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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 10 May 2023

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Power Sharing

1. **Chris Evans** (Islwyn) (Lab/Co-op): What steps his Department is taking to restore power sharing in Northern Ireland. [904784]

7. **Margaret Greenwood** (Wirral West) (Lab): What steps his Department is taking to restore power sharing in Northern Ireland. [904790]

9. **Kevin Brennan** (Cardiff West) (Lab): What steps his Department is taking to restore power sharing in Northern Ireland. [904793]

11. **Colum Eastwood** (Foyle) (SDLP): What steps his Department is taking to restore power sharing in Northern Ireland. [904796]

The Secretary of State for Northern Ireland (Chris Heaton-Harris): First, let me say that it was fantastic to see all those from across the political spectrum come together to celebrate the coronation of His Majesty the King at the weekend. I would like to put on record my thanks to the staff at the royal palaces and Hillsborough Castle, who helped to make the weekend such a success. More than 5,000 people attended different events in the gardens, which were opened to the public by Mo Mowlam, a previous incumbent of my role.

The Government are working tirelessly towards the return of devolved government. The Windsor framework delivers stability for the people of Northern Ireland and protects its place in the Union. I remain in close contact with all the political parties and will continue to do everything I can to facilitate the restoration of the Executive.

Chris Evans: I associate myself with the Secretary of State's comments about the coronation. May I pay tribute the staff of the House who were working that day for their professionalism and for making everything so wonderful for those of us who watched the coronation from the House of Commons with our families?

I wonder whether the Secretary of State has had the opportunity to look at the recent Northern Ireland Fiscal Council report entitled "Updated estimate of the

relative need for public spending in Northern Ireland". If he has, will he be acting on it? What are his views on parity across the UK?

Chris Heaton-Harris: Yes, I have and I met the chair of the Northern Ireland Fiscal Council, Sir Robert Chote, last week to go through the report's findings, and I will have further such meetings. The whole debate about funding and the Barnett formula is ongoing. It is almost part of the ongoing local elections, so I shall steer clear of giving a specific answer today, but I have read the report and met its authors.

Margaret Greenwood: Last month, we celebrated the 25th anniversary of the Good Friday agreement, but there is currently no fully functional Northern Ireland Assembly and Executive. Given that large areas of policy are devolved to Northern Ireland, including health and social care, education, culture, transport and local government, that is a matter of immense concern. What assessment has the Secretary of State made of the lack of a power sharing Executive in Stormont on the day-to-day lives of the people of Northern Ireland?

Chris Heaton-Harris: The hon. Lady is right to intimate that there is a great effect on the delivery of public services in Northern Ireland, which is ongoing. That is why everyone is working hard to try to get the Executive restored and the Assembly sitting; it is so that Stormont can work and so that decisions about public services across the piece in Northern Ireland can be made by people elected by the people those public services affect.

Kevin Brennan: Given the hugely advantageous position Northern Ireland now finds itself in, as was outlined by the Prime Minister when the Windsor accord was announced, is it not time that power sharing was restored and that the Secretary of State perhaps considered a deadline for the restoration of power sharing?

Chris Heaton-Harris: The hon. Gentleman speaks many a wise word. However, the one thing I have learned in my role as Secretary of State for Northern Ireland is that deadlines are deadly and it is pointless setting timelines on things. The right thing to do is to get the job done properly so that when the Executive come back, they can be there for a very long time, and that is what everyone is working towards.

Colum Eastwood: It has been 15 months since we had an Executive at Stormont. Our health service has basically collapsed, and our economy is not taking up the opportunity provided by the Windsor framework and the protocol. Surely now it is time for the Secretary of State to look at a greater role for the Irish Government in the affairs of Northern Ireland.

Chris Heaton-Harris: As I say, all my efforts at this point in time are going into getting the Executive restored. I understand the hon. Gentleman's point of view and the principles he stands by. I respect those, but the right thing to do now is to work hard with all the political parties, including his, to get the Executive restored.

Sir Oliver Heald (North East Hertfordshire) (Con): May I join in the congratulations about the coronation and say to you, Mr Speaker, that we all thought you

represented us very well? Given the concerns that have been expressed about changes in EU law about the movement of goods, does the Secretary of State agree that it is important to get the Assembly up and running so that the Stormont brake can be used if necessary?

Chris Heaton-Harris: I thank my right hon. and learned Friend for his question and thank him again for the work that he does as co-chair of the UK-EU Parliamentary Partnership Assembly, which is one of the forums in which we will be able to discuss these matters and start to solve any issues that arise in future. I want to get the Assembly up and running, and I believe—truly—that the Windsor framework strengthens Northern Ireland's place within our Union and delivers extra checks and balances for Stormont, but the only way that we can see whether those actually work is if Stormont is sitting.

Mr Gagan Mohindra (South West Hertfordshire) (Con): Power sharing has collapsed several times since its introduction. In addition to my right hon. Friend's efforts to restore power sharing, what work is being done to ensure that devolved government in Northern Ireland is based on a more stable foundation?

Chris Heaton-Harris: I thank my hon. Friend for his interest in this space. When power sharing is working in Northern Ireland, it is proven to work very well. Indeed, it has brought huge benefits across the piece, from the delivery of public services to the economy and elsewhere. As a previous questioner intimated, there is now a massive opportunity for Northern Ireland as we move forward, but we do need the Executive to be formed. In a speech that my right hon. Friend the Prime Minister gave at the events to mark the 25th anniversary of the Belfast/Good Friday agreement, he said that the first thing we need to do is to get the Executive up and running, and I agree with him entirely. Further conversations can happen after that.

Mr Speaker: I call the shadow Secretary of State.

Peter Kyle (Hove) (Lab): We have recently been reminded of some of the lessons from the Good Friday agreement. One such is the importance of structures to delivering successful negotiations. The Windsor framework is a policy success, but it has not yet delivered political progress. From the outside, it is hard to see any formal discussions or negotiations that are under way with the Northern Irish parties or leaders. Will the Secretary of State set out what he is doing to restore power sharing?

Chris Heaton-Harris: I thank the hon. Gentleman for his question. I would say a couple of things on that. First, he could have watched the great BBC or UTV coverage last week when the political parties were leaving Hillsborough after the latest series of talks that we had there, because there is an ongoing pattern of formal talks with the parties. However, the one thing that I learned from the negotiations to get the Windsor framework over the line is that some of these things are best done on a confidential basis, because otherwise other people get to pull the threads of the negotiations and the whole thing falls apart.

Peter Kyle: The Government's analysis of why power sharing collapsed is that, under the Good Friday agreement, the rights and aspirations of some parts of the community

were being undermined. By that understanding, however, the Northern Ireland Troubles (Legacy and Reconciliation) Bill goes even further in undermining the agreement. It is opposed by all communities in Northern Ireland; the Irish Government, who were the other signatories of the agreement; and the Northern Ireland Human Rights Commission, which was created by it. Is now not the time for a total rethink on legacy?

Chris Heaton-Harris: I thank the hon. Gentleman for his pivot to legacy, as it is something that I hope to talk about a great deal in the coming weeks. As I have said from this Dispatch Box a number of times, we have been on a journey to improve the legacy Bill dramatically. It has its final Committee sitting in the House of Lords tomorrow and we will be tabling a range of quite big—game-changing, I would like to think—amendments over the next couple of weeks before Report stage. We will also have some other announcements that I am sure he will welcome.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): The Secretary of State will know that the political institutions in Northern Ireland operate effectively when there is cross-community consensus. A continuing concern of the Unionist community is the ongoing application of EU law for all manufactured goods in Northern Ireland and that, over time, the divergence from UK law will inhibit our ability to trade with the rest of the United Kingdom. That is what we need the Government to address and resolve.

Chris Heaton-Harris: I thank the right hon. Gentleman for his point, which he has made to me in no uncertain terms on a number of occasions. I thank him for his frankness in those discussions, because if we do not identify exactly what the issues are, we could skate around them for ages and not get anywhere. As he well knows, there are things that I think we can do as a Government that can exemplify and amplify how we can solve the problem behind his question, and I look forward to having further engagement with him on these matters.

Sir Jeffrey M. Donaldson: I, too, look forward to that engagement, because if we are to get Stormont restored on a stable foundation, which is what we want, we must resolve those issues. People in Northern Ireland, and Unionists in particular, need to know that their place in the United Kingdom, which was enshrined and protected in article 1 of the Belfast/Good Friday agreement, will be equally enshrined and protected in UK law as a result of any arrangements that are put in place.

Chris Heaton-Harris: I can give the right hon. Gentleman that assurance from this Dispatch Box, but I know from the engagement we have had that he would like to see that in other terms as well. That is why I look forward to our continuing conversations, so that we can work out exactly what the ask is and I can try to deliver on that.

School Funding

2. **Mary Glindon** (North Tyneside) (Lab): What assessment he has made of the potential impact of reductions in funding for education in Northern Ireland on schools.

[904785]

The Minister of State, Northern Ireland Office (Mr Steve Baker): The Northern Ireland Department of Education has been allocated £2.6 billion of resource, which represents a 1.8% reduction from 2022-23. Education is a devolved matter and, in the absence of an Executive or Assembly, the assessments of any potential impacts of those decisions are matters for the Northern Ireland Department of Education.

Mary Glendon: The Children's Law Centre has warned that cuts to Northern Ireland's budget could be in breach of the commitments made to children in the Good Friday agreement, with services for disadvantaged children the primary target. How will the Secretary of State ensure that budget cuts do not cause active harm to the most vulnerable children in Northern Ireland's schools?

Mr Baker: We share the hon. Lady's concern; that is why my right hon. Friend the Secretary of State met the Children's Law Centre last week. I would say to her, as gently as I can, that, according to Ulster University, the current structural division in Northern Ireland's education system is inefficient and maintaining it comes at a cost of £226 million a year, or about £600,000 every day. I think we all have to ask ourselves very serious questions about how that money can best be spent, and she gives us some illustrations.

Mr Robin Walker (Worcester) (Con): My hon. Friend rightly points to the benefits of integration in Northern Ireland's education system, but he must recognise that it is a matter of great concern that as the Government seek to increase education spending in real terms, it is declining in absolute terms in Northern Ireland over the coming years. Is that not a reason to get an Executive in place as soon as possible that can address the long-term issues of reform that education and businesses are calling out for?

Mr Baker: I agree fully with my hon. Friend; he is right that it is absolutely necessary to get on with structural reform and it is a matter of concern that we are in this position. Reform is necessary across a broad range of public services to make the public finances sustainable.

Mr Speaker: I call the shadow Minister.

Tonia Antoniazzi (Gower) (Lab): On his visit to Belfast last month, the Prime Minister expressed the view that integrated education should be "the norm, rather than the exception".

However, the current strategy for growing integrated education has no targets for student numbers and does not specify how much money will be spent. Will the Minister outline how the Government will ensure that integrated education becomes the norm?

Mr Baker: As the hon. Lady knows, that policy is a matter for a restored Executive. The first thing we need to do is to encourage all parties to get back into the Executive and bring forward that strategy. I am grateful for this indication that she and I will be united in pressing this forward and saying that we should have integrated education as the norm. I have heard people's

concerns on the other side of the argument, and of course I am in favour of faith schools and freedom of religion, but we need to make sure that never again does a Minister go to Northern Ireland and hear a young person say that they were 16 or 18 before they met their first Unionist or their first Catholic. That is something I have experienced, and I am not at all happy about it.

Cost of Living

3. Alex Davies-Jones (Pontypridd) (Lab): What steps his Department is taking to help support people in Northern Ireland with rises in the cost of living. [904786]

10. Alex Cunningham (Stockton North) (Lab): What steps his Department is taking to help support people in Northern Ireland with rises in the cost of living. [904795]

13. Navendu Mishra (Stockport) (Lab): What steps his Department is taking to help support people in Northern Ireland with rises in the cost of living. [904798]

The Minister of State, Northern Ireland Office (Mr Steve Baker): The UK Government are committed to supporting Northern Ireland through the recent increase in the cost of living. That is why we are taking steps such as lowering the cost of energy; targeting support at the most vulnerable through a £900 cost of living payment in 2023-24 for households on means-tested benefits; delivering £600 energy payments to businesses and households; the £300 cost of living payment for pensioners; and an additional £150 disability cost of living payment for individuals entitled to disability benefits.

Alex Davies-Jones: Last week, the permanent secretary to the Department of Finance in Northern Ireland told the Northern Ireland Affairs Committee:

"We are rapidly if not already at the point at which the funding per head is not at the level of measured need."

The truth is that the Barnett consequential funding model has not kept up with the cost of living crisis. What exactly does the Minister have to say to the people who have to make their money stretch further and further while their bills continue to skyrocket?

Mr Baker: This Government, my right hon. Friend the Secretary of State, Lord Caine and I are all absolutely seized of the imperative to put the finances on a sustainable basis and to have public sector reform to ensure that the money is well spent. There are a number of opportunities in health and education that have been not only articulated today but identified in public in the past. We do need to consider revenue raising, and I hope that the hon. Lady will return to that when we get on to the Northern Ireland (Interim Arrangements) Bill later today. Absolutely, we need to say to people that it is time to put Northern Ireland's finances on a sustainable basis and have reforms so that they get the public services they deserve. Of course, the route to that is to have a restored Executive.

Alex Cunningham: This Government are creating more red tape for businesses, with new labelling requirements for food products across the UK after the Windsor

framework. Will the Government look again at having a veterinary agreement with the EU, which would eliminate those costs?

Mr Baker: Forgive me, Mr Speaker, but I only partially heard the hon. Gentleman's question. We will, of course, continue to talk to the European Union about these matters. We want the smoothest flow of trade not only with the European Union but with all our international trading partners. Certainly, we will consider things, but we are determined that, as we have left the European Union, we will not follow its rules as handed down.

Navendu Mishra: The Chancellor has failed to bring in a proper windfall tax, while oil and gas giants are raking in record profits. Does the Minister agree that there are still huge holes in the Government's levy, meaning that households in Northern Ireland will lose out on billions of pounds that could be used to address the cost of living burden?

Mr Baker: I note that the hon. Gentleman said "a proper windfall tax", which indicates, of course, that what a windfall tax should be is a contested matter. Really, if I may say so, his question is rather out of scope for the Northern Ireland Office. Many of those matters are devolved; others are reserved to the Treasury.

Mr Speaker: I call the Chair of the Northern Ireland Affairs Committee.

Simon Hoare (North Dorset) (Con): My hon. Friend will know that many groups in Northern Ireland provide advice to people to help with the cost of living and other challenges. Many of those organisations receive funding from the shared prosperity fund. That notwithstanding, may I urge the Minister to talk to Ministers in the relevant Department to ensure that there is a bespoke definition and that the unique circumstances of Northern Ireland are taken into account when making funding determinations under the shared prosperity fund?

Mr Baker: My hon. Friend makes a good point. May I encourage him to meet me to discuss exactly what should be in that definition? I would be grateful if he did.

Aaron Bell (Newcastle-under-Lyme) (Con): Just as in Newcastle-under-Lyme, I welcome the Government's support for households and businesses in Northern Ireland with energy costs. However, is it not the case that some of those schemes could have been delivered more efficiently had there been a functioning Executive in Northern Ireland?

Mr Baker: One hundred per cent—that is absolutely right. I experienced for myself, as did the Secretary of State, the difficulties that followed. I am very grateful to the Ministers and officials of the Department for Business, Energy and Industrial Strategy for making the delivery of those schemes possible, but my hon. Friend is 100% correct.

Robin Millar (Aberconwy) (Con): The Government have demonstrated a swiftness of foot in responding through the pandemic and the energy crisis to support

businesses and residents. The previous question notwithstanding, can my hon. Friend reassure the House that residents and businesses in Northern Ireland will continue to receive Government support with energy bills over the coming months?

Mr Baker: We will, of course, continue to be seized of the situation in Northern Ireland. I can tell my hon. Friend that we will keep the situation under review.

Shipment of Goods: Great Britain to Northern Ireland

4. **Theresa Villiers** (Chipping Barnet) (Con): What steps he has taken with Cabinet colleagues to provide guidance to businesses on shipping goods from Great Britain to Northern Ireland. [904787]

The Minister of State, Northern Ireland Office (Mr Steve Baker): The Government are engaging extensively with businesses to explain what has been agreed under the framework, and we will be providing detailed guidance over the summer on how the green lane will operate.

Theresa Villiers: The Windsor framework alleviates some significant problems, but it does not remove all frictions on trade, it does not restore Northern Ireland's control of its own laws, and it has not restored power sharing, so when will the Government review the framework, and will that be part of the trade and co-operation agreement review taking place over the next two years?

Mr Baker: I recognise that keeping in place the 3% of EU law that is necessary to have an infrastructure-free border is an extremely difficult compromise, not only for Unionism but for Eurosceptics such as my right hon. Friend and me. We need to implement the framework that we have agreed, and of course we will keep it under constant review. I am grateful that she raises the TCA review. One great benefit of the Windsor framework that has been largely unexplored is that, now that we have a much more positive relationship with both Ireland and our European Union partners, it is possible that we could achieve great things in that TCA review. I would be very grateful for her collaboration to that end.

Paul Girvan (South Antrim) (DUP): The oversell of the Windsor framework indicated to businesses that the green lane would operate without any restrictions whatsoever. That is untrue—they will still be required to make customs declarations. When will we have the freedom to trade within our own United Kingdom without the requirement for additional paperwork?

Mr Baker: It is not the case that there will be customs declarations on the green channel. What will be shared is ordinary commercial data. The data required to go to Northern Ireland on the green lane will be no more than that required to ship within Great Britain—across, say, to Isle of Wight.

Mr Speaker: We come to the SNP spokesperson.

Richard Thomson (Gordon) (SNP): In a statement last month, the British Potato Trade Association described the Windsor framework as representing a step closer to achieving the ultimate aim of reopening seed potato

trade with the European Union. What further guidance will be issued to exporters? What is being done to enable domestic Northern Irish consumers to access high-quality seed potato exports from Scotland? And what will the Secretary of State's team be doing to try to replicate this hard-won market access in Northern Ireland right across the far more lucrative EU market?

Mr Baker: I will be absolutely delighted if Scottish seed potatoes are sent to all of Europe. I see no practical reason why that should not happen. My right hon. Friend the Member for Chipping Barnet (Theresa Villiers) mentioned the TCA review. I would love to be able to deliver seed potatoes to all of Europe way before that, and I very much hope that the hon. Gentleman will support us as we seek to do so.

Women Affected by State Pension Age Changes: Cost of Living

5. **Ruth Jones** (Newport West) (Lab): What steps his Department is taking to help support women in Northern Ireland affected by changes to the state pension age with rises in the cost of living. [904788]

The Minister of State, Northern Ireland Office (Mr Steve Baker): It is a busy day again, Mr Speaker. Social security and state pensions are transferred matters in Northern Ireland and are therefore the responsibility of the Northern Ireland Executive. We have taken decisive action to help UK households tackle increases in the cost of living. Women across Northern Ireland are benefiting from energy bill support and support for the most vulnerable, including an additional £900 cost of living payment in 2023-24 for households on means-tested benefits.

Ruth Jones: WASPI women in Northern Ireland, like those in Newport West and the rest of the UK, want to see fairness and equality once and for all. What specific discussions has the Minister had with the Northern Ireland civil service and the political parties in Northern Ireland about the rising cost of living and its impact on WASPI women in Northern Ireland?

Mr Baker: As I have said, this is a transferred matter under the devolution settlement. We all know that this has been a very sensitive matter—that has certainly been the case throughout my time in Parliament—and I have met many of my constituents who are concerned about it. However, if any Opposition Members think that the issue of pensions is going to go away in our lifetime, I encourage them to look at the Office for Budget Responsibility's fiscal sustainability report and at other reports from the Government Actuary's Department.

Women's Services

6. **Carolyn Harris** (Swansea East) (Lab): What recent assessment he has made of the adequacy of resources for women's services in Northern Ireland. [904789]

The Secretary of State for Northern Ireland (Chris Heaton-Harris): I thank the hon. Lady for her question. The Government recognise the importance of support services for women. I will continue to engage with women's groups and organisations supporting women and girls across Northern Ireland. It is vital that the

Executive is restored as soon as possible to deliver on the issues that matter most to the people of Northern Ireland, including vital support services such as those that the hon. Lady has championed through her all-party parliamentary group.

Carolyn Harris: I know that the Secretary of State understands the issues facing menopausal women. With no legislation currently in Stormont, there are no plans for a women's health strategy and nor is there any proactive work taking place to address the issues, so will he agree to meet representatives of the Menopause Support Group Northern Ireland, hear their concerns and support their campaign for improved menopause services? [Interruption.]

Chris Heaton-Harris: As the House has demonstrated, that is a very popular question, so I can do nothing other than say yes, I will happily meet the hon. Lady.

UK Internal Market Access

8. **Bob Blackman** (Harrow East) (Con): What steps his Department is taking to ensure Northern Irish businesses have full access to the UK internal market. [904791]

The Minister of State, Northern Ireland Office (Mr Steve Baker): The Government legislated under the United Kingdom Internal Market Act 2020 to provide for unfettered access to the UK internal market for Northern Ireland goods. The Windsor framework further guarantees unfettered access for Northern Ireland's businesses to the UK market on a permanent basis.

Bob Blackman: I thank my hon. Friend for that answer. Does he agree that the Windsor framework potentially gives the people of Northern Ireland the opportunity to trade with the Republic, as well as the rest of the United Kingdom?

Mr Baker: I do agree, Mr Speaker. The Windsor framework represents an extraordinary opportunity for Northern Ireland for the long term. Not only will Northern Ireland have privileged access to the EU and UK markets but it will be under UK services regulation and will have access to our free trade agreements, such as our accession to the comprehensive and progressive agreement for trans-Pacific partnership. That is an extraordinary opportunity—we should make the most of it.

Sammy Wilson (East Antrim) (DUP): The GB border operating model that has been recently published by the Department for Environment, Food and Rural Affairs indicates that by October this year, there will be border checkpoints at Cairnryan, Liverpool and Holyhead. How is the Minister able to claim that there will be frictionless trade between Northern Ireland and GB when the Government are actively proposing to put border control posts on our trade routes into our most important market?

Mr Baker: My right hon. Friend and I share many views in common, but I say to him as gently as possible that I think he is really referring to the red lane there. If we had moved forward with the protocol Bill, that

would have implemented a red and a green lane, and the red lane would have required checkpoints. We have to engage seriously with the legitimate interests of Ireland and the European Union, and that means a solution of the form we have taken with the Windsor framework. I am proud that the Prime Minister did a deal that people said could not be done and got progress from both sides.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [904799] **Clive Lewis** (Norwich South) (Lab): If he will list his official engagements for Wednesday 10 May.

The Prime Minister (Rishi Sunak): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Clive Lewis: Two years ago, I raised the case of a Norwich Army veteran who was in such agony that he was forced to pull out 18 of his own teeth because he could not get access to a dentist. The grim fact is that despite repeated promises from the Prime Minister, Norwich and Norfolk remain dental deserts. Dentists excel at extracting rotten teeth, so does the Prime Minister agree that the only way my constituents will see results is when this rotten Government are extracted from office and replaced with a Labour one?

The Prime Minister: I am very sorry to hear about the hon. Gentleman's constituent. The hon. Gentleman will know that there are record sums going into dentistry and indeed 500 more NHS dentists working today. Because of the contract reforms that we have put in place, 10% more activity can happen, and the Department of Health and Social Care is currently talking about reforming the dentistry contract with dental practices to increase activity further.

Mr Gagan Mohindra (South West Hertfordshire) (Con): My constituent Gordon has, unfortunately, been receiving cancer treatment at Mount Vernon Hospital, which will soon fall within Sadiq Khan's new ultra low emission zone boundaries. As Gordon continues his daily treatment, he will now be expected to pay a £12.50 charge or buy a new, compliant vehicle. Does the Prime Minister agree that the British people already have enough on without Labour's London Mayor stretching household budgets further, just so that he can cover his mismanagement of Transport for London's finances?

The Prime Minister: I am sorry to hear of my hon. Friend's constituent Gordon, and I send him my best wishes. He will now that transport in London is devolved to the Labour Mayor, who is expanding the zone against the overwhelming views of residents and businesses. What is more, his plan to raise costs for hard-working families is totally backed by the Leader of the Opposition. Perhaps he can now tell us why.

Mr Speaker: I do not think he is responsible for answering the questions.

We come to the Leader of the Opposition.

Keir Starmer (Holborn and St Pancras) (Lab): Thank you, Mr Speaker. I thank all those who took part in the coronation celebrations over the weekend, and I also take this chance to wish all the very best to my brilliant and talented constituent Mae Muller, who is representing the UK at Eurovision in Liverpool this weekend. The whole country is behind you, Mae.

This time last week, the Prime Minister had to correct the record on misleading claims he made about employment numbers. Can he provide a further update now that he has cost 1,000 Tory councillors their jobs?

The Prime Minister: Let me pass on my best wishes to Mae as well for this weekend's Eurovision. With regard to the local elections, perhaps I can offer the right hon. and learned Gentleman a tiny bit of advice from one of his predecessors, Tony Blair. I was reading what he said the other day. He said:

"The right hon. Gentleman can be as cocky as he likes about the local elections; come a general election, policy counts."—[*Official Report*, 9 May 2007; Vol. 460, c. 152.]

We know that the problem for the right hon. and learned Gentleman is that he does not have any.

Keir Starmer: The Prime Minister said he was going to lose a thousand seats, and then he managed it. After 13 years, a Tory promise they have actually not broken! This is the Prime Minister who has had to fight for only two things in his life. Last year, he lost a Tory beauty contest to the right hon. Member for South West Norfolk (Elizabeth Truss), who then lost to a lettuce. Last week, when he finally came into contact with voters, he lost everywhere. No matter who the electorate are, the Prime Minister keeps entering a two-horse race and somehow finishing third. Given his track record, who does he think he has actually got a mandate from?

The Prime Minister: It is a bit rich to hear about mandates from the person who has broken every single promise he was elected on. Going through the list, we have nationalisations, NHS outsourcing, universal credit and now tuition fees—the right hon. and learned Gentleman was for them all before he was against them. He is not just Sir Softie; he is Sir Flaky, too.

Keir Starmer: I can understand why the Prime Minister is trying to wish away his terrible results, but peddling nonsense just does not work. Up and down the country, people want the Government to focus on the cost of living, but he has got no answers. Is he planning to carry on as if nothing happened, and ignore the message he was sent last week, or will he do what a Labour Government would do and announce an immediate freeze in council tax bills?

The Prime Minister: I know that the right hon. and learned Gentleman has rightly asked his Labour councillors to focus on the cost of living. Perhaps they could start by reducing council tax to the level in Conservative-run areas. We are getting on with halving people's energy bills and freezing fuel duty to help them with the cost of living. What is stopping him from having a plan is that unfortunately his shadow Chancellor, the right hon. Member for Leeds West (Rachel Reeves), recently said that she has discovered that she has a problem: she

realised that she actually—shock horror!—has to say where the money is going to come from. With a £90 billion black hole in her plans, she has a lot of work to do.

Keir Starmer: There is only one party that broke the economy, and they are sitting right there. To quote one of the Prime Minister's more electorally successful predecessors, "nothing has changed". He is still blaming other people, still refusing to take the necessary action and still not listening to the country. On council tax, it is quite simple: a Labour Government would give every council the grant they need to freeze those bills, fully paid for by ending the handouts he is giving to oil and gas giants. I ask him again: now that his plan has been utterly rejected, why will he not do the same?

The Prime Minister: Just a quick history lesson for the right hon. and learned Gentleman: while he was busy softening sentences 13 years ago, we inherited from Labour the largest deficit in the G7, higher unemployment and coffers that were totally empty. It did not stop there: after that, Labour Members wanted a longer lockdown, and now they will not even oppose the picketers and the protesters. Even in opposition, they are damaging the economy.

Keir Starmer: The Prime Minister is just not listening, is he? Even after the entire country, from the Peak District to the garden of England, rejected his Government last week, he still thinks that protecting oil and gas profits is more important than freezing bills. I am sure that the Prime Minister must finally have met some working people in recent weeks, but did any of them understand why he insists on protecting his precious non-dom tax status, rather than scrapping it and using the money to train thousands of doctors and nurses?

The Prime Minister: The right hon. and learned Gentleman said that this money would fund the NHS workforce, but that plan was looked at by one of his colleagues recently, who said that it would

"discourage...doctors and nurses...from coming"—[*Official Report*, 9 October 2007; Vol. 464, c. 171]

here, and that there was a "£2 billion" shortfall in his sums. Who said that? It was Alistair Darling. He might remember those days—it is when Labour bankrupted the economy.

Keir Starmer: That is the definition of nonsense. This is the price of having a tired, worn-out Government, fronted by a Prime Minister who boasts he has never had a working-class friend. He is smiling his way through the cost of living crisis, gloating about success while waiting lists grow. He is pretending that crime, house building, schools are all just doing fine, while handing the country 24 tax rises, all with his name on them. How does he think the Tories can possibly provide the answers that Britain needs when the whole country has already told him that they are the problem, not the solution?

The Prime Minister: The right hon. and learned Gentleman is right: we all do say some silly things when we are younger; I was a teenager. He will know what I am talking about, because I think in his 40s he was still talking about abolishing the monarchy.

Hon. Members: More!

Mr Speaker: Order.

The Prime Minister: It is the same old guff from him every week—all politics and no action. We are getting on with halving people's energy bills, freezing fuel duty, cutting the costs of childcare and boosting pay. While he is busy plotting coalitions, we are getting on and delivering for the British people.

Q10. [904808] **Angela Richardson** (Guildford) (Con): This Saturday is Surrey Day, which is a chance for locals and visitors to celebrate everything wonderful about our county, including our beautiful, historic High Street in Guildford with its independent shops. However, empty shops are frequently raised with me. High rents with high business rates make it difficult for independent retailers to compete with national chains. Does my right hon. Friend agree that this Government must do everything they can to support our high streets as part of our plan to boost economic growth?

The Prime Minister: My hon. Friend is absolutely right about the importance of high streets for local communities—not just in Surrey, but around the country. That is why we are abolishing business rates for hundreds of thousands of eligible businesses in the retail, hospitality and leisure sector, and investing billions of pounds through the high streets fund and our towns fund to support local communities up and down the country.

Mr Speaker: I call the SNP spokesperson.

Stephen Flynn (Aberdeen South) (SNP): If the Prime Minister was to go to the boot of his Land Rover and pull out some placards, which said, "Save our Non-Doms", would he expect to be arrested by the police?

The Prime Minister: May I first put on record my thanks to the police for all their hard work over the weekend, ensuring that the coronation was a success?

On this issue, we believe the police should have powers to make sure that they can protect the public from unnecessary and serious disruption. I respectfully recognise that the hon. Gentleman disagrees with our position. I guess the question for both of us is: what does the Leader of the Opposition think about this, because it is quite hard to keep up?

Mr Speaker: Order. Can I just remind the Prime Minister that this is Prime Minister's questions? It is for him to answer, not for asking what the Opposition are doing.

Stephen Flynn: What we are talking about here is that nurses strike, doctors strike, firefighters strike—or protest—and of course republicans protest as well. They do so because it is a fundamental right within our democracy to be able to protest. So is the Prime Minister seriously saying that, moving forward, you can have your rights, but only on his terms?

The Prime Minister: It is also the right of the British public to be able to go about their ordinary day-to-day lives without undue serious disruption. That is why it is right that the police have extra powers. I respect that the hon. Gentleman disagrees with that, but we think it is right. Every day on TV, people see lives being disrupted,

people not being able to get to school, to hospital appointments and to work. They should be able to do that, and the police should have powers to stop those who are preventing that.

Q12. [904810] Simon Fell (Barrow and Furness) (Con): It was an honour to welcome the Australian Prime Minister last week so that he could meet some of our fantastic apprentices, see the submarine programme and reaffirm his commitment to the AUKUS programme, which will deliver thousands of jobs in my constituency and keep our nation safe. What was a national endeavour is now an international one, and it is going to require a whole-of-Government approach to get it over the line and deliver it well. With that in mind, may I invite my right hon. Friend to Barrow to see the programme for himself and meet me to see how we can best leverage these opportunities for the people of Barrow for generations to come?

The Prime Minister: My hon. Friend is a fantastic advocate for his local industry and community. He is right: the SSN-AUKUS submarines will be built in Barrow, the home of the British submarine industry. It will create thousands of new jobs not just in Barrow but across the UK. That is why the Government are investing billions to modernise the enterprise, and I look forward to taking him up on his invitation.

Ed Davey (Kingston and Surbiton) (LD): Last week, many lifelong Conservative voters turned to the Liberal Democrats to be their strong local champions. They delivered their verdict on the Government's failure to hold water companies to account for dumping raw sewage into our rivers and on to our beaches. Last year, water bosses were paid £15 million in bonuses—rewarded for destroying our precious natural environment. Three of those executives have now turned down their bonuses, but they should never have been entitled to them in the first place. Will the Prime Minister ban these sewage bonuses so that the dumping actually stops?

The Prime Minister: I struggled to hear the full question. *[Interruption.]* In one sense, that does not really matter, because we all know that the Liberal Democrats say one thing here and another thing locally anyway. No wonder he is attracted to the Labour leader these days. Political opportunism and a broken promise on tuition fees—it must be like looking in the mirror.

Q13. [904811] Ben Bradley (Mansfield) (Con): May I take the opportunity to highlight some success, with Mansfield District Council having more Conservative councillors than at any point in my lifetime after last week's local elections? I am very proud of our local team, but one thing we heard on the doorstep was a frustrated expectation that the Government need to deliver on key pledges. There has been a commitment that our part of the world will be given the clout and investment to catch up with other regions which historically have had more than we have had, so will the Prime Minister take the opportunity to reiterate his commitment and reassure my constituents that he will support growth and investment in the east midlands?

The Prime Minister: My hon. Friend is a tireless advocate for the east midlands. In particular, I welcome the devolution deal agreed among the four local authorities

in the region, which I know he has campaigned for. Like him, I look forward to those new devolved institutions being established as soon as possible to drive economic growth in his community.

Q2. [904800] Caroline Lucas (Brighton, Pavilion) (Green): The Prime Minister has previously declared

“my...daughter...is the climate change champion in our house.”

I wonder if he has asked her what she thinks about Rosebank, the biggest undeveloped oilfield in the North sea, which would blow climate targets, create more emissions than 28 of the world's poorest countries combined, involve the obscene transfer of £4 billion of taxpayers' money to a Norwegian energy firm—Equinor—and do nothing for energy security since the vast majority of the oil will be exported. If he gives Rosebank the green light, will he be able to look his daughter in the eye and honestly say that he has done everything in his power to give her and all other young people a liveable future?

The Prime Minister: As the independent Climate Change Committee has acknowledged, we will need fossil fuels for the next few decades as we transition to a greener future. During that period, it makes absolutely no sense not to invest in the resources that we have here at home and not to create jobs here but to import foreign fossil fuels at twice the carbon emissions of our local resources. It is an economically illiterate policy—but that is what we would expect from the Green party.

George Eustice (Camborne and Redruth) (Con): Last June, the Government committed to bringing forward a horticulture strategy to identify ways to expand British production of horticulture. The importance of that was underlined by some of the supply-chain challenges that we saw earlier this spring, but in the past week there has been speculation that the Government might be abandoning that strategy. Can the Prime Minister give us any reassurance that the Government remain committed to expanding this important British industry?

The Prime Minister: I thank my right hon. Friend for all his work championing this area. We are delivering for the horticulture sector, which will benefit from the £168 million investment to drive innovation and support food production. That is also why we passed the new Genetic Technology (Precision Breeding) Act 2023, taking advantage of our Brexit opportunities to unlock the potential of new technologies. I look forward to discussing that and other ideas at our new upcoming food summit.

Q3. [904801] Julie Elliott (Sunderland Central) (Lab): Has the Prime Minister or any of his Ministers given commitments to BP, Equinor or any other company about contracts at the Teesworks site?

The Prime Minister: Contracts at the site will be a commercial matter for the companies involved.

Robert Courts (Witney) (Con): Our farmers provide our food and our countryside's future, but there is concern among some Oxfordshire farmers that the new schemes under the Department for Environment, Food and Rural Affairs' agricultural transition plan are not ready for farmers to access and make up the shortfall

from the basic payment scheme. Will my right hon. Friend push his colleagues in DEFRA to roll out the rest of the sustainable farming incentives standards as soon as possible, and consider double-stacking SFI and countryside stewardship payments to ensure that Oxfordshire's farmers get the support they need?

The Prime Minister: I thank my hon. Friend for his question. Of course, we want to make sure we continue to support farmers to produce healthy nutritious food. We are pressing ahead with the environmental land management scheme, fine tuning it to make sure it works even better for farmers. We want to make sure there is enough flexibility in the sustainable farming incentives. That is why DEFRA designed the schemes with farmers in mind, enabling them to do more and ensure they can use countryside stewardship schemes on the same plots of land. I look forward to discussing that with him and other colleagues.

Q4. [904802] Alyn Smith (Stirling) (SNP): In Stirling, we have a potentially very exciting development at Forthside on former Ministry of Defence land. Sadly, the development has got a bit stuck over a dispute about the cost of the decontamination of that land. I will work with anybody to get a result for Stirling. Will the Prime Minister meet me and representatives of Stirling Council to get the development unblocked and make the progress we all want to see?

The Prime Minister: We have invested in Stirling previously to unlock investment and drive growth. I will ensure the hon. Gentleman gets the meeting he needs with the relevant Minister to make progress.

Matt Warman (Boston and Skegness) (Con): The Prime Minister and I share a profound optimism about the power of technology. In particular, AI—artificial intelligence—has the power to revolutionise public services and our private sector as well. But does he agree that it comes with risks and that, while there are unrealistic calls to pause research into it altogether, it is crucial for us to work with our allies around the world so that the global norms that emerge in this important area reflect our values?

The Prime Minister: My hon. Friend speaks with experience and knowledge on this issue and I absolutely agree with the thrust of his question. It would be implausible and wrong to halt the development of this technology, but it is right that we ensure appropriate guard rails are in place as we look to exploit the opportunities. Those are the conversations we are having, not just with the companies involved but with our allies around the world. He can expect further progress in the coming weeks and months.

Q6. [904804] John Mc Nally (Falkirk) (SNP): Following on from the Prime Minister's earlier answer, as he knows, an eat out to help out scheme was introduced in August 2020. It increased demand for eating in restaurants by some 216% compared with 2019. With figures now showing that over 17,500 retail chain stores closed in 2020 alone, affecting nearly 35,000 employees, has the Prime Minister considered a similar scheme for bricks

and mortar retail—bricks versus clicks, if you like—as part of a wider plan to regenerate local high streets and town centres?

The Prime Minister: The way we are supporting high streets and town centres is through making sure we cut business rates in England—obviously, the Scottish Government will receive Barnett consequentials from those actions—and now hundreds of thousands of local businesses on our high streets do not pay any business rates at all. On top of that, through the levelling-up fund, towns fund and others, we are investing directly in local communities, including the hon. Gentleman's own, where council leaders described our investment of £90 million as very welcome and a real boost for economic recovery.

Maggie Throup (Erewash) (Con): My right hon. Friend recently scored a very rare own goal by backing Stockton Town football club in a northern premier league east play-off final, which eventually saw Long Eaton United win on penalties. In the interests of good sportsmanship, will he congratulate Ian Deakin and his team on their resounding victory, wish Long Eaton United luck and every success in the league for next season, and join me at Grange Park to cheer them on?

The Prime Minister: I join my hon. Friend in congratulating her local football team and all involved in their stunning success. I am not sure if I will be able to join her in the immediate future, but I look forward to seeing them go from strength to strength, much as the fortunes of my own team, sadly, are not in the place I would like them to be.

Q7. [904805] Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The Prime Minister may well have seen the astonishing sight of a former Scottish Government Minister standing up in the Scottish Parliament Chamber and tearing up—literally, ripping into pieces—the Scottish Government's highly protected marine area proposal. The proposal is deeply controversial all over Scotland, and has even been compared with the second highland clearances. Is now not the time for the UK Government to step in and work with the devolved—*[Interruption.]* Mr Speaker, I will not be silenced, because this matters deeply to my constituents. Is it not time for the UK Government to step in and work with the devolved Administrations, to come up with a conservation scheme that works and is acceptable to our fishing communities all around the UK?

The Prime Minister: The hon. Gentleman makes an excellent point and is a passionate champion, as he should be, for his local fishing communities. He is right to highlight the concerns that have been raised not just by them but by members of the SNP about the potentially damaging impact of plans to introduce the highly protected marine areas in the way that they are. I would encourage the SNP Government to continue working with the Scottish fishing industry and coastal communities to understand their concerns. As we have seen them recently U-turn on other poorly thought-out decisions, hopefully they can re-look at this one, too.

Rehman Chishti (Gillingham and Rainham) (Con): The United Kingdom has a strong, deep, multidimensional relationship with Pakistan. There are over 1.5 million

British Pakistanis here and many of them are dual nationals, as am I. The Prime Minister will have seen the scenes coming from Pakistan—the civil unrest where people have lost their lives due to the detention of Prime Minister Imran Khan. There are real concerns about the circumstances of his detention and the right to a fair trial. In the past, the United Kingdom has sent observers to hearings around the world to ensure that natural justice is done. Has the Prime Minister considered that? If not, will he consider it?

The Prime Minister: I thank my hon. Friend for his question. The UK of course has a long-standing and close relationship with Pakistan—this weekend especially, as Commonwealth partners. The arrest of the former Prime Minister is an internal matter for Pakistan. We support peaceful, democratic processes and adherence to the rule of law, and we are monitoring the situation carefully.

Q8. [904806] **Carolyn Harris** (Swansea East) (Lab): A little boy has gone to school today in shoes that do not fit him, because his parents cannot afford new ones. A little girl had water on her cornflakes because her mum had no money for milk. Those are real stories from Faith in Families, a charity in my constituency that deals with poverty every day. Poverty that is causing prolonged shame and leading to a mental health crisis. Faith in Families is worried about these kids. I am worried about these kids. If the Prime Minister is worried about these kids, what is he going to do about it?

The Prime Minister: We do not want any child to grow up in poverty. That is why I am proud that there are 1.7 million fewer people living in poverty today than in 2010, because of the actions of this and previous Conservative Governments. That includes hundreds of thousands of children. We are providing incredible support to the most vulnerable in our society as we speak. Just last week, the first of our cost of living payments went out—£900 to help the most vulnerable families in our society. Those are our values. We will keep supporting them as inflation remains high.

Alun Cairns (Vale of Glamorgan) (Con): Earlier, the Leader of the Opposition sought to draw attention to council tax rates and increases, offering some crocodile tears in the process. I draw to the Prime Minister's attention that, whereas we have seen a 43% increase in council tax rates since 2010 in England, the increase in Wales has been a staggering 67%. Therefore, is it not the case that we should be looking at what Labour does rather than what Labour says?

The Prime Minister: My right hon. Friend has made an excellent point. The Leader of the Opposition is very fond of telling us that Labour in Wales is the blueprint for how he would like to run the country, but, as we have seen, all that it means is higher bills for hard-working British families.

Q9. [904807] **Tommy Sheppard** (Edinburgh East) (SNP): Over the last two years, the Drax power station in Yorkshire has burned an average of nearly 20,000 tonnes of trees every single day, releasing an equivalent amount of carbon into the atmosphere. During that time, while our constituents have struggled with their heating bills,

the private company running Drax has received £1.5 million of subsidy through the Government's energy policy every single day. That is set to continue until 2027. Will the Prime Minister step in and review this grotesque distortion of energy policy, which incentivises deforestation while making no contribution to tackling the climate emergency?

The Prime Minister: While I cannot comment on the contract details of one particular company, what I can comment on is our record on this issue. Since the benchmark was established, emissions in this country have fallen by nearly 50%, and we have also grown the economy by two thirds—although I know the SNP Government are not as focused on that as we are. At the same time, because of the way in which we regulate new and renewable energies, we have seen the price of renewables such as offshore wind decline from £140 an hour to about £40. That shows a regulatory system that is working in delivering lower-cost, renewable energy to British families.

Alberto Costa (South Leicestershire) (Con): Plastic pollution is a scourge of modern-day society. My Microplastic Filters (Washing Machines) Bill—a ten-minute rule Bill—seeks to ensure that microfibre, microplastic filters are fitted in all commercial and domestic washing machines, and France, among other countries, has already passed such legislation. Will the Prime Minister, who has already done an enormous amount to tackle plastic pollution, organise a meeting between me and the stakeholders—particularly washing machine manufacturers—and the Secretary of State to discuss this very important issue?

The Prime Minister: We want to tackle microplastic pollution wherever possible, which is why we introduced a microbeads ban and a tax on plastic bags. I am aware that my hon. Friend has campaigned for filters in washing machines, but, as he will know, they can be costly to install. The Department for Environment, Food and Rural Affairs has outlined plans for the use of more filters, but I will ensure that my hon. Friend gets the meeting he needs with the relevant Minister to discuss this important matter further.

Q11. [904809] **Stephen Morgan** (Portsmouth South) (Lab): The ditching of the Government's pledge to recruit 6,000 more GPs is yet another example of the Tories' overpromising and underdelivering. With teacher recruitment targets missed and housing pledges shelved, why does the Prime Minister think that the only target he has actually met was the loss of 1,000 Tory councillors last week?

The Prime Minister: Perhaps the hon. Gentleman can tell us which of the many promises that the Leader of the Opposition made to him when he was campaigning he is happiest that he has U-turned on.

Sir John Hayes (South Holland and The Deepings) (Con): It is through Lincolnshire's roads that foodstuffs grown in our fine county are transported across the nation, but the highways authority struggles to fund the roads because of the skewed funding formula devised by a previous Labour Government. So many of our public services suffer in the same way, policing included.

Will the Prime Minister agree to review the local government and police funding formulas as a matter of urgency so that Lincolnshire can have a fair deal?

The Prime Minister: My right hon. Friend is entirely right to stand up for the particular needs of his rural community. Like him, I recognise that the costs of providing services are often higher in rural areas, and it is right for us to reflect that in funding formulas where we can do so, but I will ensure that he, too, gets a meeting with the relevant Minister to discuss this important matter further.

Q14. [904812] **Alison Thewliss** (Glasgow Central) (SNP): A total of 13,450 prepayment meter vouchers with a value of over more than £887,000 have gone unclaimed in my constituency, while £16.5 million is unclaimed across Scotland. The Prime Minister's energy bills support scheme is failing if money that could be helping our vulnerable constituents is resting in his Government's account. I recall that he is not very familiar with the way in which prepayment meters work, but what will he do to ensure that every single penny goes out of the Government's coffers and into the meters of those who really need it?

