try to solve the gap, notwithstanding the fact that we will continue to ensure

that we protect access to cash. We have talked about the good work of the cash access group and of Link, and it should be incumbent on any Government to continue to ensure that we put those important solutions in place.

Once we have passed the Financial Services and Markets Bill, we will provide the policy statement about the importance of access to cash, the prevalence of that across the UK and what thresholds will be appropriate for Government to take different decisions or possibly to look at mandating things. My hon. Friend the Member for Blackpool North and Cleveleys talked about wholesale cash distribution, and the back end is important if we are to continue to ensure that businesses have the access to cash that they need. It is important that the wholesale cash infrastructure in the UK works and, in the Bill, again for the first time, we will take powers to regulate that, mindful that over time we expect to see the volume of cash decrease.

I have set out what the Government will do: the important step of taking powers in legislation that will soon be on the statute book, giving the FCA the ability for the first time to regulate access to cash. I have given our commitment to continue to monitor the situation, accepting that we all have constituents we are concerned about and that we are seeing fast-moving changes in society. I also give Members the reassurance that the Government's desire or policy is not to eliminate cash. We have no such objective, but quite the opposite: the Government recognise the importance of the utility of cash in the system and will do whatever we can to ensure, practically, that our constituents continue to have the ability to use cash, as has always been their historical right.

6.8 pm

**Martyn Day:** On behalf of the Petitions Committee, I extend my thanks to all Members who came along today to make speeches or interventions. We have had a reasonable and well-informed debate, which has very much summed up the changing nature of the relationship with cash in our society. This issue goes to the heart of choice, financial inclusion, budgeting and privacy, all of which show how vital the access to and use of cash are for many of our constituents, in particular the most vulnerable. I remain of the view that it would be perfectly reasonable to have a legal requirement for a minimum level of acceptance of cash by retailers for in-person transactions.

*Question put and agreed to.*

*Resolved,*

That this House has considered e-petitions 605030 and 622284, relating to the acceptance of cash.

6.9 pm

*Sitting adjourned.*





# Written Statements

*Monday 20 March 2023*

## BUSINESS AND TRADE

### UK-Ukraine Digital Trade Agreement

**The Secretary of State for Business and Trade (Kemi Badenoch):** Today the UK has signed a digital trade agreement (DTA) with Ukraine to support Ukraine's economy and post-conflict reconstruction and cement the UK's position as a global leader in digital trade.

Ukraine's recovery from Putin's illegal and barbaric war will be a symbol of the power of freedom and democracy over autocracy. The UK-Ukraine comprehensive digital trade agreement is one way in which this Government are doing everything in our power to support Ukraine's brave fight. Trading digitally is particularly important in the current conflict, where damage to Ukrainian infrastructure makes it harder to trade physically. Digital tools and technologies can ensure that Ukraine can continue to access vital goods and services.

Ukraine identified greater digitalisation of the economy as one of its main areas of focus for recovery and modernisation. This is why we have worked tirelessly together to deliver a modern digital treaty that is the deepest and most comprehensive ever negotiated. Following signature, it will be laid before Parliament and published online. The agreement should come into force later this year once both the UK and Ukraine have completed our respective domestic procedures.

This agreement will enhance UK-Ukraine co-operation on cyber-security, make it easier to provide digitally delivered goods and services, guarantee the free flow of financial and other trusted data, and enhance collaboration on emerging technologies such as artificial intelligence. The UK's services exports to Ukraine are increasingly digitised, with UK exports of digitally delivered services amounting to £132 million in 2020—73% of all UK services exports to Ukraine. This DTA will enable UK and Ukrainian businesses to trade in each other's markets more easily, and help Ukrainian businesses grow and recover from the impact of this cruel war.

The dream of a new Ukraine is not only one of freedom and democracy, but also one of prosperity driven by a modern digital economy, and the UK is proud to play its role in making this dream a reality.

[HCWS647]

## CABINET OFFICE

### Emergency Alerts System

**The Chancellor of the Duchy of Lancaster and Secretary of State (Oliver Dowden):** Today, I can confirm that the Government have launched phase one of the emergency alerts system, a UK-wide capability based on cell broadcasting technology developed by the Cabinet Office and the Department for Science, Innovation and Technology in conjunction with mobile network operators.

The system launch commenced on Sunday 19 March and will allow emergency responders to send emergency alerts, with a distinctive message appearance and tone, to every compatible mobile device within a selected geographical area at very short notice, providing a highly flexible capability for prompting quick action from the public. In order to test the technology, the pilot will focus only on notifying the public of the most serious severe weather and flooding risks over the first three months, followed by a review process.