The Prime Minister: I am grateful that the hon. Lady, for a change, acknowledged the support that the Government are providing to families up and down the country. In designing those schemes, particular attention was given to how to get support to people with prepayment meters. Ministers are always engaged with stakeholders to make sure that there is awareness of those schemes, and I will make sure that we keep up those efforts so that people get the help that they need and deserve.

David Morris (Morecambe and Lunesdale) (Con): It is very interesting that the Leader of the Opposition talks about keeping council tax low, when the Labour party voted to increase Morecambe Town Council expenditure from £200,000 historically to £2 million. On that basis, I would like to meet the Prime Minister to see if we can find Government time to discuss a cap on parish councils to stop them from this sort of abhorrent behaviour.

The Prime Minister: My hon. Friend is right to highlight that council tax in Labour areas is higher than that in Conservative areas, which is not right at a time when there are pressures on the cost of living. I look forward to meeting him to discuss his plans to keep British families' household bills as low as they can be.

Q15. **John Spellar** (Warley) (Lab): Dozens of Sudanese doctors, who have been working in the NHS, were stranded and not allowed to return here. Last week, the Minister for Development and Africa, the right hon. Member for Sutton Coldfield (Mr Mitchell), told us here that the Prime Minister took the decision to get them back. Why had such a straightforward decision not been made much earlier by the Home Secretary or the Foreign Secretary? Is it because the Prime Minister is an obsessive micromanager? Or is it that his Ministers are just not up to the job? Which one is it, Prime Minister?

[904813]

The Prime Minister: The right hon. Gentleman is completely wrong to describe as straightforward a complex and dangerous evacuation in a war zone. Actually, everyone involved deserves enormous credit for conducting what was the longest and largest evacuation from Sudan by any western country. During that process, it was right that we moved deliberately and carefully, to ensure the security of everyone involved and to prioritise British nationals and their dependants. Now that the operation is complete, we can look back and thank everyone for what was an incredibly successful operation.

Dr Luke Evans (Bosworth) (Con): Since 2010, violent crime has dropped by 38% and neighbourhood crime has dropped by over 50%, but one crime that has gone up is fraud. Many of us have dealt with constituents who have struggled with fraud. What is the Prime Minister going to do about it?

The Prime Minister: My hon. Friend is absolutely right. Some 40% of all crime is now fraud. It is damaging for people's wellbeing as well as harming their finances. That is why the Home Secretary and I recently launched a new plan to combat fraud, with significant new investment, hundreds of new officers to tackle it and action on social media companies to empower people to take action and stop fraud happening in the first place. It represents the most comprehensive plan to tackle this issue and it will make a big difference to families everywhere.

Stella Creasy (Walthamstow) (Lab/Co-op): On Friday, a young man with brilliant potential, Renell Charles, who was 16, was brutally murdered on his way out of school in Walthamstow, in my constituency. Yesterday, a 16-year-old boy was charged with his murder. Renell's family are heartbroken—

Mr Speaker: Order. We have to be careful as this case is sub judice, so please do not go into detail.

Stella Creasy: Children are terrified to go to school, their parents are frightened to let them and the teachers are at their wits' end. They have asked me to come here today, Prime Minister, to beg you to make the epidemic of youth crime in our country a national priority. Will the Prime Minister meet me and representatives from my local community to talk about how we can get the mental health and mentoring support these young people need, so that every young person in our country has the future they deserve?

The Prime Minister: I know the whole House will join me in expressing our sympathies and condolences to Renell's family for what happened. The hon. Lady is absolutely right that we should do everything we can to tackle violence and the murder of young people, in particular. I am pleased that knife crime has fallen by almost 10% and serious youth violence has fallen by 24% in the last few years. That is because we are giving the police the powers they need, whether that is stop and search, increasing jail terms or confiscating around 90,000 weapons. Of course, we will always look to do more to make sure that our streets are safe for our young people.

Post Office Executives: Bonuses

12.40 pm

Mr Kevan Jones (North Durham) (Lab) (*Urgent Question*): To ask the Secretary of State for Business and Trade if he will make a statement on the awarding of bonuses to Post Office executives.

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): I thank the right hon. Gentleman for tabling this urgent question; I was very keen to come to the House to make a statement on this matter had he not done so and am keen to answer his question here today.

The situation is extremely concerning and deeply regrettable and the Post Office is right to apologise. This is a very serious issue, particularly as it comes at a time when it is essential that the public have confidence that the culture and processes at the Post Office have been improved.

Since becoming aware of this incident, I have acted swiftly, calling for an immediate explanation from the Post Office as to how this mistake occurred and asking what steps the Post Office board is taking in response. I met officials in my Department and UK Government Investments yesterday to discuss what further action is needed.

The Post Office has rightly apologised to the inquiry and issued a clarification on its website. The Post Office chief executive officer and chief finance officer have returned the remuneration associated with the sub-metric relating to the Post Office's support for the inquiry. The Post Office CEO has also apologised to Department for Business and Trade Ministers.

But more needs to be done. As a first step it is important that the facts are established. The Post Office has rightly announced that the incoming chair of its remuneration committee, Amanda Burton, will lead an immediate investigation into this incident. She was appointed non-executive director on the Post Office board at the end of last month and brings to the role experience and expertise from her time in the legal profession. The scope of the investigation is to ensure that the remuneration committee's approach and processes on rewarding its executives in this case was consistent with corporate governance best practice. I expect this investigation to report back to me within two weeks with its findings and recommendations.

I can also announce that my Department is commissioning a wider independent review of the governance around Post Office decisions on remuneration. It should make recommendations about any further changes that are needed. This will run alongside the Post Office remuneration committee chair's investigation of this specific incident. Further details will follow.

Finally, let me finish by reiterating that the Government remain steadfast in their commitment to ensure swift and fair compensation to postmasters who suffered as a result of the Horizon scandal and are grateful for Sir Wyn's work leading the Horizon inquiry. We will keep the House updated on this issue.

Mr Jones: First, I declare an interest: I am a member of the advisory board on the compensation scheme.

Two months ago I sat in the front room of a 78-year-old lady in Newcastle whose son had contacted me because she had not applied for compensation. That woman was traumatised: she was never spoken to about this for 20 years and was broken because of the shame involved in her prosecution. When this news broke on Friday night I thought about her and I was angry, but I am not as angry as many of the victims, who have been misled and lied to with a cover-up over the years.

Nick Read was brought in as a new broom, and he apologised to the victims on behalf of the Post Office. Well, that apology means absolutely nothing. This is a man who will get a bonus of over £400,000, which is based not on a mistake, as the Minister said, but on a deliberate lie. Added to that, two of the four people on the advisory board are Tom Cooper, who is his Government's own representative on the board, and Ben Tidswell, who is chairing the review of historical compensation. How could those two people remain on the board? As the Minister knows, the victims of the Post Office have no confidence in it. I was prepared to give them the benefit of the doubt, but frankly it is rotten to the core still. It needs to change.

May I ask a couple of questions? First, when was the Minister made aware of this? What is the actual role of Tom Cooper, who is the Government's representative? We have had this for many years, Minister: there were independent Government advisers on that board who oversaw the Post Office spending £100 million of taxpayers' money to fight an unjustifiable court case against the postmasters. Will he publish who has got a bonus and who has given it back? If he says that the criteria were not clear or were misunderstood, will he publish them? When he does his inquiry, will he come back to the House to give a full explanation about what is going on?

Finally, may I say this to the Minister? Victims of compensation are waiting for their compensation. I know it has been a difficult task. They do not trust the Post Office, which is still dragging its heels in getting information out. Unless we get that, people are not going to get justice. The only thing that needs to happen is that the chief executive should resign or be sacked.

Kevin Hollinrake: I am grateful for the right hon. Gentleman's work on the advisory board, as he set out. I was keen to support the advisory board's recommendation to widen the scope of the scheme to cover other elements of the compensation scheme, so I thank him again for the work that he does.

To respond to the right hon. Gentleman's specific questions, I was made aware of this on 6 May, Saturday; the officials were made aware on 5 May. It is absolutely right that we should have been notified of this earlier. I met with Tom Cooper yesterday, together with other officials and UK Government Investments representatives. Tom has accepted that mistakes were made, including on his behalf. Tom Cooper was already due to leave his role as the shareholder representative, which is the UKGI role he plays, and is being replaced by Lorna Gratton.

The criteria for the bonus are published in the annual report, but I am happy to commit to come back to the House and report, by whatever means, on the findings of the remuneration committee and the independent expert external report that will look at these issues in the round. As I said in my remarks, I absolutely think

that the Post Office needs to change its culture and its approach to these matters, and wider matters arising from the Post Office scandal. We are determined to make sure that people get fair compensation; I know that the right hon. Gentleman, too, is determined to make sure that happens, and he has been a doughty campaigner for that cause for many years.

Sir Edward Leigh (Gainsborough) (Con): Ever since being the Post Office Minister years ago, I have been very worried about the whole governance of the Post Office. I think, following this urgent question, that we need absolutely radical reform. Here we have a badly run nationalised industry, with people paying themselves huge salaries and bonuses, but all the work is done by the 11,000 sub-postmasters. They have been treated absolutely appallingly, and not just in the Horizon scandal but in their working conditions, pay and everything else. I have been arguing recently, in consultation with sub-postmasters and their leaders, that we should consider mutualisation. We should pass control of this body to the people on the frontline who do all the work. I hope the Minister will not dismiss that idea.

Kevin Hollinrake: My right hon. Friend and I have discussed and corresponded on this matter at length. I am a big fan of mutuals, and I spoke in favour of them many times as a Back Bencher. I am happy to keep those conversations going, and mutualisation is certainly not something I would dismiss out of hand.

Mr Speaker: I call the shadow Minister.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): I, too, thank my right hon. Friend the Member for North Durham (Mr Jones) for his ongoing work, and for securing this urgent question.

Here we are again. Just when we thought we had reached a low in the ongoing saga that is the Post Office's Horizon scandal, a new low is reached. The Minister is right that the situation is concerning, but it is much more than that: it is a disgrace. After years of fighting compensation claims against honest sub-postmasters, using every trick in the book to draw things out for as long as possible, the Post Office somehow found it appropriate to hand out bonuses for co-operating with Sir Wyn Williams's inquiry, which executives had a statutory obligation to do anyway. The Post Office even implied that the bonuses had effectively been approved by Sir Wyn, which he has denied, saying that the confirmation it received from him was misleading and inaccurate. This is, in no uncertain terms, completely unacceptable.

The Horizon scandal is one of the greatest injustices in modern British history, and these bonuses add further insult to injury. The Post Office has very serious questions to answer on corporate governance, not least in relation to the remuneration committee. I am glad to hear that an inquiry is being undertaken, but there are also questions about Government oversight if the Minister himself had been kept in the dark for weeks. I would be grateful if he could clarify what role Tom Cooper played as an adviser, what he knew and when he knew it. I think the Minister has made this commitment, but can he give a timescale for when he expects to publish Amanda Burton's report?

The Post Office and the Government must now convince the British public that they understand not only the scale of what happened, but the priority and importance of urgently getting compensation to victims. Sub-postmasters have had their lives ruined, and they need more than repeated apologies and further delayed compensation. They must also be confident that lessons have been learned from these failures. Sadly, it seems the Post Office has failed to do that.

The Government must get a grip of what happened and how it was allowed to take place. Can the Minister confirm how and when the Government became aware of the bonus payments? He said it was last Friday and Saturday, but how did it happen? Will the Government confirm whether they asked for the bonuses to be repaid? Finally, will the Government now confirm that the interest on compensation paid to victims will be exempt from tax?

Kevin Hollinrake: As I said earlier, I became aware of the matter on Saturday, and my officials became aware of it the previous day. I understand that the UKGI representative was made aware in the early part of April. We asked why we were not made aware at that point, and there are questions about information that is restricted to the inquiry. There are provisions around that, and we need to make sure it is disclosed to us appropriately and as quickly as possible. To my mind, the Post Office should have made us aware of this situation straightaway.

Clearly we have to follow due process, including good employment processes, in publishing any report by Amanda Burton. I cannot make a commitment on that, or on the repayment of bonuses, due to employment laws and regulations.

Finally, we are determined to resolve the tax problem that some people in the historical shortfall scheme have suffered. We are working on that at pace right now.

Duncan Baker (North Norfolk) (Con): It is an absolute scandal that Post Office executives are being paid a bonus for co-operating with an inquiry into a scandal to which they all turned a blind eye. Another scandal is that Fujitsu, the author of the software, has never been held fully to account for its role. Why not? Can the Minister tell us why Fujitsu is still being given Government contracts, most recently the emergency alert? That is a huge kick in the teeth to those still seeking compensation and justice.

Kevin Hollinrake: My hon. Friend and I discussed this yesterday, and he takes a great interest in such matters given his background, including as a former sub-postmaster. I understand his concerns about why such a metric was used in the first place. Some time ago, there was an attempt to move away from purely financial considerations in bonuses. I fully recognise that the conditions under which this bonus was authorised are questionable, to say the least. Holding to account Fujitsu and other people who are responsible for this scandal is clearly a role for the inquiry. We should follow due process and wait for the facts to be published before deciding what action to take against those responsible.

Mr Speaker: I call the SNP spokesperson.

Marion Fellows (Motherwell and Wishaw) (SNP): I declare an interest as chair of the all-party parliamentary group on post offices. I have no idea how I will cram everything into a minute, but I will try.

The Post Office was right to apologise, but it should not have had to apologise in the first place. The rotten core of what is still happening in Post Office Ltd needs to be exposed to daylight and be completely cleansed. I know the Minister is keen to do that, and I look forward to his inquiry—not an internal inquiry—into what went wrong. Surely to goodness, Post Office Ltd should not be awarding itself bonuses for co-operating with a Government inquiry into wrongdoing of the extent of the Horizon scandal. Furthermore, lying about the inquiry's chair is beyond the pale. I have railed against this so many times in this House. Members will be pleased to hear that I do not intend to go on any longer, but this needs to be sorted.

Kevin Hollinrake: I thank the hon. Lady for all the work she does as chair of the all-party parliamentary group and for engaging with me on many different issues, not least this one. I agree that this should never have happened, which makes it all the more concerning. The external independent review will do just that, and we are keen to ensure that it happens as soon as possible, to get under the skin of this and find out exactly what happened and who is responsible. I have great sympathy for her position that bonuses should be awarded for appropriate measures, and not for something the Post Office should be doing anyway.

Chris Loder (West Dorset) (Con): The Post Office came to this place a few weeks ago to try to influence many of us to say how great it is. I met the chief executive, Nick Read, who is clearly a liar, because what he told me was untrue. I met Kenneth Pritchard, the head of public affairs, who is equally a liar because what he told me was untrue.

The Post Office is awarding enormous bonuses, or tried to award enormous bonuses, but the postmaster in Dorchester, the county town of Dorset, is so screwed down on transaction fees that he is now personally subsidising the county town's post office in order to survive. That cannot be right, and I am hopeful that the Minister might be able to give me some reassurance that this sort of area will be properly considered and looked into, to make sure it is stopped.

Kevin Hollinrake: I am not aware of the circumstances to which my hon. Friend refers, but I am happy to engage with him separately on the matter. Remuneration is clearly important to our postmasters, and we want to ensure that we have a sustainable network. Some improvements have been made this year, including a 20% increase in payments for bank deposit transaction. We need to make sure that the post office network is sustainable for the future, and that includes our postmasters being able to make a decent living.

Andy McDonald (Middlesbrough) (Lab): Putting aside the cheating and lying, let us get back to the basic question of why on earth people were awarded bonuses for going to work and doing their job. Some sub-postmasters have lost their lives and others have lost their livelihoods or spent years in jail, yet some people

are trying to clean up on this. Will the Minister commit to tackling the Post Office, which is wholly owned by this Government, and scuppering these bonuses? This has to stop. It is a stain on our history that it happened in the first place, and this is just adding insult to injury.

Kevin Hollinrake: I am keen to deal with the matters I have referred to in my statement and in answers to questions. I understand the intent to move away from purely financial considerations, which were one thing that drove inappropriate behaviour in the Post Office before. However, the hon. Gentleman raises a good point, and I fully recognise that the conditions on which the bonuses were paid and authorised were questionable. I am keen to look at this in the round, to include the other matters we have discussed today, and to resolve these matters for good, so that we have an organisation fit for purpose in the future.

James Sunderland (Bracknell) (Con): I popped into a leaving party last week, where a Post Office worker was taking early retirement because he had been, in effect, fitted with a tracker, having done a round for 25 years, and because after a two-week holiday he had come back to find that all of his mail had not been delivered. My constituents are also writing to me about mail that is not arriving. Does the Minister agree the Post Office executives must stop congratulating themselves with huge pay rises and bonuses, and just do the job for which they are paid?

Kevin Hollinrake: I am grateful to my hon. Friend for his question, and I certainly agree with that last point. People often confuse the Royal Mail's activities with those of the Post Office, but there have been some issues with both organisations in recent months. We are keen to ensure that we do whatever we can to resolve those problems, and I am happy to talk to him at length about how we might do that.

Tim Farron (Westmorland and Lonsdale) (LD): Along with the victims of this miscarriage of justice, I am outraged at these bonuses. While the Post Office executives get these huge bonuses, dozens of post office branches around Cumbria are struggling to survive, with many facing closure as they cannot even break even. Given that the high street banks have largely abandoned our towns and villages, is it not time for the Government to ensure that those banks pay a much larger sum to our post office network, so that our much-valued post office branches can survive and thrive, and so that we give our sub-postmasters and sub-postmistresses a pay rise, not the executives?

Kevin Hollinrake: I am grateful to the hon. Gentleman for his points. The Government's position is that we are maintaining a network of 11,500 branches nationally and that 99% of the population will be within 3 miles of a post office. That will continue, and there are other criteria, which we will continue to maintain. He is right that we need to ensure there is a sustainable business model for a post office, and I am happy to discuss with him whether that involves the relationship with banking. Opportunities for banking hubs, for example, might make those businesses more sustainable, and I am keen to exploit such opportunities wherever we can.

Jerome Mayhew (Broadland) (Con): This scandal upon a scandal highlights yet again that there is something fundamentally wrong with the governance of the Post Office. This is happening at a time when Fakenham, the largest town in my area, has not had a permanent post office for more than three years. So I have an idea: how about linking bonuses to actually providing the services we need on the ground?

Kevin Hollinrake: My hon. Friend raises a number of good points and an interesting way of looking at how we can incentivise management to make sure we have a sustainable network of post offices in the future. I am happy to engage with him further on that.

Clive Efford (Eltham) (Lab): It is difficult to know where to begin, but let me say that my constituent went to prison as a result of this scandal, as the Minister knows. Let us just consider the very idea that these people should be rewarding themselves with bonuses for co-operating with this inquiry and then letting the Minister know on 6 May, the day of the coronation. It does not take us long to work what was going on there; they were trying to hide this bad news. I know that the Minister takes this matter very seriously, and we have commended him for his actions on it on many occasions, but he really has to make sure that these bonuses do not stand. He has to question Mr Tom Cooper about when he knew about these bonuses and why did he not tell the Minister much sooner that they were going to be paid.

Kevin Hollinrake: I spent much of the coronation day dealing with this matter, as the hon. Gentleman might imagine, although I had the TV on in the background. It is disappointing that this took so long; as I said earlier, Tom Cooper found out about this matter in early April and we should have been made aware earlier, either through the Post Office or by other means.

I am sorry about what has happened to the hon. Gentleman's constituent, and the hon. Gentleman and I have talked about it previously. We want all people who have suffered as a consequence of the Post Office scandal to come forward and make sure that they submit a claim for compensation. That is the most important thing now. We have set aside £1 billion to compensate postmasters for various different detriments that they have suffered, and our message to all postmasters affected by this scandal is: please come forward, you will be treated fairly. There is an independent processes to make sure that is the case, including the advisory board, of which the right hon. Member for North Durham (Mr Jones) is a member.

Simon Fell (Barrow and Furness) (Con): This is a scandal from top to bottom. Yet again, we seem to be in a position where the Post Office is apologising only after the fact, when it has been found to have done something wrong. One of my local sub-postmistresses, Isabella Wall, died without having got the compensation she deserved; she lost her shop, her post office and the flat above it, and her family are still dealing with this injustice. I am glad that the Post Office is getting back the bonus payments it gave out, but would it not be more fitting if it were to put that money into a pot for the sub-postmasters and sub-postmistresses who are still awaiting compensation, so that some of their legal fees could be covered by it?

Kevin Hollinrake: I am sorry to hear the tragic case of my hon. Friend's constituent; sadly, too many people have died waiting for justice and compensation. Of course, a claim for compensation can still be made and it would go to the family, and people will get reasonable legal fees paid as part of the compensation process. Again, if any Member has constituents who have suffered detriment and are looking for compensation, I am keen to engage with them to make sure that they submit the claim, so that it can be dealt with as quickly as possible.

Chris Stephens (Glasgow South West) (SNP): I have listened to the Minister's answers carefully. On Post Office executives' pay and bonuses, can he confirm that he is looking at docking them even further, on the basis that these executives signed off false accounts?

Kevin Hollinrake: That matter needs to be determined by the different inquiries that will be taking place. I think the hon. Gentleman would agree that we have to follow due process; there are employment processes and laws associated with this. I cannot stand up here and say now what I would do on the payment of bonuses, but he can be assured that we are looking at the situation carefully, and I am sure that what he sets out will be one of the considerations made as part of these investigations.

James Wild (North West Norfolk) (Con): An apology and the repayment of bonuses that should never have been awarded in the first place is, frankly, the minimum we should expect. Will my hon. Friend ensure that all necessary steps are taken, including personnel changes, following the report he is due to receive?

Kevin Hollinrake: As I say, we should wait for the outcome of the inquiry, but these are serious matters and we should take them seriously. I have great sympathy with my hon. Friend's points. A lot of these matters are governed by employment law, and it is important that we respect due process. We would expect other organisations to do that and we should do it too, but I will take his comments on board, of course.

Steve McCabe (Birmingham, Selly Oak) (Lab): I understand that the chief executive's full bonus is approximately half a million pounds and that he has offered to pay back just a few thousand. Does the Minister understand that members of the public watching this will be asking how come, if the Post Office is a Government-owned entity, the Minister cannot simply decide to suspend all bonuses for executives until the Horizon compensation claims are settled?

Kevin Hollinrake: The sub-metric referred to here is an element of the bonus, and the total bonus of £400,000 does not relate to this particular sub-metric in its entirety—the hon. Gentleman is right to say that. I have sympathy with what he says. It would be wrong for me to stand here and comment on a matter that is clearly subject to employment law. I do not think that could be done in a normal commercial organisation—I have spent most of my life in such organisations—and it would be wrong for me to do that as a Minister; we in this place make the rules and we have to follow them as well. I take his point, of course, and we will be looking at these matters extremely seriously when we have the results of both reviews.

Jason McCartney (Colne Valley) (Con): I question the competence and leadership qualities of any Post Office executive who thinks it is right to take a bonus at this time. Does the Minister agree that if there is any spare money or hundreds of thousands of pounds available at the moment, it should be going into the compensation fund for the victims of the Horizon scandal and it should also be used to support our fragile post office network, where our sub-postmasters and sub-postmistresses are working so hard to preserve services for our local communities?

Kevin Hollinrake: It is important that we have a remuneration package that attracts the right kind of person—many people will question whether that is the case today. On the compensation fund, the Government are prepared to fund compensation up to £1 billion, and that commitment has already been made. We want to make sure that everybody who has suffered as a consequence of the Post Office accounting scandal is returned to the position they were in before detriment was suffered and gets compensation in other areas, such as for non-pecuniary losses.

Mr Alistair Carmichael (Orkney and Shetland) (LD): It is surely apparent that the culture within the Post Office that allowed people at the top to spend millions of pounds of taxpayers' money to pursue an indefensible case has not changed. Although, of course, those who were victims of Horizon will be angry, so, too, will the thousands of sub-postmasters and sub-postmistresses across the country whose remuneration package is wholly inadequate. So here is an idea: why not set a cap on the maximum gap between the money paid to the sub-postmaster or sub-postmistress delivering the service on which our public rely and that paid to the chief executive?

Kevin Hollinrake: By whatever means, I am very happy to have a further discussion with the right hon. Gentleman. We want to make sure that we have a sustainable network, which must mean that postmasters can run sustainable businesses. It is in the nature of things that, with the reduction in mail volumes and the frequency with which any of us visit post offices and use them for different reasons, it is more difficult to be a postmaster today than it was a decade ago, but we are keen to make sure that there is a sustainable future for the network and for the individual businesses that make up that network.

Andy Carter (Warrington South) (Con): I recently spent a Saturday morning with Chris Borrowghs, the sub-postmaster of a small post office in Latchford. It was very clear to me that the post office is the first port of call for many people who are vulnerable in society and is increasingly important because of the reduction in the number of banks on our high streets. It is also clear is that the economics of running a small sub-post office just do not work anymore. I was interested to hear the Minister say that he was looking to introduce a review of payments to executives. Will he consider extending that to look at how sub-postmasters are remunerated so that we do not lose any more post offices from the high street?

Kevin Hollinrake: I thank my hon. Friend for his question and Mr Borrowghs for the work that he does for the community. My hon. Friend is right to say that

post offices and postmasters are at the heart of our community—that is absolutely right. As I have said, they are needed now more than ever with the demise of many banks on our high streets. He was absolutely right to say that. However, it would be wrong of me to say from this Dispatch Box what incentives we are considering to make sure that we have the right network for the future, but, clearly, these matters are under review. The network itself is supported heavily by the taxpayer—about £2.5 billion over the past 10 years. We are balancing what we need to make sure that we have a sustainable network and sustainable businesses with the impact on, and asks of, our taxpayers. It is a difficult balance to strike. The best way forward is to make sure that we find more business opportunities for postmasters to make a living.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Like many Members, I speak for constituents who have faced more than a decade of stress and misery while seeing their personal finances and their standing in the community completely trashed by the Post Office. The Post Office is a long-standing national institution, and those sub-postmasters and the public deserve so much more than they are getting. Will the Minister be clear today that the Government accept responsibility for this situation, and outline exactly what steps will be taken to put this right? I am talking not just about this scandal but about our Post Office for the future.

Kevin Hollinrake: We are trying to address a number of different things, including making sure that people are properly compensated and that we have a sustainable business going forward. It is a difficult balance to strike. As I said, the taxpayer supports the post office network to a significant degree—£2.5 billion over the past 10 years, so it is about striking that balance. If we talk to any postmaster, we will find that the principal challenge they face is finding more business—getting more people through the door to use their services. That is why we need to determine what the best future for post offices is to make sure that there is a sustainable business. Obviously, we encourage all our citizens and constituents to use their post office to make sure that those post offices have a sustainable future.

Rehman Chishti (Gillingham and Rainham) (Con): I pay tribute to the amazing postmasters and sub-postmasters in Gillingham and Rainham for all that they do. The Minister says that he is waiting for the report to come forward before he takes the next steps. The question that he has not yet answered is what is the timeline for that report to come to him so that he can take those next steps, because people have waited so long to get justice in the first place. Linked to that, I support the comments made by my hon. Friends the Members for Colne Valley (Jason McCartney) and for Broadland (Jerome Mayhew). At the very top end, we have people being given high, high compensation, while at the bottom end there are people who are doing a fantastic job, but who are not being given adequate resources and funding. If there is money at the top end, surely it needs to go to people on the frontline in these difficult and challenging economic times.

Kevin Hollinrake: My hon. Friend raises a fair point. It is important that we pay the right package to get the right person for the job. People have had questions

about that today, and I understand that. We do want to make sure that we have a sustainable future for our post offices. I pay tribute, as he does, to the postmasters in his area who do a tremendous job, but it is important that we find that sustainable future. I am very happy to engage with him and discuss our work in that regard to make sure that that is the case.

Sammy Wilson (East Antrim) (DUP): Leaving aside the scandal of the non-payment of compensation and the foot-dragging over the Horizon issue, Post Office executives surely cannot justify bonuses on the basis that the network is falling apart; nine post offices are closing every week, many of them being replaced by pay points and click and collect points; 70% of postmasters and postmistresses are living on the minimum wage; and the post office service itself is contracting in many rural areas. Can the Minister ensure that, at the very least, if there are criteria for giving bonuses, they are based on the level of service across the community and the viability of post offices for the future?

Kevin Hollinrake: I thank the right hon. Gentleman for his points, and I agree with many of them. I, too, represent a rural area and have a number of post offices that have closed either temporarily or otherwise. Yes, we want that sustainable network. Yes, that is a key part of the conversation that I constantly have with the Post Office management and senior leadership. I accept his point that many of our postmasters are struggling to make a living. We must make sure that they have a sustainable future at a business and network level. The taxpayer makes significant contributions to ensure that that is the case today, and that is the balance that we need to strike. I am very keen to achieve the right hon. Gentleman's objective, which is a sustainable future for our network.

John Spellar (Warley) (Lab): May I put it to the Minister that if individuals' bonuses were based on misleading information, there is the possibility that they could be guilty of obtaining pecuniary advantage by deception under the Theft Act 1968? Will he consider referring this matter to the police and the Crown Prosecution Service for investigation?

Kevin Hollinrake: I think the first step is to look at the evidence to find out what has actually happened and who is responsible, and then we can decide what action we need to take. We have two parallel inquiries and reviews: one by the remuneration committee and another by an independent external expert. I did not answer the earlier question about the speed of that inquiry. The remuneration committee will report back within two weeks. We have not set a timeline for the external review, but we will do so, and we will make Parliament aware of it as soon as possible. We should of course consider any action that results from that, but that must be within the context of due process.

Jim Shannon (Strangford) (DUP): I commend the right hon. Member for North Durham (Mr Jones) on bringing this urgent question to the House. His actions today have been a service not only to his constituents, but to all our constituents, and we thank him for it. The Minister understands only too well what the issues are; he understands the need for compassion and understanding, and I believe he has those. He will know that to constituents such as mine who lost their reputation in their local village due to this programme, news of bonuses paid to bosses is—I cannot emphasise this enough—grotesque and a slap in the face. I understand that the inquiry is ongoing, but what steps will the Minister take to ensure that there is accountability for those whose errors are exacerbating the stress of sub-postmasters and sub-postmistresses to such a level that it has affected their health?

Kevin Hollinrake: I join the hon. Gentleman in paying tribute to the right hon. Member for North Durham (Mr Jones) for this urgent question and for all the work he has done for postmasters up and down the country. I agree with the hon. Gentleman's point about reputation and that many will feel that this is another slap in the face. I completely understand his points. He mentions accountability, and he knows from the work we have done together that I agree with him: scrutiny and accountability are necessary, and we must ensure that the process of the reviews that we are undertaking is as transparent as possible and subject to parliamentary scrutiny. I am very happy to ensure that that is the case.

Climate and Ecology

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

1.20 pm

Olivia Blake (Sheffield, Hallam) (Lab): I beg to move,

That leave be given to bring in a Bill to require the United Kingdom to achieve climate and nature targets; to give the Secretary of State a duty to implement a strategy to achieve those targets; to establish a Climate and Nature Assembly to advise the Secretary of State in creating that strategy; to give duties to the Committee on Climate Change and the Joint Nature Conservation Committee regarding the strategy and targets; and for connected purposes.

It is a great honour to introduce the Climate and Ecology Bill. I pay tribute to the Bill's current sponsor and former promoter, the hon. Member for Brighton, Pavilion (Caroline Lucas), who has long championed this Bill, as well as to Lord Redesdale, who did likewise in the other place. I am proud to lead this cross-party effort for the UK to embed in law the ambition and the action we need to tackle the environmental crisis.

The Bill has been drafted and is supported by many of Britain's leading climate and ecology scientists. We must align our policies with the latest science and with what the UK has agreed internationally. This is not a matter of partisan politics; it is a matter of survival. It is about providing a sustainable way of life for our nation today and for generations to come. I urge all colleagues to join the growing all-party cohort of Members from both Houses who back this Bill, and I am especially grateful to the hon. Member for St Ives (Derek Thomas) for supporting it so enthusiastically.

This Bill is our chance to position the UK as a world leader on climate and environmental action. Our ability to prevent temperatures rising by more than 1.5°C is in the balance. Now is the time not to give up on that aim, but to redouble our efforts to meet it. As the Prime Minister of Barbados, Mia Mottley, told us in Glasgow, 1.5 is the only way to survive.

The double-headed climate and nature crisis is affecting people's lives now, especially in the global south, but increasingly here in the UK as well. Just think of the climate change-triggered heatwaves in India and Pakistan, the floods we have seen worldwide and, of course, the floods and heatwaves of recent years here in the UK. There is no room for complacency and no time to waste.

Nature provides our best chance to mitigate climate change and its worst impacts, such as extreme flooding and drought. As Sir David Attenborough has shown us, nature is not a "nice to have"; it is all we have. As one of the world's most nature-depleted nations, we must aim higher and we must do better.

We cannot solve the climate crisis without saving our key ecosystems, restoring habitats and protecting our much-loved species. The UK's critical carbon sinks and stores, such as peatland, woodland, soils, wetlands and seas, are deteriorating, reducing their capacity to absorb carbon. In some cases, they have even become net carbon sources rather than sinks and stores. Protecting nature must take equal priority with cutting emissions.

Half of the world's annual economic output, some \$44 trillion, is being put at risk by the depletion of natural resources. Alongside that, up to 300 million people face an increased risk of floods and hurricanes

due to the loss of buffering coastline habitats, and the loss of pollinators is already causing some 430,000 deaths every year by reducing the supply of healthy food. It is clear that we must act with all urgency, at home and abroad, and stand united for nature.

That is why the Bill is such an important piece of legislation. It is the only piece of proposed or existing legislation that would tackle the intertwined crises of climate and nature together to ensure a strong, integrated response. If enacted, it would create a joined-up plan to cut emissions in line with the 1.5°C target, while halting and reversing nature loss by 2030. By following the science and involving the British public, we can deliver the transition to a zero-carbon, nature-positive future, allowing us to live in harmony with nature. The ongoing Ukraine and energy crises remind us all too clearly of the need to transition fairly and rapidly away from fossil fuel dependency. We need to see action at home and abroad, and legislation is very much part of the solution.

The Bill centralises the importance of social justice and the fact that the UK cannot and must not offshore environmental destruction at the expense of the global south. That means we must take responsibility for our emissions footprint and our overseas footprint, and deal with the root causes of climate and ecological breakdown. The Bill also seeks to protect people by ensuring that no one is left behind via its fairness provisions and through the inclusion of a climate and nature assembly to incorporate public opinion in the unprecedented pace of change that is now required.

Clause 1 contains the Bill's apex climate and nature targets. Having a net zero date is an important marker, but we need to understand the area below the curve—in other words, how much carbon we can emit into the atmosphere before we breach 1.5°C. The Bill would limit the UK's total carbon emissions to no more than its proportionate share of the Intergovernmental Panel on Climate Change's remaining global carbon budget for a 67% chance of limiting heating to 1.5°C.

By transitioning to a renewable energy future, we would not only end our reliance on deadly fossil fuels, but create the jobs of the future and tackle the soaring cost of living crisis at source. Bridging the ambition gap between current emissions reductions and what is needed for 1.5°C is essential if we are serious about restoring the natural world, and it could not be more urgent.

We know that human activities have already altered 70% of the Earth's land, degrading up to 40% of it, and 87% of its oceans. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services has found that 1 million animal and plant species now face extinction and that mammal, bird, amphibian, reptile and fish populations decreased globally by 68% between 1970 and 2016.

That is why the Bill's nature target is to halt and reverse the UK's overall contribution to the degradation and loss of nature in the UK and overseas. It is aligned with the international commitment to halt and reverse the destruction of nature by 2030, which the UK signed up to at the UN biodiversity conference, COP15, in 2022.

Current legislation contains a target to halt the decline in the abundance of species by 2030, as well as a longer-term target to increase species populations. However, the absence of any concrete plan to address the current rate of decline means that the state of nature is on

course to worsen considerably by 2030, which risks pushing ecosystems beyond danger points from which they may not be able to recover.

The Bill's holistic nature target would therefore see the health, abundance, diversity and resilience of species, populations, habitats and ecosystems visibly and measurably on the path to recovery by 2030, measured against a baseline of 2020. That is what this moment requires: to follow the science, to invest in nature and to restore our once-wild isles.

Clause 2 is focused on the development of a climate and nature strategy. It states that the strategy must produce a just transition for all, by protecting vulnerable communities and providing financial support for workers transitioning from fossil fuel and ecosystem-intensive industries into the jobs of the future. The clause contains measures that must be met in achieving the Bill's apex targets, including accounting for all of the UK's imported emissions, as well as those that take place on UK soil, so that the UK is not offshoring our pollution; ending the exploration, extraction, export and import of fossil fuels by the UK as rapidly as possible; ensuring that all UK policies prioritise avoiding the loss of nature; and ensuring that the UK takes account of its entire ecological footprint and all the destruction to nature caused by the production, transportation and disposal of the goods and services we consume.

The transition to a zero-carbon, nature-positive UK will affect how we all live, travel and work, so we should all have a role in planning how we get there. The climate assembly set up by six Select Committees that reported in September 2020, as well as the citizens' assemblies that have taken place on climate and biodiversity in Ireland and the many others around the world, demonstrate the value of including citizens in the difficult decisions that we will have to take.

From my work in Sheffield Hallam on the climate manifesto, which comprises ideas directly sourced from my constituents, I know the importance of democracy in the transition to net zero and in protecting nature. For that reason, clause 3 would provide for a representative sample of the UK population to consider expert advice and reports on recommendations for inclusion in the strategy as part of the temporary nature and climate assembly. Clause 4 contains duties on the Committee on Climate Change and the Joint Nature Conservation Committee to evaluate, monitor and report on the implementation of the strategy. Clause 5 ensures that measures in areas of devolved competence would be agreed by the Scottish Parliament, the Welsh Parliament and the Northern Ireland Assembly.

As my hon. Friend the Member for Newport West (Ruth Jones) said so well during a debate on the principles last November:

"We know that climate action must be nature-positive action and that we must halt and reverse the loss of biodiversity by 2030 for the benefit of all people and the planet."—[*Official Report*, 9 November 2022; Vol. 722, c. 150WH.]

This Bill brings that vital issue to the fore. I am delighted that so many members of local councils, including Councillor Georgia Gould, and local Mayors, including the Mayor of London, have recognised that and are backing the Bill. It is time that we got the action we need from the Government to ensure that we can survive.

Question put and agreed to.

Ordered,

That Olivia Blake, Geraint Davies, Caroline Lucas, Colum Eastwood, Ed Davey, Wera Hobhouse, Liz Saville Roberts, Stephen Farry, Sir Peter Bottomley, Derek Thomas, Alan Brown and Brendan O'Hara present the Bill.

Olivia Blake accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 November, and to be printed (Bill 304).

NORTHERN IRELAND (INTERIM ARRANGEMENTS) BILL (ALLOCATION OF TIME)

Ordered,

That the following provisions shall apply to the proceedings on the Northern Ireland (Interim Arrangements) Bill:

Timetable

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

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

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

Timing of proceedings and Questions to be put

(2) When the Bill has been read a second time:

(a) it shall, despite Standing Order No. 63 (Committal of bills not subject to a programme order), stand committed to a Committee of the whole House without any Question being put;

(b) the Speaker shall leave the chair whether or not notice of an Instruction has been given.

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

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

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

(a) any Question already proposed from the chair;

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

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

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

(e) any other Question necessary for the disposal of the business to be concluded; and shall not put any other questions, other than the question on any motion described in paragraph (15)(a) of this Order.

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

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

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

Consideration of Lords Amendments

(8) (a) Any Lords Amendments to the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(9) Paragraphs (2) to (7) of Standing Order No. 83F (Programme orders: conclusion of proceedings on consideration of Lords amendments) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (8) of this Order.

Subsequent stages

(10) (a) Any further Message from the Lords on the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(11) Paragraphs (2) to (5) of Standing Order No. 83G (Programme orders: conclusion of proceedings on further messages from the Lords) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (10) of this Order.

Reasons Committee

(12) Paragraphs (2) to (6) of Standing Order No. 83H (Programme orders: reasons committee) apply in relation to any committee to be appointed to draw up reasons after proceedings have been brought to a conclusion in accordance with this Order.

Miscellaneous

(13) Standing Order No. 15(1) (Exempted business) shall apply to proceedings on the Bill.

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

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

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

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

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

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

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

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

(17) (a) The start of any debate under Standing Order No. 24 (Emergency debates) to be held on a day on which the Bill has been set down to be taken as an Order of the Day shall be postponed until the conclusion of any proceedings on that day to which this Order applies.

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

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

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

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

Northern Ireland (Interim Arrangements) Bill

Second Reading

1.32 pm

The Minister of State, Northern Ireland Office (Mr Steve Baker): I beg to move, That the Bill be now read a Second time.

It is, of course, with profound regret that I return to the Dispatch Box to bring forward legislation in the absence of a Northern Ireland Executive. I am sure that right hon. and hon. Members across the House will agree that this is not a position that any of us would want to be in. The Government remain committed to supporting the restoration of the Executive in Northern Ireland as soon as possible. Functioning governance for Northern Ireland by its elected representatives is the best outcome for citizens.

Last month, we all came together to reflect on the 25th anniversary of the Belfast/Good Friday agreement, and to mark the progress that Northern Ireland has made over the past quarter-century and the peace and prosperity that the agreement has brought. Of course, we also reflected on the work that remains to be done. The anniversary is an opportunity for us all to recommit to building an even brighter future for Northern Ireland. We need to see Northern Ireland's political leaders come together and restore the devolved institutions established by the agreement, which is the surest way of delivering on the priorities of Northern Ireland's peoples and of safeguarding our Union.

We have been very clear that to strengthen and protect the Union, we must persuade people and demonstrate that devolved government within the UK is what works best for Northern Ireland. It is in that spirit that we agreed the Windsor framework, seeking to restore the balance of the agreement and solve the issues posed by the Northern Ireland protocol. Now is the time for the parties to move forward together for what is the best possible future for Northern Ireland, and to deliver on the priorities of its people. That includes a more prosperous economy and better, more sustainable public services.

Mr Gregory Campbell (East Londonderry) (DUP): The Minister quite correctly draws attention to the fact that the best way for Northern Ireland to have success in the future is to get devolved government up and running within the United Kingdom. Does he agree that that can best be done when all main sections of the community in Northern Ireland buy into the process of governance by which they would be governed?

Mr Baker: Yes, of course. My right hon. Friend the Secretary of State and I agree that it must involve all sections of the community. I will be very frank with the hon. Gentleman: I recognise that the Windsor framework is a hard compromise for many sections of the Unionist community because it leaves in place some European Union law in order to have an infrastructure-free border. That is why it is also a hard compromise for Conservative Eurosceptics and for me. But I recognise that, of all the plausible futures for Northern Ireland before us, the one that is best for the people of Northern Ireland is to accept the Windsor framework, including the Stormont brake and the consent mechanism, to restore devolved government and move forward together.

As I said when I answered the final oral question earlier, Northern Ireland has an amazing opportunity. Northern Ireland Members will know better than me the incredible strength of the entrepreneurial private sector in Northern Ireland. What I see is a sector that could, with political stability, soar. With privileged access to the UK, to the EU, and to our free trade agreements under UK services law, we could achieve amazing things that will secure Northern Ireland's prosperity, and, I believe, secure consent for Northern Ireland's place in the Union. But I think that, for the moment, I had best leave unsaid what will happen if people continue to go without good-quality devolved government and where that will lead. If that is a topic that Members wish to pursue, perhaps we can have a different debate. I hope that is helpful to the hon. Member for East Londonderry (Mr Campbell).

I want to be absolutely clear that my right hon. Friend the Secretary of State, the Prime Minister and I all wish to preserve Northern Ireland's place in the Union, respecting the UK's commitments under the Belfast/Good Friday agreement. We are Unionists, although I am aware that there are some commentators for whom we can never be Unionist enough—but I am allowing myself to digress and I should get back on track.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): It may just be the way in which the Minister phrased what he said, but this is important: our ability to trade with the rest of the United Kingdom is not a privilege; it is a right. It is a right under article 6 of the Act of Union that we have the economic right to trade, barrier-free, with the rest of our own country. Yes, privileged access to the EU, but let us not talk about "privileged access" to the UK market. We are part of the United Kingdom.

Mr Baker: The right hon. Gentleman is absolutely right, and I apologise to him and to Northern Ireland Members. I had it in my head to say "privileged access to the EU", but seeing him sitting there, I wanted to mention the UK first. It was a mistake. He is absolutely right that Northern Ireland's right to trade unhampered into the UK is one that, as we explained at oral questions earlier, we continue to stand by and preserve, and which, under the Windsor framework, we have permanently guaranteed. I am grateful to him for clarifying that point. I will press on.

Before I provide an overview of the Bill, I should say a few words on Northern Ireland's public finances. As the Bill's provisions indicate, we are acutely concerned about the long-term sustainability of public finances in Northern Ireland. It was with considerable disappointment that my right hon. Friend the Secretary of State found it necessary once again to step in and set a budget for Northern Ireland for 2023-24 in the absence of a Northern Ireland Executive and Assembly. As the Secretary of State has made clear on multiple occasions, the extent of the budget pressures facing Northern Ireland Departments is extremely challenging. Departments are facing difficult and unavoidable decisions in the current difficult and frustrating circumstances.

The Government recognise that we need an Executive in place to take some of those difficult decisions and make the choices on budget priorities—choices that officials should not have to face without Ministers. We stand ready to work with a restored Executive on that,

[Mr Steve Baker]

but in the meantime, we the Government of the UK have a responsibility to ensure that public services and the management of public funds can continue in their absence, so we will in due course take forward legislation to put the budget on a legal footing. Members of this House will have the opportunity to debate those allocations in detail at that time, if and when we come to it.

Stephen Farry (North Down) (Alliance): There is concern about the nature of the current civil service guidance. The Government believe that the civil service has the capacity to take decisions; civil servants do not believe that they have the vires to take decisions, particularly in relation to statutory functions. Does the Minister recognise that we are at somewhat of an impasse in the current status quo, and that there is a danger that we end up either with difficult decisions being deferred, which makes them more painful, or with a managed overspend, which is another very undesirable situation?

Mr Baker: I do recognise those aspects. We have published today revised guidance and those relatively small changes are now available on gov.uk. We will certainly be interested in the hon. Gentleman's views, and those of all relevant parties, on that guidance. In a nutshell, I agree with him that the best way forward is to restore the institutions. I am trying not to hector, but we are all very frustrated. As I have repeatedly said, I recognise that the Democratic Unionist party and Unionism more broadly face a very difficult compromise, but I am committed, as I know the hon. Gentleman is, to saying that devolved government in Northern Ireland is the best way forward.