This system will transform the United Kingdom's emergency warning and informing capability, providing a means to provide urgent information to nearly 90% of mobile phones within a defined area. This area can be as limited as an electoral ward, or expanded as far as the whole of the United Kingdom. The technology has been used successfully in a number of other countries, such as the United States, Canada and Japan, where it has been proven to save lives. Ahead of the launch, the Government have worked in partnership with the devolved Administrations and local resilience forums to ensure that relevant emergency responders across the United Kingdom have an understanding of the capability.

There will be a very high threshold for its use based on strict criteria centred on an immediate risk to life. Despite this, members of the public will be able to opt out of the system if they do not wish to receive emergency alerts. The system is secure, with alerts only able to be sent by authorised governmental and emergency services users.

We have worked closely with our devolved partners to ensure the capability is available throughout the UK and this close collaboration will continue throughout the pilot phase. The UK Government will issue alerts for incidents in England, or that relate to reserved matters. Alerts to be released in Scotland, Wales or Northern Ireland will be communicated in advance to resilience officials in the relevant devolved Government. On matters that are devolved, Ministers from the relevant Administrations may approve the alert.

A communications campaign will lead up to a UK-wide national message on 23 April. This will seek to maximise public awareness and familiarise people with the format and style of the message. Our research shows that other countries have found such test messages to be highly effective in improving public understanding. This alert will be simultaneously broadcast to all compatible devices and will be sent in both English and Welsh to recipients in Wales.

This important development will allow us to validate the effectiveness of the system and build familiarity and trust, laying the foundations for the potential wider use of emergency alerts in the future.

[HCWS654]

## DEFENCE

### Ajax Payments

**The Minister for Defence Procurement (Alex Chalk):** I wish to provide a further update on the Ajax equipment project being delivered as part of the armoured cavalry programme.

### *The Ajax Platform*

Ajax is part of our £41 billion investment in British Army equipment and support over the next decade, delivering critical modernisation to address the threats of today and the future. The Ajax programme will deliver 589 vehicles to the British Army made up of six variants, allowing the Army to operate in all weathers, 24 hours a day.

The range and capabilities of the sensors on the platform and the on-board software will deliver a step-change in the surveillance capability of the Army. Ajax will provide a world leading competitive advantage, from its suite of cutting-edge sensors, modular armour packs and its 40mm stabilised cannon.

### *Recovering the programme*

The Ministry of Defence has openly acknowledged the problems previously faced by the Ajax programme. Alongside General Dynamics, the Ministry of Defence has successfully completed user validation trials to validate the design modifications that have addressed the noise and vibration concerns, allowing the commencement of programmed reliability growth trials on 31 January.

Reliability growth trials are a standard part of the acquisition process for military equipment of this nature. These trials stress test the durability of the vehicle's platform and components through a series of battlefield missions that represent years of activity on the platform. Since starting, the AJAX, APOLLO, ATLAS and ARES variants have driven over 2,260 kilometres through different terrains, completing a variety of representative battlefield tasks such as operating across a range of speeds and terrains, firing weapon systems, using the vehicles' systems and communications, and completing specialist tasks such as vehicle recoveries and repairs using the integrated crane. Reliability growth trials are progressing well. No fundamental design issues have arisen to date. These trials are part of a broader trials programme aimed at validating that contracted vehicle requirements are met.

The MOD has developed with General Dynamics a revised schedule for the delivery of vehicles that is, subject to contract amendment, robust, realistic and achievable. Revised key delivery milestones set a meaningful initial operating capability of a trained and deployable squadron. This is scheduled to be achieved between July and December 2025. Full operating capability will be met when the Army has trained and converted forces to the Ajax platform to deliver armoured cavalry capability to the deep reconnaissance strike brigade and its two armoured brigade combat teams. This is scheduled to be achieved between October 2028 and September 2029.

The ability to deliver against this new schedule has been extensively scrutinised and assured within the Department and externally. A recent review by the Infrastructure and Projects Authority concluded that the programme's successful delivery is feasible, re-grading the Ajax programme from red to amber.

### *Resuming Contract Payments*

The Ministry of Defence remains clear it will only accept vehicles that comply with General Dynamics' contractual obligations. The Department has withheld payments for work completed and had not made a payment since December 2020. Given the satisfactory progress against the programme, the Department will resume payments this month, starting with a payment of £480 million. This is approximately half of what has

been held back since December 2020. Restarting payments to General Dynamics reflects the fact that the programme continues to return to a firm footing and supports the delivery of the schedule to deliver operational capability. The payment will cascade to the UK-wide supply chain of more than 230 companies, reinforcing confidence that the programme is progressing and providing for more than 4,000 jobs, including hundreds in south Wales.