Simon Hoare (North Dorset) (Con): Will my hon. Friend give way?

Mr Baker: I will, and once I have done so I will try to press on.

Simon Hoare: I am grateful to my hon. Friend for giving way. Picking up on the point raised by the hon. Member for North Down (Stephen Farry) with regard to the role of civil servants, is the Minister able to consider seconding GB civil servants with experience of delivering dynamic change management to both the Northern Ireland civil service and the Northern Ireland Office in order to help deliver those changes? Although we hope it will for a short period of time, all hands are needed to the pump.

Mr Baker: My hon. Friend makes a very sensible suggestion. I am sure it will be considered in due course, but I hope he will not mind me saying that it would be best if that request came from a restored Executive. I know that I sound like a broken record, but that is the present issue.

I will press on. First, I express my sincere thanks to Opposition Members for continuing to ensure that Northern Ireland is served as well as possible and for not making it a political football. I appreciate that most sincerely.

The Bill does three important things. First, it continues the provisions relating to decision making for Northern Ireland civil servants, which Parliament passed in December in the Northern Ireland (Executive Formation etc) Act 2022.

Those provisions, which clarify the decisions that civil servants in the Northern Ireland Departments can take in the absence of Northern Ireland Ministers and an Executive, are due to expire on 5 June. Under this Bill, those powers will continue until an Executive are restored. This will avoid a governance gap arising if an Executive are not in place by 5 June. As before, senior officers will be required to have regard to guidance, now published, set by my right hon. Friend the Secretary of State and the Government. That draft is out there, and we will take representations on it.

The second thing that the Bill does, and this is a little more novel, is give power to the Secretary of State to explore, with Northern Ireland Departments, options for budget sustainability, including further revenue raising, in Northern Ireland. Alongside allowing him to commission advice, the Bill will allow the Secretary of State to direct consultations to be held by Northern Ireland Departments on those matters. These powers are time-limited and apply only until an Executive are formed.

Colum Eastwood (Foyle) (SDLP): I am grateful to the Minister for giving way. He has talked about revenue raising. It is possible that a new model for funding higher education will be looked at. Given that all Governments have said that they want to ensure an expansion in student numbers in Derry, can he guarantee that that hope and desire will be protected under any new funding model?

Mr Baker: As the hon. Gentleman knows, I cannot guarantee what a restored Executive will choose to do, but I can guarantee that we will listen to him and all relevant stakeholders. Indeed, we meet the university frequently—I did so on a recent visit. We certainly wish to take the advice of the universities and, indeed, representatives from Northern Ireland as we work towards commissioning advice. Without wishing to preview what we are likely to do, of course student finance is an important matter to consider. I am grateful to the hon. Gentleman.

The powers are deliberately focused on official advice and consultations on budget sustainability. Final decisions on implementation are best taken by locally elected representatives, and this Bill does not give the Secretary of State any power to direct implementation of such budget measures.

The third thing the Bill does is ensure greater political oversight of the management of public money in the absence of the Assembly, by providing for Northern Ireland Departments' accounts and associated documents to be laid in the House of Commons. In previous absences of the Northern Ireland Assembly, the law has provided for that scrutiny to fall to Parliament, and the provision in this Bill will do that again. This provision will be active for all periods where there is no functioning Assembly, on the basis that public bodies must always be scrutinised to ensure good management of public money.

In conclusion, the measures in this Bill will ensure a continuation of the current Government's arrangements in Northern Ireland.

Jim Shannon (Strangford) (DUP): I thank the Minister very much for what he has said so far. My constituents are concerned about the issue of childcare. I know that

the moneys allocated by this House for childcare are for England alone, but as we approach the council elections, my constituents and others I have met on the doorsteps over the past few days have informed me that they are very concerned that Northern Ireland has not been offered childcare arrangements similar to those in England. Whether that will come through the Barnett consequential or elsewhere, it has to happen. I am making a constructive comment, and I hope that the Minister will accept it as such. Only 60% of employed women with dependent children work full time, as opposed to 95% of men with dependent children. It is clear that the lack of affordable childcare—this is what they are telling me on the doorstep—is holding back women in Northern Ireland. What can be done through this interim arrangements Bill to enable childcare provision in Northern Ireland?

Mr Baker: I have enormous empathy for what the hon. Gentleman says. He is right to say that without childcare, women will be held back. That is why my right hon. Friend the Chancellor included so much on childcare in his Budget statement. As awkward as it is for me to once again be a stuck record, the hon. Gentleman knows that it is a devolved area. Barnett consequential are relevant and it will be for a restored Executive to put these things in place. I am not for a moment pretending that this is a perfect or permanent solution for governance in Northern Ireland. These are interim arrangements and we very much hope, for reasons that I have begun to sketch, that we might be able to persuade Unionism to support the return of the institutions so that we can make sure that Northern Ireland gets all of the services for which he passionately and rightly argues.

The measures in the Bill will ensure the continuation of governance arrangements should there be no Executive when they expire on 5 June. They are not, and cannot be, a substitute for devolved government, as I have just said. They are by no means ideal, particularly in the context of this financial position. I want particularly to thank Northern Ireland civil servants, because they are in a very difficult position and we are extremely grateful to them for the burden that they are taking on. We continue to be grateful, and we will continue to give them what support we can.

The marking of the Belfast/Good Friday agreement has reminded us all of the importance of making the institutions in Northern Ireland work. This Government believe that an effective and functioning devolved government is crucial to showing that the Union works for the whole community in Northern Ireland. That is why the restoration of the Executive remains a Government top priority. We will continue to do everything we can to make that happen, and as we do so we will keep these arrangements under review. But for now, I commend the Bill to the House.

1.48 pm

Peter Kyle (Hove) (Lab): I thank the Minister for setting out the measures in the Bill. We will not oppose it, as it is necessary to allow civil servants to keep running Departments in Northern Ireland in the absence of an Executive. It is also welcome that Northern Ireland Department accounts will be laid before Parliament, to allow some scrutiny in this period.

Of course, what we would all like to see instead of this Bill is the restoration of accountable local government. Six months ago, on Second Reading of the Northern Ireland (Executive Formation etc) Bill, I said—

The Secretary of State for Northern Ireland (Chris Heaton-Harris): Ah!

Peter Kyle: I am repeating what I said because I am not sure that the Secretary of State was paying as much attention as he might have done at the time. I said:

“The longer the Executive are collapsed, the hollower the 25th anniversary of the Belfast/Good Friday agreement...will be. Power sharing is the essential and hard-won outcome of that agreement. It is incumbent on the UK Government and the European Union to engage with the concerns of the Unionist community that led to its withdrawal from the institutions. Equally, any solution that emerges must be acceptable to the nationalist community to allow power sharing to resume.”—[*Official Report*, 29 November 2022; Vol. 723, c. 827.]

I will happily repeat that again if the Secretary of State missed it this time.

However, something has gone wrong. On paper, we have an agreement between the United Kingdom and the European Union that intends to restore power sharing, yet Stormont is still empty. The 25th anniversary was not hollow, but it is a missed opportunity that Stormont has not returned despite the Windsor framework and all the good will generated by the anniversary itself. Listening to Tony Blair at the Queen’s University conference, it was clear how persistence from a prime ministerial level was crucial to finding a solution in 1998. He described the “seemingly endless days and nights”

of negotiation. It was a huge commitment for a new Prime Minister to make, and it was also a risk.

Tony Blair’s deep optimism about Northern Ireland’s future, then and today, shone through. He also paid tribute to the extraordinary leadership across Northern Ireland’s communities, saying that

“this agreement only happened because leaders were prepared to put their leadership in peril for the good of their people.”

The current Prime Minister needs to display a similar commitment and similar leadership—to stay the course and keep showing up, even when there are no prime ministerial visits. There is clearly a disconnect between what he believes the framework has achieved and what some members of the Unionist community say that it does. These challenges are not insurmountable, but progress can only be achieved if Westminster remains deeply committed and deeply engaged. We on the Labour Benches supported the framework in the national interest, so we would welcome an update to Parliament on its implementation and what is still needed from either side for its effects to be felt.

Ultimately, it might only be perseverance that builds back some of the trust in the UK Government that people in Northern Ireland have lost. More defined processes would be very helpful, so that we avoid a disconnect between what the Government are trying to achieve and what actually happens. In the Windsor framework, the Government committed to further legislation that would ease Unionist concerns about Northern Ireland’s place within the United Kingdom. In a recent session of the Northern Ireland Affairs Committee, the Secretary of State said that he was

“yet to be able to determine the exact items”

[Peter Kyle]

that would go into such legislation. Perhaps the Minister could elaborate on when that mystery legislation will appear, and what the consultation process for it will be.

The Labour party will always take a constructive approach when it comes to Northern Ireland. There are clauses in the Bill that give the Secretary of State power to ask for advice on options for raising public revenue. Those have led to some very useful discussions on the fiscal framework in which the Executive operate. In particular, I praise the work of the Northern Ireland Fiscal Council, whose updated estimate of the relative need for public spending has grabbed the attention of all parties. The Secretary of State also said to the Northern Ireland Affairs Committee that

“there is the ability, will and understanding of the public finances necessary for us to come together with a plan for transformation.” It does feel like movement is building to improve Northern Ireland’s financial stability. It would be good to hear what the next steps are for the Secretary of State once he receives the requested advice on policy options from civil servants.

The powers in the Bill last only as long as there is no Executive, so there will hopefully be a limited opportunity to use them. The decision-making powers we have given to civil servants will also now last until the Executive are formed, instead of there being a six-month deadline. I pay tribute—just as the Secretary of State and his Minister, the hon. Member for Wycombe (Mr Baker), did—to all civil servants who are being asked to go far beyond what should be expected of them. The head of the civil service, Jayne Brady, gave evidence last week to the Northern Ireland Affairs Committee. She highlighted some of the challenges that the civil service is facing on how to make decisions within the budget that the Secretary of State now has to set out. In her words, even with the Bill,

“there will be decisions that we will not be able to make because they will not be aligned with the legal construct we are operating in.” In summing up, the Minister should address that possible gap and what decisions might fall into it.

One of the themes from meetings that I recently had with Northern Ireland groups is that it is difficult to understand where responsibility ultimately lies. That really worries me—as a Parliament, it should worry all of us. The Secretary of State has been clear that we are not moving into direct rule; what we have instead is limited interventions from Westminster that keep public services functioning with limited scrutiny. The situation cannot continue forever. I hope that we can build on the momentum of the 25th anniversary and the recognition of how special the peace process was and continues to be, and I hope that we see power sharing restored soon.

Mr Deputy Speaker (Sir Roger Gale): I call the Chairman of the Select Committee.

1.55 pm

Simon Hoare (North Dorset) (Con): I support this Bill as a necessity, without any particular enthusiasm, and I echo and endorse entirely what my hon. Friend the Minister said in exhorting political parties to get back into Stormont to deliver for people. I also echo the point made by the shadow Secretary of State, the hon. Member for Hove (Peter Kyle), about the importance of

learning from the process of talks and leadership that got us to the Good Friday agreement. We cannot sit like latter-day Mr Micawbers, waiting for something to turn up; we have to try to make the weather. I suggest to my hon. and right hon. Friends on the Government Front Bench that if conversations are not already being had with Dublin as one of the two capital co-guarantors of the Good Friday agreement, they should re-inject some energy, pull people in and find out precisely what the issues are and what, if anything, can be done to address them and rebuild trust, in order to get back to serving the people of Northern Ireland through directly elected politicians.

Over this coronation weekend, I learned from our vicar in Blandford Forum a new Henry Ford quote—it was new to me, although possibly not to anybody else. Henry Ford once said that if he had asked the population at the time what they wanted, they would not have said a motor car; they would have said that they wanted a faster horse. Sometimes, we as politicians have to make the weather, and show leadership and shape the debate, rather than merely echo what the base has to say. That requires the vision, the courage and the bravery that we saw from that political class in the mid-1990s, running through to the Good Friday agreement. I am an optimist, and I believe that that spirit of delivery in public service still exists. It is not beyond the wit of this place and the political parties in Northern Ireland to resurrect it and to see Stormont come back.

I think we all recognise that for too long, bold and brave policy initiatives in Northern Ireland have been slightly less to the fore. There has been a tendency to ask for additional moneys from the Treasury, and the Treasury coughing up and providing it through some avenue or another. Everybody is conscious of the unique history of Northern Ireland as part of the United Kingdom, and therefore of the additional needs for public expenditure and intervention that are required, which are different from any other part of the UK. However, as we, hopefully, move forward—we discussed this at the Select Committee this morning, and Sir David Sterling certainly echoed this point—in order to deliver step changes of improvement for those who use public services, a greater reliance on match funding from the Treasury needs to be looked at. That means that local politicians in Northern Ireland deliver new streams of money, either through revenue or expenditure savings, and the Treasury provides new money. To just continually provide new money with no concomitant reform from Belfast does not serve any particular purpose, and arguably raises too many questions in the minds of English voters as to why they are not getting a greater share of the public purse than, for example, those in Northern Ireland, because they too readily and easily forget the difficult history.

Gavin Robinson (Belfast East) (DUP): The Chairman of the Northern Ireland Affairs Committee will remember that back in January, he and I argued the toss on issues of how Northern Ireland is financed. Since then, I appreciate that he took a letter from me. He understood exactly where I was coming from on the structural improvements required for the funding of Northern Ireland and launched an inquiry in that regard. I appreciate those efforts, but I regret that even today he is talking about coughing up on a regular basis more and more money from the Treasury, when he knows from the Fiscal Council that this is not a separate discussion about reform, though

that is necessary and important for the delivery of public services. Northern Ireland is structurally underfunded by this Parliament, and it has been for years, with a compounding impact on the ability to deliver public services. Rather than pitch us against his constituents in England, would it not be better for him to reflect on the structural underfunding, the resolve to get Northern Ireland to a more sustainable place with public finances and the need to use a comparator such as Wales, which went through exactly the same process 15 years ago, culminating in a financial uplift 10 years ago?

Simon Hoare: Let me answer that point first. The hon. Gentleman makes a perfectly valid point, and I am grateful to him for being the genesis for the Committee's current inquiry, which is proving incredibly useful. He is right to talk about the disparity, and perhaps the phrase "coughing up" might not have been the most elegant I could have used, but he knows me well enough to know that elegance is not one of my greatest strengths. I can almost feel a second letter of "I agree with you" coming from him. He will be pleased to know that the one he sent me some months ago adorns the wall of the downstairs loo, as a rare thing of him agreeing with something that I said in this place in a debate on Northern Ireland.

In all seriousness—this is a point we discussed upstairs in Committee—constituents in England, Wales and Scotland are paying for things that residents of Northern Ireland currently are not paying for. While he is right to point to some of the structural imbalances, it does need to be a two-way street. There should not be an opportunity for the continuance of water and other things being outwith the charging mechanisms while expecting additional resource from Treasury to meet that gap. If he has looked at the reports of the Fiscal Council, he will see clearly the amount of money that could be generated by introducing charges.

Claire Hanna (Belfast South) (SDLP): This is an interesting discussion, and the hon. Member for Belfast East (Gavin Robinson) has, on a number of occasions, made sensible points about the challenges of delivering public services with the economy of scale that we have in Northern Ireland. Would the hon. Member for North Dorset (Simon Hoare) agree that when we look to a wider economy of scale, perhaps on the island of Ireland, services become considerably more viable? Would he further agree that it opens up the opportunity of using numerous other fiscal levers to take us outside the locked-in cycle of just being dependent on pocket money from UK Governments? Would he further agree that the substantial budget surplus that the Republic is currently identifying and enjoying could help with some of these problems?

Simon Hoare: The hon. Lady digs the most elegant of tiger traps, hoping I will jump into it, but I will swerve around it. She makes a point that most people in their heart of hearts would agree with, which is that if a greater bang for the public sector buck can be achieved, which then has a direct benefit for outcomes in health, economic development, education and so on, that should be explored. Part of the reason why so many people in this place were keen to ensure the openness of the border north-south was that huge exchange of people, trade and ideas that takes place on a daily basis. Purely

in the need to try to drive as much efficiency for the taxpayer as possible, nothing should be ruled in or out. If, however, her intervention was an elegant way of inviting me to endorse the idea of joint authority, I am afraid I will have to disappoint her, because devolution is the only game in town as far as I am concerned, and the Minister articulated that, too.

I move to my final point, because I know that others wish to speak. Under new section 5A in the Bill, which concerns advice and information, any direction from the Secretary of State falls or lapses at the end of the current period in which there is no Executive. What that could effectively mean—perhaps the Bill is deliberately opaque on this—is that all the work, consultation, information, advice and so on is lost. Does it get passed to Ministers in Stormont as a piece of work that they may or may not wish to consider? We know that the Secretary of State perfectly properly—although that in itself is a debatable point—cannot take decisions based on the advice or consultation. However, if that good work, particularly that undertaken by civil servants—as always, they will be rising to the challenge of trying to deliver not just existing public services, but public service reform—is to be meaningful, I would hope that the advice and information tabled to the Secretary of State would be passported over to the relevant new Minister in the Executive.

It is clear, certainly in the evidence sessions that we have held, in meetings that the Committee has had and on visits to Northern Ireland, that the public are ahead of us on this. They know that there are problems with public service. The right hon. Member for East Antrim (Sammy Wilson) made the point to me some while ago that a resurrected Stormont could not solve all the problems, and he is right to make that point, but it can certainly play a part in trying to find solutions to very many of them. The public appetite for public service reform is acute, as people face the cost of living crisis post covid and the economy faces all the challenges as a result of Ukraine and the associated knock-on effects. I would like to hear from the Minister what will happen to that advice.

I join the Minister in praying, exalting, urging—whatever. The people of Northern Ireland deserve so much better than this. They do not deserve interim arrangements. They do not deserve or need temporary sticking plasters. They need fundamental, robust, energised and engaged public service. The appetite is there, and I believe that it is growing across the political parties in Northern Ireland. I hope that we can get Stormont back up and running because, as we all know, devolution really is the only show in town.

Mr Deputy Speaker (Sir Roger Gale): I call the Scottish National party spokesman.

2.7 pm

Richard Thomson (Gordon) (SNP): Let me say at the outset that I wish we were not here once again discussing this issue, but we all know exactly why we are. For the purposes of form, I will say once again that my firm belief is that Northern Ireland is best governed when it is governed locally, and the best place for MLAs to be is in Stormont, getting on with what the people of Northern Ireland would expect them to be getting on with: the job they were elected to do.

[Richard Thomson]

The Bill may be necessary to help close what is being termed as the governance gap in the absence of an Executive, but the damage of not having the Assembly up and running and the Executive in place is obvious in terms of good government in Northern Ireland. Decisions taken in Northern Ireland by politicians elected in Northern Ireland with a mandate from the people of Northern Ireland will always be much better taken, much better informed, much more legitimate and have far greater transparency than any decision, with the best will in the world, ever taken in this place on devolved matters on their behalf.

Where the preferences and priorities of voters in Northern Ireland run counter to those of the Government in Westminster, it is an inevitability that when Ministers in Westminster exercise those powers, it will be in line with their own preferences and priorities, rather than necessarily those in Northern Ireland. That lack of legitimacy matters, as does the absence of political direction, which has results in the decision-making process.

From my own time in local government, I developed a great admiration for council officers and officials. They were knowledgeable and expert, and in a lot of cases they were delegated and tasked with many things, including taking many decisions that were considered operational or that were not considered to be of the scope or scale that needed a direct political decision from an elected politician. However, the primary role of a senior official in most cases is to advise, rather than decide, and where any decisions of a major or strategic nature need to be taken, they ought to be taken in line with the democratic mandates and priorities that have been established at the ballot box. The absence of locally appointed Ministers and a sitting Assembly to scrutinise the choices that Ministers make when big decisions are required is highly unsatisfactory.

Make no mistake, big decisions are going to be required pretty urgently, because following the setting of the recent budget by the Secretary of State, the Northern Ireland Fiscal Council has stated that some £800 million of cuts, savings or revenue-raising measures are going to be required to fill the budget gap. To drill down a little further, the education sector in Northern Ireland faces a 2.7% cut, the Department for Infrastructure is going to be around £146 million short of its estimated requirements for the financial year and the Department of Finance says that it is now a matter of trying to “plot the least harmful course we can”.

I think Northern Ireland deserves better than simply plotting the least harmful course that can be plotted, and it requires some major political choices to be made about how budgets are to be balanced, services are to be provided and better outcomes can be achieved.

Those are the sort of budgeting and policy decisions that simply cannot be taken or cannot be addressed in the form of salami-slicing in line with the ministerial decisions taken in years past. So the measures in this Bill that will allow the Secretary of State to request advice and information on developing options for a sustainable approach to the public finances, including revenue raising, are necessary, if inadequate. I would just say that it risks an element of paralysis by analysis and consultation in Whitehall. It certainly represents a very poor substitute for the people of Northern Ireland

and the good operation of the services that they depend on, and it falls some way short of the level of scrutiny that ought to be applied to the spending of public money.

In drawing my remarks to a close, we support this Bill, but what we support most of all is the best solution of seeing a swift return of the Assembly and the Executive. We would urge the Secretary of State and his ministerial team to continue to do all they can in that regard to bring about that much better situation.

2.12 pm

Sammy Wilson (East Antrim) (DUP): In my opening remarks, can I first thank the spokesman for the Opposition, the hon. Member for Hove (Peter Kyle), for what I regard—this is probably the death knell for him in his position—as a very balanced presentation of the situation we face in Northern Ireland? He recognised, because of the experience he had over the period when we were remembering the signing of the Belfast agreement, the balance that is required there, and the fact that devolved Government in Northern Ireland cannot operate without the support and consent of both communities and their representatives in Northern Ireland.

That is something I think the Minister has still failed to recognise: he does not understand. It is quite clear from some of his remarks today that he does not understand the deep opposition to the current arrangements for governing Northern Ireland, and the difficulties that those arrangements cause for the Unionist population. Quite frankly, we still see the arrangements—whether the Northern Ireland protocol version or the Windsor framework version—as ones that damage our ability to trade with the rest of the United Kingdom to which we belong, and that will lead to divergence in the long run between Northern Ireland and the country to which we belong.

While the Minister may be prepared to accept the compromise, as he says, of some EU law applying to Northern Ireland as the means of having what he described as an “infrastructure-free border”, we do not see it as an infrastructure-free border. An infrastructure is being built in Northern Ireland, and further infrastructure will be built. Indeed, as I pointed out during Northern Ireland questions earlier today, it is not just in Northern Ireland that we are now going to have that infrastructure; we are going to have it in Cairnryan, Liverpool and Holyhead for goods moving from Northern Ireland into GB. I am afraid that is not what he or I campaigned for when we campaigned to leave the European Union. I do not think he should expect Unionists to compromise on being part of the country that many of them fought and died to remain in during a terrorist campaign of over 35 years in Northern Ireland.

The Minister's second point was that, despite calls for the Assembly to get up and running, he is concerned—I will quote his words back to him—

“about the long-term sustainability of public finances in Northern Ireland”,

as well as that the pressures are “extremely challenging” and the Northern Ireland Executive have “difficult ...decisions” to make. However, he knows that even if the Executive were up and running, and working splendidly, and everyone was co-operating and prepared to make the hard choices, there still would not be enough money in the pot.

The Minister knows—he actually referred to this—that the Fiscal Council has already made it clear that, in relation to the application of the Barnett formula, Northern Ireland is the only part of the United Kingdom that falls below the needs assessment on which public finance, spending in Northern Ireland and the block grant should be based. We are below it, and we are falling further below it. We are continuing to fall, and the gap is getting wider. When that happened and it was identified in Wales, there was immediate recognition of the problem. Wales had not actually fallen below the percentage, although it was moving towards it, and the Holtham commission made recommendations that ensured not only that a floor was set for moneys to be made available in Barnett consequential for Wales, but that there were transitional arrangements.

I think this is important, because a lie is being spread around Northern Ireland. The Minister says he is not hectoring us today about getting us back into the Assembly, but I am afraid he does plenty of hectoring when he gets across the water, including putting on Facebook, or wherever, about chanting with groups to get back into Stormont, when he knows full well that getting back into Stormont is not going to grow the purse, change the financial situation or make it any easier. The extremely challenging difficulties for long-term sustainability will still be there, so let us not fool anybody.

I do accept that the Assembly had some responsibility for the situation we are in, but when I was Finance Minister in Northern Ireland we always balanced our budget. In fact, we were able to get three-year rolling budgets, so there was certainty for Departments, and we were able to make efficiency savings of 3% almost every year. However, some bad decisions have been made, and the fact that Sinn Féin could not get any of the parties to agree to the budget proposals brought forward when the Executive was functioning is an indication that there is such a role there. The Finance Minister was not capable of delivering a budget on which we could reach agreement, hence the overspend that has occurred. The impact of all that is that even if the Assembly were up and running, the detriment to public services in Northern Ireland would not disappear.

Let us look at some of the implications of the current budget and draw some comparisons. This year, Whitehall Departments will have an increase of 1.8% in resource spending. People argue that is not enough—it does not meet inflation, pay pressures and so on, and I accept that—but in Northern Ireland resource spending will fall by 0.9%.

For education, the budget in England will go up by 6.5% in the next year; in Northern Ireland it will fall by 2.7%, and £100 million of that fall is on special education. Almost every week we see people coming to our constituency offices who are desperate about their youngsters, who need support because they are autistic or have attention deficit hyperactivity disorder, or one of many other educational disadvantages, yet they cannot get assessed, let alone get support. Of course, the pressure on teachers' pay will further add to school budgets.

In health, over the period to 2024-25 spending in England will go up by 32.9%. In Northern Ireland it will go up by 18.1%. So, again, we will fall further behind even though we have the difficulties and waiting lists that we currently face.

In policing, the Government have recently been boasting that they have reached their target of 20,000 extra police officers in England. In Northern Ireland, despite the promises made in New Decade, New Approach, as a result of the budgetary pressures we have a fall in police officers to well below what Patten recommended was needed to police Northern Ireland.

To add to that, although the Minister knows that Northern Ireland is not being fully funded—the Fiscal Council has told him that—that the Barnett squeeze is getting greater and that the gap will increase, we are being told that if there are any Barnett consequential for Departments in Northern Ireland this year as a result of, for example, the Government nicely agreeing to pay increases, Northern Ireland will not get them, because they will be used to repay the overspend on what is already accepted to be an underfunded budget. It was last year, the year before and the year before that—in fact, I think it goes right back to 2017. That is what we are facing.

Just last week, I spoke to a school principal who said, “If there’s a pay increase for teachers, as the education budget has been cut by the degree that it has, I cannot afford to pay it unless I sack teachers.” It will be the same with nurses and right across the public service. Indeed, at a time when cuts are biting, the Department for Communities has said that it has got a £27 million deficit, so it does not have the money to recruit the extra staff it needs to process benefits, because of the increasing demand for them.

Those are all the consequences. So given the scale of the gap, let us not pretend that, somehow or other, if the Executive were up and running tomorrow, fairy dust would just fall on Northern Ireland and all of those fiscal problems would disappear—they would not. That is not a reason for not wanting devolved Government back, but it is an indication that we should not be selling the lie to people in Northern Ireland of, “Get back into government and suddenly all of the problems that you are facing—in health, education, communities, policing and everything else—will disappear.”

One of the reasons for amendment 5 is that the DUP recognises that, in order to look at the long-term sustainability of public services in Northern Ireland, we need to know what the Fiscal Council is saying and put in place an arrangement—

Mr Deputy Speaker (Sir Roger Gale): Order. I do not wish to interrupt the right hon. Gentleman, but Committee consideration will follow this stage, so I would be grateful if he confined his remarks to Second Reading.

Sammy Wilson: Thank you, Mr Deputy Speaker. I was not going to go into the amendment in any detail—we can do that later—but I just wanted to refer to the fact that the Fiscal Council had made its comments.

When we look at the Bill, as has been described by a party leader in an earlier comment in Northern Ireland, we see that most of it is actually about ways of raising finance and advising how there should be consultation. Clause 2 talks about the consultation on different ways of raising finance as if that is how we will fill the gap. That takes money out of an economy that the Government have already damaged through the protocol, with the difficulties that has caused to Northern Ireland businesses and the costs that people there now face as a result of it

[Sammy Wilson]

being more difficult to get goods from the cheapest source—GB—with which they would normally have traded. Now they have to buy more expensive, and probably lower quality, goods from an EU supply chain. There are also the extra costs on businesses, and indeed the extra cost on the public purse, because £500 million now has to be devoted to the trader support service to help companies over the hurdles caused by the protocol.

Is the answer simply to raise more finance in Northern Ireland? I accept that people in Northern Ireland have things such as free prescriptions that, it could be argued, we could well look at. I remember a debate about free prescriptions. As Finance Minister, I was not keen on them, but I was told at that stage—it was true—that the cost to be spent on administering the distinction between people eligible for free prescriptions and those who were not would hardly compensate for the amount of extra money.

However, let us look at the extensive source of revenue that we do have in Northern Ireland: the rates. It has been estimated that even if we increased rates by 107%—if we more than doubled them—which would have a massive impact on households in Northern Ireland, we would raise only about 5% more revenue to the block grant that we have at present. The argument could be made if rates in Northern Ireland were much lower than those in the rest of the United Kingdom, but actually they are higher than those in Manchester, Sunderland, Liverpool and many other parts of England. So it is not as if we do not already tax people in Northern Ireland where we can to a level that is commensurate, we believe, with their ability to pay.

Clause 2 is included in the Bill to say, as has been widely spread around Northern Ireland, “If the Assembly is not up and running, it is more likely that other ways of raising revenue will be imposed on people in Northern Ireland, so get your politicians back, because otherwise you’ll be charged for things for which you weren’t in the past, or given extra charges on things you are being charged for at present.” I must say to the Minister that that kind of blackmail is not the way to restore the Assembly.

The Assembly will be restored when, first of all, the terms of the Belfast agreement are adhered to so that the views of Unionists, as well as nationalists, are respected, and Unionist Ministers are not required to sit in the Assembly and implement the very arrangements that we then come here and complain will destroy us as a part of the United Kingdom. I hope Members understand that. That is what is being asked of Unionists: to go into the Assembly under court direction and implement the Windsor framework, even though we know that in the long term it will be detrimental to the Union. We will talk about amendments later, but departmental officials will have to make some very controversial decisions. That will require some ministerial direction, hence why we believe there should be provision in the Bill for ministerial direction of civil servants, so that difficult decisions can be made and we can try to make some reforms.

I will make one last point, which relates to one made by the hon. Member for Belfast South (Claire Hanna). Can we not look at ways to better use public money?

I say that with some knowledge of the steps that Unionist Ministers have taken in the past in recognition of the fact that there are better ways. The Altnagelvin cancer unit, in the constituency of the hon. Member for Foyle (Colum Eastwood), is a good example. It was indicated to us—I was Finance Minister at the time and the DUP held the health Ministry—that we could not afford a cancer unit in the north-west and the Irish Government could not afford a cancer unit of their own in the north-west, so we co-operated. They provided some of the capital and we provided some of the capital. They provided some of the running costs—they still do—and we provided some of the running costs. So this idea that Unionists are not willing to look at how we can make reforms, take decisions and make public finance more sustainable is just not on.

I look forward to the day when devolution is restored and we can work in a co-operative way, but it will not happen until there is respect for the Unionist view in Northern Ireland. And even when it does happen, it will not be effective if the resources are not there to enable us to make the kinds of changes that are required.

2.32 pm

Colum Eastwood (Foyle) (SDLP): It is great to hear that the Democratic Unionist party now supports north-south co-operation. It would be good if we were to allow the north-south bodies to operate properly as well. I totally agree with the right hon. Member for East Antrim (Sammy Wilson) and the hon. Member for Belfast East (Gavin Robinson) about the deficiencies of the Barnett formula. The SDLP, many years ago, proposed moving away from the Barnett formula to a more needs-based approach. It is just a pity that DUP Ministers at that time campaigned loudly and actively against it. However, we are here now.

This is a Bill that nobody wants, least of all the civil service which is being asked to use these powers. We know why we are here: the DUP refuses to form a Government. Many of the arguments some of us are using today were used by the DUP when Sinn Féin pulled the Government down and kept it down for three and a half years. It seems to me that people cannot even learn the lessons they were trying to teach others. We know how that ended: Sinn Féin realised halfway through that boycott that it was doing nobody any good. The waiting lists were still getting longer and certain people were beginning to get the blame for that. My view is that we have a responsibility to all the people in all our constituencies, no matter what their politics are, to have a Government functioning and working together. I heard again today from the DUP that devolution cannot work without the consent of both communities. That is painfully true and obvious, but is it okay, then, to have direct rule, which is basically what this is becoming, operating without the consent of the nationalist community? That is what we are being asked to have, and that will have its own consequences as we move through the process.

The shadow Secretary of State for Northern Ireland, the hon. Member for Hove (Peter Kyle), rightly referenced the 25th anniversary of the Good Friday agreement—the immense change it has brought about and the bravery of that political generation to make very hard decisions and take very big steps, much bigger than those we are asking people to take today. Its impact has been profoundly significant for many people, particularly in my generation.

Over the last number of years, we have faced chaos in our politics inflicted by a Brexit vote somewhere else, because the people in Northern Ireland voted to remain by a majority. That has been the genesis of the crisis we are in today. We argued for a couple of years about the protocol and its implications. Now we have the Windsor framework, which gives us the opportunity to trade into both markets. We have had former American Presidents, the current American President, former US Secretaries of State and the current US Secretary of State, countless Senators and Members of the House of Representatives coming over and telling us that they want to help us by bringing jobs to Northern Ireland. There is not a single other place in the world where American politicians are saying they want jobs to leave America for. That just does not happen. It goes against the political current in the United States of America right now. This is a huge opportunity, and it is an opportunity that we need to grasp. Frankly, I do not understand why we cannot do two things at the one time.

Paul Girvan (South Antrim) (DUP): I thank the hon. Gentleman for giving way. On the point he just made about investment into Northern Ireland, that was promised to us 25 years ago but the Republic of Ireland, with its fiscal taxation policy, sucked in all the inward investment that we were to get. We never benefited from the major companies that, over the last 17 years, went into the Republic of Ireland when they should have come to Northern Ireland.

Colum Eastwood: That is a very interesting take on the fact that next year the Irish Government will have a budget surplus of €16 billion and we are squabbling over the crumbs from London's table. There is another question the hon. Member should ask himself: why are we not trying to join the thriving economic entity that is the Republic of Ireland? Our people would be a lot better off.

The point I was making is, in my view, very obvious. I accept that DUP Members still have some difficulty with some issues, and I am happy to sit down and work through them. I will speak to the Irish Government, the British Government and whoever we have to speak to, to help us to get over this hump. The reality, though, is that we are well capable of doing that at the same time as getting into government and dealing with the health crisis. I know we will not be able to solve all the issues overnight, but we will not be able to solve them by doing nothing at all. Why can we not sit down as grown-ups and work through the difficulties, while at the same time implementing the changes required to help people in Northern Ireland get off the waiting lists, to help people create jobs, and to bring in investment that keeps our young people at home instead of sending them off to work somewhere else? That is not beyond the wit of the political class in Northern Ireland today, given all the hard things that had to be done, including by the DUP, in the peace process we have had since before 1998. We can do this very, very simply. There is no logic any more in holding up the institutions of the Good Friday agreement so that we can deal with outstanding issues. We can do both at the one time.

The Bill and the budget are imposing huge cuts on the most vulnerable in our society. The extended schools programme is aimed at schools in disadvantaged areas and at kids who are the most disadvantaged in our society.

It brings things like counselling for young people, breakfast clubs and after-school clubs. It is being axed because of this budget. We are axing free baby books for kids. Every year, 20,000 families are given access to free books and reading advice from the Book Trust, a vital tool we can give to our children. Anybody who has kids understands that teaching them to read as early as possible is a really important life skill. We are cutting that—that is where the axe is falling as a result of this budget.

We are also cutting special needs places in nursery schools. Little Orchids in my constituency, which looks after kids from two to four years' old, was told a couple of days ago that it would have to halve the number of children that it can help in its facility. They are the people affected by this particular budget. We are also told that there will be no new school buildings or extensions. Many of the teachers' and children's classrooms are crumbling. None of that work will start this year, and we do not know at all when it will.

In all the discussions we have on radio stations, in TV studios and here about the need for health service transformation, as difficult as it will be, we have all bought into doing the hard things needed to make the health service more sustainable, to get 500,000 people off waiting lists and to make a health service that we can be proud of. Right now, we have a health service that is not free at the point of delivery because people cannot get access to it without paying. Many people in my constituency are going to the credit union to get loans that they cannot afford to pay back, so that they can have the vital surgery they need to live their lives in a normal and comfortable way. There is no space in this budget for proper health service transformation. Those 500,000 people will remain on waiting lists, which will grow and grow.

I made this point earlier to the Minister, but I will make it again: we can talk about the detail of revenue raising at any point, but I want to make it clear that the Irish Government, the British Government and the former Northern Ireland Executive all committed to expanding university places in Derry, which has been waited for and campaigned on for many decades. In any new funding model for higher education, that needs to be protected, and the opportunity needs still to be there for expansion of university places in Derry. If we are really serious about rebalancing the economy regionally and giving people the opportunity to create jobs and get employed in their own areas, that has to be our No. 1 priority.

Mike Kane (Wythenshawe and Sale East) (Lab): The hon. Member is making a powerful speech, but he knows that his city is the only city on the island of Ireland without an independent university. We have campaigned for many years for the expansion of Magee, but it is not happening the way that we or John Hume envisaged it. What is his view on one day going for an independent university in the great city of Derry?

Colum Eastwood: I thank the hon. Member for his intervention and his work on this issue. There was a short period when we did not have an MP for Foyle in this Chamber making these points. The hon. Member and others stepped up on that issue, and we were very grateful to him. The people of Derry have been starved of a university since 1964. That has massively damaged our economic opportunities—that along with the bombing

[Colum Eastwood]

campaign that blew the place to bits. We are now 25 years on from the Good Friday agreement, and we still have not maximised that opportunity.

We have a university in Derry—we are clear about that—but it is not big enough and it does not do enough to attract the kind of students who, in turn, will attract the economic opportunities that we want. I have been clear with the leadership of Ulster University that people are very weary, tired and lacking in trust in that institution. The leadership needs to come up urgently with a plan to expand university places to at least 10,000 students or people will begin to look elsewhere, as the hon. Member says. We must be realistic and serious, and we must make this happen because we cannot wait any longer to have proper university provision for the people in my city.

We are now basically in a period of direct rule, and we are moving inch by inch closer to London-only rule. That flies in the face of the Good Friday agreement and every single agreement that we have made since. I urge this Government to think carefully about what happens next, because this situation cannot be allowed to run and run. If we are not to have institutions at Stormont, and if locally elected people are not to have representatives running the place because they are denied that opportunity, the British Government need to look seriously at a greater role for the Irish Government in the affairs of Northern Ireland. I say that advisedly because in a number of periods when we were denied institutions at Stormont, it was only that promise that encouraged some people to get back and to form a Government representing all the traditions on the island. That is well worth considering.

We are knocking on doors and speaking to people. An awful lot is said about Unionist concerns, which we listen to and try to be respectful of, but many of the people we speak to say, “Why would we have any faith in the DUP to work with nationalism? Why would we have any faith in Stormont to deliver for us?” People are beginning to think differently about their future. I will argue every day to end the divisions on our island and to build a new Ireland, but I caution those who stand up and talk about the precious Union a lot in his place that they are opening a door to something that they might end up regretting, because more and more people are moving away from support for Stormont. I do not want that to happen. I think we can do two things at once. We can have locally elected people running the institutions of Northern Ireland. There is a better way to do this in the longer term.

Sir Jeffrey M. Donaldson: The hon. Member is touching on a very important point, which I think is overlooked. The UK Government and Unionism recognised that a hard border was not the solution in relation to Brexit. Why? It would have undermined nationalist sensitivities in relation to the agreement and the political institutions. We sought to find a way forward that respected the integrity of the United Kingdom and avoided a hard border on the island. Even the Taoiseach has recognised that the protocol went way too far in creating an Irish sea border. Although the hon. Member is right that nationalist sensitivities must be given regard, so too must Unionists’ sensitivities because consensus is the way forward, as the former Member for Foyle John Hume often said from that seat.

Colum Eastwood: I have tried my best to understand the concerns of Unionism, and I think the European Union and the British Government have as well, to be fair. That is why we have the Windsor framework. If there are still outstanding issues, let us talk about them. Even when we were threatened with a hard border, we did not walk away from government. We did not stop working in the institutions. We wanted to sit down and continue to work with our neighbours—even those who we disagreed with—because that goes right to the heart of the Good Friday agreement.

Walking away and boycotting will solve nothing, in our strong view. If there are outstanding issues, and if there are solutions that do not impact upon the principle of protecting all-Ireland trade and avoiding a hard border, we will be open to looking at those and to working with the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson) and his colleagues to achieve some modicum of change around that. My appeal to him is this: let us sit down, work together in our substantial common interest, work the common ground, get back into Stormont and try—as hard as it might be—to begin to fix some of the problems that beset all our people.

2.48 pm

Gavin Robinson (Belfast East) (DUP): I appreciate being called earlier than I had anticipated, Mr Deputy Speaker. We had a brief conversation earlier, and despite what you said, the prospect of another four and a half hours of debate is probably too tantalising to ignore. Although normally I do not speak for long, I may take the opportunity to speak a little longer this afternoon. [Interruption.] I jest.

Like others, I lament the fact that we are debating this Bill this afternoon and dealing with a Northern Ireland Office that, yet again, I am sorry to say, is missing a crucial opportunity. It is a Northern Ireland Office that has lost any sense of strategic direction; it has lost the ability to engage, understand and resolve some of the pressures that we have in Northern Ireland. I lament the fact that the relationships from which we benefited over the last few decades no longer exist, and I lament, more than anything else, the fact that, while the Bill has been described this afternoon as legislation that closes a constitutional gap—or continues a governance gap—that opportunity has been 100% missed.

It did not need to be this way. The Northern Ireland Office had been actively engaged with the Northern Ireland civil service over the last three or four months, and had drafted provisions for the Bill that would have given the Secretary of State step-in powers and the opportunity to assist with some of the difficult decisions that are facing our Northern Ireland public service Departments. However, the NIO actively chose to leave those provisions out of the Bill. I know that this is not a Committee stage, but because new clause 5 has not been selected, I will say now that we tabled it to highlight the point that the choices that now rest with permanent secretaries in Northern Ireland are unfathomable. The opportunity was there for political direction on the taking of decisions when political direction was required, but those in the Northern Ireland Office have chosen not to take it. They will continue to say what they have said over the last few months—“It is not for us to make political choices”—but that is a political choice that they have made.

When the Government raised the rates in Northern Ireland this year, while still talking about revenue raising and the need for more finance to come from Northern Ireland, they made a political choice. They increased the burden on homeowners, domestic ratepayers, by 6%, and excluded businesses by freezing their regional rate. They made a political choice. When they talk about revenue raising, they know that some £1.5 billion to £1.7 billion a year is raised from revenue. If every domestic and non-domestic ratepayer in Northern Ireland paid 50% on top of their bills that are due next week, that would still not cover the shortfall that faces Northern Ireland Departments as a result of the budget given to them by the NIO.

When that budget was delivered last week, it was delivered in the explicit knowledge of the decisions that permanent secretaries would have to make, but cannot make. Everyone in the Chamber is aware of the legislative preclusions that prevent them from making those decisions. Members know the impact of the Buick and JR80 judgments. They know that the permanent secretaries cannot do that. They had indicated in advance to the Northern Ireland Office—to the Secretary of State and the Minister of State—that the budget that they were handed would mean they would have to take decisions that would conflict fundamentally with the statutory obligations and duties that they have to undertake. They cannot do it.

While the flexibility on the £279 million is useful in one sense, it is hugely dangerous in another, given the damage that it will do through the breach of parity in public pay awards between Northern Ireland and the rest of the United Kingdom. Anything that is agreed in the forthcoming weeks and months in England will benefit public workers in England but not those in Northern Ireland, and that gap will grow. The flexibility is useful, but given the direct knowledge of the underspend and the challenging decisions that will have to be taken, it is outrageous that that is the sort of offer that our Departments have received.

Stephen Farry (North Down) (Alliance): I agree with much of what the hon. Member is saying about the failure of the Northern Ireland Office to address the governance gap, but does he not think it is a little bit difficult for people to hear him say such things when his party has the power to address all the concerns he has been raising if they return to the Executive? While he is right to criticise the Government, surely he should also exercise some self-reflection on the role of his own party, because all those ills could be cured by him and his colleagues tomorrow.

Gavin Robinson: I find it amazing that the hon. Gentleman has made that point. He knows it is the biggest falsehood that is being peddled today, and it was addressed earlier by my right hon. Friend the Member for East Antrim (Sammy Wilson). If the Executive were up and running tomorrow, the fundamental damage being caused by the budget and the fundamental choices having to be made would still be there, but the resource would not. Departments are saying today that there is an £800 million shortfall in their ability to deliver, and that they will now have to take decisions that conflict with their statutory obligations, and that same choice will be there tomorrow unless the Government say that they will reflect on the systematic and systemic underfunding

of the Northern Ireland budget, and will recognise that the Barnett formula must be assessed on the basis of need. Unless that happens, the choices that are there today will be the choices that are there tomorrow.

Let me spell it out. What do we know from the Department of Justice? It is hundreds of millions of pounds short of what it needs. The police alone do not have enough money to cover last year's shortfall, let alone an additional £35 million shortfall this year. Where can they make the cuts? They can make them through headcount and non-pay. On headcount, we know that devolution was restored in 2020 under the New Decade, New Approach agreement, which recognised that policing numbers needed to reach 7,500. In March this year the figure was 6,700, and it is projected to be 6,400 in March next year. That is the sort of choice that is available today to a permanent secretary, and would be available tomorrow to a restored Government.

Earlier today, the Minister of State was answering questions about the cost of living crisis, but yesterday we heard from the Department for Communities about the extent of its shortfall. A third of the social homes that were planned to be built this year cannot be built: 2,000 were projected, and 1,400 will be delivered. No money is available for the new health assessments associated with benefits, and there is not enough money to progress the assessment of benefit applications. That is what has been delivered by the NIO: choices that are there today and would still be there tomorrow if there were a return to devolution.

Then there is the enormous shortfall in the Department for Infrastructure, where the permanent secretary is highlighting her statutory obligations and the money she does not have in order to meet them. So what are her choices? To stop gritting the roads? To stop treating waste water? How often do we hear about the importance of climate issues and looking after our environment? But that is one of the choices available to the permanent secretary in the Department for Infrastructure. Another is to turn off the street lights. I do not think that the Secretary of State or the Minister of State or the NIO is interested in streetlights. The only thing in which they seem to be interested at present is gaslights, because the politics of all this has been about gaslighting people in Northern Ireland. What is psychologically questioning our understanding of how finances work, and telling us that we are overfunded when we know that we are structurally underfunded—standing in this Chamber and saying, “Oh, but Northern Ireland gets 121% of what people in England get”, when we know that that is less than what Northern Ireland needs—if it is not gaslighting? That is the diet that we have had over the past number of months, and it seems certain that that is the diet that we are going to continue to get.

The Northern Ireland Fiscal Council has been explicit. When I talked about the Northern Ireland Fiscal Council in this Chamber in January and last year, whoosh, it went straight over people's heads. It meant nothing. I know that sometimes the figures in these documents are boring, but they are crucially important in terms of the ability to deliver public services for everyone in Northern Ireland.

I represent a constituency that has some incredibly affluent areas, but it also has some incredibly deprived areas where social deprivation is a real thing. Wards in my constituency feature in the top 10 most deprived

[Gavin Robinson]

wards in Northern Ireland. In the Mount ward, at the bottom of my constituency, just off the Newtownards Road, 25% of children are leaving primary school without basic literacy and numeracy skills. Forget the 11-plus—they are going on to secondary school without the basic ability to read, write and count. What has this budget delivered? It has delivered an end to the extended schools programme and an end to free books for babies. Just a few months ago, the Northern Ireland Affairs Committee visited EastSide Learning in my constituency. The chairman cheekily asked, “I see those books—the spines haven’t been broken. Does anyone read them?” He was informed that they were brand new books, but the Department of Education is not going to be able to give brand new books to children in my constituency any more. It is outrageous.

The Pathway funding, which is about ensuring the social, emotional and cognitive development of young children before they get to nursery and primary school, is not going to be there. The Department of Education has said that from June there is no money available for such vital developmental early years intervention. Whether it is the Dee Street and the Ballymacarrett youth centre or the Bloomfield Community Association youth centre, all of these interventions matter. The public services that are delivered in Northern Ireland matter, and this budget fundamentally constrains the opportunity to provide for the needs of those children and our constituents right across Northern Ireland. The opportunity was there, and it should be there, to make a difference.

I want to make this point with as much power as I can: we can debate and talk every day of the week about the pressures that exist with the Northern Ireland protocol, the Windsor framework and the impediments to the return to devolution. Whether people agree with me on those issues or they ignore those issues, that is fine; we will continue to work for resolution. But the point needs to be understood that we cannot and will not have sustainable government in Northern Ireland if we do not have sustainable finances alongside a return to devolution.

The idea that any elected representative is going to stand up in government to stand over the dismal budget that has been provided is for the birds; it is not going to happen. I want to see Northern Ireland work. I want to see Northern Ireland as a place where all communities within our Province are at peace with one another and enjoy the benefits of the country that we have the privilege to live in. These issues need to be resolved and that can happen only when the finance is there to deliver positively for those people.

Sir Jeffrey M. Donaldson: My hon. Friend is making an excellent contribution to the debate and I fully support what he has said about a needs-based approach. Indeed, I think of the work of the Atlas Women’s Centre in Lisburn, in my constituency, which has used Pathway funding to help some of our youngest children to develop the skills they need for mainstream education. Does my hon. Friend agree with me that in seeking to change the way that our public services are funded, it is essential that in Northern Ireland we also recognise the need for the reform of those public services and that part of what we need from Treasury is investment for reform?

Gavin Robinson: The truth is that the shortfall from last year and the shortfall in this financial year need to be covered—that is the short term. The medium term needs to be about getting reform agreed, and the long term needs to be about sorting out how Northern Ireland is funded and providing a stable way for doing so.

There are huge opportunities. Some people like to dismiss it and some people do not want to listen to it, but the last thing we want to see is a return to devolution where the foundations are unstable. We want sustainable government in Northern Ireland. We want the ability to deliver proudly positive public services for the people of Northern Ireland, and we want to resolve the issues that have created the impediment thus far. There is nothing new in that. Sometimes it takes quite a while for people to hear and listen.

We are getting there. I am sorry that we are having to go through another Bill like this and that opportunities are being missed to deal with delivery for the people in Northern Ireland, through one way or another. We want to protect public services. We want to protect the street lights and end the gaslights. It would be nice to have a debate on these issues where we could talk practically and factually about what the impediments are, which all of us work to resolve.

3.6 pm

Stephen Farry (North Down) (Alliance): It is a pleasure to follow my neighbour, the hon. Member for Belfast East (Gavin Robinson). This debate is happening in something of a twilight zone, in the sense that we have a twin budget and governance crisis. Frankly, neither is being adequately addressed today.

The Northern Ireland Office is operating in hope, and possibly expectation, that at some point the DUP will return to the Executive of the Assembly. Indeed, there is an overwhelming logic to that. If people want to make Northern Ireland work, then the Assembly and the Executive have to work, and that has to be seen as the overarching issue. Any notion of a democratic deficit that may happen elsewhere pales into insignificance compared to the current democratic deficit that we are facing.

As much as I agree with parts of the analysis given by my neighbour, the hon. Member for Belfast East, around the fact that the Northern Ireland Office is not stepping in on governance, others are not stepping in on governance either. I appreciate that the overall context is difficult—that may not change—but governance is core to solving this issue. We are in a frankly intolerable situation in that regard.

If my colleagues in the DUP are genuine about returning to the Assembly—some optimistic voices expect them to reach that conclusion in the next weeks or months—the longer they leave it, the more damage is going to be done to Northern Ireland. My message to them is, if they are going back, they should tell us they are going back and let us get on with it. If they are not going back, then they should say so and let us put in place alternative governance arrangements. The drift is killing us, both metaphorically and literally.

In terms of governance, the guidance is insufficient and in some ways contradictory. The Government may think it is perfect clearly, but it is evident that the Northern Ireland civil service does not think that. For example,

we have a situation where our guidance is telling civil servants to act in the public interest, not to undermine statutory services or commitments, not to take major public sector decisions and to avoid long-term damage. It is hard to see how taking cuts is consistent with any of those criteria, but that is what they are now being expected to do.

I fear we are, yet again, at something of an impasse. That will lead to two potential outcomes: first, we will see certain decisions being deferred till later in the financial year. If decisions on cuts are taken even later in the year, the pain and impact becomes even sharper than it would be today. Alternatively, we will see a situation where it is impossible for them to live within the spending envelope that has been allocated, and we will see yet another overspend at the end of this financial year, with all the associated complications for planning that will flow from that.

The current situation we are facing is contributing to lengthening waiting lists and will reinforce educational underachievement, block the skills pipeline and compromise our ability to tackle economic inactivity. To date, the civil service approach has been to focus almost entirely on the very narrow ground of what are viewed as non-statutory activities—discretionary spending, in other language—but that is often some of the most effective spending, as it is often aimed at early intervention or prevention, which goes a long way to addressing steeper cost pressures that may emerge elsewhere in the public sector later in the process. For instance, if we do not address mental health in the community, we end up with more people having to be admitted to secondary care, which is more costly, and the same goes for skills and educational underachievement.

I recognise that this is a genuine dilemma for the Government and that we do not want a drift to formal direct rule because of all the implications that flow from that, but I must say to them that the current status quo is unsustainable and something must give. This is not the same context as that between 2017 and 2020, when there was a much more stable financial environment. I appreciate that direct rule is not palatable, and if it does have to happen, there will have to be an Irish dimension to it—people will have to face up to that. I clarify, however, that that is not joint authority, which I consider to be a different concept outside the context of the principle of consent. However, a consultative role for the Irish Government in direct rule has been established going back to the Anglo-Irish agreement, and, again, if people are uncomfortable with that reality, they know the options open to them to stop that happening.

On the finances, I recognise there are major structural problems in Northern Ireland's public sector and expenditure profile. Some of that has been self-inflicted: the roof has not been mended while the sun was shining in previous years. A lot of decisions around reform have been ducked and opportunities have been missed by previous Executives. At the same time, however, we must recognise that there is a wider context. I do not want to labour this point today, but our current crisis in Northern Ireland is happening in the context of the UK public finances, which took a major hit towards the end of last year, and that has had a ripple effect throughout UK public spending, including the Northern Ireland block grant. We also, of course, have the Barnett squeeze, which I will discuss later.

Given all I have said, it is true that this year's budget allocation will more or less be along the lines set out, regardless of whether an Executive were in place. It is, however, utterly disingenuous to say that the presence of an Executive is irrelevant in that regard. The governance gap fundamentally matters: without an Executive there is not a process for managing the pressures as efficiently and effectively as possible. That matters much more in the context of a crisis than when there is a surplus. It is like when a business is falling apart and running out of options and all the finance directors and the managing director have left their posts and others are trying to make do as the situation develops. The impact of cuts will be sharper without an Executive, because there cannot be early decision making on difficult decisions—I have made that point in relation to the civil service guidance. Some decisions cannot be taken because the governance structure is not sufficient, while other decisions will be deferred, and there will be a lack of strategic approach. Also, early intervention and prevention in particular are being targeted for cuts given the absence of a wider programme for government and a strategic framework. We will be storing up even greater problems in our public sector for subsequent years; the legacy of what is happening at present may be with us for a generation unless we swiftly get a handle on it.

We have long since lost the opportunity of a three-year multi-year budget, where we could have had planning from one year to the next and had some degree of stability and certainty in finances, allowing some long-term decision making. Crucially, with an Executive in place we would be in a much better place to go to the Treasury and ask for a financial package, and indeed make the case in relation to the Barnett squeeze. But in the context of a vacuum, all we will be looking at is cuts after cuts and decline and more decline, lost economic opportunities and damage to our public services.

In terms of our economy, this comes at a time when people want to do business with Northern Ireland. We have had the Good Friday agreement 25th anniversary, and I commend the Northern Ireland Office on its contribution to that, alongside many others, but people are now talking about a prosperity decade lying ahead, and the Government have welcomed that. We are having a trade conference in Northern Ireland in September, and Joe Kennedy III, the US economic envoy, has offered to bring a trade mission to Northern Ireland. All that is sitting there for us, but unless we have political stability and are investing in our skills, infrastructure and research and development, we are not going to be able to take advantage of those opportunities. They will not last indefinitely: there is a sweet spot at the moment and we must seize this opportunity. Instead we are seeing some of the key economic drivers being cut and undermined and, rather than taking opportunities, we are going in the opposite direction, and things are going to be getting even worse.

We must look to ways in which we can break this cycle, and all of this requires an Executive to be in place, but for us there are three ways in which this can be done. First, we must look for an invest-to-save transformation package for Northern Ireland. Most people recognise that we need to transform our public services to invest in our economy. There will be a lot of scepticism around this, and I have heard, for example, the comments of the hon. Member for North Dorset (Simon Hoare), Chair of the Northern Ireland Affairs Committee, about

[Stephen Farry]

previous packages. We will have to learn the lessons from previous interventions and we will have to accept a lot of conditionality if that were to come. But unless we escape the cycle of cuts and the platform we are on, we are not going to transform our public services and invest in our economy. So we need to have that conversation. My party has put forward some proposals to the Government and I hear other Members talking in similar terms. We need to come together as political parties, ideally with a devolved Executive, to make this case. If that is to happen, it will need to be tied to a plan, which we have in place, including reform, that we stick to over multiple years.

The second area is inefficiency in our economy. That includes the cost of managing intervention in society and looking to other areas such as what we are doing on the health service. There are counterproductive, knee-jerk reactions to the budget crisis. For instance, the more we use agency workers, the more expensive that becomes, rather than investing in long-term staff, which is much more cost effective—that is counterproductive in terms of costs. Domiciliary care is necessary to take people out of hospital beds, which are more expensive, but, again, that will be sacrificed in a difficult budget setting—so, again, it is very counterproductive. In education, there is duplication between what happens in post-16 school settings and in further education. That is not sufficiently streamlined. We estimate that there is potentially £70 million in duplication there, which could be addressed with a proper 14-to-19 plan.

Finally, there is the Barnett squeeze issue. There must be an assessment in the work of the Fiscal Commission; much more work needs to be done on that, but we need an Executive to be batting for us with the Treasury to make that case for a different approach.

For me, the budget crisis is by far the biggest political issue facing Northern Ireland. With respect to my colleagues, it is a far bigger issue than the Windsor framework. I regard the Windsor framework as now being a done deal, and I welcome it: it is a progression from the original version of the protocol. There are issues to clarify on the margins, with more detailed guidance, but the fundamental structure is in place and we need to move on. To some, the issues being debated are relatively abstract and pale into insignificance compared with the impact on people's everyday lives in terms of health and education.

Again, I say to Unionist colleagues: the best way to secure the Union is not through a narrower and narrower circle, based on defending an abstract notion of sovereignty; it is by making Northern Ireland work. The Union is based on the principle of consent. That lies in people seeing Northern Ireland working, and without an effective Executive and Assembly, they are getting the message that Northern Ireland is not working. From their perspective, that narrative needs to be turned around very quickly, rather than continuing the stand-off on the increasingly narrow ground of the Windsor framework.

3.20 pm

Jim Shannon (Strangford) (DUP): Thank you for calling me, Mr Deputy Speaker: as so often in this House—and there is nothing wrong with this, by the way—I am called last, but always very pleased to make a contribution to the debate.

My colleagues who have preceded me outlined the precarious situation we are in due to the punishing budget that has been set. The Minister may well say that that is a different debate—and perhaps rightly so—but there can be no other topic. Interim arrangements within which the Secretary of State will continue to act in the absence of the Assembly can be acceptable only if the Secretary of State intends to act, instead of sitting and watching foundational aspects of the country crumble, in an attempt to strongarm Unionists into accepting an incomplete and damaging framework.

We are happy—I state this very honestly and truthfully—to work with the Prime Minister, and with the Secretary of State and Government, to find a workable solution, but there must be a massive effort to find that solution, with engagement that understands the position of Unionism. I understand that the mechanisms in place need the assent of this House to continue. However, the question that Northern Ireland MPs must ask themselves today is whether we are willing to play a part in this distraction from the harm that Government are seeking to do to Northern Ireland and their people, who dare—that is us: we dare—to demand parity of esteem within this United Kingdom of Great Britain and Northern Ireland. Obviously, different political parties are making their plea to find a way forward, and we have different interpretations of that, but we are all trying to secure a way forward for everyone.

In preparing for today's debate on the Bill, I met a number of playgroups in my constituency to discuss the interim arrangements. I want to flag the removal of the pathway fund for early years, due to the ridiculous funding cuts faced by the Department of Education under the budget, which is only one of the harms that I am concerned that this Bill will perpetrate. A constituent of mine emailed me in the last two weeks regarding the likelihood that the pathway fund project that her child attends will cease at the end of June 2023. This is a massive issue in my constituency. I have met a number of playgroups over the last week or 10 days, and they have all made similar requests. I quote this lady:

“The project offered by the local provider helps support the social and emotional, cognitive and physical development of my child, using a holistic approach, delivered in a safe and engaging environment. My child should not have to miss out on being able to access this service which provides them the opportunity to learn and develop because of the removal of the Pathway Fund in our local community.”

She continues:

“As parents we continue to be reminded that the early stages of a child's life is the most important and we inevitably try our best to ensure our children have the best start in life. Opportunities to access and engage in projects that support, not only my child's development but my own as a parent, are not readily available within this area. I am significantly worried about the negative impact the loss of the Pathway Fund will have on my child, our family and the local community.”

This debate on the interim arrangements Bill gives us the opportunity to highlight this issue. The same concern has been replicated in my constituency of Strangford by more than eight playgroups that have contacted me. Early years development, as outlined in the Prince of Wales's groundbreaking report, is absolutely essential—there is not an MP in this House, and certainly not on the Opposition side of the Chamber, who does not recognise that. This situation will have a dire long-term effect on the children in my constituency, as well as throughout Northern Ireland.

I had three boys. They are young men now—35, 33 and 31—but when they were small, they attended the playgroup and nursery. I could see the engagement at an early stage that my boys had at that playgroup, which is similar to the one I have mentioned. It gave them social engagement and the chance to build friendships. They kept those friends from nursery and the playgroup the whole way through to primary school and secondary school, and today, in adult life, they still have those friends.

I have often said that Northern Ireland has been used as Europe's political football to score points. When I look at my children's education, I can see how vital it is, and yet children's education will potentially be reduced. The Secretary of State for Northern Ireland will have received my meeting requests, which I sent to him just last week, to discuss this very issue. Following that action, let me say that the education and future of our children is not, and can never be considered—I use these words deliberately—as cannon fodder. Continuity funding is what we are requesting, and it needs to be allocated. That is my plea today on behalf of parents throughout my constituency and across Northern Ireland, including in constituencies whose MPs do not even take their seats here—we are here to advocate for them as well. This interim arrangements Bill allows for things to continue. The view of Unionists on the ground in Northern Ireland who I have spoken to is that they are to be punished by the Government here.

The hon. Member for Foyle (Colum Eastwood), who is not here—I am sure he is not too far away—referred to the Republic of Ireland as the place we should be looking towards. I will give the House a couple of wee facts about that. In the Republic of Ireland—which is where he seemed to indicate he wishes to be—anyone who wants an appointment with their GP has to pay €45 to €60 each time. If they have to go to accident and emergency, they pay €100 every time. Anyone 16 or over who has to stay overnight in the hospital pays €80, while the cost of living in the Republic of Ireland is 21% higher than in the United Kingdom. And anyone who wants a Big Mac from McDonald's—I am not a fan; I do not buy them—will have to pay £2 more in the Republic of Ireland than they will in Northern Ireland or across the United Kingdom. Those are just examples of that paradise that the hon. Gentleman refers to—which is not a paradise at all—so let us keep things in perspective when we look at costs.

I spent last weekend, as I know my colleagues also did, at community events and meetings with constituents. The huge majority, reflecting that opinion, urged us to work for a solution: to get back to Stormont while standing firm for Unionism. That is the key, and it is disappointing that, while we are pushing for a solution that recognises the position of Unionism where it is, we are unfortunately not getting the reply from Government that we would wish for. That is the challenge for the United Kingdom Government and the Minister of State, and that what we are attempting to do. I humbly ask my Government to work with us and not against us to find the solution to the difficulties for our businesses and to legislate for our constitutional position, so that we are not at the whim of Government and whatever position they have taken that most expediently deals with the Northern Ireland issue.

It is important to put on record where we are with the Windsor framework. One of the reasons why, at this moment in time, my party has not accepted the Windsor framework is that we have sought legal opinion on whether it is worth the paper it is written on. The legal opinion from one law firm is that it is not. The Loyalist Communities Council, the Orange Order and the Unionist Forum each sought a legal opinion from three different law firms, and every response was the same. The Stormont brake is not worth the paper it is written on. The European Research Group, of which the Minister was once the leader, also sought a legal opinion, and the response it received is that the Windsor framework is not worth the paper it is written on. I have great respect for the Minister, but what a disappointment it is to find that his opinion today is so different from that which he had when a member of the ERG.

I understand the necessity for this Bill, but the Government have to take a giant step to embrace Unionism and its viewpoint. Northern Ireland Unionists are being treated abysmally.

Sammy Wilson: It is not just a case of asking the Government to embrace Unionism. This is about the Government standing up for the country they claim to govern, because through the protocol and the Windsor framework they have handed responsibility for lawmaking to a body outside the United Kingdom.

Jim Shannon: Those words are salient. I am sure the Minister is taking note, and hopefully he will give a positive reply. My right hon. Friend is right. We are clearly second-class citizens.

This punishing Bill hurts not only Unionists but everyone in Northern Ireland. If I am to endorse the Bill, which allows the Secretary of State to continue wielding the necessary powers, I ask for an assurance that the extension will bring about a signal change, which the Government are currently not doing. As my right hon. Friend said, this Bill causes great concern even to the staunchest British heart in Northern Ireland. What are we clinging to? That is the question he asked.

I remind myself of those who shed their blood to protect Northern Ireland and the United Kingdom, including many relatives of mine. Every year we celebrate the anniversary of the Ballydugan four, who were murdered by the IRA 33 years ago—no one was held accountable. My cousin Kenneth was murdered by the IRA—no one was held accountable. Billy Montgomery's son Stuart was murdered by the IRA in Pomeroy—no one was held accountable.

All these people gave their life, and their family's lives, for this great United Kingdom of Great Britain and Northern Ireland. In their name and memory I once again ask that we are treated justly and fairly, because we have shed our blood and served in uniform for this country. I served in the Ulster Defence Regiment and the Territorial Army, and my right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson) served in the Ulster Defence Regiment too. We are not afraid of serving in uniform because it is the right thing to do. As British people, we think we should do that, and many others do too.

When this extension is granted once again, as I am sure it will be because of the Government's strength, I urge the Government and the Minister to take this fresh opportunity to engage with constituents and work

[Jim Shannon]

for the benefit of the whole Province, both those of a Unionist persuasion, as we are, and those of a nationalist persuasion. I love this country, this great United Kingdom of Great Britain and Northern Ireland, and I say we are better together, but that means everyone being equal, and at this moment we are not.

Stella Creasy (Walthamstow) (Lab/Co-op): On a point of order, Mr Deputy Speaker. Have you been notified of any change to the business, either today or tomorrow, in the light of the announcements in *The Daily Telegraph*—I believe a written ministerial statement has also been published—about the Government’s proposed fundamental changes to the Retained EU Law (Revocation and Reform) Bill? We have debated the Bill at great length in this place, and I understand from *The Daily Telegraph* that the Business Secretary is proposing changes to regulatory reform, in addition to deleting certain regulations, but that has not been notified to us.

I know you will be as concerned as I am about parliamentary scrutiny of any substantial changes, and I am sure the Business Secretary would not wish to evade that scrutiny in taking back control to this place so that we are able to understand what the Government intend. Have you been informed of whether we, as parliamentarians, might have an opportunity to scrutinise any of these proposals?

Mr Deputy Speaker (Sir Roger Gale): The straight answer is no. Mr Speaker has repeatedly made it plain that he expects information to be relayed to the House before it is announced to the media. However, from what the hon. Lady has said, it sounds as though a written ministerial statement has been made. There has been no indication to the Chair at this stage of any change to the business. That may, of course, change tomorrow.

3.34 pm

Tonia Antoniazzi (Gower) (Lab): I feel an enormous sense of déjà vu as I stand here once again to speak about Northern Ireland. As was mentioned by my hon. Friend the Member for Hove (Peter Kyle), the shadow Secretary of State, we will not be opposing this Bill today. It is vital that, in the absence of an Executive, public services continue to function to support the people of Northern Ireland.

Like other Members across the House, I want to pay tribute to the civil servants who have spent more than a year working in these testing circumstances; it is not ideal, but it has been necessary. The removal of the six-month limit of this legislation will at least allow for continuity of governance as we hopefully move closer to the restoration of power sharing. The fact is, however, that these civil servants are confined to “business as usual” and are unable to take any new or bold decisions. Such decisions would be at the feet of Ministers and subject to scrutiny by politicians elected by the people of Northern Ireland to represent their interests. Without a functioning Executive, key levels of scrutiny from Committees are missing from those big decisions.

Public services in Northern Ireland are under severe pressure, with the impact of that felt throughout all of Northern Irish society. Just last week, for example, it was reported that since 2015 about 10,000 children have

not been fully inoculated, with workforce shortages and delivery capacity in GP practices being given as the reasons for that. Deep-rooted issues such as that require proactive solutions, which should rightly be made by elected officials.

Furthermore, as was highlighted in Northern Ireland questions earlier today, the significant cuts included in the Northern Ireland budget are of great concern. I am grateful that the Secretary of State has included measures in this Bill that will allow for departmental accounts to be laid before Parliament for some scrutiny, but ultimately such scrutiny would be best applied by those on the ground in Stormont, who are answerable to the people of Northern Ireland. The Northern Ireland (Executive Formation etc) Act 2022 allowed the Secretary of State more time before calling an election in Northern Ireland. I would welcome hearing what steps he plans to take during this time to ensure that by the time of the next election, a functioning Executive will stay in place.

Despite the introduction of the Windsor framework, this deadlock has yet to shift and the people of Northern Ireland are suffering the most negative impacts of that. It is clear that there is a gap between the Government and the Unionists, which must be bridged in order for progress to be made. Dialogue between the Government, the European Union and the Unionist parties must continue. Of course, any way forward must take into account the nationalist communities, such is the nature of power sharing.

The recent celebrations for the 25th anniversary of the Good Friday agreement should highlight how important it is that we prioritise the restoration of power sharing and of a functioning Executive. I encourage the Secretary of State and the Minister to do all they can to try to push matters forward. I also ask that they work with the Prime Minister to ensure that he shows that he is fully committed to the restoration of power sharing. We cannot afford to spend another year debating issues that the devolved Administration would usually cover, while public services decline further and the cost of living crisis deepens. This Bill ensures that there is enough governance for now, but I sincerely hope it will not be needed for much longer.

3.38 pm

Mr Baker: With the leave of the House, I rise to close the debate, and I thank all those who have participated in it. Once again, we have seen that on the main substance of the Bill there is wide agreement. There is agreement that it is necessary but regrettable, as we continue to seek to avoid the governance gap.

I will now seek to respond to as many points as I can. The shadow Secretary of State raised the issue of some difficult decisions being too much for officials. We recognise that the Bill is an interim arrangement. It clarifies the powers that civil servants need in order to maintain public services in the absence of an Executive. We recognise that civil servants will be uncomfortable taking some of the difficult decisions that are needed. Indeed, it is possible that they will feel unable to take them, but that, of course, is why we need the Executive back. I am aware that we are sounding like a stuck record, but getting the Executive back is what we are seeking to do.

Before I go any further, I will just say to the hon. Member for Gower (Tonia Antoniazzi) that I know the Prime Minister would want me to say that he is fully committed to the return of devolution, but that is a point to which I shall return later.

My hon. Friend the Member for North Dorset (Simon Hoare), who chairs the Northern Ireland Affairs Committee, asked about advice. He raised a great point and I am happy to clarify that it is our intention that the options developed for budget sustainability will be shared with the new Executive, and we hope that the new Executive will act swiftly to implement such measures. Further to various points that he made in relation to direct rule, I am absolutely clear that the Bill does not give us any powers to implement measures. I hope that is helpful to my hon. Friend—it is just the powers of the Secretary of State to direct that there should be advice and consultations, which would fall away.

The hon. Member for Gordon (Richard Thomson), who speaks for the SNP, made a speech to which I listened very carefully. I am happy to say that, on this occasion, I did not spot any areas where I disagreed with him, but I shall have to revisit *Hansard*. I am grateful to him for the manner in which he has approached this debate, and I can assure him that it made a pleasant change.

A number of Members have talked about the budget. I know that if the moment comes that we are forced to bring forward a budget Bill, we will no doubt touch on all of the issues in detail, but I hope the House will forgive me if I do not go into any further detail on that this afternoon. What I will say is that we will have to bring forward a Bill if there is not an Executive, which I and the Secretary of State will regret should that be necessary.

On the issue of funding, the Government have, for many years, recognised the unique challenges that Northern Ireland faces. We have provided about £7 billion in additional funding to Northern Ireland since 2014, on top of the Barnett-based block grant and the Northern Ireland budget. Per person, that is around 20% higher than the equivalent UK Government spending in the rest of the UK. I am well aware of the Fiscal Council's report, which suggests that, on a needs basis, it should be even higher, but I have to say that 20% extra would go a long way in Wycombe—the streets are not all paved with gold there.

Gavin Robinson: Will the Minister give way?

Mr Baker: I will, if the hon. Gentleman will let me finish my point.

We do need the Executive back, and not because we believe all the problems will go away—far from it—but because we need the problems to be addressed by Northern Ireland Executive Ministers. I am very clear that the road ahead will be long and hard for those Ministers.

Gavin Robinson: Does the Minister accept that, within the next two years, the upward trajectory for the budget in England is 6%, but the trajectory in Northern Ireland is 3.6%? Per household, that equates to £2,000 less in Northern Ireland than for his constituents in Wycombe.

Mr Baker: I am confident that the hon. Gentleman has done his homework, but I hope he will forgive me for saying that I will not confirm the figures when I do

not have them immediately in front of me in the terms that he has put them. As I mentioned in oral questions earlier today, for all of us in this House, and indeed in all the devolved institutions, we do need to engage with the fiscal projections of the Office for Budget Responsibility. There is no doubt in my mind that, for the rest of our political careers and far beyond, there will be a problem with meeting the many demands of age-related spending. All of us will need to rise to that challenge, as it will need, in particular, healthcare reform. The Bengoa report is long since overdue in implementation. I also talked earlier about healthcare.

A total of £600,000 a day is spent maintaining a divided education system. It cannot be right just on a cost basis, never mind all of the social divisions that it leads to. That conversation needs to be had. I have made that position clear. The Government's position is very clear: we are in favour of integrated education. I know that there will be a spectrum of views on this, but when it comes to funding, we are all clear that the problems that are faced will endure. We are clear that there will need to be a conversation about the Barnett formula—I am aware of the Barnett squeeze—but none of these things will be anything like plausible to solve, in a way that will be acceptable to all sections of the community, until the Executive is restored.

Sammy Wilson: I ask the Minister, whose party talks all the time in this House about choice in education, why he wishes to shoehorn education in Northern Ireland into one particular system. Does he not accept that, in Northern Ireland, there are those who choose to have church education, those who choose to have grammar school education, and those who want to have integrated schools? Does he not accept that the same choice that he would have for his constituents should be available to people in Northern Ireland?

Mr Baker: I absolutely do. Since the right hon. Gentleman mentions my constituents, I am happy to tell him that we are a grammar system in Wycombe and that the Highcrest Academy has built what it calls an “all ability” school there, which I regard as a comprehensive. Strangely enough, I helped it against the forces of the hard left, which were trying to avoid building an all ability school under the grammar system, and I rather approve of its ability to bring back choice for parents.

We have a co-operative school in my constituency, which I support, and a Catholic school—by the way, Muslim parents, and there are many in Wycombe, choose freely to send their children to the Catholic school. I am all in favour of school choice for my constituents and for the right hon. Gentleman's constituents, but the question is at what cost. That question is one that he and his colleague Members of the Legislative Assembly need to answer in a re-formed Executive.

However, when I go over to Northern Ireland as a Minister and meet young people who say to me, “I was 16 before I met my first Catholic”, or “I was 18 before I met my first Unionist”, there is so much wrong with that. I find myself amazed that that is even a conversation in the 21st century. Yes to choice, but at what cost?

Stephen Farry: I welcome what the Minister says in relation to integrated schools, but I have two points for him. First, I want to reinforce that there is significant

[Stephen Farry]

demand for integrated schools right across the community in Northern Ireland. Secondly, and most relevant to this debate, does he recognise that moving from a split system to more of a shared, integrated system involves some degree of investment? The problem is that the Department of Education cannot do that at present, in a context of declining budgets where it is trying to protect what it has.

Mr Baker: The hon. Gentleman's point is very well made; he knows that I hear it now and have heard it in the past.

We are clear that finances in Northern Ireland are not sustainable, but we are also clear that it is for an Executive to act on it. In the absence of an Executive, the Government through this Bill will ensure that time is not lost in starting to think about and work on that. We will commission advice from the Northern Ireland civil service on the options for budget sustainability in Northern Ireland, and we are happy to engage with any Member of the House in more detail about what we commission.

I heard what the hon. Member for Foyle (Colum Eastwood) said, and I am particularly interested in engaging with him and the universities. I also recognise the point he makes about places in Derry. He is right that Northern Ireland will never be a laissez-faire paradise, and it will be necessary for policy to embrace the point he makes about rebalancing towards Derry/Londonderry.

We are happy to engage with hon. Members, although I do not wish to pre-empt any particular piece of advice we might commission. We are absolutely clear that it is for locally accountable leadership to take these difficult decisions, but we are clear that those decisions will endure.

Questions were asked about future strategy, but the Government are clear about our strategy for Northern Ireland: devolution, moving forward with the Windsor framework and making the most of our new, constructive relationship with the EU and Ireland to improve that framework in a collaborative way when problems arise, as they inevitably will. Since this point came up earlier,

we will then also work towards the review of the trade and co-operation agreement and try to improve our overall position.

While we are doing that—because, as has been said, we can do more than one thing at once—we will do everything we can to cheerlead for Northern Ireland. It is an amazing place, loved by people all over the world and full of talented people with an incredible capacity for innovation and development. They deserve investment, and I for one want to see that they get it.

Finally, I join in the lament about the gap that has opened up between the Government and Unionists. Once again, this has been a painful debate for me to listen to. Sometimes hon. Friends in the DUP have directed their remarks at me, but I would say to them that I do not wish to be hard on them. I must say to my right hon. Friend the Member for East Antrim (Sammy Wilson) that I do not regret having given voice to people in Fermanagh who said, “Get on with it.” That is what people want in Northern Ireland. There was no chanting—it was just a cry of “Get on with it”, and I am not sorry that I gave voice to that sentiment.

Hon. Members will have noticed that I have tried to be as emollient as possible in recent days—I really have. I have put on record that this is a difficult compromise for me too. I know that it is an even more difficult compromise for them to go back into the Executive with the Windsor framework, but I just say again that we have to choose from available futures.

Everybody here knows that it is not enough just to say what you want; you have to know how you will get it. I am clear, as we go forward with the Bill, that we do not want to be here again with Bills of this nature. We want to celebrate a return of devolved government, and yes, by all means, continue a conversation about the detail of the Windsor framework and what we can do to support the Union and Unionism. But, my goodness, I want us to get to the point, beyond this Bill, where we are celebrating the return of devolved government to solve the real problems that we face, and celebrating a Northern Ireland that has a much better and brighter future.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Northern Ireland (Interim Arrangements) Bill

Considered in Committee (Order, this day)

[DAME ROSIE WINTERTON *in the Chair*]

Clause 1

DEPARTMENTAL FUNCTIONS

3.51 pm

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): I remind Members that in Committee, they should not address the Chair as “Deputy Speaker”. Please use our names. Madam Chair, Chair, and Madam Chairman or Mr Chairman are also acceptable.

Claire Hanna: I beg to move amendment 6, page 1, line 12, leave out “when an Executive is formed” and insert—

“when the Executive Committee of the Northern Ireland Assembly has completed a formal meeting at which substantive business has been transacted”.

The First Deputy Chairman: With this it will be convenient to discuss the following:

Clause stand part.

Amendment 5, in clause 2, page 2, line 15, at end insert—

“such as providing advice in relation to the Northern Ireland Fiscal Council’s 2023 Report, Updated estimate of the relative need for public spending in Northern Ireland, and the precedent arising from the December 2016 Agreement between the Welsh Government and the United Kingdom Government on the Welsh Government’s fiscal framework”.

Amendment 7, page 2, line 21, leave out “may” and insert “must”.

Amendment 8, page 2, line 21, at end, leave out paragraph (a) and insert—

“(aa) consulting the Equality Commission, the Northern Ireland Human Rights Commission and the Northern Ireland Fiscal Council;

(ab) who else is to be consulted;”.

Amendment 9, page 2, line 24, leave out from “consultation” to end of line 27.

Amendment 2, page 2, line 28, at end insert—

“(4A) The Secretary of State must direct a Northern Ireland department to commission a report to provide an assessment of expenditure costs associated with communal divisions for the purpose of developing options for improving the sustainability of public finances in Northern Ireland.”

This amendment would provide a report to make an updated assessment of the financial costs associated with a divided society and how they could be redirected to improve financial sustainability.

Amendment 3, page 2, line 28, at end insert—

“(4A) The Secretary of State must engage—

(a) with Northern Ireland departments to explore options to transform public services and the economy in order to identify options for improving the sustainability of public finances in Northern Ireland;

(b) with the Treasury on options to provide an invest to save fund to support the transformation and sustainability of public finances in Northern Ireland.”

This amendment would direct the Secretary of State to explore an invest-to-save transformation fund.

Amendment 4, page 2, line 28, at end insert—

“(4A) The Secretary of State must engage with Northern Ireland departments and the Northern Ireland Fiscal Council to produce a needs-based assessment of funding compared to the Barnett formula in order to address the financial sustainability of Northern Ireland, specifically considering changes in relative need arising from differences in population characteristics and socio-economic conditions between Northern Ireland and England, to prevent the funding premium from falling below relative need.”

This amendment would direct the Secretary of State to explore the prospect for a needs-based spending floor and percentage uplift in Barnett consequential to reflect relative need in Northern Ireland.

Clause 2 stand part.

Amendment 11, in clause 3, page 3, line 20, after “2022” insert—

“during a period when the Assembly is not functioning”.

This amendment would limit the exemption from Assembly scrutiny of directions under this Bill to only periods when the Assembly is not functioning, rather than throughout the period when there is no Executive.

Clauses 3 to 7 stand part.

New clause 2—*Assembly power to exercise accountability over section 5A directions—*

“(1) In a period where the Assembly is functioning but there is still no Executive, nothing in this Act will prevent a committee so mandated by the Assembly from seeking or taking evidence from relevant Northern Ireland departments or consultees named in any direction by the Secretary of State under section 5A of the Northern Ireland (Executive Formation etc) Act 2022 in respect of options which might be considered or developed on foot of such a direction.

(2) In such a period as described in subsection (1), a committee report adopted after a vote of the Assembly shall duly inform relevant departments and the Secretary of State in respect of relevant stated options for raising more public revenue in Northern Ireland or otherwise improving the sustainability of public finances in Northern Ireland.”

Claire Hanna: I rise to speak to amendment 6 in my name and that of my hon. Friend the Member for Foyle (Colum Eastwood), and to make brief comments on a couple of other amendments.

We absolutely echo and share the frustrations of others that we are doing yet another of these Bills in this place. I am struggling to think of a single such Bill—certainly in the three and a half years that we have been here—that was neither a cause nor an effect of Stormont dysfunction, which occupies rather too much time here and limits our potential. We understand the need for interim decision making, but the Bill risks going too far in bypassing Assembly scrutiny. Our amendments aim to address that by guarding against the potential use of graduated responses or the other fairly unedifying stunts that we have seen when the Assembly is being used as a political tool or weapon, and against the cynical use of such Bills to do things that damage public services in the name of reform, as a way to avoid responsibility and scrutiny.

The DUP’s new clause 1(3) instances the possibility of the Assembly functioning in some way alongside these new powers in the absence of an Executive. I want to be absolutely clear: there is, as others have said, no alternative in the here and now to devolution under the Good Friday institutions. People are ready to suspend their disbelief one more time and go back in to make that work, but a graduated response allowing these

[Claire Hanna]

powers to be deployed to do all the grisly stuff through indirect rule, and turning it into some soap opera where everybody is hopping up and down and opposing the changes, will not be appropriate.

We cannot set up civil servants to instigate and drive controversial issues only to get them out of the way before everyone goes back in. We absolutely need reform in public services, but we need it to be done with scrutiny, not just as a mask for austerity. It needs to be done in a way that builds public trust so that people say, “Yes, you may lose service A, but you will gain service B and C”. Amendment 6 would support and evidence some of those necessary reforms by designing in a role for the Fiscal Council—a body that we have been hugely supportive of—as well as for the Human Rights Commission and the Equality Commissions as consultees. Those bodies are truly creatures of the Good Friday agreement. They are there for a reason and they should have a role in this as well, to give them a locus and so that, as I say, it is not used in a cynical way.

I want to address briefly the contradictions in the messaging we are getting about sustainable finances. There is, rightly, a serious public conversation going on about the sustainability of Stormont’s finances and structures. It is absolutely right to tackle the lack of responsibility-taking in our region, which in its century of existence has never enjoyed good governance. It is appropriate that we do that in a genuinely transformative way.

I also want to address the contradiction in what has been said about sustainable services in the light of the punishing and severe budget we face. What is more sustainable to invest in than children and young people, their health, education, future and resilience? The proposed cuts to the extended schools programme, Bright Start mental health support, pathway funds, education authority schools and youth services—alongside the loss of European social funding for Women’s Centre, which provides childcare and many other forms of family support—are the furthest thing from being sustainable. St Malachy’s youth club in the market area of my constituency does a mind-blowing array of interventions with young people, including homework support, citizenship, fitness, nutrition and lawfulness, making them good citizens and getting them ready for the world and the jobs out there. What is sustainable about its finances being cut by over a third, which will undermine all of its work with those young people? We have put off hard decisions for too long, but it is really important that this Bill is not used as a mask for the same austerity that we have had for over a decade, which does not change outcomes and limits the potential of our young people and of our economy, because they are its future.

I want to address a couple of other amendments. Amendment 1 is a vital intervention by the hon. Member for Walthamstow (Stella Creasy), who has, crucially, been vigilant on the ticking timebomb of the Retained EU Law (Revocation and Reform) Bill, which has the potential not only to deepen and widen the implications of any sea border for goods and for rights, but to dramatically undermine economic sectors and actors on this island. We have absolutely no interest in doing that, so I hope that the reports that there has been change of direction on that very damaging Bill—like

others, we wish to hear about those reports in the appropriate place and to have the opportunity to scrutinise them—are correct.

Finally, I support amendment 4, tabled by the hon. Member for North Down (Stephen Farry), which is prudent and sensible in addressing the cost of division. It is time to get on. There is endemic division in our schools and communities. It is time to get past pointing at it and to start the process of reform, transformation and giving people a feasible way to live shared and integrated lives.

Gavin Robinson: I rise to speak to amendment 5, tabled by my party leader, my right hon. Friend the Member for Lagan Valley (Sir Jeffrey M. Donaldson), our Chief Whip, my right hon. Friend the Member for East Antrim (Sammy Wilson), and other colleagues. I hope that the Minister of State has considered it positively, and I look forward to hearing that the Secretary of State agrees with it. He will know that it does not any way undermine the substance of his Bill, but that it will be hugely important in assisting him in gathering information as part of his consultation exercise, as we navigate and chart our course through the myriad issues discussed this afternoon relating to dangers to public finances.

I do not think that anyone in the Chamber will disagree that I have probably said enough. The long and short of my aspiration is that the Minister of State, given all the pleasant support he has received from us to date, will look favourably on amendment 5.

Stephen Farry: I cannot promise to be quite as brief as my colleague, the hon. Member for Belfast East (Gavin Robinson), but I will try. Essentially, I want to speak to those amendments that stand in my name: amendments 2, 3 and 4, which are all focused on the issue of financial sustainability. We recognise the line that the Government have put into the Bill, and I seek to encourage the Minister to take it forward in a substantive way.

4 pm

We are making three suggestions in that regard, the most significant of which relates to a potential financial package for Northern Ireland. Such a package needs to be on an invest-to-save basis, and directly linked to a very select number of areas: health, education, the economy, skills, infrastructure, and climate change mitigation would be our proposals in that regard. I acknowledge that we have to learn lessons from previous interventions from the Government through financial packages, and that the package will have to come with conditions. It will need to be linked to a very clear plan from an Executive about how reform will be taken forward—it would need to be over several years—but we do need to have transformation in Northern Ireland, as many people have acknowledged in this debate. Of course, before we can do transformation, we need to have a stabilisation of the finances, and we cannot do any of that in the context of a burning platform where we are in a spiral of cut after cut and decline after decline.

We have the Bengoa report as the template for health transformation. It will take investment to make it happen, but through investment we will have much better outcomes for the people of Northern Ireland, and it will be on a more cost-effective basis. There is a real incentive for

the Government to buy into this; if we do not invest, we will see waiting lists in Northern Ireland getting even longer. I would make the point that our waiting lists are already the longest in the UK, not by a small margin but by a very significant gap.

The same applies to education. We have a massive problem of educational under-attainment in Northern Ireland. That is a major drag on our economy, as well as a blight on some people's long-term economic and life opportunities, and the education funding gap between Great Britain and Northern Ireland is widening ever further. The Minister's colleague, the hon. Member for Worcester (Mr Walker)—who was one of his predecessors in the Northern Ireland Office, and currently chairs the Education Committee—has particularly reinforced that point about the growing gap in funding.

We have to grow our economy, which means investment in skills, and also investing in the right skills. The Government themselves are being very clear about the need to tackle Northern Ireland's disproportionate level of economic inactivity—again, as part of the wider mission across the UK. If we can address those issues, the productivity gap between Northern Ireland and Great Britain will narrow; if we do not, it will widen, with all the attendant consequences that will flow from that. We have to take full advantage of the opportunities we have, including dual market access, the potential trade mission, and the trade conference that the Government are doing. I understand the reluctance and scepticism around this issue, but frankly, I do not see any alternative if we are to break that vicious cycle.

I would use the analogy of a business that is struggling, where the business model is out of date and is not functioning. One of two things will happen: the business will die, or it will restructure. Often, if a business wants to restructure, it has to seek external finance to do so, but again, that finance will come with conditions around how that restructuring is taken forward. We have proposals in with the Government, and we welcome further engagement in that regard. I appreciate that such engagement is probably best done on a structured basis with the Northern Ireland parties; it should be done as quickly as possible, but there does need to be some sort of structure to that.

Amendment 2 relates to the costs of a divided society, which have already been mentioned by my colleague, the hon. Member for Belfast South (Claire Hanna). Our amendment seeks the commissioning of a revised, updated report from a Northern Ireland Department—importantly, as a prelude to action finally being taken in this area. There are some very significant costs arising from duplication and, indeed, distortion in Northern Ireland's public expenditure profile, which is linked to the legacy of division and violence, and ongoing patterns in how services are provided. It is apparent in four particular ways. One is direct costs. For example, our policing costs and public order costs are higher than the rest of the UK. Secondly, we have some degree of parallel provision, done either implicitly or in some cases explicitly by Government, for different parts of the community. It is not just at Assembly level; it happens with councils, too. Education would be the most clear-cut example in that regard, but it is far from the only one.

Thirdly, there are contextual issues, such as the environment in which public agencies are operating. A clear example is the provision of housing in Northern

Ireland, where trying to navigate around patterns of segregation makes it slightly more difficult—perhaps much more difficult—to provide new social housing. There are issues of territoriality of land for redevelopment. We need to get past that if we are to deliver housing more efficiently and effectively. Like elsewhere, there are real pressures on housing for people. Finally, there are opportunity costs from division and lack of political stability for tourism, inward investment and wider economic opportunities.

I reinforce that there have been a series of reports in this area already, notably by Deloitte in 2007 and the Ulster University Economic Policy Centre in 2016. We have had some recent commentary from Ulster University's "Transforming Education" project, but the work is fundamentally now seven years out of date, and it needs to be re-done if we are to use it as a genuine platform to take forward further reform and transformation.