Future payments will be made against the new schedule and its milestones, conditional on the delivery of compliant and deployable Ajax vehicles and the continued progress of remaining trials activity. We have a robust firm price contract for the delivery of 589 vehicles, which will ensure that General Dynamics is incentivised to deliver against agreed outcomes. As such, the whole programme remains within its originally approved budget.

### *Learning Lessons*

The Ajax programme is turning a corner, but this does not remove the need for the Department to identify and learn lessons. We have always been clear that we will not shy away from taking action to change the culture and processes across defence as necessary. We look forward to receiving the finalised report from Clive Sheldon KC on the Ajax Lessons Learned Review and publishing it as soon as practicable.

[HCWS652]

## **FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE**

### **Trade and Co-operation Agreement Partnership Council: Second Meeting**

**The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly):** The next meeting of the Trade and Co-operation Agreement Partnership Council will take place in London on 24 March 2023, with delegations attending in person and by video conference.

The meeting will be co-chaired by my right hon. Friend the Secretary of State for Foreign, Commonwealth and Development Affairs and vice-president of the European Commission Maroš Šefčovič.

The agenda will include:

1. Opening remarks by the co-chairs and adoption of the agenda
2. Energy
  1. Electricity trading (Article 312 TCA)
  2. Security of supply co-operation and working arrangements for TSOs (Articles 315 and 317 TCA)
  3. EU green deal industrial plan
3. Regulation
  1. MoU on financial services
  2. Working groups (Article 9 TCA)
  3. Intellectual property
  4. UK Retained EU Law Bill
  5. Bill of Rights Bill
4. Security
  1. Co-operation on cybersecurity (Article 703 TCA)
  2. Co-operation on counterterrorism (Article 768 TCA)
  3. Passenger name records (Article 552(4) TCA)
5. Union programmes
6. AOB
7. Concluding remarks by the co-chairs

[HCWS650]



### **Withdrawal Agreement Joint Committee: Tenth Meeting**

**The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly):** The next meeting of the Withdrawal Agreement Joint Committee will take place in London on 24 March 2023, with delegations attending in person and by video conference.

The meeting will be co-chaired by my right hon. Friend the Secretary of State for Foreign, Commonwealth and Development Affairs and vice-president of the European Commission Maroš Šefčovič.

The agenda will include:

1. Welcome and opening remarks from the co-chairs
  - 1.1. Formal adoption of the agenda
  - 1.2. Stocktake of specialised committee activity 21 February 2022-24 March 2023.
2. Update on withdrawal agreement implementation in accordance with Article 164 of the withdrawal agreement
  - 2.1. Citizens' rights
  - 2.2. The Protocol on Ireland/Northern Ireland / the Windsor framework
3. Decisions and recommendations for Joint Committee adoption
  - 3.1. Decision No X/2023 laying down arrangements relating to the Windsor framework
  - 3.2. Recommendation No X/2023 on market surveillance and enforcement
  - 3.3. Recommendation No X/2023 on Article 13(3a) of the Protocol on Ireland/Northern Ireland Joint Declaration to be made by the Union and the United Kingdom
  - 3.4. Joint declaration No XX/2023
  - 3.5. Joint declaration on the application of Article 10(1) of the Windsor framework
  - 3.6. Joint declaration on Article 13(3a) of the Windsor framework
  - 3.7. Joint declaration number X
  - 3.8. Joint declaration on the VAT regime for goods not being at risk for the Union's internal market and on the VAT arrangements for cross-border refunds

United Kingdom unilateral declarations and Union unilateral declarations taking note

  - 3.9. Unilateral declaration by the United Kingdom involvement of the institutions of the 1998 agreement (Annex 1 to the Decision No X/2023 laying down arrangements relating to the Windsor framework)
  - 3.10. Unilateral declaration by the United Kingdom on market surveillance and enforcement 3.10.1 Unilateral declaration by the Union taking note of the unilateral declaration by the United Kingdom on market surveillance and enforcement
  - 3.11. Unilateral declaration by the United Kingdom on export procedures for goods moving from Northern Ireland to other parts of the United Kingdom
    - 3.11.1. Unilateral declaration by the Union taking note of the unilateral declaration by the United Kingdom on export procedures for goods moving from Northern Ireland to other parts of the United Kingdom
  - 3.12. Unilateral declaration by the United Kingdom on the democratic consent mechanism in Article 18 of the Windsor framework
    - 3.12.1. Unilateral declaration by the Union taking note of the unilateral declaration by the United Kingdom on the democratic consent mechanism in Article 18 of the Windsor framework

3.13. Unilateral declaration by the United Kingdom on strengthening enforcement action for goods moved in parcels from another part of the United Kingdom to Northern Ireland

3.13.1. Unilateral declaration by the Union taking note of the unilateral declaration by the United Kingdom on strengthening enforcement action for goods moved in parcels from another part of the United Kingdom to Northern Ireland

4. AOB

5. Concluding remarks

[HCWS651]

### **HOME DEPARTMENT**

#### **Biometrics and Forensics Ethics Group: Fifth Annual Report**

**The Minister for Crime, Policing and Fire (Chris Philp):**

My noble Friend the Parliamentary Under Secretary of State, Home Office (Lord Sharpe of Epsom) has today made the following written ministerial statement:

Today I am pleased to announce the publication of the fifth annual report of the Biometrics and Forensics Ethics Group. The group provides Ministers with independent advice on matters relating to ethical issues in forensic science and biometrics and considers issues in data ethics.

I would like to thank the group for their valuable advice concerning the use and retention of human biometric identifiers, and regarding the use and implementation of projects involving both large and complex datasets.

The Biometrics and Forensics Ethics Group have continued to show commitment to advising the Home Office biometrics programme on matters regarding changes to biometric regulations and biometric enrolment.

I am grateful to the Biometrics and Forensics Ethics Group for maintaining strong relationships with internal Home Office teams in order to establish a strong presence and to identify a range of projects, within their remit, which can benefit from expert ethical guidance.

The Biometrics and Forensics Ethics Group annual report can be viewed on the website of the Group at <https://www.gov.uk/government/organisations/biometrics-and-forensics-ethics-group> and a copy will be placed in the Libraries of both Houses.

[HCWS649]

### **LEVELLING UP, HOUSING AND COMMUNITIES**

#### **English Freeports**

**The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Dehenna Davison):** Today I have the pleasure of announcing that the Thames freeport has received final Government approval, in a massive boost to south Essex and the wider region. This is a pivotal landmark for the programme and it comes less than four months after I announced the first group to receive approval. The speed of progress sends a clear message: the Government are backing these areas to grow and thrive.

Freeports form an important part of this Government's economic strategy and will catalyse investment through a combination of tax reliefs, public funding, and Government support. These measures will drive growth, create jobs and, in turn, transform opportunities for local communities—a real example of levelling up in action.

The Thames freeport will now receive up to £25 million in seed funding and potentially hundreds of millions in locally retained business rates to upgrade local infrastructure and stimulate regeneration. This is alongside generous tax reliefs and a simplified customs procedure, all backed by a package of trade and innovation support for businesses located there.

Armed with these tools, the Thames freeport will drive investment in and around the ports of south Essex and Ford's world-class Dagenham engine plant. This will bring jobs of the future—in sectors such as advanced manufacturing and hydrogen—to local communities.

And this is only the beginning. Across Government, we are working closely with the English freeports to support them to achieve their objectives and deliver transformational benefits for their local areas.

We also recently announced two successful green freeports in Scotland and we will be announcing the outcome of the Welsh competition shortly. Discussions continue with our stakeholders in Northern Ireland about how we can extend the benefits associated with the freeport programme there.

This is an incredibly exciting time for UK freeports and the wider levelling-up agenda as we start to see local areas bring their plans to life with big private investments, upgrades to local infrastructure, and bold regeneration initiatives in those areas that need a boost, creating real impacts for local people.

[HCWS653]

## PRIME MINISTER

### Investigatory Powers Commissioner: 2021 Annual Report

**The Prime Minister (Rishi Sunak):** I have today laid before the House of Commons a copy of the annual report of the Investigatory Powers Commissioner, Rt Hon Sir Brian Leveson. The report covers the activities of the Investigatory Powers Commissioner's Office (IPCO), the Office for Communications Data Authorisations (OCDA) and the Technology Advisory Panel (TAP) for 2021. I will also be sending a copy of this report to Scottish Ministers as required under section 234(8) of the Investigatory Powers Act 2016 (IPA).

This report demonstrates the Government's ongoing commitment to ensuring a high level of compliance with the regulations governing the use of investigatory powers. Sir Brian Leveson oversees the use of investigatory powers by over 600 public authorities, including the intelligence and security services and law enforcement agencies. He notes that he is continually impressed with the dedication and professionalism of the officials working within those bodies and that regulatory compliance continues to be treated as a high priority.