Finally, I reiterate the point that a number of people have made today about the need for a reassessment of the Barnett formula and how it works for Northern Ireland, with potentially a move to a much more needs-based assessment. The estimate for the shortfall in our finances, if I have my figures are correct, was £362 million for the outgoing financial year. That will rise to £485 million in this financial year. That is a significant element of the differential and the pressures that Northern Ireland Departments are facing.

I will not seek to push any of the amendments to a vote today, but I certainly would like to use this platform to encourage the Government to take seriously those three particular angles around financial sustainability. Work can be done now in preparing for a return to devolution in the near future, but time is not on our side if we are to make the best use of the scarce resources available to us.

Stella Creasy (Walthamstow) (Lab/Co-op): Thank you, Madam Chair. *[Interruption.]* Apologies, Dame Rosie, it is hard to remember all the different protocols, but I hope I can make up for it in making a short contribution. I put on record a number of concerns. I recognise that amendment 1, which we tabled to address the concerns directly, has not been selected, so let me speak in support of amendments 6 and 8 from my colleagues, as well as new clause 2. I think they all get at the same point, which is why it matters to have scrutiny.

Members in this Chamber who know of my interests in human rights in Northern Ireland might expect me to come at this issue from the question of what is happening with the delivery of abortion services in Northern Ireland. For several years now, that has been done by the Government, rather than the devolved Assembly overseeing it, because of the challenges within Northern Ireland. That powerfully makes the case, for example, for using the Fiscal Council or consulting the Northern Ireland Human Rights Commission, which has been a diligent and doughty defender of the rights of women in Northern Ireland to equal access to abortion.

However, I want to talk about the points that my amendment raised about the use by this Government of the powers in the Retained EU Law (Revocation and Reform) Bill, knowing that right now something very different is happening to that legislation, which nobody is clear about, as the Government are yet again hiding

[Stella Creasy]

from scrutiny on it. That is not a new concern when it comes to Northern Ireland, because for months now we have been asking the Government to come clean about how they intend to use the powers in the Retained EU Law (Revocation and Reform) Bill in Northern Ireland. So far as I am aware, with today's announcement there is no change to how that Bill approaches devolution, so let us be clear that it gives the Secretary of State, in proxy of the devolved Administration, the power to decide when the sunset clause that was in the legislation, which I think has now been removed, would kick in, and to replace, restate or revoke legislation. Those are serious powers over how thousands of regulations would be interpreted in Northern Ireland. In the absence of a sitting Assembly, those powers are falling to this Government and a Minister who cannot even be bothered to respect the issue, listen or engage with what is being said. That, again, tells us something about how seriously they take these powers. I digress, but I am sure that whatever I am saying about how he treats the employment rights of people in Northern Ireland is not as important as what he is talking to his Parliamentary Private Secretary about.

As ever with Northern Ireland and devolution, these are complicated issues. They are complicated in two different ways—first in the EU regulations that may or may not be at stake, and also in north-south co-operation, and the restrictions and requirements that are made in order to have convergence. Let me say a little, if I can, to resolve why those complications may happen, and therefore why amendments on the role of the Fiscal Council or the Human Rights Commission—or, indeed, about the ability to take evidence on, frankly, what the Government are doing on behalf of the people of Northern Ireland on this issue—matter.

This issue covers devolved competencies of things such as employment skills, pensions and child support, and environmental laws such as planning and equal opportunities. Northern Ireland Members will no doubt be as shocked as I was to discover that this Government were planning to delete, without any public consultation, people's right to a basic protection that originally came through EU regulation, which was that if their company went bust, they would be entitled to at least 50% of their pension pot. Rules on pensions are devolved competencies, but the Government announced in the Retained EU Law (Revocation and Reform) Bill Committee that they will revoke at the end of this year the EU regulation holding businesses to account which makes sure that people have at least some basic protection. I do not know the status of that now, but it is a good example of the sort of legislation we would be talking about.

Obviously, Members who have huge experience of devolution would point out to me that when the UK left the European Union, the UK and the EU agreed the protocol—if I can dare to mention that word—which talked about maintaining the necessary conditions for north-south co-operation and protected the 1998 Good Friday agreement. In doing so, Northern Ireland stayed dynamically aligned over many of these areas of legislation, and the Minister may therefore say that this is not an issue to be concerned about and that it does not need this level of scrutiny, because these issues are covered by

the protocol. However, Queen's University Belfast is very clear that about 300 areas of EU regulation are not covered by the protocol, and therefore would be automatically deleted by the Retained EU Law (Revocation and Reform) Bill. They would cover many of these issues, and there is also the issue about direct effect cases, which is where the judgment about protecting people's pension pot comes from.

The 142 areas of co-operation identified in 2017 as being underpinned by EU policy frameworks and north-south co-operation are the areas up for grabs. Indeed, there is ongoing co-operation in 61 areas. Let me give some examples of the sorts of EU laws that we would be talking about. There is the single-use plastics directive, the regulation on clinical trials of medicinal products for human use, directives about medicines, directives about organisation in agricultural markets—I know that is a deep concern for many of my colleagues representing constituencies in Northern Ireland—and EU Acts on the regulation of energy and electricity markets. This is not small fry when we add it all together.

The point of the amendment I tabled and of the questions we have been asking the Government is how, in the absence of Stormont to scrutinise, these devolved competencies may be used, given the potential impact of changing these regulations in undermining the Windsor framework and therefore changing the alignment on which many of these deals have been done. Those are not my words, but concerns raised by the European Union. The fact is that the Government have consistently tried to avoid even answering the question. They have suggested that the Stormont brake would apply, but it does not, because this is about existing legislation—not new legislation, but existing legislation. People currently have the right to have their pension pot protected, but we still do not know quite what will happen to that pension pot protection at the end of this year for anybody in the United Kingdom. However, certainly in Northern Ireland, where the competency of the devolved authority would be expected to be a part of it, the lack of clarity about how the Government are proceeding on this is deeply troubling, especially when we are entering into another process of having to bring in these interim arrangements, so there is even less scrutiny of how they are using those powers.

I have asked through freedom of information requests for information about the kinds of meetings the Government are having, because they have told us in answer to a written question:

“UK Government Officials have been proactively engaging with their counterparts in the Northern Ireland Civil Service on the progress of the Bill”.

What that means in layman's terms is that some decisions must have been made about how to use those competencies, and we know that these interim arrangements will exactly cover the period during which those decisions are being made. Now, add into the chaos the announcement that the Retained EU Law (Revocation and Reform) Bill will be changed and we have a recipe for people in Northern Ireland with nobody having an eye on the ball when it comes to their basic rights, because the Government will not be clear or be scrutinised about those conversations and which devolved competencies they may use to amend those rights.

4.15 pm

I hope that the Minister can understand why many of us have concerns about the Retained EU Law (Revocation and Reform) Bill—not least about it destabilising the Windsor agreement by removing those levels of alignment—and think that the principle of accountability and scrutiny matters. For many years, he told us that Brexit was about taking back control, but time and again we have seen that the Government do not mean taking back control to democratic institutions; they do not mean taking back control to Parliament. After all, as far as I am aware, nothing in the new retained EU law Bill proposals would change that fundamental transfer of power from the Executive back to Parliament. Therefore, even if the sunset clause has gone, those powers would still be for the UK Government, not for the UK Parliament; the UK Parliament where Northern Ireland Members would be part of conversations and could even have a say on statutory instruments and various regulations—what little say there would be. This is solely about Ministers using their ministerial powers on behalf of the people of Northern Ireland, with no accountability at all, and without even being honest about having the powers and the areas that will be affected. Removing the sunset clause does nothing to the fundamental challenge, especially if we are continuing to bring in legislation, which we absolutely need, to keep the Northern Ireland civil service functioning.

In simple terms, these amendments speak to the simple question: what is the Minister doing on behalf of the Northern Ireland people when it comes to their basic rights? The Bill also covers things such as people's employment rights and whether people in Northern Ireland will still be entitled to maternity leave, environmental protections and consumer compensation—everyday rights that people across the United Kingdom have particularly relied on. However, in Northern Ireland, the question of alignment and changing alignment takes on an added complexity and added damage. It could undermine the Windsor agreement, and it could mean that people in Northern Ireland have fewer rights than those in the rest of the United Kingdom. Above all, if we continue to be unable to get Stormont back up and running, that could mean Government Ministers in back rooms with civil servants making decisions without any accountability to elected representatives in Northern Ireland or any commitment to any accountability.

I hope that the Minister will at least accept that there is a problem because the powers will be operational now—during the passage of the Bill. I hope that he will commit to coming back to the House and talking to representatives from Northern Ireland—if no one else—about how they are using and interpreting their devolved competences when it comes to retained EU law, as it sounds like the retained EU law Bill will continue on.

The Minister said that his comments about Northern Ireland having a special relationship with the European Union were a slip of the tongue. Well, some of us want all of the United Kingdom to have a special relationship with the European Union so that, now that we have left the European Union, we can all trade and still have those opportunities. But if changes are not to be made in Northern Ireland, why should they be made in the rest of the United Kingdom?

The retained EU law Bill is a power grab—Members in Northern Ireland know how much the Government enjoy that—and, at every single opportunity, those of us who are the true patriots and the true democrats need to wrest it back and challenge the Government on how they will exercise it. The amendments would do exactly that. I hope that the Minister will look on them with kindness.

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): I call the shadow Minister.

Tonia Antoniazzi: I will keep my comments brief as I do not want to repeat what was said on Second Reading. Labour does not oppose the Bill as it is a necessary step to ensuring that governance in Northern Ireland can continue in the absence of a functioning Executive. The amendments show a clear indication from the Northern Ireland parties that improving Northern Ireland's financial stability is a priority. Indeed, the Northern Ireland Fiscal Council's recent work was highlighted a number of times. The Secretary of State mentioned during Northern Ireland questions that he had been in conversation with the Fiscal Council. It would be great to hear his assessment of its report and how he intends to proceed with that information.

Continued engagement with the Northern Ireland parties, as well as with bodies such as the Northern Ireland Fiscal Council, is paramount to best representing the people of Northern Ireland. I hope that such engagement from the Secretary of State and the Minister will continue.

Mr Steve Baker: I very much appreciate the contribution everyone has made. Everybody who has spoken in today's debate is very much seized of the issues and very well informed. They have made their points with great force.

The hon. Member for Gower (Tonia Antoniazzi) raises the Northern Ireland Fiscal Council, so I will turn first to amendments 4 and 5 on relative need and needs-based spending. Provisions in the Bill already allow the UK Government to work with the Northern Ireland civil service on fiscal sustainability for the benefit of people across Northern Ireland, so neither amendment is strictly needed. I do not think it would be right for me to commit the Secretary of State to a particular piece of advice or consultation, but we have of course heard the debate—I listened extremely closely to it—and we are all fully committed to the sustainability of the finances, and to treating people justly and fairly.

Gavin Robinson: The Minister knows that the DUP tabled amendment 5 and there is a decision to be taken on whether to press it, or amendment 4 tabled by the hon. Member for North Down (Stephen Farry), to a Division. If the Minister does not wish to commit the Secretary of State to accepting our amendment or to commissioning advice on the basis of the work of the Fiscal Council, it would be very useful if he would at least commit the Secretary of State to engaging with me and colleagues on this issue, so that when advice is commissioned and he is consulting, we can incorporate this as part of the advice he seeks.

Mr Baker: Yes, of course. We would be delighted to engage with the hon. Gentleman. We have already said, in relation to commissioning advice and the draft

[Mr Steve Baker]

guidance, that we are very happy to engage with Members of all parties, and I am grateful to him for that intervention.

On amendment 6, on the Executive Committee, we believe—with apologies—that it would be unworkable. The decision-making provisions apply only to functions exercised in the absence of Ministers, so once Ministers have been appointed, they can no longer have any practical effect.

Claire Hanna: Is the Minister aware—I cannot remember which year it was, because there have been so many crises—of the in-out Ministers stunt? I think it was conducted in mid to late 2015. Ministers resigned on a rotating basis over a period of months, so Ministers were in place but there was not a functioning Executive. It is that kind of carry on we are trying to guard against.

Mr Baker: I confess freely that the hon. Lady has me at a disadvantage. I am grateful to her for that point and I shall certainly ask my officials to brief me on that matter.

Claire Hanna: Weary experience.

Mr Baker: Yes, and I confess that my mind boggles that such a thing should have happened. Equally, I recognise that, standing here right now, I am not aware of the full circumstances. I certainly hear what the hon. Lady says, but even so I hope she will understand that right now I cannot accept the amendment.

Turning to amendments 7, 8 and 9 on specific consultees, we believe that this would be unnecessarily restrictive. Requiring the Secretary of State to direct the Department to consult the specified bodies listed in the amendment is not necessary. The consultee lists for the Northern Ireland Departments are well known and recognised, so we do not wish to pick out the three bodies over any others because it would beg the question, why not include them all? In particular, picking up on the Fiscal Council, the Secretary of State has already confirmed, I think through me, that he is engaged with the Fiscal Council. He is happy to commit to the Committee that he will ensure that it, and all the bodies listed in the amendment, will be consulted on budget sustainability. We therefore ask the hon. Member for Foyle (Colum Eastwood) not to press the amendment to a Division.

On amendment 11, on scrutiny and the scrutiny of Ministers, the approach in the Bill to the power of the Northern Ireland Assembly to call for witnesses and documents is consistent with previous circumstances where the UK Government have taken certain powers to give direction to Northern Ireland Departments. If UK Government Ministers give Northern Ireland Departments a direction, it is right and proper that the line of accountability comes here to Parliament, where UK Government Ministers are accountable. It is not appropriate for the Northern Ireland Assembly to be able to hold UK Government Ministers to account in that way.

On amendment 2, on communal divisions, the hon. Member for North Down (Stephen Farry) makes his points extremely well. He knows—I think I have illustrated it—that I feel his pain on this issue, but we already have,

for the purpose of pursuing fiscal sustainability, the ability to take advice and pursue consultations. I certainly look forward to further conversations with him and to taking his advice on where we should look in relation to communal divisions. I will be glad to meet him to consider that issue further. On his amendment 3, on transformation, the Secretary of State would have the powers under the Bill to commission advice and go for consultations to achieve budget sustainability through transformation. I hope that the hon. Member will accept that the amendment is not strictly necessary, but once again, I hear him and he makes his point very well and with great force.

On the Retained EU Law (Revocation and Reform) Bill, I hope the hon. Member for Walthamstow (Stella Creasy) will accept that it is not the responsibility of the Northern Ireland Office to take it through the House, but I listened carefully to what she said about its impact on Northern Ireland. I am conscious that her amendment was not selected, so I hope that she will not mind if I do not go any further.

Stella Creasy: The Bill explicitly gives the Minister, in the absence of Stormont, the powers to use the devolved competences. Is he saying that he has not looked into those powers at all, or is he not prepared to talk about how he is exercising them?

Mr Baker: As on the face of the Bill, we will be able to seek advice from officials in the Northern Ireland Departments and require consultations, but we will have no powers to implement any of the measures on which we have taken advice. We are clear that devolution is the best way to govern Northern Ireland, as we have said many times.

With that, I am grateful to everyone who has participated in the Committee.

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): I believe that the hon. Member for Belfast South (Claire Hanna) wishes to withdraw her amendment.

Claire Hanna: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 1 ordered to stand part of the Bill.

Clauses 2 to 7 ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill reported, without amendment.

Third Reading

4.27 pm

Mr Steve Baker: I beg to move, That Bill be now read the Third time.

It is not an especially happy occasion. As the House has fleshed out, we see before us the many difficult decisions that lie ahead. But it is a necessary occasion, as we have all agreed.

I want to place on record my thanks to everyone involved in the Bill's passage through the House for their support of its expedited passage. I particularly thank the Front Benchers of all parties for their collaborative and constructive engagement on the legislation, recognising

the importance of getting it on the statute books to avoid a governance gap from 5 June. I place on record my appreciation to the House authorities, particularly the Clerks who, as ever, have guided us in an expert fashion. I thank the excellent Diggory Bailey in the Office of the Parliamentary Counsel for the expert fashion in which he and colleagues drafted the Bill. I thank my colleagues and officials in the Government Whips office for helping us progress in a smooth fashion, and in particular on this occasion for not putting me under undue time pressure. I am most grateful to them, as always.

I conclude by repeating what I said at Second Reading. People in Northern Ireland rightfully expect to see these decisions taken in Stormont not Westminster, and I agree with them. I think the House does, too.

Madam Deputy Speaker (Dame Rosie Winterton): I call the shadow Secretary of State.

Madam Deputy Speaker (Dame Rosie Winterton): I call the shadow Secretary of State.

Peter Kyle: I rise briefly to express my gratitude to the Minister for seeing the Bill so deftly through all its stages today, and also to share his thanks to those who made it happen and those who have spoken today.

The Minister has repeated numerous times today a sentiment that we all share, which is in fact shared by all the Northern Ireland parties and leaders themselves: namely, the desire for Stormont to be up and running again. I would just remind him, when he points to and urges members of Northern Ireland parties, that he is a Minister in the UK Government, and the UK Government have some skin in the game. They have some agency when it comes to the functioning relationships within Northern Ireland—those core relationships between the Irish Government, all the Irish parties and the UK Government.

4.30 pm

Mr Baker: For such a matter to come up so late in the debate is just one of those things, but I think that I have a good track record on renewing the relationship with Ireland and with the European Union. The hon. Gentleman is right to say that we have agency, and I am determined, as is the Secretary of State, to work with everyone as expeditiously as possible to make a success of restoring the Executive.

Peter Kyle: On numerous occasions today the Minister has urged the Northern Ireland parties to get back in. It is my job to hold his feet to the fire as well, and to point

out that he, as a UK Government Minister, has skin in the game on this one. It was, of course, some of the actions of the UK Government that led to some of the challenges that are faced in Northern Ireland, which proves that what happens here in Westminster—the decisions taken in Downing Street and in Whitehall—has a profound impact over there. So rather than always looking to those parties to sort out the problems that have sometimes been created through decisions taken over there, the Minister must be a very active participant in that process.

Sammy Wilson: Does the hon. Gentleman accept that while the Minister may say that he has built bridges with the EU and the Irish Government, he has built a bonfire on the bridge with the Unionists?

Peter Kyle: My job, at times like this, is not to take the opportunity that the right hon. Gentleman has put before me, but to stand to one side and allow this conversation to unfold between his party and the Government. Clearly there is some healing to do in that relationship—a relationship that has at times been so close that it has led to the two parties serving in the same Government, and to his party supporting the Government—but at present there is dysfunction there, which I accept and acknowledge and view from afar, while trying as hard as I can on behalf of the Labour party to do everything possible to ensure that we can build strong relationships that can heal the divides and get Northern Ireland going again.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

INSIDER DEALING

That the draft Insider Dealing (Securities and Regulated Markets) Order 2023, which was laid before this House on 17 April, be approved.—(*Fay Jones.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRONIC INFORMATION

That the draft Police, Crime, Sentencing and Courts Act 2022 (Extraction of Information from Electronic Devices) (Amendment of Schedule 3) Regulations 2023, which were laid before this House on 17 April, be approved.—(*Fay Jones.*)

Question agreed to.

Urban Trees: Protection

Motion made, and Question proposed, That this House do now adjourn.—(Fay Jones.)

4.32 pm

Catherine West (Hornsey and Wood Green) (Lab): I am delighted to introduce this Adjournment debate and to highlight the need for better protections for mature trees in the UK. Organisations such as the Woodland Trust have been doing an excellent job of drawing attention to this issue for many years, and I thank them both for the work that they do in Parliament for the all-party parliamentary group for woods and trees, of which I am a member, and for their help with the debate. I also want to acknowledge the work of the councillors and council officers in my constituency and throughout the UK who look after our green spaces, and the local residents who care so passionately about the trees that are the green lungs of all our communities.

Across London, hundreds of thousands of trees line our streets, breathing life into busy and polluted neighbourhoods. Street trees have always been a vital part of urban communities. Not only do they provide a source of beauty, but we know that they bring major health benefits by cleaning our air, acting as a critical source of carbon capture and also as a defence against flooding. Research suggests that increasing access to green spaces could save the NHS more than £2 billion a year by reducing the incidence of conditions such as heart disease, stroke, and depression. Trees and woods also do wonders for our mental wellbeing, as was felt very keenly during the coronavirus pandemic. During lockdown, it was a joy to hear birdsong that would usually have been drowned out by the sound of car engines.

Yet many veteran trees in cities across the UK are at risk of being felled. The Government are not doing enough to protect them, which is hardly surprising as they are failing to meet their own tree planting targets—in 2019-20 they delivered under half their target of 5,000 hectares of new trees in England.

Many Members on both sides of the Chamber are concerned by the felling of mature trees in our communities. In my constituency there is a growing problem of street trees being cut down because they are implicated as a cause of building damage and subsidence. Tree roots do not need to be the definitive cause of subsidence—they need only be implicated for the owner to be liable for an insurance claim. Councils that own street trees are then responsible for the exorbitant cost of repair works to the damaged property, which can cost hundreds of thousands of pounds per property. Cash-strapped councils, such as my own, that own hundreds of trees at risk of insurance claims face bills running into the millions and are often left with little choice but to fell the tree.

Unfortunately, this is a particular problem in Hornsey and Wood Green, where the clay soil that most homes are built on has moved during the severe droughts and flooding we have experienced for the past few summers. With the climate crisis worsening, extreme weather events are set to become a regular feature of British summers. The law on foreseeability also means that areas such as the London Borough of Haringey, where shrinkable London clay is the underlying soil, must have proactive tree maintenance programmes for all trees whose roots may cause damage to buildings.

Anyone can see that this needs to change. Often the finger of blame is too quickly pointed at a nearby tree, rather than investigating other causes and solutions. Mature trees help mitigate the worst impacts of climate change, but they are being cut down in the hope of fixing an immediate subsidence risk.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing this important debate. She outlines the importance of trees and some of the difficulties that people have with them. I want to give an example to encourage the hon. Lady. In Newtownards, the main town in my constituency, I have been involved with a planting scheme with children from Castle Gardens Primary School. There are six primary schools in the urban town of Newtownards, and they are all involved in tree planting. If we educate children early and tell them about the importance of trees, they will appreciate the point of trees and we will have a society that looks forward to trying to see how they can keep those trees.

Catherine West: I thank the hon. Gentleman for his intervention and I concur with him. At Highgate Primary School and Hornsey School for Girls, where I have been planting trees with the children, trees provide a wonderful message for future generations.

However, there are nuanced and complex issues around felling street trees. Each case needs to be studied on its own merits, but a one-size-fits-all approach to felling is not working and is damaging our environment. Haringey already has the second highest number of tree-related subsidence claims in Greater London. Since 2018, Haringey, a hard-pressed London borough council, has faced 245 tree-related subsidence claims and has paid more than £600,000 to insurance companies during that time. Understandably, my constituents are extremely upset by the number of street trees being felled. For local communities, who reap the many benefits that trees bring, those trees have an emotional value far beyond any price an insurance company could put on them. People are rightly calling into question whether insurance companies can justify their actions before exploring more sustainable options than removing a tree.

For example, I have recently received several emails from worried constituents in Bounds Green who are extremely upset about the proposed removal of a mature oak tree. At 200 years old, this beautiful oak could have another 800 years left. Despite being protected by a tree preservation order since 2010, it is at risk of being felled because of its proximity to a home that is more than 18 metres away. A single oak tree can support more than 2,300 species. As one local constituent has pointed out, when one mature tree is removed, an entire ecological network is disrupted and destroyed.

In her response, the Minister will likely point out that the Environment Act 2021 introduced a requirement for local authorities to consult the local community before felling street trees. While that is welcome, councils are still waiting for exact guidance on how to introduce the measure and, importantly, what resources will be made available to ensure that the community's wishes are acted upon.

The Woodland Trust advises that local authorities are likely to need to hire new staff to carry out consultations and will need access to data and systems set up to help manage urban trees and forests. While this guidance is

still being drawn up, I know many councils are hoping that the Government will take this opportunity to redress the imbalance of power between insurance companies and local authorities when it comes to subsidence claims. The insurance industry must be held responsible for its role in protecting urban trees by requiring it to explore alternative measures to stop subsidence damage before considering removing a mature tree.

Last summer, I submitted a written parliamentary question and wrote to the Minister urging the Government to issue best practice guidance to councils on managing subsidence claims. The response advised that advice for councils to produce their own tree and woodland strategies would be provided. This has now been published, and I was disappointed to see no mention of managing the relationship between street trees and urban development. As all local authorities will know, this is a major issue that needs proper attention.

Earlier this year, I wrote to the Minister, urging the Government to provide specific guidance to the insurance industry on expanding sustainable solutions to subsidence. Disappointingly, the Minister's response confirmed that no guidance will be issued. I urge the Government to look at this again and reconsider their approach.

Steps are being taken by a group of local councils that have signed up to a joint mitigation protocol. The protocol was drawn up after years of input from insurers, loss adjusters, engineers and tree consultants. The aim is to establish best practice for managing subsidence claims, considering the interests of councils and insurers alike. The central focus is to ensure that mature trees are removed as a last resort. This is excellent work, but it is important to note that, after 13 years of austerity and a global pandemic, councils have simply not had the resources to invest in woodland and tree management strategies.

The impact of this is being felt by the local community, who, like me, are alarmed that access to urban woodland is decreasing despite 80% of our population living in urban areas. Friends of the Earth has reported that 45% of neighbourhoods in England have less than 10% tree canopy cover, while 84% have less than 20% coverage. Areas with high social deprivation are likely to have fewer trees than wealthy areas.

That is why I have called for a debate in Parliament on this issue. It is time that the Government properly recognise the critical role that trees play in improving our health and mitigating the worst effects of climate change and nature loss. The central issue here is that our current legislative protections for mature trees do not go far enough in recognising their value in making our communities healthier, happier places to live.

In conclusion, I would like the Government to find a more sustainable solution to preventing and managing this, which does not see our precious street trees impacted any further. There are three key points that I would like the Minister to take away and respond to. First, guidance for local authorities on the new duty to consult is needed as soon as possible, and the resources must match that so that local authorities can actually implement the guidance. Secondly, I urge the Minister to ensure that this guidance makes it clear that responsibility is shared between the insurance industry and local authorities to protect homes and our mature trees. Tree removals must be a last resort after other measures, such as underpinning and root barriers, have been explored.

Finally, any guidance produced should set out standards of evidence required to show that it is actually the tree that is directly causing subsidence and that all alternative actions to felling the tree have been exhausted.

4.43 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Trudy Harrison): I thank the hon. Member for Hornsey and Wood Green (Catherine West) for raising this issue and I join her in commending and championing all who work to plant, care for and protect trees in our country, and also the 32,000-strong workforce in the timber and tree supply chain, because we need them and more if this Government are to achieve the target of 400 million more trees planted by 2050, which is about 250,000 hectares. To do that, we need to plant somewhere between 7,500 and 10,000 hectares every year. The hon. Lady referenced targets, and we are on course to meet our targets. Some 2,700 hectares of trees were planted last year, and the forecast certainly looks much improved on where we have been over the last few decades. That is a result of the Environment Act 2021, the environmental improvement plan and the legal target to increase tree canopy cover to 16.5%. But while we are doing quite well in England, I am afraid that in 2020 the Welsh Labour Government managed just 80 hectares, against their target of 2,000 hectares a year, so there is much work to do.

Urban trees, which is what this debate is all about, are certainly an asset to any community. The hon. Member set out clearly how trees benefit our communities and our physical and mental wellbeing. They create healthier communities and cool our communities; and as she said, the thousands of species supported by an ancient tree are indeed incredibly special and must be protected, so I hope I can answer some of her questions. We also know that the right tree in the right place can sequester carbon, manage flood risk, improve air quality, provide shade and support biodiversity, and of course they are incredibly beautiful.

Trees are at the forefront of the Government's plans to achieve net zero emissions by 2050, bending the curve on biodiversity loss and creating more jobs. That is exactly why we introduced the target to increase tree cover to 16.5% by 2050. Urban trees are already an important part of our plan to meet that target and will absolutely continue to be. Through technical guidance on tree planting and protection, and also tree planting grants, which we have on offer through the nature for climate fund, more and more trees are being planted in urban areas. Over 850,000 trees have been planted in urban areas. We have also introduced a new duty on local authorities to consult the public before felling street trees. The hon. Member is keen to know the timescale for that; I can confirm that we are seeking to commence the duty this year. We are currently developing appropriate guidance for the new duty to consult, which will be in place by the end of 2023.

I also thank the hon. Member for writing to us about community consultation guidance and guidance for the insurance sector. To clarify, the Forestry Commission will be working, as per the England trees action plan, to speak with engineers, developers and arboriculturists to get more trees on streets and in developments. We will do that by revising "Manual for Streets", and also the National House Building Council's foundation guidance

[Trudy Harrison]

and the London Tree Officers Association's risk limitation strategy, and in other ways, to ensure that the right tree is planted in the right place and—more to the point, perhaps—that the right house is built in the right area.

I understand that the particular tree that the hon. Member referred to is around 120 years old—much older than the house that it is potentially causing harm to. That reinforces the need for a national planning policy that recognises that trees make an incredibly important contribution to the urban environment, helping our communities to mitigate and adapt to climate change. The national planning policy framework states that trees should be incorporated in new developments and that all new streets should be tree lined. Newly planted trees should be maintained and trees should be retained wherever possible. The national model design code now includes design parameters for the placement of street trees.

Tree preservation orders are used by local planning authorities to protect individual trees and woodlands that have high amenity value, including many urban trees. Consideration is given to the visibility of the tree, its rarity and its historical and cultural value. Local authorities can also consider a tree's importance to nature conservation or to the response to climate change.

We are also looking at our environmental impact assessment regulations to ensure that they protect against the negative impacts of the removal of trees. We are using the Levelling-up and Regeneration Bill to progress reforms to the environmental impact assessment process, to help ensure that it remains an effective tool for environmental protection. We will be tabling new secondary legislation after the passage of the Bill to align with the new environmental outcomes report system.

There is another huge risk to our trees and environment, and it feels particularly topical because this week is National Plant Health Week. The biosecurity threats to our trees are significant and growing, so I emphasise the critical need to protect our urban trees from pests and diseases. Ash dieback, for example, has now spread to all parts of the UK, and oak processionary moths are threatening the closure of parks and green spaces across London and the south-east. Through our grant schemes, we are providing support to help local authorities manage these risks and restore urban treescapes affected by pests and diseases.

I reassure the House that the Department for Environment, Food and Rural Affairs has an incredibly robust regime in place to protect trees. Since leaving the European Union we have strengthened import controls, introduced a ban on imports of the highest-risk trees and stopped the import of many native species from outside Europe. Our border inspectors carry out more than 80,000 physical checks on controlled plant material each year. Trees permitted for import require a phytosanitary certificate and must be pre-notified to allow for official inspection.

In January 2023 we published the new plant biosecurity strategy for Great Britain, working in partnership with the Scottish and Welsh Governments. The strategy sets out our five-year vision and action plan to secure national biosecurity, to protect native species and to drive economic growth.

Jim Shannon: The Minister always comes to the Chamber with positivity, and it is always a pleasure to hear her speak. She mentions Scotland and Wales, but has she had any contact with the Northern Ireland Assembly? We want to be part of this project.

Trudy Harrison: I will ensure that I reach out to my counterpart in Northern Ireland. I am sure those conversations are happening at official level, but I will endeavour to have them at ministerial level. I will respond to the hon. Gentleman and I thank him for his intervention. With England and Northern Ireland being such close neighbours, we must work together, although this matter is devolved, to ensure plant biosecurity across the UK.

Our ambitions outlined in the England trees action plan are supported by the nature for climate fund's tree programme, and they make it even easier to plant trees. Never before has so much Government money gone into planting and protecting trees. We are also supporting local authorities, which we see as a vital part of the programme to achieve 16.5% tree canopy cover in England.

In December 2022 we launched the tree and woodland strategy toolkit, which provides step-by-step guidance to local authorities on developing an effective tree and woodland strategy in order to realise the multiple benefits, as we have heard this evening, that trees can deliver to their communities.

Like the hon. Member for Hornsey and Wood Green, I have heard from schoolchildren. I think we all visit primary schools on our constituency Fridays, and I never cease to be surprised and delighted by the enthusiasm of schoolchildren who are embarking on eco-projects or forest schools, and they all certainly value the benefit of trees. That is perhaps supported by a wonderful recent BBC documentary where Sir David Attenborough reinforced the need to look after nature.

The urban tree challenge fund has planted 155,000 trees to date and is now open for applications all year round. The fund provides 80% of the standard costs of the planting of and caring for trees in deprived urban and peri-urban areas. Another fund, the local authority treescapes fund, is open to local authorities and it is also open all year round. It is there to restore tree cover impacted by disease, habitat degradation or ageing tree stock in urban and peri-urban areas. So far, 77 local authorities have been successful in the two rounds of the fund, but I encourage all Members to challenge local authorities that are not one of the 77 to look into the fund on the Forestry Commission website and consider making an application.

The £9.8 million woodland creation accelerator fund has provided much-needed financial support to two thirds of England's upper-tier local authorities, bringing in specialist skills to ramp up tree planting and woodland creation. We also have community forests, which are a real asset to our country. England's national network of community forests are planting thousands of hectares of new trees and woodlands in and around our major towns and cities. I was able to see for myself the difference that that is making. They give urban local authorities tangible expression to their declarations of climate and biodiversity emergencies, bringing trees to people and empowering communities to transform their local landscapes. We have also contributed towards the £9 million levelling up parks fund, which will create and improve

parks in deprived areas. I am sure that the hon. Lady would agree that one way to improve a park is by planting more trees.

Catherine West: I thank the Minister for her full response. Sometimes a Minister just gives a sentence and that is the end of the debate, so I appreciate the detail she is giving. Perhaps an official could write to me about which of the programmes she has cited a London borough could be eligible for. I am very aware that some of the schemes she has mentioned will be more relevant for applications from outside London. If she could arrange that, it would really help. Will she also outline whether any extra resource is available for a couple of extra officers for a large borough such as Haringey, which has nearly 300,000 people and £1 billion in turnover? Given the current economic picture, it is hard for a large London borough to take officers from other areas and put them into this important area of work. Obviously, councils are very hard-pressed at the moment, as she is aware, as she also represents a very poor part of the country.

Trudy Harrison: I am grateful to the hon. Lady for her intervention, not least for the length of it, as it has allowed me to get some clarification for her from my officials in the Box. I am delighted to tell her that all the funds that I have listed are eligible in the way that she mentioned. I urge the hon. Lady to work with her local authority and to consider using the local authority toolkit that we provided last December to maximise the benefits of tree planting.

In closing, I thank everybody involved in this area, including nurseries, tree planters, protectors, maintenance, and the 32,000-strong workforce, which will grow. I am particularly grateful to those who are developing strategies and roadmaps for timber use. I hope that we see many more buildings in our communities made out of wood. It is a little known, often forgotten, or insufficiently considered fact that building with wood—timber construction—is also an incredibly important way to reduce our carbon footprint and achieve net zero while producing beautiful homes. I think we all have fine examples of beautiful timber being used in construction.

Urban trees are an essential part of the urban infrastructure. Never before has that been more important to me than the day that we hit temperatures of over 40° in the centre of London. In Westminster, walking along Millbank, I appreciated the shade that those beautiful plane trees provided. I wish to thank the hon. Lady for giving me the opportunity to wax lyrical about our tree-mendous policies. This is why we have given tree planting historic importance, both through financial and policy support, as trees are a fundamental part—I would say the best part—of the Government's pledge to leave our planet in a better condition than when we inherited it.

Question put and agreed to.

5 pm

House adjourned.

Westminster Hall

Wednesday 10 May 2023

[JUDITH CUMMINS *in the Chair*]

Rail Infrastructure: Wales

9.30 am

Christina Rees (Neath) (Ind): I beg to move,

That this House has considered railway infrastructure in Wales.

It is always a pleasure to serve under your chairmanship, Mrs Cummins, and an honour to chair the all-party parliamentary group for rail in Wales. My hon. Friend the Member for Ogmore (Chris Elmore) is the previous chair, and I am trying my best to maintain his high standards.

My passion for trains and everything to do with railways began when I was a young child of about three. I was born and brought up in a small village in south Wales called Kenfig Hill. My grandmother, whom we called Mam, lived in nearby Porthcawl, which is a seaside town with lovely beaches and a funfair—every child's dream. We did not have a car, so my mother tried many times to take me on a bus to Porthcawl to see Mam, but I suffered, and still suffer, from travel sickness. We sat at the front of the bus and managed to travel only a short distance before the driver, who knew me well, would see me turning a terrible shade of green and have to stop to allow me to make a quick exit so as to be sick at the side of the road. However, a train ran from the adjacent village, Pyle, to Porthcawl, so my mother tried it. I was fine—no sickness—and I loved the journey.

However, when I was a teenager, along came Beeching, who closed the rail link from Pyle to Porthcawl. Infrastructure has been removed, but I have a dream that one day the freight line that runs from Neath town to Onllwyn at the top of the Dulais valley in my constituency will be converted and once more be a passenger line. Many of the original stations are still there, the freight line gauge is compatible with passenger trains and a global centre of rail excellence is being developed in Onllwyn. I will say more about the global centre later.

Members should think about the benefits of such a scheme. For example, people could take the train to work, and tourists could experience the beauty of the countryside in my constituency while riding on a train. Just before the pandemic struck, Neath Port Talbot Council leased a passenger train to drive up the freight line and test it out. Alas, the test never happened.

A famous local historian lived in Onllwyn. His name was George Brinley Evans, and we all called him Uncle George. Sadly, he passed away last year aged 96. I met Uncle George when I became Member of Parliament for Neath, and he was as passionate about trains as I am. Uncle George lent me many books about trains and railways, and he told me many stories about the rail infrastructure that existed in his time. His dream was to reopen the passenger line from Swansea to Brecon and across the borders. Maybe one day, Uncle George, we will achieve that.

There is one drawback to my love of trains, as some Members here today might know: I am a travel jinx. People who find that out then go out of their way not to travel with me. I could tell the House many stories about my innate ability, over which I have no control, to cause car, train, boat and plane journeys to go horribly wrong. I will tell just one today.

A few years ago, we held a joint event in Pontypridd with the then Welsh Government Cabinet Secretary for Economy and Infrastructure, my friend Ken Skates MS, who represents Clwyd South, and the then shadow Secretary of State for Transport, my hon. Friend the Member for Middlesbrough (Andy McDonald). After a successful event, we caught the train from Pontypridd to Cardiff. So far, so good. Then the shadow Secretary of State and I caught the train from Cardiff Central to Paddington. We got to the next stop, Newport, but the train was paused for longer than usual. We waited patiently until an announcement was made that there was a cow on the line between Newport and the Severn tunnel, so we would be bussed to Bristol Parkway.

The train was packed, and it took a long time for us to get off and make our way to the front of Newport station, where we queued for buses. We managed to get the front seats on top of a double-decker, and I prayed that I would not be sick and embarrass myself in front of the shadow.

We arrived at Bristol Parkway, only to be told that there was serious flooding on the line between Bristol and Swindon, so we would be put on a train from Parkway to Temple Meads and hopefully be able to get the cross-country train to Paddington. The journey was exhausting and stressful and took six hours instead of one hour and 50 minutes. While we were waiting in Bristol Parkway, we found a plaque on the platform about the then Secretary of State for Transport, the right hon. Member for Epsom and Ewell (Chris Grayling), opening the new platform; I still have the selfie that we took in front of the plaque. Needless to say, my hon. Friend the Member for Middlesbrough has not travelled with me since.

Setting aside my dysfunctional relationship with public transport, it is important to recognise that railways have played a crucial role in the development of the UK and Wales, connecting remote communities and facilitating trade and travel. However, despite that rich history, the railway infrastructure in Wales has faced its fair share of challenges in recent years. Today I will discuss the state of the railway infrastructure in Wales, the challenges it faces and the opportunities for improvement.

The railway network in Wales is made up of about 1,600 miles of track connecting cities, towns and villages across the country. It is a vital part of the transport infrastructure, providing a safe and efficient means of travel for both passengers and goods. However, the infrastructure is ageing and there are concerns about its safety and reliability.

One of the main challenges facing the railway infrastructure in Wales is the lack of investment. Although some improvements have been made in recent years, such as the electrification of the south Wales main line, there is still a significant funding gap in the infrastructure's maintenance and modernisation. That is particularly concerning given the network's age, with many of the tracks, stations and signalling systems in need of repair and replacement.

Geraint Davies (Swansea West) (Lab/Co-op): On the electrification of the south Wales main line, my hon. Friend will know that David Cameron promised that the electrification would reach Swansea, but it ends at Cardiff. Does she think that that is a half-done job?

Christina Rees: I thank my hon. Friend for his really important intervention. He has been a champion for the cause of electrifying the line between Cardiff and Swansea. There is also the air quality aspect; I believe he is still the chair of the all-party parliamentary group on air pollution. He will remember our visit to Vortex, a really important small business in my constituency that develops futuristic air testing quality equipment that looks like a black motorbike helmet, which gets put at the side of the road. I thank my hon. Friend very much for coming to Neath and for his intervention.

Another challenge is the fragmented nature of the rail industry in Wales. The network is owned by the UK Government via Network Rail, but the train operating companies such as Transport for Wales Rail are responsible for running the services. That can lead to a lack of co-ordination and accountability, with different companies prioritising different aspects of the network.

Additionally, the railway infrastructure in Wales faces challenges relating to the country's geography. Wales is a hilly and mountainous country, which presents difficulties in building and maintaining railway infrastructure. The terrain can make it arduous and costly to lay new track, maintain existing infrastructure and provide reliable services in areas with limited access. Despite those challenges, there are opportunities for improvement in the railway infrastructure in Wales.

The Welsh Labour Government have recognised the importance of the railway network and have made significant investments in recent years. One such investment is the south Wales metro, which is an integrated transport network that aims to improve connectivity across south Wales. The project includes electrification of the valleys lines, new rolling stock and the development of new stations and transport hubs. The metro will also incorporate other forms of transport such as buses and bicycles, making it a more sustainable and integrated transport system. A similar plan is being worked on to develop a Swansea bay metro.

The Welsh Government have also committed to developing new railway connections, such as the proposed north Wales main line upgrade. The aim of that project is to improve the connection between north Wales and the rest of the UK by upgrading the railway line between Holyhead and Crewe. It would improve journey times and increase capacity, making it easier for people to travel to and from north Wales.

Finally, we must applaud the Welsh Government for leading on the global centre of rail excellence, which is being built in my Neath constituency. It will become the UK's first net zero rail testing facility and will have a shared campus for rail innovation, research and development. It will be used for the testing and verification of mainline passenger and freight railways, and the development of next-generation solutions for the rail sector. The site will centre on two state-of-the-art loops of test track: one of about 7 km and a smaller one of about 4 km. The Welsh Government have committed

£50 million, the UK Government have committed £20 million, and a further £7.4 million is being provided through an Innovate UK R&D competition.

What needs to be done to ensure that the railway infrastructure in Wales is fit for purpose in the years ahead? First, we need continued investment in the maintenance and modernisation of the network. That will require funding from the Welsh Government, the UK Government and the private sector. That investment must be strategic and focused on the most pressing issues, such as the ageing infrastructure and the lack of connectivity in some areas. There are avenues for a substantial increase in investment if changes are made at a UK level to how funding for investment is allocated. I will say more about that shortly.

In addition, investment must focus on people. Rail infrastructure without people is just bits of metal running on other bits of metal. With that in mind, we must consider accessibility for all rail network users. It is brilliant that Transport for Wales's new Stadler FLIRTs—fast light innovative regional trains—are low-floored with retractable gap fillers that will enable level boarding. That is transformative for disabled people and will allow independent travel at some stations. However, level boarding requires both low-floored trains and infrastructure modifications to set platforms to the UK standard, so will the UK Government commit to investing in a rolling programme to achieve that in Wales and across the UK?

Transport for Wales's new class 197 trains are not low-floored with retractable gap fillers like the new Stadlers, so they will not enable level boarding. Regrettably, that will bolt in inaccessibility for decades. Why were those trains ordered, rather than trains that enable level boarding?

A recent Leonard Cheshire report claims that 40% of train stations remain inaccessible. The Access for All funding is inadequate and, according to the UK Government's own statistics, at the current rate of investment it will take 100 years for stations to be accessible and have step-free access to platforms.

Secondly, we need to address the fragmentation in the rail industry in Wales. That could involve greater collaboration among the companies involved in running the network, or even devolution of all Welsh railway funding. That would ensure greater accountability and co-ordination, leading to a more efficient and effective network. We need to remember that the Wales route has about 10% of the UK rail network. It has historically received about 1% to 2% of rail enhancement investment, and has attracted about 5% to 6% of operations, maintenance and renewal investment. It typically has higher subsidies per passenger mile than elsewhere in the UK.

The Welsh Government are responsible for the subsidy for the majority of rail operations in Wales, but not for the funding or decisions related to enhancement and OMR expenditure. The more limited investment by the UK Government, compared with the rest of the UK, on enhancements and OMR has, in effect, handed an operational liability to the Welsh Government. That is a grossly inefficient means of organising strategic decision making and the funding of vital economic infrastructure.

Thirdly, we need to continue to make the most of the opportunities presented to us for investment in railway infrastructure in Wales. That brings me to the key issue

of HS2 and what it means for Wales. Currently, HS2 is classed as an England and Wales project, despite not a single foot of track having been laid in Wales. That means that unlike Scotland and Northern Ireland, Wales will not receive a penny in funding as a result of Barnett consequentials. Had HS2 been classified as the England-only project that it clearly is, Wales would have received an additional £5 billion of funding, which could be used as vital investment in its railway infrastructure. The argument could go further: we could see HS2 as a disbenefit to Wales.

A recent noteworthy development is that at Old Oak Common. Why is OOC an issue worth debating when we talk about Welsh infrastructure investment, or rather the lack of it? With the delay in building Euston, OOC has now become the London terminus of HS2. It is not yet clear whether Euston will ever be built. The overspend on HS2 is eye-watering and any semblance of a business plan has disappeared with the ongoing contraction of the new railway, along with the promise of wider benefits long into the future for the rest of the UK.

Very little of that wider benefit would have been for Wales. There might have been some intangible benefits for north Wales, but there are absolutely no benefits for the rest of Wales and certainly none along the south Wales main line. The general consensus is that HS2 will negatively impact Wales, as a new high-speed line between OOC—I will not call it London—and Birmingham has nothing to offer Wales except extended journey times to Paddington.

We now have OOC being touted as a new destination in its own right, with the expectation that significant investment will accrue around the new station. “Build it and they will come” seems to be the mantra. The same is now being said for the HS2 terminus at Curzon Street in Birmingham, which will supposedly become a new city centre, as investment follows the new station. That is two major builds at two stations that are not in the city centre. No connecting services will be available at Curzon Street, and Birmingham New Street will be half a mile away. There is no clarity yet on how connecting passengers will move from one to the other, so any time savings are already being eaten into.

At OOC it is all about connecting to the Elizabeth line, but passengers from Wales will be able to do that anyway at Paddington, and in less time. More importantly, there is a direct disbenefit to Wales as a result of the development of OOC. The plan from the Department for Transport and the industry is for all trains to call at OOC. Indeed, that is part of the HS2 business case, particularly now that OOC is to be the southern terminus of HS2.

That will add about five minutes to every journey into Wales. The relatively recent electrification programme on the route—itself curtailed at Cardiff to save money—had, as part of its business case, a 15-minute journey time reduction between Paddington and Wales. Long-distance intercity trains from Wales, be they Great Western Railway or Grand Union, will be negatively impacted by five minutes by the need to call at OOC, so the initial business case for electrifying the south Wales main line is now undermined. In particular, I see no way any passenger for south Wales would choose a journey from Birmingham via OOC. That is one thing that the rail industry does agree on.

Beth Winter (Cynon Valley) (Lab): I congratulate my hon. Friend on her excellent speech, and in particular commend what she says about the disbenefits of HS2, which is clearly a scandal. The project shows a total disregard for the devolution settlement, and it is a disgrace that it is not classified as an England-only project. If the Minister will not listen to Opposition Members, will he consider listening to members of his own party, including members of the Welsh Affairs Committee, which produced a report on rail infrastructure that states that

“HS2 should be reclassified as an England only project”?

Only last month, all Members of the Welsh Senedd, including members of the Minister’s party, unanimously passed a motion calling on the UK Government to redesignate HS2 an England-only project, and to provide Wales with the resultant consequentials. That is the right thing to do. It gets worse, because Northern Powerhouse Rail will also be classified as an England and Wales project, despite the fact that none of the track will be in Wales. Does my hon. Friend agree?

Christina Rees: I thank my hon. Friend for her ongoing support; it means a lot to me. I am sure the Minister has heard the points she made, which I totally agree with, and will answer them. I thank her for her sterling work on the Welsh Affairs Committee, and I also thank my hon. Friend the Member for Swansea West (Geraint Davies) for his work on that Committee.

Not only does HS2 lengthen journey times on the south Wales main line, when the initial electrification investment aimed to reduce journey times, but it is all done for the benefit of an HS2 business case that no longer works, and there is nothing but disbenefit to Wales. Under the levelling-up agenda, it would not be unreasonable to extend electrification at least to Swansea, and/or make available other investment for Wales. That would help us to recover some of the five minutes lost by trains calling at OOC, and would be a fraction of the cost of the overspend on HS2. It would also mean that Wales would, for the first time, benefit from HS2, even if in a roundabout way.

Investment in Wales is now much harder to get, due to significant budgetary cuts, but investment in HS2 continues, with the business plan forever changing to fit the emerging and ever changing HS2 railway. There is no possibility that current HS2 plans would ever have been deemed acceptable in a business case review; they would never have seen the light of day. Wales suffers while billions continue to be swallowed up by a project that no longer works, when a relatively modest investment would allow Wales to at least share some of the supposed benefits of HS2.

Does the Minister agree that investment in Wales’s rail infrastructure is important both to our collective decarbonisation obligations and to the need to support economic development across all parts of the UK? On that basis, will he acknowledge the detailed work of Transport for Wales and its metro development teams over the last two years, and support the substantive rail enhancement plans that they have set out for Wales, and services over the border that impact on Welsh rail services, which will help us to meet those objectives? Primarily, we need the UK Government to commit to funding and supporting the delivery of a range of rail

[Christina Rees]

enhancement schemes up to 2030. That includes the upgrade of the south Wales main line, as highlighted in the recent Western Gateway 2050 rail vision.

Jessica Morden (Newport East) (Lab): Excellent.

Christina Rees: My hon. Friend is chair of the APPG for the Western Gateway, which is why she is cheering. The upgrade of the south Wales main line should include the new Burns stations in south-east Wales, Cardiff Parkway and the electrification of the Swansea and Vale of Glamorgan lines—and of Filton Bank to Bristol Temple Meads. The enhancement schemes should also include the upgrade of the Borderlands line to connect Wrexham and north-east Wales to Liverpool and Merseyside, using Merseyrail's new battery-powered Stadler 777s; capacity enhancements at Chester and on the north Wales main line; a first phase of Swansea bay metro to help to deliver an economic boost to the region; and immediate action, including development funding via Network Rail this year, to help to address network capacity issues at Cardiff West junction. Resolution of those issues would improve the operational capacity and efficiency of the entire core valley lines network—a requirement that was omitted from Network Rail and the Department for Transport's Cardiff area signalling renewal project in 2012 to 2015. That enhancement could be most efficiently combined with planned Network Rail renewal works.

Thank you for your patience, Mrs Cummins. I will finish with some good news—I always try to end on a happy note. This morning the global centre of rail excellence announced that it has signed heads of terms for Transport for Wales to become a major commercial premium client. That secures a long-term partnership for Transport for Wales, so that it can use all the world-class facilities at the global centre of rail excellence. The announcement follows the recent deal with Hitachi, which will also be using the premium-quality testing, product approval, training, innovation, research and development and storage facilities at the global centre of rail excellence. Those agreements indicate the global centre's commercial strength, and are great news for Neath, Wales and the UK.

9.58 am

Jessica Morden (Newport East) (Lab): It is a delight to serve under your chairship, Mrs Cummins. I congratulate my hon. Friend the Member for Neath (Christina Rees) on securing this important debate on rail infrastructure in Wales. Like her, I am a keen speaker on rail issues in this House, because they are so important for my constituency. I am pleased to be a vice-chair of the APPG for rail in Wales, which my hon. Friend chairs with great enthusiasm.

I look forward to seeing the global centre of rail excellence up and running in my hon. Friend's constituency in 2025. The expertise of CAF, a Spanish-owned train manufacturer in Newport East, will feed into the work of the centre. Will the Minister look at that company's work in manufacturing trains and trams? It is an excellent company that builds great trains in my constituency. Our Welsh Labour Government deserve huge credit for

co-ordinating and financing, alongside private sector partners, this very exciting project in my hon. Friend's constituency.

I share my hon. Friend's frustrations with the UK Tory Government's chronic underfunding of our rail network. It is important to note that, as she says, much of Welsh rail infrastructure is not devolved. The buck stops with the UK Government, and Tory mismanagement has deliberately held back fair rail funding for Wales. It is often mentioned but worth repeating that Wales accounts for a significant 11% of the route network in England and Wales combined, but receives just 1.6% of rail enhancement funding. A conservative estimate of the underfunding of Welsh railways by 2029 is £2.4 billion, but it could be as high as £5.1 billion. That is shocking. Welsh taxpayers and rail passengers have been totally short-changed by this Government, who have wilfully had their eye off the ball when it comes to Wales.

We have seen the same with HS2, as my hon. Friend said very well. The HS2 project is wholly in England and will provide little benefit, if any, to any area of Wales. Indeed, by the UK Government's own reckoning, HS2 is likely to cause economic detriment to areas of south Wales. Like my hon. Friend—and others, I am sure—I would be grateful if the Minister spelled out once and for all why HS2 continues to be classed as an England and Wales project, which deprives Wales of consequential funding through the Barnett formula. As my hon. Friends the Members for Neath and for Cynon Valley (Beth Winter) have said, it is not just Labour Members who are querying that discrepancy. The Minister will be aware of the Welsh Affairs Committee's report on Welsh rail, overseen by the right hon. Member for Preseli Pembrokeshire (Stephen Crabb), which states:

"Using the Barnett formula, Wales' funding settlement should be recalculated to apply an additional allocation based on the funding for HS2 in England."

The Committee suggested that such a reclassification

"would help to ensure that Welsh rail passengers receive the same advantage from investment in HS2 as those in Scotland and Northern Ireland."

It would be interesting to know which part of that the Minister disagrees with.

On the theme of deliberate political choices, it is worth emphasising that the Department for Transport continues to restrict the Welsh Government and Transport for Wales from providing additional cross-border services under the terms of the Wales and Borders franchise. Extra services between south-east Wales and south-west England would help to alleviate some of the pressure for my constituents, particularly those who commute between Newport, Severn Tunnel Junction and Bristol Temple Meads on services with a history of severe overcrowding. When I have flagged this issue with previous Rail Ministers, they have brushed it under the carpet. I do not understand why extra services cannot happen, so I would be grateful if the Minister explained.

I am a big supporter of the campaign for a new railway station—a walkway station—for Magor in my constituency. The campaign was spearheaded by the brilliant volunteers at the Magor action group on rail, which recently celebrated its 10th anniversary and will visit Parliament again later this month. The fast-growing villages of Magor and Undy in my constituency have been without a station since the Beeching cuts of the '60s, and there is huge local support for a station in the

area to support commuters travelling west to Newport and Cardiff, and east to Bristol. A new station for Magor would help to reduce congestion on local roads and relieve pressure on Severn Tunnel Junction in Rogiet, which has experienced an estimated 300% increase in station entries and exits over the past two decades.

The campaign for a new station for Magor is supported by Monmouthshire County Council and the Welsh Government, who have included it in plans for the South Wales Metro, as one of six new stations between Cardiff and Severn Tunnel Junction, alongside new stations in Somerton and Llanwern in Newport East. The Burns review, produced by the South East Wales Transport Commission, recommended these new stations, and the Burns delivery unit's annual report sets out a timetable for the delivery of the stations by 2029. The new stations were also endorsed by the UK Government's Union connectivity review as a means of improving cross-border transport links, and have the full backing of the Western Gateway regional partnership.

The Western Gateway 2050 rail vision document, mentioned by my hon. Friend the Member for Neath, had its formal launch in Bristol earlier this year and highlighted that the new stations are eminently deliverable; related schemes and business cases are already in planning. The stations could have transformative benefits for the communities they serve, while helping to unlock the huge economic potential of the wider region. It is important to note that the rail vision document was endorsed by train operating companies including Great Western Railway, Transport for Wales and CrossCountry, as well as my neighbour, the Secretary of State for Wales, who welcomed the "ambition" of the report and acknowledged:

"Connectivity within South Wales and South West England is vital to growing our regional economy."

Another issue that my hon. Friend the Member for Neath raised was an upgrade to the relief lines in south Wales, which is badly needed, and is an important enabling investment for the proposed new stations. The Department for Transport has yet to make funding available to Network Rail for that work. I am sure that there will be frustration about this in the Wales Office, too. In 2020, the Secretary of State outlined his support for an upgrade in his regular column for the *Abergavenny Chronicle* and the *Monmouthshire Beacon*. If he and his colleagues in the Wales Office want to join me and Labour Members in lobbying his Government colleagues on this, I would be grateful to have them on board. We need that upgrade to happen, and that funding to come forward.

I asked about the south Wales relief lines in Transport questions last month and the Secretary of State told me that the upgrade was

"being progressed to a full business case"—[*Official Report*, 20 April 2023; Vol. 731, c. 347.]

and will be subject to "careful consideration" by the Department. If the Minister could give us an update today, it would be appreciated, because the upgrade unlocks lots of other things.

Like my hon. Friend the Member for Neath, I will finish on some good news. I am reliably informed that, from a week on Monday, an additional 65 new GWR services will run between London, Newport and Carmarthen each week on nice green, quick trains. That

is a good thing that we should focus on. I am grateful for the opportunity to speak in the debate, and I will listen to the Minister's response with great interest. These are issues that Labour has raised for many years, and railway infrastructure in Wales has been neglected for too long by this Government. If they will not take action to address the legacy of neglect, a future Labour Government will be happy to step in. Passengers in Newport East and all of Wales deserve better than they have had over the past 13 years.

10.6 am

Geraint Davies (Swansea West) (Lab/Co-op): It is great to serve under your chairpersonship, Mrs Cummins, and a big congratulations to the hon. Member for Neath (Christina Rees). If, in the aftermath of the King's coronation, the Government are serious about the Union, they should stop starving Wales of its resources and making it relatively poorer, year after year. The average wage in Wales is 72.7% of the UK level; it was £21,000 in 2020, according to the Office for National Statistics. By comparison, in Scotland, the average wage is 92% of the UK level, or £26,572. The driving force behind that is the fact that over the past 20 years, Scotland has had 8% of rail infrastructure investment and Wales has had 1.5%.

As my hon. Friends have pointed out, the Tory Government have decided to classify HS2 as applying to England and Wales, even though it does not go through Wales at all. In fact, while it will reduce journey times from London to Manchester from 2 hours and 10 minutes to 1 hour and 10 minutes, the journey time from London to Swansea will remain at 3 hours. We will therefore see a distribution of investment and jobs out of Wales. Despite that, we will not get a penny piece from HS2. Scotland will get an 8% investment, or £8 billion, in line with its population figures. Wales is being robbed of £5 billion, which works out at £3,700 per household.

At a time when the poorest nation in the Union is on its back, and receives 73% of average wages, we are to get even less. That is completely unacceptable and disgraceful. That is why the all-party Welsh Affairs Committee, on which I serve, unanimously agreed that HS2 would not make up for the history of starvation that we have suffered under the Tories, and indeed before this Government, but we thought that at least we would get our fair share in the future. The Committee unanimously agreed that the project should be classified as England only, so we would get our Barnett consequential, as Northern Ireland and Scotland do. As was pointed out by my hon. Friend the Member for Cynon Valley (Beth Winter), the Senedd unanimously—the Tories, Plaid and Labour—agreed that we should get our fair share. I have had meetings with Professor Mark Berry and the Minister who, to be fair, has been friendly and accommodating in those meetings, but the bottom line is that he needs to persuade the Government to provide the resources that we need to build a stronger, fairer and greener Union, in which Wales gets its fair share.

Even ignoring the rail situation, Scotland earns much more per head than Wales, yet it gets a higher Barnett consequential. For every £1.20 spent in Wales, £1.26 is spent in Scotland. That is not right; we need our fair share.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): We talk about Wales and Scotland, and on occasion people say we are putting out a begging bowl. We have to bear in mind that London gets the highest regional funding per head through the equivalent of the Barnett formula for England. That needs to be reiterated. If that level of transport funding is good enough for London, why is it not good enough for Wales?

Geraint Davies: Precisely. The money is poured into London, which already has the wealth and the best transport system. There is an idea that there will be some sort of trickle down. In transport generally, the only place we have publicly owned transport that works is London; elsewhere, it is a complete mess because it is not controlled in the interests of the public.

Investment is the core issue I am focusing on, and we are completely starved of the resources we need. The Minister knows that Transport for Wales has worked up £2.5 billion-worth of projects that can be delivered over the next 10 to 15 years. That is half the consequential funding it deserves. I have spoken about this before, and perhaps the Minister will mention it when he responds to the debate. I hope that his officials in the Department for Transport are engaging with Transport for Wales to get some of those projects up and running.

Some projects have been mentioned already, including the Swansea metro and connectivity in south Wales. The reality is that 3 million people live in Swansea, Cardiff and Bristol. That economic and population cluster should be connected up, but connections between Swansea and Bristol run about once an hour, while connections between Leeds and Manchester—an equivalent area—run about eight times an hour. To rub salt in the wounds of Wales, we have just been reminded that the Government have decided to classify Northern Powerhouse Rail as an England and Wales project, so more money will go into that project instead of to Wales; we will get nothing. We also need more connectivity between Holyhead and Crewe. There are plans for a freeport, and at the moment the strategy is that everything is going to be sucked out of Wales and into Liverpool.

We should all share a vision of a stronger, fairer, greener future for all the United Kingdom, but in particular for Wales, where we have the opportunity to build renewables and green energy. We know that freight, for example, is going to grow by 30% by 2035. The Government should be investing in Wales rather than putting us down and not letting us achieve our true potential.

Beth Winter: On the point of a green future, we are facing a climate crisis. My office in south Wales has been doing some work on the development of an integrated transport system in Wales. If Wales had what I regard as its entitlement—£5 billion in consequentials, because HS2 is an England-only project—that would fund the Wales and Swansea Bay metros and the integration of the north Wales line with Merseyside, and allow us to connect Aberystwyth and Swansea by train. Does my hon. Friend agree that the UK Government have a duty to properly fund public transport so that we can address the existential crisis facing our planet?

Geraint Davies: Precisely. The Welsh Government, in their wisdom, have quite rightly decided that we need to shift our focus from personal car use and diesel to public

transport and rail. However, they are not being accommodated by the UK Government, who give us the money we need to provide infrastructure that enables people to move around more modestly, and to work from home and so on, in order to save the planet and build the economy.

We will face an election next year, and there is a question about what, precisely, the Labour Government are going to do about this. My hon. Friend the Member for Slough (Mr Dhesi) will respond to that, but I will make a point about the numbers. If we had half the money that we require—£2.5 billion of the £5 billion—the schemes that have already been worked up by Transport for Wales could be delivered in 10 to 15 years. That represents 5% of the 5% share that Wales should get from the £28 billion that the Labour party is promising each year in green investment.

I hope that my hon. Friend will respond to that point, but what I am saying is that the Labour party has already put forward a plan for green investment that can easily accommodate our needs in terms of rail. What is the Minister doing about it? I fear that he is not doing anything. It is about time we had a stronger, fairer, greener future for Wales and we got the rail investment we deserve.

Judith Cummins (in the Chair): I call Liz Saville Roberts.

10.15 am

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr iawn, Gadeirydd. Like so much in Wales, railways have massive potential, but—again, like so much in Wales—we need the infrastructure boost that can be provided only by a central Government equipped to put the best interests of Wales first.

We have some of the oldest railway infrastructure in the UK, which requires a high level of additional spending—frankly, it is safe to say, almost all the additional spending that we get for Wales—just to maintain its current poor quality and stay where we are. High-quality and reliable public transport is essential for boosting the economy and connecting our communities. As has already been mentioned, it is also a vital plank for the greening of our society, as investing in public transport is one of the most effective ways of reducing carbon emissions. That investment is not happening in Wales, as we are being starved of funding by the Treasury. Its current position is that billions spent on railway projects in England somehow benefit Wales. That is, of course, a fantasy of convenience for the Treasury.

It is important to reiterate, as many hon. Members have already said, that Wales is being robbed of billions of pounds of funding—£5 billion from HS2 and £1 billion from Northern Powerhouse Rail alone. We have heard that the Welsh Affairs Committee recommended in 2021 that HS2 should be reclassified as an England-only project. That would ensure that Welsh rail passengers received the same advantage for investment in HS2 as those in Scotland and Northern Ireland, who are already receiving Barnett consequentials from the project. It is a matter of equity, and we have heard convincing arguments.

The Government's own economic analysis of HS2 shows that it will produce an economic disbenefit for Wales. In other words, it will cause an economic hit, not an economic boost. We know that Wales is losing out

when it comes to HS2, yet the Labour party has still yet to commit to bringing that funding to Wales if it enters government. I hope that the shadow Minister, the hon. Member for Slough (Mr Dhesi), will make the party's position clear and guarantee that funding will make its way to Wales in the future, which many Labour party members have already expressed desire for.

That money, which is owed to Wales, would be transformational. It could be used to improve connectivity in rural areas such as my constituency of Dwyfor Meirionnydd, where we are dependent on the Cambrian coast line and the Conwy valley line. Many of my constituents suffer from unreliable services, too often in the form of buses. I am delighted that Network Rail has undertaken structural work at Barmouth viaduct and, previously, at Pont Briwet. Those bridges recently celebrated their 150th birthdays—their century and a half. But all that work does is maintain what is already there; it does nothing to enhance it.

The Welsh Affairs Committee report also noted:

“Improving transport infrastructure within Wales must be a priority and should focus on how infrastructure initiatives can remedy deprivation, boost the Welsh economy and contribute to meeting decarbonisation targets.”

Interestingly, the Committee noted:

“Enhancements should include a focus on improving connectivity within Wales, such as more efficient rail links between North and South Wales”.

Transport for Wales figures suggest that completing the north-to-south-Wales rail route along the western seaboard from Bangor to Swansea would cost around £2 billion. Interestingly, that is a third of the £6 billion owed to Wales from what I will call the Barnett inconsequentialities.

For too long, transport policy has mainly focused on improving connectivity with England, rather than within Wales itself. We could use the money that Wales is owed by the Department for Transport to begin to rectify that policy decision. As I alluded to earlier, underinvestment in railways in Wales means that our maintenance costs are higher. Wales's share of maintenance and renewal spending is higher because much of it is necessitated by the fact that Wales's railway infrastructure is older and in poorer condition than elsewhere. The Wales Audit Office calculated that between 2011 and 2016, the Welsh Government spent £226 million on infrastructure enhancements over and above Network Rail's spending of £1.4 billion, most of which—I reiterate—was spent on maintenance rather than on enhancements.

Opponents of the type of high subsidies that we are requesting would use those figures to say that there is no reason to invest more in rail infrastructure in Wales.

Geraint Davies: If I can make a technical point, does the right hon. Lady accept that because the UK Government have not invested in rail enhancement, maintenance costs have risen and the productivity of the lines has fallen? We have ended up in a situation whereby the Welsh Government pay the bills by taking money from other needs, such as health, to make up for the lack of investment by the UK Government, with the net effect that there is less money and lower productivity for the poorer nation, which is disgraceful.

Liz Saville Roberts: Yes, and we see that happening over and over again. The hon. Gentleman mentioned other service areas. I could mention the police as well, because the Welsh Government fund a number of additional police community support officers.

In effect, the people of Wales are suffering from a double whammy to maintain services in Wales, because they are paying in two instances. We are talking specifically about HS2 and the £6 billion. That money could make a measurable and significant difference to a Government dedicated to putting the interests of Wales first. It is deeply disingenuous of the UK Government to argue that Wales should be treated differently from Scotland and Northern Ireland, when treating it in the same way would make a clear difference to the rail infrastructure that we presently have, which is being maintained only to keep us in the status quo and is insufficient.

The additional subsidies that we are having to provide in Wales are a symptom of the chronic underinvestment in capital spending, which inevitably results in far higher maintenance costs. Capital spending on essential infrastructure such as railways should be seen as an investment and not as a burden; it should be a driver in addressing inequality. It should be seen as something that Wales needs as well as deserves, and of course it would reduce overall maintenance costs and provide a better service in the long term.

It is important to note that the costs of infrastructure projects in general have been driven up by a combination of covid-19-related supply chain disruptions and inflationary pressures, pushing up the costs of materials and skilled labour. The Welsh Affairs Committee recently heard of one such example in correspondence from the chief executive of Transport for Wales. He set out how the pandemic, escalating inflation and the consequences of leaving the EU have combined to push up the projected cost of the south Wales metro from £738 million to over £1 billion. These are political changes, and I would expect the Government in Westminster to take some responsibility for their role in aspects of them.

The impact of inflation on infrastructure projects in Wales must be considered in the wider context of the limited fiscal settlement within which the Welsh Government operate. Limits placed on their borrowing capacity and the clawback mechanism, which penalises them for carrying money over from one financial year to the next, combine to restrict the Welsh Government's ability to deliver large-scale infrastructure projects.

Of course, this debate is part of a much wider discussion about how Wales's fiscal settlement locks the economy into a damaging cycle of low productivity. However, for the purposes of today's debate, I simply urge the UK Government to look again at the Welsh Government's request that their borrowing capacity be increased, at the very least in line with inflation, and that consideration be given to the Welsh Government's means of carrying money over, as Westminster can choose to do.

Geraint Davies: Does the right hon. Lady agree that, in addition, the end of EU structural funding, which has a timespan of about seven years, means that Wales is not in a position independently to invest in infrastructure over the medium to long term, and that it needs that investment and assurance, and the devolution of rail infrastructure?

Liz Saville Roberts: Indeed. Of course, if anything requires a long-term strategy from Government, it is rail infrastructure. The short-term approach to replacing European structural funds that we have seen so far is desperately inadequate for our communities in Wales.

[Liz Saville Roberts]

I am glad to hear from Labour about the constitutional arrangements for railways—I hope that that may foretell a fortunate route—but as things stand they are highly dysfunctional. The current arrangements are such that Wales has powers over the operation of trains but not over the track. That does not work; it is highly inefficient, and it has been a major barrier to developing a fully integrated public transport network across communities in Wales.

Unlike in Scotland, nearly all infrastructure planning and the funding of Network Rail in Wales is reserved to the UK Parliament, aside from in relation to certain lines, such as the core valley lines. That makes it very hard to integrate other forms of devolved public transport, such as buses and active transport, with rail.

The Wales Governance Centre calculates that for Wales there is a strong financial case for the full devolution of rail infrastructure along the lines of the Scotland model, and analysis of Network Rail enhancement spending between 2011-12 and 2019-20 indicates that Wales would have benefited from an additional £540 million of spending under a devolved system during that period. Not only would devolution be beneficial on a policy level, but Wales would be better off economically.

I urge the UK Government—again—to redesignate English rail projects such as HS2 as benefiting England only, so that Wales would receive the Barnett consequential funding we have every reason to expect. This is a matter of justice and fairness, not charity. Wales is entitled to receive the same funding for railways as elsewhere in the UK, but it is not. In the longer term, we want to tackle the climate crisis, improve productivity and enhance the wellbeing of people in Wales. Devolution with respect to rail infrastructure to achieve that is essential. Diolch yn fawr.

10.25 am

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): It is a pleasure once again to serve under your chairship, Mrs Cummins, and I congratulate my hon. Friend the Member for Neath (Christina Rees) on introducing this important debate on Welsh rail infrastructure. She is indeed passionate about rail as chair of the all-party parliamentary group for rail in Wales, and I have seen that passion for myself thanks to her active participation in and support for the all-party parliamentary group on the western rail link to Heathrow—a long overdue project that would benefit the good people of Wales as well as people in my Slough constituency and beyond.

As we witnessed the last time we debated this very issue in detail in Westminster Hall, there are strong feelings on both sides of the House, although one could not detect such feelings today owing to the fact that not one Welsh Conservative Member has come to speak in the debate. Connecting Wales within and across its borders is a matter of great importance not just for the people of Wales, but for those who visit, work and enjoy all that that great country has to offer, as my wife and I had the pleasure of doing when we went to Snowdonia in north Wales.

As my hon. Friend the Member for Newport East (Jessica Morden) eloquently explained, it is vital that rail infrastructure in Wales does not fall behind owing

to underfunding and lack of attention, as is currently the case under the Conservative UK Government, particularly at a time when we need to be building up our rail capacity and ensuring that we have the greenest, most accessible and most affordable network possible.

The latest numbers indicate that passenger journeys in Wales hit 17.7 million last year, with more than 60% of those journeys occurring within Wales. However, that is a 41% decrease in passenger numbers compared with 2019-20. Ensuring that passenger numbers increase and that more people in Wales can easily travel by rail have only increased in importance post-covid, but with failing infrastructure impacting services, passengers will be increasingly likely to choose more convenient but more polluting alternatives. We must halt the backwards slide caused by the pandemic and ensure that the best possible infrastructure is in place and delivering for Welsh passengers.

The previous Labour Government ensured that there was devolution in many forms and ensured that the Welsh Government could have greater control, and the 2021 Welsh Affairs Committee report, “Railway Infrastructure in Wales”, with which the Minister is no doubt familiar, outlined clearly the connection between enhanced rail infrastructure, integrated public transport, decarbonisation and, ultimately, improved quality of life. That is clearly something that we all stand behind today. Improved rail infrastructure has the power to transform. However, poor passenger experience, due to failing infrastructure, will undoubtedly drive down passenger numbers, and all the hard work put into the network by the Welsh Labour Government will unfortunately prove futile.

As my hon. Friends the Members for Swansea West (Geraint Davies) and for Newport East both noted, the Welsh Government, along with Transport for Wales, are fulfilling their part of the deal. They have come to agreement with the unions on industrial disputes, avoiding strikes; they launched a new fleet of trains earlier this year; and they will be ensuring the roll-out of smart ticketing on the Wales and Borders network. I witnessed that recently on a trip towards Chester, when I discussed cross-border enhancements. They have even made a commitment to ensuring that overhead lines on the core valley lines will be powered by 100% renewable energy, with at least 50% of the energy from Wales.

Liz Saville Roberts: The hon. Gentleman is describing many very beneficial investments, but can he commit that the Labour manifesto will include a commitment to devolved rail infrastructure, and to reinstating the England-only nature of HS2 and similar England-only rail investment, so that Wales receives the full Barnett consequential it deserves?

Mr Dhesi: We will look into what further devolution can be provided, and I will elaborate on HS2 in due course. With each success that the Welsh Labour Government deliver, they ensure there is a better and stronger railway, but the reality is that their hands are tied on infrastructure. Passengers are paying the price for years of underfunding of key projects.

Despite the fact that the Wales route covers 11% of the UK network, as my hon. Friends the Members for Swansea West and for Newport East mentioned, between 2011 and 2016 it received 1.6% of the enhancement

budget for that period. That persistent and historical lack of proportional funding has come at a cost. The people of Wales are tired of hearing the same excuses, as we have heard today. On HS2 and Northern Powerhouse Rail, colleagues have made it clear where they and their constituents stand. With the Government's current position on Barnett consequential, they must ensure better connectivity to HS2, and the timely and on-budget delivery of the project.

The Minister must deliver more tangible benefits for Wales. I would be grateful if he outlined exactly how he will make this possible by improving cross-border connectivity, particularly to HS2 stations. Sadly, this comes on top of industry stakeholders and passengers being left in the lurch with other future rail infrastructure projects. With the rail network enhancement pipeline consistently delayed, perhaps the Department could shed light on that, considering that the projects within it could give much-needed clarity and benefits to Wales.

In this Parliament, the Government have promised the publication of RNEP more than 40 times, saying they will deliver it "as soon as possible", "very shortly", "in due course", "in the near future", "in the coming months", and after spending reviews that come and go. It is like an episode of "Yes, Minister". Three and a half years since the last annual update of RNEP, we are still waiting. Considering the importance of that work for the future of Welsh railway infrastructure, will the Minister finally give a definitive publication date?

Unfortunately, the theme of the Department for Transport under the leadership of this Tory Government seems to be dither, delay and disappointment: no RNEP, no details on Great British Railways, and now there are concerns about further funding cuts to Network Rail. Is that the Government's vision for the future of our railways? In Wales, that lack of clarity means projects are left in limbo. It is unclear how Wales will fit into the new system of running our railways, and vital funding for safety and maintenance has been called into question.

There has been some good work—my hon. Friend the Member for Neath noted that some level boarding enhancements have been implemented to improve disabled accessibility—but much more needs to be done. Rail lines in south Wales and between Holyhead and Crewe need enhancements and electrification. A future Labour Government will deliver an annual rolling programme of electrification of our railway lines to benefit the good people of Wales, not just people in other parts of the country.

Will the Minister provide some reassurance on that and outline how his Government's plans will impact Welsh rail infrastructure and services? Further uncertainty will simply not cut it. The Government must not continue to sideline Welsh railway infrastructure and provide chronic underfunding for people in Wales. The Welsh Government's work to ensure people have a real choice in how they travel is vital, but their bold vision needs the support of the UK Government. A future Labour Government will provide that support to deliver a greener, fairer, brighter future for everyone.

10.37 am

The Minister of State, Department for Transport (Huw Merriman): It is a pleasure to serve under your chairship, Mrs Cummins. I send my best wishes to the good

people of Bradford, who also have a very good case when it comes to rail investment. I will leave it there, but you know exactly what I mean.

I thank the hon. Member for Neath (Christina Rees) for opening this debate on Welsh rail infrastructure, and for chairing the all-party parliamentary group. I really enjoyed her speech. Her love for the railways—if not for other modes of transport that cause her to hold her stomach—is heartwarming. As the spelling of my name suggests, Wales is the land of my father. Indeed, my daughter is now at Cardiff University, so I have a lot of time for it; it is very close to my heart.

Notwithstanding the fiscal challenges facing the Government, the March Budget confirmed funding for rail enhancements for the next five years. We are supporting ambitious and transformative growth plans for our railways. Through the excellent collaboration mechanisms that we have established with the Welsh Government and other stakeholders in Wales, there is now a real opportunity to drive forward sustainable, integrated transport solutions that deliver for the people of Wales and the wider UK economy.

Sir Peter Hendy's recent Union connectivity review, which hon. Members have mentioned, recognised and endorsed the quality of work undertaken by the South East Wales Transport Commission and other pan-regional groups in Wales. I look forward to the North Wales Transport Commission's report later this year, and to working with stakeholders in Wales to tackle strategic transport needs and deliver improvements for all rail users.

I want to address the points that hon. Members made about rail funding in Wales and the case for HS2, but first I will take a moment to address the basis on which rail enhancements are funded across Great Britain. The UK Secretary of State for Transport is responsible for funding and specifying Network Rail infrastructure for England and Wales, and Scottish Ministers have devolved responsibility for funding and specifying rail infrastructure in Scotland. The funding arrangements follow those responsibilities. The UK Department for Transport is therefore funded to spend money on heavy rail infrastructure in Wales, but rail in Scotland does not benefit from any UK Department for Transport spending. The Scottish Government receive Barnett-based funding so that they can fund Network Rail themselves. Those arrangements are the same as for other responsibilities that are reserved in England and Wales, but devolved in Scotland and Northern Ireland.

Turning to HS2—

Geraint Davies: Will the Minister give way?

Huw Merriman: I will complete the HS2 part, because I sense the hon. Gentleman might have something to add on that.

Although Wales will not receive any HS2 services, it is positively impacted by HS2's construction and operation. As I have stated, the UK Government are responsible for heavy rail infrastructure across England and Wales; they spend money in Wales directly rather than funding the Welsh Government to do so. Current plans would see Welsh passengers benefiting from an interchange at Crewe, with HS2 providing shorter journey times to north Wales than is currently possible on the west coast

[Huw Merriman]

main line. Journeys from Bangor to London using new HS2 services will take an estimated two hours and 30 minutes, down from the current three hours and 17 minutes on the direct Avanti West Coast services. HS2 will free up capacity on the existing west coast main line, which could be used for additional services.

Passengers from Wales will be able to quickly access services to Heathrow and central London via an interchange at Old Oak Common with the Elizabeth line, as the hon. Member for Neath mentioned, without having to go via London Paddington. HS2 will continue to provide Welsh companies and workers with opportunities to work in the HS2 supply chain—44 of HS2 suppliers are Welsh small and medium-sized enterprises. We will of course continue to engage collaboratively with Transport for Wales and regional stakeholders in Wales and border areas as we progress proposals for improved connectivity and journey times on the existing rail network while HS2 comes into being.

Geraint Davies: The Minister pointed out that infrastructure investment is devolved to Scotland and therefore the money for England and Wales would all be spent in England. The assumption is that Wales will benefit, which it does not. Does he accept that there is a compelling case for infrastructure investment or enhancement to be devolved completely to Wales so that we get our 5% share over time, in the same way as Scotland has had its 8% share over time? We have the infrastructure and Transport for Wales to deliver those projects. Is he working with Transport for Wales to ensure that that happens?

Huw Merriman: To answer the hon. Gentleman's point, we remain committed to the position as stated. It will continue to be the case that the UK Government will fund the projects in England and Wales, and I will talk a little bit about the enhancement pipeline. This point needs to be made more to the hon. Member for Slough (Mr Dhesi). I listened carefully to his question about HS2's Barnett consequential, which will add to the bill for HS2. It is already a mission of mine to restrain costs to the level that we are currently running. I did not receive a clear answer, so if he believes, as I think he stated, that the Welsh Government will be in this space, it will be interesting to get absolute clarity—not just, “We will look at it.” Is it the case that all of the points he has made will add to the bill for HS2?

Mr Dhesi: I thank the Minister, because he allows me time to provide clarification. It was the previous Labour Government that provided devolution so that the good people of Wales could decide on more aspects of their lives on a day-to-day basis. That is why we have said that we will look into further devolution on aspects such as transport—unlike the current Government, who say they fund the rail and transport infrastructure for the whole of England and Wales. That is all fine and dandy, but they are not providing sufficient infrastructure spend in Wales. The problem is chronic underspending, and that is something that the Minister still has not explained.

Huw Merriman: I was very excited when the hon. Member said he would answer that point, because it was a pretty direct one. I have said that we will not look to add the Barnett consequential bill that his Back

Benchers have requested, so I have been very clear on that front. The question is whether he would do so. I do not know whether other hon. Members felt that they got a clear answer to that, but I did not. To the Labour Back Benchers who are calling on me to do this, I say that I have been very clear that we will not be doing so. I am not entirely sure what their position is.

Liz Saville Roberts: Will the Minister give way?

Huw Merriman: I will make some progress, if I may.

Geraint Davies: Will the Minister give way on this?

Huw Merriman: I will not give way, because I have given way already twice before. [Interruption.] As the hon. Member for Swansea West (Geraint Davies) has pointed out, I have given him a lot of my time to discuss these matters. I have done so with courtesy and, I hope, with interest. I have always been direct in responding, as I was just now. I hope he will afford me the same courtesy as I continue with the speech.

The UK Government have supported the Welsh Government in their ambition to have greater control over Welsh rail infrastructure. That is evident in the collaborative approach we took to working with our partners to divest the core valley lines to the Welsh Government in 2020. The Department's response to the Silk Commission's recommendations concluded that

“full devolution of Welsh rail infrastructure would be of no immediate benefit to passengers and freight.”

That view was endorsed by the Welsh Affairs Committee in 2021.

Liz Saville Roberts: Will the Minister give way?

Huw Merriman: As I have not given way to the right hon. Lady, I will do so.

Liz Saville Roberts: I thank the Minister. The fact that he has raised that point is immensely significant. Will the Government reconsider their position in the light of their announcement of their intentions for the freeports in Pembrokeshire, Port Talbot and Holyhead, and for freight? That is my major question.

It disappoints me to hear the argument that we should accept the contracts that are being given to Wales-based organisations as the only thing that Wales deserves from HS2. Frankly, that is very short-termist, and I would expect a UK Government to ensure that those contracts were fairly distributed throughout the UK. On freeports, there is a chance here to reconsider.

Judith Cummins (in the Chair): Order. I remind Members that interventions should be short and to the point.

Huw Merriman: I gently point out that I did not say that the one benefit to Wales would be the Welsh additions to the HS2 supply chain and workforce. I listed a whole number of benefits relating to service times as well. That is on the record in *Hansard*.

I am passionate about what HS2 will do for the UK in its entirety. It will bring great benefits. It runs through the spine and will allow better connectivity to Wales and back into England, and vice versa. It has a huge amount to add, so I believe that once it is built, the

benefits will be there for hon. Members not only to see, but to enjoy and use. It will level up all parts of England and Wales as a consequence, and it will have those benefits. I am passionate about what HS2 is delivering. I felt that there was too much negativity in the room for me not to make that point.

Geraint Davies: Will the Minister give way?

Huw Merriman: I will make some progress. I want to be clear: we are investing in Welsh railways. In its most recent statistics published for 2020-21, the Office of Rail and Road reports that Government funding of the operational railway was £2.04 per passenger mile in England and £3.85 per passenger mile in Wales. That is almost 90% higher. The current railway control period—control period 6 between 2019 and 2024—saw a record £2 billion revenue settlement for Network Rail in Wales, which is more than double the £900 million invested previously. Of that, almost £1 billion is being spent on renewing and upgrading infrastructure to meet the current and future needs of all passengers, such as the complete restoration of the iconic Barmouth viaduct in Gwynedd. The development and delivery of enhancements to the railway network in Wales is also proceeding at pace. Passengers benefit from new stations, providing additional connectivity, together with improved accessibility at existing locations.

Christina Rees: Will the Minister clear up something that I am not too sure about? In the original plans for HS2, at Crewe there was to be a connectivity hub that would face Wales, to join interconnecting services from Transport for Wales and other companies that would feed in. Is that still on the table, or has it been scrapped?

Huw Merriman: I will write to the hon. Lady, because I am due to work across Government to try to boost the ambitions for Crewe as HS2 comes to it. Only last week, I had a meeting with the Department for Levelling Up, Housing and Communities to discuss Crewe and what we could do to make sure HS2 leaves an ambitious legacy there. I will write to her, because those discussions and our intended deep dive may give her the further detail that she is deserving of.

I was mid-flow; I was about to say that level crossings are being upgraded to allow Transport for Wales to operate longer and more frequent trains on routes across Wales. Signalling systems are being upgraded to state-of-the-art digital technology, which will support the introduction of new high-performance Welsh-built trains with greatly improved passenger facilities and comfort. The Cardiff capital region is benefiting from more than £250 million of UK Government investment in the core valley lines, Cardiff Crossrail and the transformation of Cardiff Central station—schemes that can be delivered only through strong and effective collaboration with the Welsh Government and local authority partners. I am committed to that collaboration.

That work is happening now, but there is a lot more coming down the pipeline. Hon. Members will know that Lord Hendy's independent review of UK transport connectivity was published in November 2021. In response, the Government set aside funding to support feasibility studies into options for strengthening some of the UK's main transport arteries, in line with Lord Hendy's

recommendations. I am pleased to say that my Department's officials have been engaging positively with the devolved Administrations and delivery bodies to identify potential projects for that funding to support.

I believe that the hon. Member for Newport East (Jessica Morden) mentioned the south Wales relief lines upgrade. That is now being progressed to a full business case, which the Department will carefully consider very shortly. We will continue to engage with the Welsh Government, with Transport for Wales and with the other devolved Administrations and will consider opportunities to collaborate further on projects that address the recommendations of the Hendy review.

Looking further ahead, the way people use the railway is changing. We are investing in ensuring that it supports passengers, freight and the economy of the future. I can tell the hon. Member for Neath not only that will we provide more details about the enhancement pipeline, but that we are signing off on projects and getting on with them right now. They have to be affordable, while also responding to demand for travel. In that context, and in response to a recommendation from the Welsh Affairs Committee, we are pleased to have established a Wales Rail Board to further strengthen collaboration between the UK and Welsh Governments. The board, which meets regularly, is establishing a strategic programme of rail infrastructure and service development in Wales, including cross-border connectivity. That programme will represent a shared vision between the UK and Welsh Governments on the rail infrastructure required to address strategic transport issues and deliver meaningful benefits to the population of Wales and the United Kingdom.

Let me move to the matter of the global centre of rail excellence. I welcome the great news given to us today by the hon. Member for Neath, who has been a great champion of this constituency jewel. She has invited me to visit it; I look forward to doing so, I rather hope by the end of June. The establishment of the centre, which is supported by £30 million of UK Government funding alongside contributions from the Welsh Government and the private sector, has the potential to support innovation in the UK's rail industry and put Wales firmly on the map as a powerhouse in the testing of cutting-edge technology. I look forward to visiting. I also look forward to visiting, if I can, CAF Wales, as it is so nearby. I am grateful for the invitation.

Time is pressing, and I should mention the hon. Lady's point about the Restoring Your Railway scheme and the restoration of the closed Beeching lines. We have had a very successful programme, and more than 200 right hon. and hon. Members have sponsored projects. Of course, it is not possible to take all projects forward, but I am proud that we are able to take some forward. I have already visited one that has opened, and many more will be invested in.

Access for All was also mentioned. It is important that we ensure that the railway is accessible to all. Some 220 stations across the UK have been made fully accessible, and another 1,500 stations have been given improvements to assist in that regard. Another programme is available, and I look forward to assessing applications.

Geraint Davies: Will the Minister give way one more time?

Huw Merriman: I will not, if the hon. Member does not mind. I have given him quite a lot of time, and I want to hand back to the hon. Member for Neath. No doubt we will speak afterwards.

Investment in Wales's transport infrastructure is an investment in future generations, not just for Wales but for the whole UK. Ensuring that our transport capability matches our great ambitions for our constituents' prosperity and wellbeing is a priority for this Government that I know everyone in this room shares. We owe it to our hard-working constituents to invest in the most sustainable forms of transport for the future, delivering both on the green industrial revolution and on our pledge to grow and level up the economy and create opportunities for everyone across Wales and the UK. I conclude by thanking the hon. Member for Neath for calling this debate.

10.55 am

Christina Rees: I thank my hon. Friends the Members for Newport East (Jessica Morden) and for Swansea West (Geraint Davies), the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) and my hon. Friend the Member for Cynon Valley (Beth Winter), who have shown their passion, vast knowledge and commitment to improving all aspects of rail infrastructure in Wales. The Minister has heard our concerns. I urge him to fight for funding to improve rail infrastructure in Wales.

I look forward to the Minister's visit to the global centre of rail excellence—I am sure he could bring his daughter as well. I extend the invitation to all hon. Members here today, including the shadow Minister, my hon. Friend the Member for Slough (Mr Dhesi). You should visit too, Mrs Cummins: I know what a champion you are for improving rail infrastructure in your Bradford South constituency.

Jessica Morden: And buses!

Christina Rees: And the buses.

Question put and agreed to.

Resolved,

That this House has considered railway infrastructure in Wales.

10.56 am

Sitting suspended.

Prison Officers: Pension Age

11 am

Gordon Henderson (Sittingbourne and Sheppey) (Con): I beg to move,

That this House has considered the pension age of prison officers.

May I say how nice it is to see you in the Chair for the first time, Mrs Cummins? I have led lots of Westminster Hall debates in which the only other Member present was the hon. Member for Strangford (Jim Shannon), who is always here. Moving the motion feels a little like groundhog day because I moved identical motions in October 2019 and in November 2021. I have also tabled a number of parliamentary questions about the scandal that many prison officers are expected to work until they are 68, when their counterparts in the police and fire services are able to retire at 60.

I have raised the issue many times because I hoped that the Government would accept that the pensions disparity is unfair and would take steps to rectify it. Sadly, successive Prisons Ministers have failed to do so, but I am nothing if not persistent, so I am here again to speak out on behalf of prison officers, including those working in my three local prisons, His Majesty's Prisons Elmley, Standford Hill and Swaleside.

Let me begin by reminding my right hon. Friend the Minister that the law in relation to prison officers is quite clear. The Prison Act 1952 gives prison officers

"all the powers, authority, protection and privileges"

of police officers. However, despite that clear legislative statement, prison officers do not have the same protection and privileges as police officers when it comes to their pension rights. That problem dates back to at least 2011, when Lord Hutton undertook a review of public sector pensions in which he did not take the 1952 Act into account, and prison officers found themselves forced to work eight years longer than police officers in order to claim a full pension.

Janet Daby (Lewisham East) (Lab): I recognise the hon. Member's persistence on this issue, for which I am very grateful. The Minister will know that I sit on the Select Committee on Justice, which has heard from the Prison Officers Association. Would the hon. Member be interested to know, as I would, what the Minister would say to the POA regarding retirement age, about which it has expressed strong concerns?