The annual report contains a reference to an error identified in the Home Office's arrangements for warrants authorised out of hours. IPCO were notified of this error immediately upon its discovery in November 2021 and the Home Office immediately put in place arrangements, which the Investigatory Powers Commissioner was content with, to rectify the problem.

As required under section 234(6)(b) of the IPA, I wish to notify the House that there is material considered too sensitive for the open report on which I have been

briefed separately. I am satisfied that, following consultation with relevant Government Departments and agencies, the contents of this report are not prejudicial to national security or ongoing investigations.

I would like to place on record my thanks to the current and previous Commissioners and their staff for their work. In particular, I am pleased that Sir Brian Leveson agreed to another three-year term from 21 October 2022. I also note the appointment of Dame Muffy Calder as the new Chair of IPCO's Technology Advisory Panel and welcome the expertise she and her colleagues will provide on emerging technology.

Maintaining public trust and confidence in the exercise of the investigatory powers vital for national security and public safety is a top priority for the Government. This report demonstrates the high quality of the oversight of our intelligence and security agencies' use of the most intrusive powers. I am satisfied that our oversight arrangements are amongst the strongest and most effective in the world.

I commend this report to the House.

[HCWS646]

## WORK AND PENSIONS

### Help to Claim

**The Minister for Employment (Guy Opperman):** I am today announcing that the current Help to Claim support arrangements have been extended to 31 March 2024. Help to Claim provides tailored practical support to individuals to make their universal credit claim online.

Citizens Advice and Citizens Advice Scotland will continue to deliver independent support following a further £22.2 million investment. The provision will continue to cover England, Scotland and Wales for 12 months, and ensures that free confidential and impartial support is available to help people make a new universal credit claim and manage their claim, up to receiving their first correct payment.

Since April 2019, Help to Claim has supported over 800,000 people, with nine in 10 people rating their overall experience as good or very good and saying they would recommend it to friends and family.

From April 2023, the support will continue to be provided through telephony and digital channels. For those individuals who are unable to access support via these channels, they will continue to be able to go to their local jobcentre, where staff will identify the right support to meet their needs. This is already available to those individuals who choose to seek support from the Department directly in making a claim to universal credit.

The Department is committed to providing the best possible support for all our claimants, including the most vulnerable in society, in both making and maintaining their claim.

The Department is currently considering the support required from April 2024.

[HCWS648]

# Petition

*Monday 20 March 2023*

## OBSERVATIONS

### HEALTH AND SOCIAL CARE

#### **North Northamptonshire Unitary Council's Care Provider Services Strategy**

*The humble petition of the residents of Da Vinci Court, Wellingborough, Northamptonshire, Sheweth,*

That the petitioners believe that the care needs of Da Vinci Court residents have not been adequately considered in North Northamptonshire Unitary Council's Care Provider Services Strategy and that these needs cannot be adequately met by agency staff due to a lack of continuity and stability for service users.

Wherefore your petitioners pray that your honourable House urges the Secretary of State for Health and Social Care to work with North Northamptonshire Unitary Council to consider the concerns of the petitioners and ensure that measures are implemented to protect the quality of care the residents of Da Vinci Court receive.

And your petitioners, as duty bound, will ever pray, &c.—[Presented by Mr Peter Bone, Official Report, 25 January 2023; Vol. 726, c. 1117.]

[P002790]

*Observations from the Minister of State for Social Care (Helen Whately):*

The Government cannot comment on or intervene in individual cases. Local authorities are best placed to understand and plan the care and support needs of their residents with their local care providers. That is why, under the Care Act, local authorities are tasked with the duty to shape their care market to ensure a diverse range of high-quality, sustainable, person-centred care and support services are provided.

The Local Government and Social Care Ombudsman (LGSCO) is the independent complaints lead for adult social care and investigates individual complaints from those receiving social care. If an individual is not satisfied with the way a provider or local authority has dealt with a complaint, they may escalate it to the LGSCO. The service is free, independent, and impartial. It can be contacted by telephone, on 0300 0610614, or online at <https://www.lgo.org.uk/>.

The local branch of Healthwatch England, which is the national consumer champion for health and social care, can use information to make recommendations and improve services for everyone. Healthwatch North and West Northamptonshire can be contacted by telephone on 0300 002 0010 or online at Healthwatch Northamptonshire. Alternatively, you can email [enquiries@healthwatchnorthamptonshire.co.uk](mailto:enquiries@healthwatchnorthamptonshire.co.uk)



# ORAL ANSWERS

Monday 20 March 2023

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# PETITION

Monday 20 March 2023

	<i>Col. No.</i>
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No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons*,

**not later than  
Monday 27 March 2023**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE  
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

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