Gordon Henderson: As somebody who has worked very closely with the POA over my 13 years as a Member of Parliament, I certainly would. I will come to the stance of the POA later in my speech.

Jim Shannon (Strangford) (DUP): First of all, it is a pleasure to serve under your chairmanship, Mrs Cummins. I may always be in Westminster Hall, but it is lovely to see you in the Chair.

I congratulate the hon. Gentleman on introducing the debate. I have raised this issue before, as I know he has. We have signed early-day motions on the issue, and Members will know where I stand on it. Prison officers carry out some of the most brutal public service work in dangerous and often violent conditions. Often it has intense impacts on their mental and physical health,

making it a large demand to ask them to work until they are 68. Does he agree that prison officers' retirement age should be aligned with that of police officers, and that the retirement age of 68 puts people off training to become great prison officers?

Gordon Henderson: Not only do I agree, but I will go on to explain why. The Hutton report set up a protected group, stating that

“for the uniformed services—the armed forces, police and firefighters—where pension age has historically been lower to reflect the unique nature of their work a pension age of 60 is appropriate.”

Unfortunately, prison officers were not included in that protected category, which is both wrong and puzzling, not least because the work of uniformed prison officers is definitely unique.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I rise as co-chair of the justice unions parliamentary group; I also work with the POA. Not only is the retirement age wrong and unfair, but it has a direct effect on the quality of the service provided in our prisons. We know that recruitment is in crisis. More than that, retention is in crisis. We lose good-quality prison officers because, with these pension arrangements, they are not prepared to stay.

Gordon Henderson: No one could argue with what the right hon. Lady says. I certainly would not.

I was talking about the uniqueness of the Prison Service. For instance, each day of prison officers' working lives, they are expected to act in a range of different roles, including as social workers, teachers, dispute resolvers and, most significantly, police officers and firefighters within the prison. That range of responsibility is unique in the public sector, which makes the exclusion of prison officers from the protected category deeply unfair.

When challenged about that unfairness only last year, the Government's response showed a disappointing and surprising lack of knowledge about working in a prison environment. Lord Stewart of Dirleton said that

“by comparison with emergency services such as the police or fire brigade, while the environment is a challenging one, it is to an extent controlled, which those other occupations are not. In that context, we consider that 68 is indeed an appropriate age at which to retire.”—[*Official Report, House of Lords*, 16 June 2022; Vol. 822, c. 1683.]

I have to tell the noble and learned Lord that his conclusion is utter nonsense. Many prisons are violent places in which some very dangerous and resentful criminals are incarcerated against their will.

Ian Lavery (Wansbeck) (Lab): The hon. Gentleman has mentioned the protections in the Prison Act 1952 but, regardless of that Act, how on earth do we expect people of 68 years of age to be rolling around the landings with some of the most dangerous criminals in this country? Regardless of the rules and regulations, how come there is such a massive difference between other protected services and the Prison Service? Rightly, the pension age is 60 in the police and fire services. Have a look around the Chamber at Prime Minister's Question Time: how many 60-year-olds are sitting there who are past their sell-by date? Can anyone imagine some of them getting on the landings with the most dangerous criminals in this country? I really cannot.

Gordon Henderson: As someone who is 75, I can assure the hon. Gentleman that I do not feel I am past my sell-by date, but I recognise that next year, when I am 76, I will be, which is why I will not be standing at the next election.

I was talking about violence in prisons. It is hardly surprising that prisoners rebel against authority and take their resentment out on those in charge. Assaults on prison officers have increased dramatically over the past few years. In addition to those violent criminals, there is an increasing incidence of gang culture, radicalisation among some prisoners and a proliferation of terrorists in our prisons, none of whom have much to lose if they mount an unprovoked attack on prison staff.

I point out to Lord Stewart that his conclusion is wrong, because it does not recognise the fact that police officers come into direct contact with violent criminals only for limited periods, mainly during their arrest and interrogation. However, once those criminals are tried, convicted and sent to prison, it is prison officers who are expected to be in close contact with them 24 hours a day, every day, week, month and year of their sentence. For that reason alone, as the hon. Member for Lewisham East (Janet Daby) said, it is totally unfair that police officers can retire at 60 while prison officers have to work until they are 68, doing some of the most difficult tasks that we could impose on them.

Janet Daby: Will the hon. Gentleman give way?

Gordon Henderson: I am sorry, but I really do not think I have time.

Another argument that the Government put forward for forcing prison officers to work eight years longer than their police and firefighter counterparts is that employees in those professions contribute significantly more of their salary to their pensions. But as my right hon. Friend the Minister will know, prison officers have repeatedly made it clear that they would be willing to pay more towards their pension if they earned the same amount as the police and firefighters.

I fully anticipate that the Minister will point out that previous Governments offered to reduce the pension age for prison officers in 2013 and 2017, which is true. However, both offers came with unacceptable strings attached. In addition, had those offers been accepted by prison officers, the proposals would only have reduced their retirement age to 65—still nowhere near parity with the police and firefighters.

I mentioned earlier that prison officers are unique, and they are unique in another way. Unlike the police and firefighters, who have their own pension schemes, prison officers are technically part of the civil service and are therefore members of the civil service pension scheme. I appreciate that that is a complication when considering any reduction in pension age, but it is worth pointing out that prison officers make up less than 5% of the membership of the civil service pension scheme, so making them a special case, which I believe they should be, would have little impact on other civil servants.

My view is that with good will on both sides, the Government and the Prison Officers Association should be able to sit down and work out a realistic and cost-effective way to allow prison officers to retire at 60. However,

[Gordon Henderson]

reaching any such agreement would require both sides to enter into meaningful negotiations without prejudice and pre-determined positions. With that in mind, I would be grateful if my right hon. Friend the Minister agreed to meet the POA, if only to talk about the practicalities of such a negotiation process.

11.12 am

The Minister of State, Ministry of Justice (Damian Hinds): It is a pleasure to see you in the Chair, Mrs Cummins. I thank my hon. Friend the Member for Sittingbourne and Sheppey (Gordon Henderson) for securing this important debate, as it highlights the vital role that prison officers play in keeping the public safe and rehabilitating prisoners. I take this opportunity to pay tribute to them for their tireless work day in, day out.

Prison staff are vital key workers, with many going above and beyond every day to keep safe the public, their colleagues and those committed by the courts to the care of His Majesty's Prison and Probations Service. I am always hugely impressed by the commitment of prison staff, who sometimes work in the most challenging of circumstances to turn around offenders' lives. In so many cases, they manage to do exactly that.

I thank my hon. Friend for his continuous support in representing his constituents on this matter. As he alluded to, his constituency contains three establishments, known as the Sheppey cluster: HM Prisons Elmley, Swaleside and Stanford Hill. I know he has met officers in those establishments a number of times, and he continues to show support and convey the messages they rightly give him by discussing the points raised in public forums, such as here in Westminster Hall, and in meetings with Ministers. He is committed, assiduous and, on the subject he has brought forward today, very consistent.

The pension age for prison officers is linked to their pension arrangements. As my hon. Friend said, prison officers are classified as civil servants and are hence members of the civil service pension scheme. The pension age for all members of the civil service pension scheme is set to reflect their state pension age, which is between 65 and 68, depending on their date of birth. It is important to note that the rules and regulations in all public sector pension schemes, including the pension age, are introduced in legislation by His Majesty's Treasury and applied within the civil service pension scheme by the Cabinet Office. The current pension age in the civil service scheme is set at state pension age, as a result, as my hon. Friend said, of the recommendations made in the 2011 independent Hutton report on the future affordability and sustainability of public sector pension schemes.

The report's concluding recommendations were that membership of all final salary schemes should be closed and that all active members should be enrolled in a career average scheme, with an increased pension age to reflect their state pension age. Those changes, as colleagues will know, were introduced by the Treasury in the Public Service Pensions Act 2013 and applied to all public sector schemes.

As you know, Mrs Cummins, the civil service is comprised of hundreds of thousands of people, and it is the Government's duty to ensure that their pension

arrangements are fair and affordable, now and for future generations. It is also the duty of the Government to ensure that they meet their wider obligation to manage the public purse.

I want to emphasise that it is recognised, of course, that the role of prison officer is physically demanding. In 2007, the Cabinet Office gave consideration to that prior to the pension age being increased from 60 to 65 for newly recruited civil servants. Its finding was that, as a number of other civil servants had similarly demanding roles—for example, seamen on Royal Fleet Auxiliary ships—a lower pension age could not be justified following comparison with members of other schemes.

Liz Saville Roberts: I am sure the Minister will appreciate that the POA does not understand the comparison with seafarers, and it is difficult for anybody in the Chamber to do so. Will he respond to the POA's concern that the Treasury is trying to derail pension age discussions because of its cynical estimation that many prison officers will have to leave before the age of 68 because they will fail their annual fitness test or due to injury or illness? That in itself will save the Treasury money. That deserves a response.

Damian Hinds: It certainly deserves a response, and I am grateful to the right hon. Lady for the points she has made. We want attractive career paths to be available to everybody who works in HM Prison and Probation Service. Those might be different as people go through their working lives, but we want to try to facilitate that as much as possible. I will come to the emphasis that we rightly place on occupational health and helping to support people through those journeys.

Since the introduction of the pension age of 65 for new recruits in 2007, HMPPS has been recruiting new prison officers in their 60s who have passed the fitness test and are undertaking the role safely and securely. As has been mentioned, consideration has also been given to comparisons between the role of prison officer and roles in the emergency services, such as firefighter and police officer, whose pension schemes both have a pension age of 60. Of course, that age had been increased from 55 under the Hutton recommendations.

It is important to note—my hon. Friend the Member for Sittingbourne and Sheppey did note this, and pre-empted me by saying he thought I would say it; he was right—that those in the police and firefighter pension schemes pay more into their pension to allow them to take their pension at the age of 60. Under the civil service scheme, a prison officer contributes, on average, 4.6% of their pensionable pay whereas the rate for the police and firefighter schemes is between 12% and 14% of pensionable pay.

As my hon. Friend also said I would say, in 2013 and 2017, HMPPS worked with the Treasury and the Cabinet Office in making an offer that would have allowed prison officers to purchase a lower pension age, from the state pension age to 65, which was put to them for ballot by their trade union, the POA. The offers made to purchase a lower pension age would have been significantly subsidised by the employer, reducing the additional financial impact on officers. As my hon. Friend also said, those offers were part of a wider package with other reforms and they were rejected at ballot.

Prison officers who are members of one of the legacy civil service final salary schemes retain the right to take formal retirement at the age of 60 and draw the full benefits that they have accrued in their legacy scheme. Many officers who could seek to take their unreduced pension at the age of 60 and retire from the service on that basis have taken the personal decision to continue to work full time, or have taken partial retirement and continued to work in an operational role, but on reduced working hours.

As I was saying a moment ago to the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), who represents Plaid Cymru, HMPPS takes very seriously the health and safety of all staff working within the prison estate. Staff have access to onsite care teams and an employee assistance programme, which includes confidential 24-hour support, and they are covered by a wide range of occupational health schemes, which are provided by specialist healthcare professionals. Furthermore, HMPPS has delivered the trauma risk management programme to provide practitioners in every prison, and colleagues in trauma risk management identify staff members who may be struggling after a traumatic event, and offer them onsite support. Those practitioners are trained to identify symptoms and to signpost assistance and support to relieve symptoms of post-traumatic stress.

In August 2022, HMPPS published the employee offer known as “Looking After Our People: The Prison Service Employee Package”. That guide brings together information about career progression, training, benefits and support. It gives an overview of the work being done to make sure that the Prison Service provides the right employment offer for the future and it will be updated every year. HMPPS values career progression and prisons experience, which is why the career pathways framework has been created.

Janet Daby: The Minister will know, because it has already been mentioned in the debate, that there is a serious retention and recruitment problem with prison officers. When the Justice Committee recently heard from prison officers, many of them said that they were not looking to remain as prison officers within the Prison Service because of the retirement age. That significant problem needs to be addressed.

Damian Hinds: I am grateful to the hon. Lady for that intervention. I take both recruitment and retention extremely seriously. I was just saying that there is a particular value to experience and we need a mix in our workforce and diversity of all sorts, including diversity of length of tenure and experience, both to share and

deploy that experience and to bring on the newer recruits who are coming through. Retaining staff is an incredibly important point.

Many factors affect retention. I accept, of course, that the pension is absolutely part of the blend of remuneration, benefits, working conditions and all the other things that go to determine people’s career choice about whether to stay in a particular role or not. However, what I will say to the hon. Lady is that even with a pension age set to mirror an individual’s state pension age, the civil service scheme is still one of the best pension schemes available. It has one of the very lowest contribution rates across the public sector, at the 4.6% that I have already mentioned, and there is an employer contribution of 27% into the scheme on behalf of the employee. It also has one of the best accrual rates, which is set at 2.32%.

Ian Lavery: I have always thought of the Minister as a very reasonable man, and he has made a logical case, although I disagree with virtually everything he said. He has basically given the real reasons why the Government and the Prison Officers’ Association should meet to discuss these issues, although there has been a reluctance to do so. Everything he said can be challenged, and I think that constructive discussions between the Prison Officers’ Association—representatives of the people working in the prison—and the Minister and his team would be highly productive. Will he give that commitment before he concludes his speech?

Damian Hinds: The hon. Gentleman is absolutely right that constructive discussion is always good; that is why we meet here in Westminster Hall and have these debates, and why my hon. Friend the Member for Sittingbourne and Sheppey has raised this subject today and on previous occasions. It is absolutely right that Ministers are held to account and answerable. I was just about to raise discussions with the profession and the POA. In my role, I am lucky enough to speak to prison officers frequently, and I am always happy to speak to the POA.

I thank my hon. Friend for consistently representing his constituents and others, and for bringing this important matter to the House. I mean that sincerely. I put on the record again my thanks to and appreciation of the prison officers of all grades and roles who work in the prison estate for the incredibly valuable and irreplaceable work that they do every day.

Question put and agreed to.

11.27 am

Sitting suspended.

Small and Medium-sized House Builders

[MR LAWRENCE ROBERTSON *in the Chair*]

2.30 pm

Andrew Lewer (Northampton South) (Con): I beg to move,

That this House has considered the future of small and medium-sized housebuilders.

It is a pleasure to serve under your chairmanship, Mr Robertson. I am particularly pleased that this debate has been granted, as it is on a subject that I have had an interest in for a long time. It is 20 years ago this week that I first became an elected Conservative politician. Throughout that time, housing has been central to my work. I spent 12 years on a planning committee, was the director of a housing association, led a county council, and held a strategic planning role on a regional assembly. Even during my time as an MEP, I served as the co-ordinator on the Committee on Regional Development.

Since my election as MP for Northampton South in 2017, housing has become ever more central to my work. In my maiden speech, I referred to my predecessor, Michael Morris, now Lord Naseby, who is still my friend, and to his 1974 maiden speech, which also had much content about Northampton and its housing issues. Locally, I am close to Northamptonshire Partnership Homes and its excellent and recently retired chief executive, Mike Kay. I was pleased to cut the ribbon on several of its developments.

For the vast majority of my time in Westminster, I have been a member of the Housing, Communities and Local Government Committee, as I wish it was still called. I am chairman of the all-party parliamentary group for the private rented sector and, most relevantly to this debate, I am founder and chairman of the APPG for small and medium-sized enterprises house builders, which has well over 200 industry members.

Unsurprisingly, I strongly believe that SME house builders can play an incredibly important role in addressing the dual problem of housing accessibility and affordability across the United Kingdom. Many of us recognise those problems, which are particularly acute for those aged under 40. A recent study by Lloyds bank illustrated the depth of the problem that younger people face when buying a house. In 1989, 51% of 25 to 34-year-olds owned a house—a high point—but that figure plummeted to 28% in 2019. It is not the focus of the debate, but the impact of migration on that cannot be ignored. In the last two decades, around 8 million people have been added to the population of the UK by immigration alone. That represents about four fifths of population growth. A new home needs to be built every five minutes if we are to keep up. As a political class, that is on us. Whether we approved of it or, like me, did not, does not matter. It is a fact.

No matter how much we would love things to stay the same, and no matter how much we do not want more houses in our constituency because we have persuaded ourselves that it is special, that cannot be. No one policy prescription or sector alone can remedy the alarming decline in home ownership, but all Members of Parliament should be concerned about generational disparity. From my party's point of view, if one good thing comes out of

last week's election, it should be any complacency being struck out; a huge increase in house building must be a priority.

As a Conservative, I feel very strongly about the UK being a property-owning democracy. It worries me deeply that, for many young people, home ownership is increasingly out of reach. I do not believe that any one policy prescription can arrest the trend; home ownership is declining for a great many reasons, and meaningfully addressing those would take much longer than the time allotted for this debate. However, in my role as chairman of the APPG for SME house builders, and as a member of the Select Committee, I want to talk about how the SME house building sector can play its part in changing things for the better.

The Home Builders Federation reports that the SME house building sector delivered about 22,000 homes in 2020. Those are typically smaller developments built on trickier sites, be they awkwardly shaped and accessed ex-industrial sites, repurposed and extended buildings in towns and villages, or small, sustainable urban extensions. The SME house building sector tends to go where the volume house builders cannot. During my many years on a planning committee, I saw, just as many of us will see now, that SME developments often faced significantly reduced community objection. The cry of many is, "Brownfield first." Whatever we may think of that policy ambition, SME house builders are delivering brownfield site housing up and down the country day in, day out. Many of the objections that people raise through the planning process relate to the scale of development proposals. "We do not want hundreds of houses here" is a refrain familiar to many of us, I am sure. All too often, people do not get the infrastructure to go with those large developments, and we can then see why opposition to development is not pure nimbysm; we need to be fair to people about that.

The SME sector of the house building industry delivers on more difficult sites, and in a way that elicits significantly less vocal objection than some of the volume house builders do. It delivered 39% of all homes built in England in the late 1980s, yet barely manages 10% of our annual housing completions 40 years later. I want to talk about why that is, and what the sector and the Government can do to arrest that decline.

The APPG has identified three significant issues facing SME house builders in the UK today. I am sure that there are many more, but addressing these three would put the industry in a much better place. The first is the cost of materials. The APPG has been working with partners on cost-of-material issues; it is clear that they have been particularly acute in this inflationary period. Of course, this is not the only sector struggling because of inflation, but SME house builders typically have smaller cash reserves than volume house builders, so they feel material costs much more keenly. There has been a de-globalisation impact too, as supply chains reaching into the far east get less reliable. That gives rise to a whole other debate on resilience, reshoring and not exporting our emissions so that we can pretend that they are lower.

Many cost pressures are a function of our wider economic challenges, but I want to hold up one example of what a business based in Northampton is doing to try to lessen the impact of material costs on SME house builders. Travis Perkins has for many years engaged

with the SME house building sector, both as a member of the APPG and, much more broadly, in its role as a major supplier of building materials for the industry. I was delighted to see that, earlier this year, Travis Perkins launched an escrow agreement with Close Brothers Property Finance to support SME house builders. The initiative means that SME house builders can access building supplies and materials directly, without often lengthy pre-approval checks. That tackles one of the major challenges faced by SMEs when setting up special purpose vehicles on their developments. Travis Perkins is confident that the move significantly reduces financial risks for SME house builders, increases their supply chain stability, and reduces time spent managing cash flow. That is the kind of innovative thinking that we need to help manage the cost-of-materials issue, and I encourage other material suppliers to take inspiration from that.

The second big issue I will touch on is finance. The APPG has just submitted a call for evidence on access to finance for SME house builders, and we will invite right hon. and hon. Members to the launch of our report. I will not talk about everything in the report, but one of its clear themes is Land Registry delays. A number of developers have written to the APPG to raise concerns about extreme delays in the Land Registry's process for recording changes of ownership of properties. Although that might seem relatively inconsequential, smaller SME house builders often obtain finance for their next development by borrowing against what is in their asset book. I have heard of cases of SME developers being more than a year into developing a well funded and successful development, but then finding themselves unable to borrow against it because the Land Registry had not recorded the fact that they bought the land years previously. I hope the Minister will look into that. Delays by state bodies that affect access to private finance are very troubling to me, and I implore the Government to address that.

Another significant barrier facing SMEs in this country is access to labour. The home building industry is a major employer in the UK; the planning, design and delivery of new homes directly or indirectly supports an estimated 800,000 people. However, the industry is facing a major skills shortage due to increased demand for housing, an ageing workforce and a severe loss of skills, particularly in the last recession. A January 2022 report from the House of Lords Built Environment Committee highlighted that 53% of SME builders were struggling to recruit carpenters, and 47% said the same about bricklayers. A report by the Federation of Master Builders found that between January and March 2023, 41% of its members had difficulty recruiting carpenters, and that bricklayers and general labours were also particularly difficult to recruit. Those are great jobs. They are well paid and give people great opportunities to be enterprising and plot their own course in life.

As well as being on the Levelling Up, Housing and Communities Committee, I sit on the Education Committee. There is renewed interest in the skills agenda, notably spearheaded by the Minister for Skills, Apprenticeships and Higher Education, my right hon. Friend the Member for Harlow (Robert Halfon). I hope he will listen to the sector and providers and work with DLUHC, which is crucial to success, not just because of its housing role

but because of its devolution responsibilities. It is key that there be no sector skills gaps, or unnecessary barriers to entry into skilled vocations along the further education learning route.

The growing labour issue coincides with decreasing numbers of apprentices being employed by SME builders: 80% of responders to the Close Brothers report based in the north said that the supply and cost of labour is a major barrier to increasing housing supply. Just 50% said the same last year. At the same time, the number of respondents based in the north who are hiring apprentices dropped from 88% in 2021 to 48% in 2022, yet seven in 10 contractors' apprentices are trained by SMEs. That makes up 90% of training capacity, according to the Construction Industry Training Board. That is important, because housing stock is desperately needed in this country to meet demand. To put the challenges in wider context, according to the Federation of Master Builders, SME builders could deliver up to 65,000 homes by 2025, compared with 12,000 in 2021, given the right conditions.

I turn to the big one: planning. I know colleagues are very nervous about planning—likely even more so after last week's local election results—but it would be entirely remiss of me to discuss SME house builders without discussing the one issue they raise with me more than any other: the planning system. According to Close Brothers, 93% of SME developers regard planning as a barrier to their growth. I know that the politics of planning extend well beyond this debate, and I appreciate that a great many arguments about planning reform have been made in this place and across the country over the past few years. I do not seek to wholly reignite that debate today, but I am already on the record as having said this in the House, so I will say it again: given our system for house building, removing the binding national housing targets is a mistake. When the history of this Government is written, that mistake will loom larger than it already does.

A different way was available—perhaps not entirely via zonal planning, but we could have gone some way towards the zonal planning system reset proposed by my right hon. Friend the Member for Newark (Robert Jenrick) in his time as Secretary of State for Housing, Communities and Local Government. That will come to be seen as a great lost opportunity. Not least among its potential benefits was its simplicity, and a reduction in the curse of 21st-century British life—process. The advantage of such a change to SME house builders, disproportionately affected by process as they are, could have been significant.

A top example of the curse of process is the restrictions placed on housing delivery by Natural England in respect of nutrient neutrality, water neutrality and recreational impact zones. Those are already holding up the delivery of 150,000 new homes, according to the Home Builders Federation. Phenomenally complex regulatory requirements disproportionately disadvantage SMEs. They do not have comprehensive process departments, in-house lawyers or administrators filling a floor—or, these days, working from home. It was an argument for leaving the EU that it could make us more nimble and not over-regulated; over-regulation always favours the bigger players and entrenches their non-productive bureaucratic advantages. Our becoming nimbler and less regulated has not happened yet; it needs to.

[Andrew Lewer]

I am certain that conversations around zonal planning, housing targets and local plan compulsion will continue long after I end this speech, but I thought it important to touch on two potentially new points that Members may find illuminating. The first relates to the regular feedback I receive from SME house builders on their interactions with local authority planning departments. On a number of occasions, I have had troubling conversations with SME developers in which they told me that they have faced great difficulty with planning officers in authorities across the country, despite their schemes being small and relatively uncontroversial. I have spoken to people from across the industry in town planning, planning law and property public affairs, and this pattern of planning officer difficulty is demonstrated in many local authorities, regardless of party control or council type.

I have come to understand that this difficulty might well be related to planning officer case load. As one town planner recently explained to me, although a 20-unit brownfield scheme developed by an SME is likely to require less work than a 400-unit green-belt development led by a volume house builder, it will not require 20 times less work. The resourcing of planning departments, coupled with five-year land supply targets, means that it is more logical for many planning officers to devote their attention to large schemes promoted by volume house builders than it is for them to support SMEs through the planning process. For a planning officer, the pain and controversy of a 400-unit greenfield scheme can be severe, but once it is done, their housing target for the whole year might be met, which would never be possible if they devoted their attention to smaller, bespoke SME developments. That is why I think DLUHC needs to look again at the planning process—not to change it fundamentally at this late stage in a Parliament, but to see if anything can be done to make smaller-scale applications less onerous for both developers and planning officers. However, that is not just a job for Government.

Local authorities already have significant planning powers that they could use to ease the passage of schemes promoted by SME house builders. I was interested to read about one such proposal earlier this year: local authorities across England were encouraged to take inspiration from work that the Greater London Authority had undertaken through its Small Sites, Small Builders scheme, and to start granting outline permission for brownfield sites before they sold them to SME developers for redevelopment. If a local authority awards outline planning permission for a site before it is disposed of, it becomes, at the stroke of a pen, much easier for SME house builders to secure development finance. It also significantly reduces the risk of rejection by a planning committee.

A variant of that approach could also help the cause of the visionary work of the Bacon review, which is the culmination of countless years of expertise on the part of my good hon. Friend the Member for South Norfolk (Mr Bacon). It is a blueprint for advancing SME house builders, housing numbers, and individual freedom and liberty. The Government commissioned the review and promised that they would act on its recommendation. Perhaps the Minister could update us on progress in on that.

The SME house building sector can be a real asset for the United Kingdom. It is full of creative, resourceful people who, more often than not, deliver a high-quality product on harder-to-develop sites. The sector faces real challenges, so it needs a Department and a Government who are open to ideas, especially ones that can be implemented quickly. My hon. Friend the Member for Weston-super-Mare (John Penrose) has ideas for eminently SME-friendly ways to remove planning restraints, including by building up more than out, and by adding a storey or two to existing housing. It would add to volume, producing a quick boost to the SME sector, avoid overbearing the development sector, and protect greenfield all in one. I look forward to working with him to progress those ideas with the Department.

I have proposed similar ideas through amendments to the Levelling-up and Regeneration Bill. Over the last year, with the support of almost 50 organisations including Barratt Homes, G15, Optivo, the National Housing Federation and a range of SME and industry leaders, I have worked with key stakeholders to shape a small sites planning policy, which could redefine the fortunes of the sector. Through simple tweaks to the national planning policy framework, it would not only streamline the planning process, but also allow developers to deliver more affordable housing. The small sites policy could lead to over 1.6 million more homes being built on under-utilised sites across the country, helping SME house builders to thrive and regain their position in the housing market. From levelling up to housing delivery and enterprise, we believe that the policy could contribute to a virtuous circle that helps the Government to meet a number of their economic and social targets. I look forward to the Minister's update on the indication the Secretary of State gave on the Floor of the House that my small site policy proposals would be taken on board in future.

The growth of and support for the SME house building sector are key to arresting the decline in home ownership among younger people. The sector requires our time and support, and the APPG does good work trying to support it. Lots of colleagues get what we are trying to do. I have named some, and I could name many more from across this House, including my right hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke), and my hon. Friends the Members for Dover (Mrs Elphicke), and for Walsall North (Eddie Hughes). I also sincerely thank those who have attended today's debate.

Several hon. Members rose—

Mr Laurence Robertson (in the Chair): I need to start the Front-Bench speeches at 3.28 pm, so perhaps colleagues could be mindful of that.

2.52 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship, Mr Robertson. I sincerely congratulate and thank the hon. Member for Northampton South (Andrew Lewer) for introducing the debate, which is of such importance. Many of us prefer SME house builders because of the relationships they have with the communities in which they build, creating local employment and having a sense of—dare I say it?—ownership and responsibility to those developments for the generations that follow.

As of April this year, our communities in the lakes and dales have been served by the Westmorland and Furness unitary authority; before that, South Lakeland District Council covered all of my constituency. I am proud to say that over the last few years, working with local developers and housing associations, we have built well over 1,500 new genuinely affordable social rented properties. I disagree slightly with the hon. Gentleman about the role of planning. My sense is that if we are very specific about the housing we need, we are more likely to get it, whereas if we are more lax and give more freedom, people tend to hold out for a sunny day and seek the biggest possible dividend.

There was a lot of debate during last week's local elections—it is an ongoing debate—about whether and where one should build houses. One reason that planning authorities are often suspicious of developers, large and small, is their concern about what will happen to the properties once they have been built. Will they be lifted? Will they be affordable? Will they remain part of the housing stock for the community for long? Among the reasons why developments are rejected, and why there is sometimes a less than positive attitude towards developers, is a fear that those developers may not be all that signed up to what happens to the homes and their tenure after they have been built. That is particularly relevant in the Lake district, the Yorkshire dales and other parts of Cumbria.

In the national parks, planning rules allow us to be pretty clear that everything that is built is affordable—and, by the way, we do not have a problem building houses. Developers know what is on the table. They know what the game is: if they want to build, they must build affordably; if they do not want to build, off they go and try their luck somewhere else. Outside the national parks, we have the issue that the local authority has to negotiate the proportion of a new development that will be affordable. That proportion is often no more than 30%—and even then, “affordable” is often a stretch.

In a community like ours, we can build as many executive four or five-bedroom houses as we like—there will always be demand for them—but my concern is that we should build for need rather than demand. I encourage developers to be on our side in campaigning for the houses that we need, rather than those that will just turn a profit. In my community, the average house price is 12 times the average annual salary; the average person is therefore snookered when it comes to buying their own home. All the Government's packages may help a little at the fringes, but they do not help 99.9% of the people who are unable to afford their own home.

In my constituency, there are roughly 6,000 people on the social housing waiting list. There are about 7,000—we do not know exactly, because there is no formal record—second homes. We have an awful lot of homes that are not used for the purpose for which they were built. The last few years have seen the collapse of the long-term rented sector—both new and older properties—into the short-term private sector. In one 12-month period during the pandemic, there was a 32% increase in the number of properties in South Lakeland moving from long-term rented to short-term rented. The number has increased further since.

Let me provide a quick snapshot of the market in Cumbria at the moment. As I speak, there are 8,384 short-term rented properties and 232 long-term rented

properties available. By the way, 75% of those short-term rented properties are on Airbnb. There are 36 times more short-term rented properties than long-term rented properties. The collapse of the long-term sector into the short-term sector has decimated our local populations, with people and their children literally evicted from the homes and communities that they were brought up in. There has been a Lakeland clearances, effectively, over the last two or three years. That is miserable for those families and utterly damaging to our local economy and society.

Some 83% of hospitality and tourism businesses in Cumbria report severe difficulty getting enough staff. Why? Because there is nowhere for them to live any more. On top of that, one of the reasons why up to a third of the beds in our hospitals are blocked is that there are not enough care workers to provide the packages to get people out of hospitals to be cared for in the community. Our hospitals are clogged up, A&E is clogged up and ambulances are dangerously late as a result. All that is a consequence of the fact that the housing stock built by large and small developers, including new homes, is not being used for the purpose for which it was built.

My plea to the small and medium-sized developers—to developers of all kinds—is that I want them to care as much as I do about what happens to their homes after they have been built. Our communities are the absolute, definitive opposite of nimbys. I can show hon. Members leaflets that I have delivered in most of the wards in my constituency where we actively campaign for homes to be built. Grasmere, Hawkshead, Ambleside and Coniston all have developments that were built as a direct result of local campaigns for homes. We are the antithesis of the nimby, but we want the homes that we need, not the homes that businesses think they can make a killing out of.

I want the Government to make, and I would love developers to support, changes to the law in three areas. First—the Government are looking at this, and I encourage them to crack on with it and do it well—we must change planning law so that short-term lets are a separate category of planning use from long-term residential accommodation. That would mean that we could have a minimum number of homes in our communities that are lived in long term, so that people of all ages and backgrounds can live in the lakes and dales.

The second change, which the Government are not planning to make, is the introduction of a planning category for second homes—boltholes for people who live somewhere else. It is nice for them to be able to do that, and of course in a free society they are entitled to a second home. However, if their right to a second home clashes with my constituents' right to a first home, I know whose side I am on. I want to ensure that there is a planning law that allows us to put a limit on the number of second homes in communities. The Government have so far resisted that, and I encourage them to change their mind.

Thirdly, we should give councils and national parks the power to build council houses and ensure that they remain in the social sector, and the power, through planning, to enforce 100% affordability in those new developments.

My message to developers is that without them we would not have new homes, so I am grateful to them and I want to support them, but they would get more

[Tim Farron]

yeses through the planning system if they showed us that they care what happens to the homes once they have built them. If they show that they care, back the campaigns that I have just called for and join us in lobbying the Government to change the law in order to ensure that new homes remain affordable for local people in places such as the lakes and the dales, then they will find planning committees much more likely to say yes.

3 pm

Peter Aldous (Waveney) (Con): It is a pleasure to speak under your chairmanship, Mr Robertson. I congratulate the Backbench Business Committee on granting this debate, and my hon. Friend the Member for Northampton South (Andrew Lewer) on securing and leading it.

Before I came to this place, for 27 years I practised as a chartered surveyor in Suffolk and Norfolk. Much of my work focused on the small and medium-sized house building sector, helping to secure planning permissions for sites and then selling them. Today, my interaction with the sector is less direct, although the conclusion I have reached is that it is now in a far less healthy state than it was. Some might say it is fighting for its very survival, and everyone in every area is far worse off for that.

It is important to highlight the advantages of a vibrant SME house building sector. Those businesses not only build much-needed homes, but do so with ingenuity, providing well-designed and bespoke properties, often on sites that present construction challenges that larger house builders shy away from. As they are deeply embedded in the local communities where they live, they have a sense of pride in the homes they build, which enhances the local street scene. They also have a significant positive impact on the local economy. They employ apprentices, engage architects, buy from local builders' merchants and work with other local businesses such as electricians, plumbers and landscape gardeners.

At a time when we need to be boosting economic growth, there is an urgent need for a vibrant local SME house building sector right across the UK. Against that backdrop, it is concerning that the sector is not in rude health. In March, a report commissioned by the House Builders Federation, in partnership with Close Brothers Property Finance and Travis Perkins, found that planning delays and rising costs are crippling SME house builders. The conclusions are stark. Securing planning permission is the major barrier to growth. Those house builders cannot find sites. Local authority staffing shortages are exacerbating the problem. Rising material and energy costs are also a major concern. As we have heard, more than two thirds of the house builders are impacted by the nutrient issue, which has stricken development in over a quarter of local authority areas in England.

Finally, the sector as a whole is unhappy with the Government's current approach on housing. The SME housing sector in the north Suffolk and Waveney area is still there, but it is dwindling. The faces are getting older and more wrinkled, and there are fewer new entrants, with many put off by the three barriers of planning, access to finance, and the legal complexities and bureaucracy associated with running a building company.

On a daily basis, my inbox is full of emails from people looking for a home in which they can live securely and comfortably. I liaise with the local council, which invariably does its best to assist. However, local councils are not magicians. They cannot conjure houses out of nowhere. It is in that context that we urgently need to revive the SME house building sector.

That brings me to the solutions. I have several suggestions. First, we must ensure that there are sufficient sites available for SME house builders. There is a concern that the abandoning of targets for local areas could lead to a reduction in the number of sites coming forward for development. Although it is early days, it should be noted that the number of housing projects granted planning permission in the last quarter of 2022 fell below 3,000 for the first time since that dataset was started in 2006. The number of projects for which planning approval was obtained in the whole of 2022 was under 12,500, compared with 21,000 in 2017. That situation needs to be monitored closely, to ensure that there is not an unintended and undesirable consequence of this change in national planning policy.

Secondly, we must ensure that local planning authorities are functioning properly. That is not a criticism of planning officers, who invariably do a good job in difficult circumstances. We must ensure that planning departments are properly resourced and adequately staffed. The planning process must become more streamlined, and we must ensure that suitable sites are made available for SME house builders. In recent years, there has been a move towards developing large garden village-type developments on the edge of towns. Although they have the advantage, from a strategic planning perspective, of being better able to provide the necessary supporting infrastructure, they do result in SME house builders effectively being excluded from the market.

My third point is that, in many respects, one of the solutions to the problem is already there in the form of Homes England, which has the ability to make sites available and to provide development finance through the levelling-up home building fund. Will the Minister undertake to provide Homes England with the resources to increase its work in those two areas, which are major obstacles that confront SME house builders? There is also a need to encourage high street banks to be more responsive and sympathetic to their house builder clients. There may be a role for the British Business Bank to promote such an approach.

My final point is perhaps a left-field suggestion: the zero rating of VAT for conversion and refurbishment work, so as to put such projects on a level playing field with new build. It strikes me that that could solve two problems at the same time: the slow demise of the SME house building sector, which is the subject of this debate; and the decline of our high streets and town centres, which need revitalising and where there is an opportunity to reuse millions of square feet of accommodation, often above shops, right across the country. SME house builders will often start their careers doing conversion work before moving on to new build. This idea could encourage more people into the sector. I ask the Government to give it full consideration.

We have a housing crisis in this country. SME house builders on their own will not solve it, but in the current situation, with the sector in gradual decline, we are seriously restricted in our ability to provide all people

with a place that they can call home. We must also have in mind the enormous benefits that a vibrant SME house building sector can bring to local economies. We must set out a route map for the sector, which provides people with the opportunity, in the first instance, to start a business, and then to progress it and perhaps move on to become a regional company and then, if they want to, a national house builder.

3.9 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): It is a pleasure to serve under your chairmanship, Mr Robertson. I thank the hon. Member for Northampton South (Andrew Lewer) for securing a debate about such an important issue, and it is good to see the housing Minister in her place today.

I have taken part in a lot of Westminster Hall debates about housing under this Government and spoken to a lot of different housing Ministers over the past decade—14, to be precise. Since 2013, we have had the former Member for Hertford and Stortford, Mark Prisk, who lasted 13 months; and the former Member for Keighley, Kris Hopkins, who lasted 10. Impressively, the right hon. Member for Great Yarmouth (Brandon Lewis) served a whole 24 months. The former Member for Croydon Central, Gavin Barwell, lasted 10 months; the right hon. Member for Reading West (Sir Alok Sharma), six months; the right hon. Member for Esher and Walton (Dominic Raab), six months; the right hon. Member for North West Hampshire (Kit Malthouse), 12 months; the right hon. Member for Tatton (Esther McVey), six months; the right hon. Member for Tamworth (Christopher Pincher) an unprecedented 23 months; the right hon. Member for Pudsey (Stuart Andrew), four months—back to normal business—the right hon. Member for Nuneaton (Mr Jones), nearly two months; the hon. Member for North East Derbyshire (Lee Rowley), nearly two months; and the right hon. and learned Member for South East Cambridgeshire (Lucy Frazer), three months. I welcome the hon. Member for Redditch (Rachel Maclean) to her role. She is already a veteran housing Minister compared to those on that list.

I am making the point that the Government cannot possibly expect to deal with a housing crisis while constantly churning through housing Ministers. How can they possibly run the country's plans to build housing and meet targets if there is a new housing Minister, on average, every nine months? When we debate the important question of why small and medium-sized house builders are struggling, a reasonable person might think it had something to do with the fact that we have had 14 housing Ministers in 10 years.

I am having a great deal of fun doing this, as you can tell, Mr Robertson, but I want to be more constructive. In other words, I believe we should be taking on the big house-building monopolies. At the heart of why small and medium-sized building firms are struggling is that they cannot compete with a few huge firms that have the scale and monopoly power to keep them out of the market. The eight largest house builders build more than 50% of all the new homes in the country, and the latest research suggests that small builders now produce just 10%. That was not always the case. In the 1980s, small firms were responsible for around two thirds of new homes, but since 2007, the number of small and medium-sized house builders has halved.

The picture is similar in the housing association sector. Some 20% of housing associations account for 95% of all registered housing stock in the country. The top housing associations, known as the G15, dominate the London property scene and build one in four of all new homes in London. They house 10% of London's population—that is one in 10 people in all homes, not just the rental market. The problem is that giant firms can buy land and sit on the asset for a number of years, whereas smaller firms do not have the funds for that and are much more likely to go out and get planning permission quickly so they can develop. To encourage those kinds of firms, we need to prevent the few large developers from dominating the market. We need to give smaller firms the planning support and access to finance that will give them a chance to compete.

Much is being said about the green belt, but not all green belt is green. I do not mean the genuine rolling fields, ancient woodland or areas of substantial natural beauty. I am talking about the car washes, the waste plants and the scrubland that no one would ever dream of calling green. There are 19,334 hectares of unbuilt green belt land within a 10-minute walk of a London train station, where there is enough space for 1 million new homes. We should be building affordable, good-quality homes on the land. Our best national estimates show that around 1.6 million households are waiting for social housing. Over the past 40 years, the overall social housing stock has declined by 1.4 million homes. We have a shortage of homes in this country and we cannot afford to prevent developments on land that is not really green.

Previous speakers have already referred to housing targets. We all remember when the target of 300,000 new homes was scrapped. The Government gave in and scrapped mandatory house building targets for local authorities. It is incredibly important to bring them back, and I am glad that the Labour Front Benchers have committed to doing just that.

The Government might think that they are keeping nimbys happy and protecting local authorities, but I would like to give them some advice. They are betting current political support against the future. Current estimates suggest that only a third of the children born today will ever become homeowners. The English housing survey says that the proportion of homeowners aged 45 to 54 fell from 74% in 2009-10 to 65% in 2021-22, and it is estimated to fall to 30% in the year 2070. For young people aged 25 to 34, home ownership has fallen from 70% in the mid-1990s to 40% today.

We must deal with land bankers. In 2019, the FTSE 100 house building companies were sitting on land banks of more than 300,000 plots between them. If we add the FTSE 350 house building companies, the collective land bank was a staggering 470,068 plots, and yet those companies completed just 86,685 homes in the previous year. Where is the punitive or preventive action to prevent this from happening? It is not the small and medium-sized firms that are doing this. Barratt Homes is Britain's biggest land banker, and as of 2020, Barratt owned 80,324 land bank plots. Second on the list is Taylor Wimpey, which owns 77,000 land bank plots, and third is Persimmon, with 67,205.

I do not blame Barratt or Taylor Wimpey or Persimmon. I blame the Government for creating an environment where it pays to leave land empty and undeveloped.

[Siobhain McDonagh]

The job of a private property developer is to make money. That is what we expect of a private business. The job of the Government is to ensure that the houses that are needed are built.

Let me turn to Help to Buy. I did think, “Dear God” when I read that the Government might be thinking of bringing back Help to Buy, which they sold to us as an equity loan to help first-time buyers get cash together to get on the housing ladder. Along with so many other policies, the most well-off have benefited the most. Instead of opening up home ownership to the next generation, all the scheme has done is to speed up slightly the purchase date for people who were already likely to buy, often via family help. More people on high incomes—those earning more than £80,000—have used the Help to Buy scheme than lower earners.

The main effect of Help to Buy has been to inflate house prices and give very large bonuses to chief executives. The best example is, of course, Jeff Fairburn of Persimmon, who got a bonus of more than £100 million when the company’s sales had been 50% financed by Help to Buy, or the British taxpayer.

Whatever we have been doing as policymakers, it is clearly not working. Home ownership is lower than it was in 2003. On the current trajectory, it is unlikely to increase. Since the Conservatives came into power, 800,000 fewer households under 45 own their home, and nearly 1 million more people are renting. Fewer than 7,000 social homes were built in England last year, and 1.6 million households are waiting for social housing. Over the past 40 years, the overall social housing stock has declined by 1.4 million homes.

Big numbers often mean very little, but I will talk about my borough of Merton, which is a small, outer London authority. In the last year, we have had 72 two-bed, 34 three-bed and two four-bed properties to let, with 10,000 families on the waiting list. That tells me that we are not building enough new homes or doing enough to encourage new developments. The dominance of huge building firms, and the decline of small and medium-sized builders, is part of that story. We need to do something different, and we need to do it now.

3.20 pm

Mrs Natalie Elphicke (Dover) (Con): It is a pleasure to serve under your chairmanship, Mr Robertson, and I thank my hon. Friend the Member for Northampton South (Andrew Lewer) for securing the debate. I know him to be very knowledgeable on this subject, as we have heard today.

The biggest obstacles to the delivery of available housing with planning permission are Natural England, the Department for Environment, Food and Rural Affairs and the issue of nutrient neutrality. The Home Builders Federation has said that nutrient neutrality is responsible for the putting on hold of at least 120,000 new homes with planning permission in more than 74 local authorities, with an estimated 41,000 more homes not coming forward every year. Two thirds of SME builders have said that nutrient neutrality will be a barrier to increasing housing delivery over the next 12 months, so I share the grave concerns expressed by many in the industry about the practicality of the Government’s proposed approach to tackling this issue.

The basis for nutrient neutrality is fundamentally flawed, first, because the causes of high nutrient levels in rivers are agricultural run-off, the pumping of sewage into rivers and the failure of water companies over many years to upgrade their infrastructure to tackle the problem. Secondly, the contribution of new homes to the problem is very small in comparison with other causes, but the impact on building the homes our country needs is huge. Thirdly, new homes are more environmentally friendly and sustainable than old homes. New homes are more water efficient, so they can help to address these sorts of problems. There is absolutely no need to ban them. For Natural England to ban new homes is like the Department for Transport banning or taxing electric cars because of concerns about air pollution caused by dirty old lorries and smoky diesels. It is the wrong target and the wrong policy. It undermines rather than supporting important environmental objectives, it undermines growth and it undermines the Government’s housing targets.

Added to the Natural England fiasco is the fact that DEFRA now plans to let water companies decide whether developments can go ahead at all and whether to connect to new developments. Research has demonstrated time and again that smaller house builders find it hardest to get water and other utilities connected, compared with the larger house builders. Areas with historical underinvestment in water connections are more likely to be in regional markets where SMEs can thrive. There is, therefore, a concern that the approach to nutrient licences and permissions, and the reversal of the current legal requirement for water companies to connect where requested, will favour larger builders over smaller ones, and more affluent areas over less affluent ones. It could be yet another barrier for the SME house builder, because although big companies can focus on land and sites outside the affected areas, an SME is more than likely to be focused on its local area and will not have that option. In effect, we are shutting down its entire business.

Let us be clear: DEFRA’s actions damage all housing delivery, and we cannot have one Department undermining the effectiveness and delivery of another. I ask the Minister whether we can meet urgently to discuss this issue further.

Mr Richard Bacon (South Norfolk) (Con): I am grateful to my hon. Friend for raising the subject of nutrient neutrality. I have a constituent who is a small house builder, as were his father and grandfather. He runs a business and employs people, and he has done so for many years. He went bust during the crash in the late noughties—2009 or 2010—but he is back on his feet and building more houses. He came to see me last February to talk about the fact that despite having spent £750,000 of his own money on building a road under a section 106 obligation, which he had met, he has been told that he cannot finish his work. Is that not the problem? Do we not need to be supporting such people?

Mrs Elphicke: My hon. Friend is absolutely right to say that we need to support SME house builders.

In addition to the problems with planning, it is very difficult for smaller builders to grow, so I will end my remarks by looking at growth. Very often, the discussion around small and large house builders can divide one against the other—we have heard elements of that today.

As with the supermarkets and the village shop, we need a range, not one or the other. We need all players in the market. Policy in this area must provide more support to SMEs. It must also make sure that we have the transition, growth, productivity, ambition and delivery that allow an SME to become a larger player.

In my discussions with the late Tony Pidgley of Berkeley Homes, we often discussed the nature of the house building market. Tony started his company in 1976, building and selling just four homes. He often said to me that it would be near impossible for him to achieve such a level of success today—to go from having a single site and a handful of homes to being a massive house building giant. We need to reflect on that and ensure that policies support the building up and transition of smaller to larger companies, and the successful reshaping of larger to less large where that is appropriate for a business. I hope the Minister will address that.

It is vital that we once again make the positive case for appropriate housing in our communities, to support regional jobs and skills through SMEs, and to provide more environmentally sustainable homes to sustain better life, education, health and happiness outcomes for all of our constituents. Housing can be a real force for good. We must do more to support smaller builders.

Mr Laurence Robertson (in the Chair): We need to leave two minutes at the end for the mover of the motion to wind up, so we have up to 10 minutes now. I call Chris Stephens.

3.26 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to see you in the Chair, Mr Robertson. I congratulate the hon. Member for Northampton South (Andrew Lewer) on securing this debate. I note that he chairs the APPG for SME house builders, and I look forward to its report. He touched on some of the issues, but I look forward to the report being published so that it can create a wider discussion around the issues facing SME house builders. The hon. Gentleman set up the APPG in reaction to the UK Government's goal of delivering 300,000 houses a year.

Another issue that will be familiar to the hon. Gentleman and others, and which it is useful to mention as background, is cash holdings. Cash holdings have a greater significance for SMEs than they do for larger house builders, because they represent a much higher proportion of a company's equity. As a result, SMEs have greater exposure in the early stages of development. The costs associated with land purchase, infrastructure and groundworks must all be funded before the developer can see some balancing of the debt from sales revenue. SMEs do not have the financial firepower of the volume builders, and often they cannot acquire even small sites to put into a land bank because any funding so committed does not earn an immediate return.

Scotland is leading the way in delivering affordable social housing across the UK, and Scotland supports SMEs. We must recognise that the increased cost of finance from interest rate rises following the crashing of the economy is particularly troubling for the cash flow of SMEs and house builders. There are wider challenges, and the context has to be considered, but the UK is one of the few major economies—including Russia, incidentally

—to shrink in 2023. Wages next year are projected to be the lowest since 2006, and the inflation rate was the worst in the G7 last year.

There are also problems in relation to Brexit and the resulting lack of business investment. The knock-on financing issues and mortgage price increases have consequences for house buyers and builders alike. Other issues must be raised on behalf of not just SME house builders, but SMEs across the board. Research by the Federation of Small Businesses has shown that more than half of SMEs across the UK suffer crippling cash-flow issues as a result of the late payment of invoices. The figures show that over 18 months to two years, almost half a million businesses went bust because of that very issue.

Last year, the Federation of Small Businesses warned that one in 10 Scottish firms had reported that late payment was threatening the viability of their businesses. With the increased cost of credit, through higher interest rates, the effective cost of late payments is higher than ever.

I note that my hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman) recently hosted a roundtable here in Westminster with accountants to tackle the issue of late payment, because at present the UK Government's voluntary prompt payment code recommends that SMEs are paid within 30 days but we need to see more being done in practice, rather than small firms having to wait 60, 90 or even 120 days for payment from big firms. I hope that the Minister can tell us what discussions she has had with her colleagues to ensure that SMEs—not just SME house builders, but SMEs across the board—are being assisted, and that she can also say what action the Government are taking to ensure that SMEs do not suffer from late payments.

Despite the challenges of austerity, Scotland's five-year, £3.5 billion commitment on the affordable housing supply programme remains. There will always be peaks and troughs of investment as we move towards that goal. The Scottish Government have put in £752 million of investment for 2023-24, which represents progress towards meeting the £3.5 billion pledge. In the most challenging Budget settlements that we have had, the Scottish Government are providing £13.5 billion in the 2023-24 local government finance settlement, supporting local authorities and communities to meet their housing needs and homelessness targets.

Scotland continues to be a good place to buy a first home, with the average first-time buyer spending around £100,000 less for a property than in England. That situation will be familiar to those of us who are elected as Members of Parliament, when we arrive here and look at the property prices in London as we try to rent somewhere. We walk past an estate agent and see what we would consider to be a premiership transfer fee, but in actual fact it is the price of the property. That scenario will be familiar to those of us who are Members of Parliament from outwith London; it is one of the challenges that faces us when we arrive here.

The latest statistics show that 22,905 new build homes were completed in Scotland in the year ending September 2022, providing people in all sectors with warm and secure homes. Scotland has also led the way in delivering affordable housing and social housing across the UK, with more than 118,000 homes being delivered since 2007.

[Chris Stephens]

As the hon. Member for Westmorland and Lonsdale (Tim Farron) said in his remarks, it is also important that it is the right type of housing that is delivered. It is important that what is built is affordable, is for social rent and is in affordable home ownership. I can tell him that of the 50,000 affordable homes completed in Scotland, 69% are for social rent, 12% for affordable rent and 19% for affordable home ownership.

In conclusion, Scotland has a good story to tell. We have to ensure that the challenges that house builders have faced through the pandemic and in the current economic situation are met, and that we also demonstrate and learn from Scotland's collaborative approach to its housing partnerships, social landlords, local authorities, community bodies and construction sector developers.

3.33 pm

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a pleasure, Mr Robertson, to serve with you in the Chair. I congratulate the hon. Member for Northampton South (Andrew Lewer) on securing this important debate and I commend him for the thoughtful remarks with which he opened it. I also thank the hon. Members for Waveney (Peter Aldous), for Dover (Mrs Elphicke), and for Westmorland and Lonsdale (Tim Farron), as well as my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), for participating in this afternoon's debate.

As has been noted several times during the debate, including by the hon. Member for Northampton South himself, the decline of small and medium-sized house builders is a long-term trend that is widely recognised as having a negative impact on the supply, location, quality and design of new homes across the country. There is broad agreement, both on the barriers that SMEs face and on the fact that more must be done to support them and increase competition in the house building market.

Members on both sides of the House have been ruminating for years—certainly for the eight years that I have been here—about the predicament facing SME house builders and about the fact that the progressive consolidation that has occurred at the top of the market and the consequent over-reliance on an alarmingly small number of developers are themselves symptoms of a broken housing market. However, relatively little progress has been made in recent years in arresting the decline of SME house builders and diversifying the industry more generally—for example, by markedly expanding the self-build, custom-build and community-led housing sectors. Opposition Members would argue that the lack of progress reflects at least in part the limited nature of the Government's interventions. Although we readily acknowledge that they have introduced various initiatives to support SME house builders—including the development finance provided through the levelling up home building fund, which the Minister may point to in her response—taken in the round they have been somewhat piecemeal.

The fact is that the Government could do more in the short to medium term to tackle the various constraints facing SME house builders. The Department could direct Homes England to give even greater weight to quality over cost in development appraisal to increase the chances of SME house builders winning bids, or it could consider extending strategic partnership funding

to select SME house builders to assist them in aligning affordable sales with output, rather than forcing them all through the continuous market engagement route.

Given that access to land is a key barrier facing SME house builders, the national planning policy framework could be amended to ensure there is a clear expectation on local planning authorities to demonstrate which sites under 1 hectare within their boundaries will be allocated for development to ensure that their 10% requirement is met. That would provide a firmer basis for SME house builders to invest in and build on those sites. The Government could explore replicating across England London's Small Sites Small Builders programme, which makes it easier for public land owners to dispose of small sites and match them with SME house builders. The hon. Member for Northampton South rightly pointed to that scheme. Given the challenges that SME house builders face, particularly at present, I hope the Minister will not merely recite past measures but will tell us about further measures that the Government are exploring to support them.

However—there is a however—as welcome as any further measures would be, targeted interventions are likely to make a difference only at the margins. The fundamental dynamics of the system as currently constituted make it almost impossible for SME house builders to thrive and grow. A slow and somewhat uncertain planning system, high land prices and a persistently volatile housing market combine to disadvantage SME house builders and advantage mainstream volume builders with deep pockets, extensive project portfolios and large development site pipelines. In boom years, SME house builders struggle to compete with the volume developers and their speculative business model. In hard times, many simply go bust, with the net result that with every successive downturn, the industry as a whole becomes more homogenous. That is why recent developments are so concerning.

There is broad agreement that the UK has entered another housing market downturn, sparked by what looks likely to be a prolonged period of high inflation and high interest rates. That downturn will manifest itself in a variety of ways, but it will almost certainly include a softening of house prices and a consequential slowdown of house building. On top of that, as several hon. Members said, decisions made by successive Conservative Administrations over recent years will exacerbate the slowdown. The period of sustained planning policy uncertainty since the publication of the 2020 "Planning for the future" White Paper and the chilling effect of the proposed revisions to the NPPF on local plan preparation and the planning consent pipeline have combined to further suppress house building rates.

Faced with the end of Help to Buy, softening house prices and rising construction, material and labour costs, many of the volume house builders are already retrenching and mothballing sites. With higher profits, lower levels of debt and substantial cash reserves, they are arguably far better placed than they have ever been to weather the downturn and wait for house prices to recover. SME house builders are in a much more vulnerable position. We face the real prospect that the gloomy economic outlook and the sharp rise in the base rate and borrowing costs will further entrench the dominance of the small number of volume house builders. A Government that are serious about not only arresting

but reversing the structural decline of SME house builders will need to confront the fundamental reasons why the housing market, as currently constituted, makes things so difficult for them to compete. In our view, that ultimately means Government being prepared to accept greater responsibility for development outcomes and ultimately being prepared to deploy the unique powers available to them to ensure that quality place making and long-term value creation—in other words, a stewardship approach to development—become the norm, not the exception. It means, for example, far greater use of the master development model to de-risk large sites and sell phases or parcels on them in a way that creates far more opportunities for SME house builders.

Those SME house builders desperately need those opportunities and, as a country, we need a greater focus on doing what is necessary to provide them, not just because of the contribution that SME house builders make to our economy and communities, in all the ways spoken about by the hon. Member for Waveney, but because—as the hon. Member for Northampton South said—we will never be able to build the volume of houses we need across England without a thriving and sustainable SME house-building sector.

If we are to avoid a further decline in their number over the coming years, SME house builders require greater support now, and Labour encourages the Government to give serious consideration to further short-term measures that can help them weather the downturn. We are also clear that if we are to reverse rather than just arrest the structural decline of SME house builders over recent decades, tinkering around the edges will not be enough. I agree with my hon. Friend the Member for Mitcham and Morden: we absolutely need to do something different. What is ultimately required is a Government that not only accept that SME house builders will never thrive in the current broken housing market, but that are willing to reform it to create the conditions in which they can. That is precisely what Labour intends to do if the British people give us the chance to serve after the next general election.

3.41 pm

The Minister of State, Department for Levelling Up, Housing and Communities (Rachel Maclean): It is a great pleasure to serve with you in the Chair, Mr Robertson. I thank my hon. Friend the Member for Northampton South (Andrew Lewer) who, in his customary fashion, has delivered an excellent and incredibly comprehensive speech. It was measured and balanced. He reflected his considerable expertise and experience across his many years, both in this place and elsewhere, serving his constituents and this industry. We are all fortunate to have the benefit of his experience.

I welcome the debate and the opportunity to talk about these vital issues, on which I think there is actually more agreement than disagreement. That is not always the case in this place. I look forward to reading the report of the APPG—I thank my hon. Friend the Member for Northampton South for his work on that—and the recommendations on SME finance. I know that it will have taken considerable work to pull together the views of 200 people, and I for one will be looking at that with great interest. I thank all other hon. Members, and I will come to their remarks before I finish speaking.

The Government fully recognise the importance of SME house builders, and we are committed to ensuring that SMEs survive and thrive. We all share that objective. In case of any doubt, I will confirm that we support this critical part of the housing market and set out what we are doing to help SMEs now and in the future. We know and recognise that our thousands of small and medium-sized house builders are one of the driving forces for our mission as a Government: levelling up the whole country. They play a vital role; they build out the majority of smaller sites; they make an important contribution to new supply; and they help to densify urban areas. They supply the workforce and subcontracted labour for larger firms, and deliver a sizeable amount of the training.

They also help to diversify the market by raising competition and ensuring that consumers have choice. They are important in delivering self-commissioned homes. I will come on to speak about some of that work—it is good to see my hon. Friend the Member for South Norfolk (Mr Bacon) in his place. We therefore support the expansion of the self and custom-build and community-led sectors. Recognising that important role, we helped the construction industry to make it through the choppy waters of the pandemic, but we now want to help them thrive into the future.

We have talked about how the number of small house builders is trending in the wrong direction. They used to account for as much as 40% of new homes in 1988 and, unfortunately, their market share has declined considerably. It is a challenging time, and this debate has highlighted the sheer range of challenges they face, from navigating the planning system and a lack of available and viable land to finance and materials shortages. There are longer term challenges, such as accessing labour with the right skills and the transition to net zero. SMEs are particularly vulnerable to demand shocks. Their lower financial resilience and access to capital means that costs, delays and uncertainties associated with the planning system can inhibit their businesses. We want SMEs to play their part in the long-term supply of housing and operate in a competitive and healthy market.

We all know the challenges, but what are the solutions? I will touch on a few things we are doing now and will do in the future. On access to finance, we have put in place a range of financial measures to support SMEs and encourage systematic change in the lending environment. To make it easier to access development finance, we extended our commitment to funding SMEs through the levelling-up home building fund, which provides an additional £1.5 billion in development finance to SMEs and will help them to deliver 42,000 homes. The vast majority of that money has been spent outside of London and the south-east.

The fund follows the success of the over £2 billion in development finance that was made available under the home building fund, which is expected to deliver over 60,000 homes when all the works have been completed. It has involved over 400 projects across the country and has helped SMEs to enter the house building sector, grow their businesses and deliver more homes. Our support does not stop there. Our £1 billion ENABLE Build guarantee scheme has increased the amount of borrowing available to SME house builders. So far the Department has guaranteed nearly £350 million in loans to SME house builders, increasing the amount and variety of lending available to the sector.

[Rachel Maclean]

My hon. Friend the Member for Northampton South (Andrew Lewer) highlighted that delays from state bodies are hindering access to finance. I am also very concerned about that, and I would be happy to work with him on any specific issues he has heard of and tackle them directly. He also mentioned the Land Registry, which despite unprecedented demand has continued to deliver essential services. We recognise that speed of service is a top priority. This is being addressed urgently through a combination of recruitment, training, tactical deployment and automation. The Land Registry is working with partners across the market to enable digital conveyancing and co-create a simpler, paperless and quicker process for buying and selling property that will benefit home owners across England and Wales.

Nutrient neutrality has been mentioned by a couple of speakers, most notably my hon. Friend the Member for Dover (Mrs Elphicke). We are clear that nutrient neutrality can only be an interim solution, for all the reasons that she and other Members have set out. We are committed to removing barriers to house building and releasing stalled developments as soon as possible by addressing pollution at source and boosting a supply of mitigation.

The Levelling-up and Regeneration Bill will place a new statutory duty on water companies in England to upgrade waste water treatment works in nutrient neutrality catchments by 1 April 2030. The upgrades to treatment works will address a significant source of pollution and reduce the cost of mitigation for developers. It is regrettable that we see stalled developments. That is why we have worked with the Treasury and been able to open a local nutrient mitigation fund following the spring Budget. That will unlock more housing delivery by boosting the supply of mitigation being delivered by local authorities.

I want to turn to planning reform, because that is the real meat of the issue for many Members. This is a major area of focus for us in Government. It is not an easy task, and I will not pretend that it is, but this is the whole thrust of the work that is taking place through the Levelling-up and Regeneration Bill. The impetus for the Bill is to reform planning and support SMEs to build more homes by making the planning process easier to navigate, faster and more predictable. We want it to reduce delays and costs for house builders. The national planning policy framework already includes policies to support SMEs. For example, it sets out that local planning authorities should identify land to accommodate at least 10% of their housing requirement on sites no larger than 1 hectare.

My hon. Friend the Member for Northampton South mentioned in our Public Bill Committee sessions that the existing small sites policies were not effective enough in supporting the housing objectives and that they should be strengthened to support the development of small sites, especially those that will deliver high levels of affordable housing. That is why we agreed to consult on our approach to updating the NPPF.

We invited views on how the policies could be strengthened to encourage greater use of small sites, which play a really important role in delivering gentle urban density and in supporting SME house builders. The consultation ended on 2 March. We are considering

the responses that we received and we will publish an update in due course. I would be very happy to speak to my hon. Friend in more detail about some of that work. We have also recently closed our consultation on proposals to increase planning fees to help improve the performance of local planning authorities.

Planning changes will not happen overnight. We are listening and our aim is to reduce delays and costs for house builders, which disproportionately impact SMEs. That will allow SMEs to get on with doing what they do best: delivering the homes and communities that our country needs and wants.

The tone of the hon. Member for Greenwich and Woolwich (Matthew Pennycook) was constructive. There are areas on which we can find ideas from all across the House. We are already doing most of the things that he suggested. He talked about the fundamental dynamics of the housing market and the problems they cause. Those problems are precisely the reason why we are making changes through the Levelling-up and Regeneration Bill and the NPPF.

I want to talk about housing numbers. Members referenced the removal of the direct mention of housing targets. We remain committed to building 300,000 houses a year. That is a manifesto commitment, and is what we should be doing across the country. The system we had before was evidently not delivering those houses in the right places, which is why, through all the careful work that I do not have time to reference, we are making planning reforms. If the Labour party is determined to scrap those planning reforms, it will find that house building will decrease, not increase.

I thank my hon. Friend the Member for South Norfolk. He is the self-commissioned homes man, and the Government agree with him. We believe that self-commissioned homes, including those that are self, custom built and community led, are crucial in diversifying the market and delivering the homes that this country needs. We have made some great progress thanks to my hon. Friend, including through launching the £150 million Help to Buy equity loans scheme and making changes to his Self-build and Custom Housebuilding Act 2015 through the Levelling-up and Regeneration Bill, to ensure that it works better. We have established the self-commissioned homes delivery unit in Homes England, taking forward a number of his recommendations.

I thank the hon. Member for Westmorland and Lonsdale (Tim Farron). He will know that we are making those changes to planning permission and also introducing a register of short-term lets. We are consulting on those changes right now. The Government agree with him on those points.

My hon. Friend the Member for Waveney (Peter Aldous) highlighted a number of challenges in the sector. I thank him for bringing his considerable experience to the debate. He talked about the levelling-up homes building fund from Homes England. If he has specific ideas about how we can improve that, I would be happy to hear from him.

My hon. Friend the Member for Dover is a brilliant champion of house building and brings considerable experience to this debate, both from her previous time and her time on the Committee. I am happy to meet with her about the nutrient issue and anything else.

The hon. Member for Mitcham and Morden (Siobhain McDonagh) spoke about the lack of social housing and affordable housing in London. Housing in London is delivered by the Labour London Mayor. That is his responsibility. Billions of pounds of taxpayers' money are devoted to grant funding. He is responsible for planning, for the sites that she mentioned and for releasing green-belt land, if he chooses to do so. I ask her to take her comments to him.

I thank colleagues from across the House for such a vital debate. I am pleased that we have been able to properly discuss these vital issues. Mr Robertson, I think you can see that, taken together, the measures that we are introducing will deliver a brighter future for the sector. Many of the things that I have spelt out are long-term ambitions. I am sure that Members will understand that these things do not happen overnight. We need to work with all actors across the sector. We must listen carefully to their views, which are the result of lifelong experience. I am sure that they will be the first to criticise if we introduce things in a rush. Our changes will not always be headline grabbing, but we are determined to introduce them. We want SMEs to play a major role in the house building sector and in supporting our housing objectives. We want them to be the centrepiece of our efforts to level up and diversify the market, and to bring opportunities to parts of the country that have long been deprived of them.

3.54 pm

Andrew Lewer: I thank all colleagues for their contributions and the Minister for her comments. She is one of the most committed and hard-working MPs and Ministers; it is right that she has an unbelievably complex brief, because she will need all that application. I am grateful for her offer to meet and talk about self-build, the Land Registry—and perhaps unique property reference numbers within that—and the small sites work. Even if we do not meet a target of 300,000, that does not mean that having the target was not worth while.

I thank the hon. Member for Greenwich and Woolwich (Matthew Pennycook)—one report on Homes England is coming his way. I thank the hon. Member for Glasgow

South West (Chris Stephens)—one report on access to finance is coming his way. My hon. Friend the Member for Dover (Mrs Elphicke) covered the nutrient issue brilliantly. The contribution of the hon. Member for Mitcham and Morden (Siobhain McDonagh) suggested some interesting late 19th-century USA references to Standard Oil and monopolies, and that not being an anti-market mechanism but a pro-market mechanism on occasion. She had some well-made points about the green belt not being green, and there being some more potential there than some people would like.

On the contribution of my hon. Friend the Member for Waveney (Peter Aldous), who discussed and suggested this debate to me, yes, Homes England and access to finance for SMEs are important. I have been urging the Government to drop VAT for conversion and existing property work as well as new builds, and I am glad that he agrees. There is a benefit for heritage. The Treasury needs to make a change, which DLUHC could work on, with regard to pension provisions for non-residential properties that could add residential properties above retail premises, so that there is some flexibility there.

Finally, the hon. Member for Westmorland and Lonsdale (Tim Farron)—I can say that even more emphatically than before—made some very interesting points. One that he touched on, which is worth exploring, is the problem of having a constituency with a national park, where all the housing requirement used to be the same but it all had to be lumped into the area that was not within the national park boundaries. That is something that we could explore profitably in the future.

This was an excellent, proper debate—a discussion of issues rather than just sloganizing; we need that for an issue as complex as this one. I am delighted that we have had the debate and aired the issues so thoroughly.

Question put and agreed to.

Resolved,

That this House has considered the future of small and medium-sized housebuilders.

East Coast Main Line Funding

3.59 pm

Mr Laurence Robertson (in the Chair): I will call Catherine McKinnell to move the motion and then the Minister to respond. As is the convention for 30-minute debates, there will not be an opportunity for the Member to wind up at the end. I call Catherine McKinnell.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered funding for the East Coast Main Line.

It is a pleasure to serve under you as Chair, Mr Robertson. I am grateful to have been granted this debate, because the east coast main line is one of the country's most strategic transport routes, carrying 80 million passengers on their journeys every year, and £30 billion of freight. Stretching from London to Inverness, it provides connections the length of the east coast of our island—from Scotland to the north, the midlands and London—and all the way back up again.

One third of the UK population lives within 20 minutes of an east coast main line station. The economies in those communities create almost 50% of the UK's economic output. The economic importance of the east coast main line is clear but, shockingly, this vital strategic rail line last saw major investment when electrification was completed in 1991. I asked for this debate to speak on behalf of the all-party parliamentary group on the east coast main line, which I set up and chair in Parliament. We campaign together on improving passenger experience, capacity and reliability, as well as economic growth and the huge potential that could be unlocked in the areas served by the east coast main line.

In the short time we have today, I will outline who is served by the line, its current shortfalls, and look at some of the details of the Government's integrated rail plan. I have questions for the Minister that I hope he will be able to answer. Unfortunately his colleague, the hon. Member for Bexhill and Battle (Huw Merriman), the Transport Minister of State, could not be here, but I hope he will be able to reply following the debate, if the Minister here does not have all the details to hand.

The east coast main line is of huge importance to the region that our group represents. We represent the entirety of the east coast main line, and it serves huge purpose to my region of the north-east. I must declare that I am wearing two hats: I am here for the line as whole, for which I will make the case, but I cannot help also making the case for the north-east, as it is of such strategic importance to our region. It is the first and last leg of journeys to and from the north-east to almost all other parts of the country.

Increasing capacity on some of the bottlenecks, particularly in the north-east, is vital, not only for serving the people in my region but freeing up those bottlenecks for the whole line. The consortium of east coast main line authorities—a cross-group of local authorities, combined authorities and Scottish regional transport partnerships—has produced an east coast investment prospectus. I believe the Minister has received a copy, and I am sure he has read it in advance of today's debate.

The prospectus describes how the route supports current and emerging industries along its length, and the investment that will be needed to future-proof the route to ensure it will be able to meet those challenges and, even more importantly, take advantage of all the opportunities that will arise from major rail investment projects in the pipeline. The consortium is currently looking at research on changing patterns of travel on the east coast main line; the opportunities for freight, including parcel freight; and the amenities at the different stations along the east coast main line. The all-party group looks forward to working closely with our partners in local government, campaigning for investment on the line.

Any user of the east coast main line knows that we have seen challenges of delays and cancellations. Those are caused by capacity constraints and infrastructure shortcomings. Frankly, they hold back the line's ability to grow its passenger market. Research undertaken by the consortium of east coast main line authorities found that, if the number of delays over 10 minutes were halved, it would deliver an additional £62.8 million a year to the wider economy, and more than £600 million over the next 10 years. That is economic growth that our country clearly needs.

The line is also particularly prone to major incidents that cause the service to stop running for long periods. That lack of resilience is often evidenced in major overhead line dewirement, but can also be associated with other issues, such as signal failures. We all dread the messages telling us that trains have been cancelled or delayed, or, worse still, have disappeared altogether because the infrastructure is just not there to support the beautiful new fleet of Azuma trains running up and down the east coast main line. When major disruption occurs, it has a huge impact on long-distance passengers, who are sometimes forced to abandon trips altogether, or to make alternative plans. Most concerning is that, if it happens too often, those travellers make permanent alternative plans. That is not only bad for the economy, but for our environment, too.

While the impact of poor performance costs us a substantial amount each year, it is difficult to get a complete picture of the status of planned enhancements to improve performance on the east coast main line, or anywhere on the UK's rail network for that matter, because the Department for Transport's rail network enhancement pipeline, which is supposed to set it out, has not been updated since October 2019. The pipeline that was supposed to relate to Network Rail control period 6—I am getting a bit rail technical here—ends in March 2024, so publishing that now would not serve much of a purpose. The Government's integrated rail plan is the best indicator we have of infrastructure plans for control period 7, which runs to April 2029.

Speaking now as a Newcastle MP, I was hugely disappointed by the lack of ambition in the integrated rail plan. It concluded that the north-east should no longer be part of the High Speed 2 network or the Northern Powerhouse Rail core network, and declined to commit to finance the north-east's key ambition of reopening the mothballed Leamside line—a transformational project that would provide a much-needed diversionary route for the east coast main line and connect communities in South Tyneside, Sunderland and Durham to the rail network.

Paul Howell (Sedgefield) (Con): I would like to make hon. Members aware that an all-party parliamentary group for the Leamside line was formed today. That line is hugely important in supporting the resilience and capacity of the east coast main line, as the hon. Member says. It is fundamental to have that resilience, particularly in the north-east of England, where we have too much line that is just one up and one down, so any issue means that we stop all connectivity on the entire line. We need to look at that.

Catherine McKinnell: The hon. Gentleman makes a good case on the Leamside line. I congratulate him on the group that has been set up today. He also clearly makes the cross-party case for investment in our rail infrastructure in the north-east and right across the country.

The Government have been clear that they do not intend to revisit the integrated rail plan, so those of us that want to see a step change in ambition need to keep making the case for an alternative approach. We would like to see what has been promised in the integrated rail plan actually delivered.

In the Government's words, the IRP promises to provide a "significant package of upgrades" to the east coast main line, delivered in tranches to the mid-2030s. One of the most important is the aim to increase the number of trains per hour between Northallerton and Newcastle from six, as currently, to seven or eight. That very welcome project should go some way to improving the long-standing capacity issues between York and Newcastle on the east coast main line, but it is crucial that the package of interventions is funded and delivered as soon as possible—it cannot wait—especially as it would allow us to restore any pan-northern connectivity that may be lost with the expected addition of a third Newcastle to London service in the anticipated timetable changes, which I will come on to later.

Paul Howell: We all saw the problems that happened the last time timetable changes were introduced—I think that was last year, although time moves on quickly. There are demographic changes happening, with the economic campus in Darlington, and there are changes at Darlington station, with an impact on to Durham. Both serve my Sedgefield constituents. It is important that we have a rail network in the north-east that can cope with freight and the fantastic Azumas, which are built in my factory at Newton Aycliffe, but also more local transport, which will get us back into a greener public transport situation.

Catherine McKinnell: The hon. Gentleman makes a good case and also leads on to some other issues, which I will outline in more detail. He succinctly makes the point that if we can tackle some of the bottlenecks on the line, get the right timetable in place and secure sustainable and resilient infrastructure, we can unlock so much potential in our region. I do not think we can shout that enough in the current climate, because we all need to see more growth in the economy, and we would particularly like to see it in our north-east region.

Martin Vickers (Cleethorpes) (Con): The hon. Lady is making a compelling case. As she knows, my constituency lies 50 miles off the east coast main line. Many other towns have benefited from services that have been added to the line, such as the Grand Central service to Sunderland

and Hartlepool. I have been campaigning for many years to restore the direct service from King's Cross to Grimsby and Cleethorpes. Such a service is vital, and it is supported by local businesses and the local community, so I hope the campaign the hon. Lady is mounting will support it. I am sure the Minister will convey my thoughts to the Rail Minister, who I have had many meetings with on this issue.

Catherine McKinnell: I thank the hon. Gentleman for demonstrating that this issue has cross-party support and that it is not all about the north-east. I cannot help speaking for the north-east because it is where I am from, but there are so many issues up and down the line. If an issue impacts one part of the line, it impacts all of us, so we are much very united in our desire to see a functioning east coast main line from London right up to Inverness.

The issue of station enhancement really highlights the length and breadth of our demands of the Government and our wish to see the integrated rail plan fully delivered. The plan talks about extending the four-track railway to end just north of Northallerton station, rather than just south of it. Station and junction upgrades are also mentioned for Newark, Doncaster, York and Darlington, but we do not have many details and we would like to see more from the Government.

Outside the integrated rail plan, the east coast main line is also getting a roll-out of digital signalling, known as the European train control system. It will go from King's Cross to the south of Grantham, creating opportunities for greater flexibility in operation and enhancements in capacity. I am looking forward to visiting King's Cross station with colleagues from the all-party group to see first hand how the system works.

Although I was disappointed with the overall level of ambition in the integrated rail plan, there are clearly important proposals that would benefit the east coast main line, and we all want to see them delivered. What we need to know from the Minister today is when they will happen. The Department for Transport is in the process of reviewing all rail projects, so the Minister will understand that there is considerable concern about the commitments made in the integrated rail plan and about whether any of those related to the east coast main line will end up being cut back or cancelled.

The plan puts a heavy caveat on the realisation of those enhancements, stating that they are all contingent on a successful business case, in line with the DfT's usual appraisal process. In practice, that means there are no guarantees. We do not want warm words that are not delivered. We also really warn against a piecemeal approach to investment, because it just does not work. As the Consortium of East Coast Main Line Authorities has argued, we need to see the development of a pipeline of schemes to deliver against the plan, so that we have not just short-term benefits but medium and long-term ones, and we can build confidence in investment for the future. We need timely and firm commitments to fund those schemes, because that is the only way we will see genuine transformational movement forward on our national rail investment plans.

We would be really grateful—we appreciate that the Minister present probably cannot commit to this on the Rail Minister's behalf, but we would like him to anyway—if the Rail Minister could meet the all-party group to

[*Catherine McKinnell*]

discuss the issue in more detail. We appreciate that there is probably not the time today and that the Minister present may not be apprised of all the details, so we would like to hear from the Rail Minister about coming to meet with us as a group.

Paul Howell: The hon. Lady is being very generous with her time. Does she agree that, rather than making purely economic cases, we must have full cognisance of the impact on the communities that are being served? I know that the Green Book is moving in that direction, but I think it needs as much help as it can get. Rather than focusing just on the overall economics for the country, we must be cognisant of the impact on the people receiving the benefit.

Catherine McKinnell: Absolutely. The way these things are calculated needs to be looked at as much as the calculations themselves. In the north-east we have long-standing challenges with the way investment decisions are made, and they hold us back from moving forward. We need to see forward thinking on where we put investment, so that it not only meets the demands of today but builds capacity and drives growth in our region for the future. That will then power growth all the way up from the south to the north and onwards to Scotland.

Going back to the bottlenecks on the east coast main line, the hon. Member for Sedgefield (Paul Howell) spoke of the Leamside line, which we would really like to see. We have seen the effective cancellation of the HS2 eastern leg and Northern Powerhouse Rail, as well as the mothballing of the reopening of the Leamside line. That has caused huge concern, and an all-party parliamentary group has rightly been established to create a strong cross-party voice here in Parliament.

The Leamside line is a nationally significant piece of infrastructure that would divert slow-moving freight from the east coast main line and free up much-needed capacity. The Government recognised the importance of the Leamside line in the north-east devolution deal, but we now need Ministers to get behind the campaign. The Labour party has committed to it, and we would really like to see that commitment from the Government.

In Scotland there are significant issues in accommodating levels of service between Edinburgh and Dunbar. Long-distance services pass through far quicker than stopping and freight services, so we need extra capacity on the line to allow faster trains to overtake slower freight and local services. The independent Union connectivity review, chaired by Sir Peter Hendy, was published 18 months ago, around the same time as the integrated rail plan, yet the Government still have not issued a formal response. When is that coming?

The integrated rail plan has a distinct lack of detail when it comes to enhancement south of York, aside from a reference to removing unspecified bottlenecks south of Peterborough. There are numerous issues here. Doncaster station is a major junction on the east coast main line, with a variety of local and long-distance passenger services and considerable volumes of freight passing through. The lay-out of the station hampers the number of crossing movements required. We would like to see commitments on that.

Another unresolved constraint is the Welwyn gap, where the railway reduces from four to two tracks between Digswell and Woolmer Green. This restricts service development and presents a reliability issue. Between Huntingdon and Peterborough, the track reduces from four to three, constraining capacity and impacting on reliability, often delaying already late-running services or services starting from Peterborough heading south.

Newark flat crossing is another long-standing bottleneck, where the east coast main line and the slower Nottingham to Lincoln line cross each other. It is the last remaining flat crossing in the UK. Some may enjoy the history of it, but it does create concerns as something of a relic, and it is entirely unique on our rail network. It is a severe restriction to the operation and planning of the east coast main line and limits the development of services on the Lincoln to Nottingham route. These bottlenecks are not going away any time soon. They will be put under even more pressure when we, hopefully, get the east coast main line timetable changes.

Consultations on a new east coast timetable took place in summer 2021, and it was supposed to be implemented in May 2022. It was designed to optimise the service to take full advantage of Network Rail's £1.2 billion east coast upgrade and the new Hitachi-built Azuma trains. However, the proposed timetable created quite a lot of concerns, so we are stuck in a situation where we have these trains but are not maximising their capacity.

One challenge is the chronic lack of investment in the line, which means there are some really unwelcome trade-offs. Where some areas would undoubtedly benefit from the new timetable, others would lose out on a good deal of connectivity. There were a lot of concerns about the level of cuts to stopping services in Morpeth and Berwick. I appreciate the intention to pursue the timetable overhaul, but there have been few signs of progress since it was stalled in May 2022, and no revised proposals have been made public.

These are my questions for the Minister. Will the Department commit to delivering the integrated rail plan interventions for the east coast main line in full, and will the Rail Minister attend a meeting to discuss progress on that?

Why has the east coast main line timetable change stalled? What is holding it up? Is it funding issues? Are there currently enough trains to operate a revised timetable? Will the Government ensure that any further timetable changes are accompanied by an infrastructure plan that deals with the trade-offs that will be necessary with any long-term timetable proposals?

The east coast main line's status as a fast, low-carbon route from London to Edinburgh is hugely important, so will the Minister tell us whether the Government plan to respond to the Union connectivity review and, if so, when?

On digital signalling, it is welcome that investment is going into the southern section of the line, with the business case proven. In-cab digital signalling is clearly the future, and Network Rail tells us that it is more efficient and cheaper than traditional alternatives, so does the Minister agree that any future renewals should not be like-for-like but should instead bring modern, digital signalling to the northern sections of the line?

In January, the strategic outline business case for the Washington metro loop, produced by Transport North East, was submitted to the Department for Transport. The Minister will be aware that that forms part of the wider project for the Leamside line, which we have already mentioned. Work on a more detailed outline business case for the loop has begun, so in line with the north-east devolution agreement's promise of support will the Department commit to contributing financially to the development of the business case?

I would happily provide a summary of all my comments. I have spoken in quite some detail, and I really look forward to the Minister's response. I will just say this in summary: we need an ambitious, long-term plan from the Government. It is not enough to make announcements; we need to see how they will be delivered on, we need to know when and we need to have the promise of funding that will see our east coast main line, from London to Inverness, fully functioning and meeting its full potential.

4.22 pm

The Minister of State, Department for Transport (Jesse Norman): I would like to offer my thanks to the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) for securing this debate and for all the efforts and advocacy she has put into pressing the argument for investment in the east coast main line, in her role as chair of the all-party parliamentary group on the east coast main line. I am thrilled to hear the news from my hon. Friend the Member for Sedgefield (Paul Howell) about the creation of his own APPG, which feels like a very positive development as well.

I must, as the hon. Member for Newcastle upon Tyne North noted, extend my apologies on one front. It will not have escaped notice that, as she pointed out, I am not the Rail Minister, but of course, as she will also know, we try to play total football in the Department for Transport—if Neeskens is going in one direction, we want Cruyff to be heading off in the other one, and we try to do the same thing. At this moment, the Rail Minister is about to get on a train—on the east coast main line—to York to conduct an official visit. I hope the hon. Lady will recognise that commitment to the piece of infrastructure that she nobly champions. Nothing would be easier to do in his absence than the classic ministerial two-step of stitching him up by offering a meeting on his behalf. I am not going to do that, but I will say that I have no doubt that he will be scrutinising the proceedings in this Chamber very carefully and that he will want to act on them with his usual energy and dispatch.

Of course, as the hon. Lady mentioned, we have had an opportunity, in this discussion, to consider one of the most important rail arteries in this country. I am delighted to be able to set out the Government's position and to respond to many of the issues that she touched on, including the integrated rail plan, timetabling and digital signalling.

Let me start by highlighting the east coast enhancements programme, which began in 2014. The Department and Network Rail are now in the very final stages of delivering that package of investment. When it is completed in 2024, it will, as the hon. Lady recognised, have seen £1.2 billion spent on improvements across the route.

That funding has delivered upgrades to track, platforms, signalling and junctions across the east coast main line, as well as essential improvements to the power supply. Specific examples of projects included in this wider programme of work include new platforms at Doncaster and Stevenage stations, improvements to the track layout at King's Cross and a new rail junction at Werrington, near Peterborough.

The planning and delivery of such a wide-ranging set of upgrades was the result of close collaboration between the Department, Network Rail and the train and freight operating companies. As the hon. Lady appreciates, these are invariably complex matters.

That investment was delivered in conjunction with the £2.7 billion intercity express programme, which saw the roll-out of state-of-the-art Azuma trains across the east coast main line, with the last trains coming on to the route in September 2020. Each train in the new fleet has around 15% greater capacity than previous units and provides a significant change in accessibility, through increased numbers of wheelchair spaces and improved wi-fi and mobile connectivity.

The full benefits for passengers of both these significant pieces of investment will be realised, as the hon. Lady rightly recognises, only through the introduction of a new and recast timetable for the route. This had been scheduled for introduction in 2022 but was deferred to ensure that the views of passengers and local leaders, which were being captured through the public consultation, were fully considered. There is work under way at the moment with train operators to finalise the specification of a revised timetable that much more closely aligns with the views of stakeholders across the line of the route and that ensures that the running of the railway is fairer to the taxpayer. I know that there is every intention to deliver that revised timetable as soon as possible.

The east coast main line is due to be the first major route in the UK to benefit from digital signalling, which is another issue that the hon. Lady rightly mentioned. Approximately two thirds of signalling equipment on the southern section of the line is reaching its life expiry date and needs to be replaced. The east coast digital programme covers the section of the east coast main line running from King's Cross to just south of Grantham and is the UK's flagship digital signalling initiative, aiming to deliver a safer, more reliable and more resilient route. To date, the Government have committed more than £1 billion for the programme, which is expected to be delivered by the early 2030s.

To pick up the point the hon. Lady raised about the integrated rail plan, Members present will be aware of ambitious commitments for further east coast main line upgrades that are included in the integrated rail plan, which was published in November 2021. These plans aim to achieve further upgrades and improvements to line speeds, as well as upgrades to the power supply to allow for longer and more frequent trains, and to increase capacity on the route north of York. That would mean that journey times from London to Newcastle would be reduced by over 20 minutes compared to today and that those to York and Darlington would be reduced by around 15 minutes. A 20-minute journey time improvement would also be achieved for passengers travelling between London and Leeds. Passengers will also benefit from an increased number of seats, as well as from improved performance and reliability—unions permitting.

[Jesse Norman]

It is envisaged that these improvements will be delivered in three separate tranches of upgrades, starting in the mid-2020s and running up to the late 2030s. The Department has provided Network Rail with early-stage development funding to consider how these plans can be delivered as efficiently as possible in order to deliver maximum value for money to the taxpayer.

I am delighted to be able to confirm that improvements towards the north of the east coast main line are at a more developed stage of maturity and that they can and will act as early examples of the Government's commitment to delivering on the aspirations of the integrated rail plan to improve the experience of passengers on the route. They include a package of enhancements at Darlington and York stations, as well as infrastructure upgrades at various other locations between Northallerton and Newcastle. Taken together, this programme of activity aims to allow an increased number of long-distance services to operate between York and Newcastle.

I hope that these planned funding commitments will provide reassurance to the hon. Lady and to other Members that the Government are acutely aware of the strategic importance of the east coast main line. The Department looks forward to continuing its engagement with the hon. Lady and the all-party parliamentary group on the east coast main line, and to engaging with the new APPG that has been unveiled for the first time today, as these ambitious plans come to maturity. I very much thank her for securing this debate.

Question put and agreed to.

Centre-assessed Grades

[Relevant document: e-petition 633777, Give students who miss exams due to illness a right to Centre Assessed Grades.]

4.30 pm

Caroline Ansell (Eastbourne) (Con): I beg to move,

That this House has considered centre assessed grades.

Although that is the motion, the debate might more precisely have been titled, "Giving young people with serious medical conditions the grades they merit, although too sick to sit exams, so that they have a chance to move forward with their peers." I think we all recognise that the pandemic had a pretty catastrophic impact on education, affecting every age and stage, from the language development of our tinies all the way through to undergraduates. However, there were some silver linings of the pandemic experience. One is that we came to recognise in a whole new way the great value and the place of our schools in our communities and society, and another is the digital leap for schools that was necessitated by home learning. But the potential silver lining that I want to address in the context of today's debate is how we provide a safety net for qualifications.

We talk about exams and exam grades, but we mean qualifications. They count and they carry. They are the passport to our next step, whether that is learning, training or employment. People are asked about their English and maths GCSEs for many years after they leave school, whatever path they take. Covid decimated the exam season for all students everywhere, but a pivot to centre-assessed grades based on teacher and lecturer assessment saved the classes of 2020 and 2021. Their schools and colleges worked to compile the evidence and to moderate it to make sure that those two year groups were able to progress and move onwards and upwards to whatever their next destination of choice was. Their lives went on.

In summer 2022, now that we were living with covid, the exams regime reset and resumed. Invigilators paced the exam halls once more. Students could run the gauntlet of subjects to demonstrate all that they had learned and prove their worth. But that is not the case for the small number of students every year who are hit with a cancer diagnosis and unable to sit their exams, despite the many years of committed study that preceded that moment of crisis. That means that their qualifications and life chances hang in the balance, beyond their control.

Before the pandemic, if someone did not sit an exam, they did not receive a qualification; their only option was to resit. I understand that the only resits offered in the November session are in English and maths, so a resit means a full academic year of suspended animation, watching peers up and leave, and being left behind. There is special consideration in exceptional circumstances, and perhaps additional marks. An overall subject grade is sometimes awarded where one paper has been sat in the subject.

A certification of recognition—I confess that that was new to me, even though I have many years of teaching behind me—first struck me as something of a participation award, but I understand that it gives a nod to the grades that might have been achieved had the exams been sat. However, it is not a qualification, and of course it will sit on a person's CV and they will need to provide the

context at every job interview. It feels rather like the shadow of their cancer diagnosis, and of having the opportunity to prove themselves in exams stolen from them, will forever haunt them and drag them back.

I was brought here today by a petition marshalled by local students James Jewell and Jas Turner on behalf of my very brave constituent Lara. We are here today because they saw her situation as deeply unfair—and so it is. Lara was diagnosed with cancer, and her treatment regime is pretty gruelling. She said, “I’m fighting for me life. I shouldn’t have to fight for my GCSEs.” But she was urged and encouraged to see her way to sitting just one module—just one paper—so that she could access special consideration and have a grade awarded and then, on the other side of her gruelling regime, pick up and move forward to the college and the course that she had set her heart on.

That advice has been echoed by the Department for Education, which stated in response to Lara’s campaign:

“As in any year, exam boards have processes in place to assist students whose ability to sit exams is affected by illness or other unforeseen circumstances, including allowing pupils to take exams at home or in hospital or awarding a grade to students who have taken at least one exam or formal assessment in a subject.”

That same advice—“just one paper”—was also echoed by an exam board. The campaign whipped up, friends and family mobilised, the petition gathered pace and the press followed in pursuit. I have met the exam boards. I have had Lara very much in my sights, but I know that she is not alone in this situation.

Ultimately, I met Ofqual, and therein lay a revelation and a 180° turn in the campaign. I was informed at that meeting that, if a candidate’s disability prevents them from sitting an exam in the traditional way, existing equalities legislation allows for the awarding of grades by the board if the centre can provide suitable evidence; mocks were offered as one example. I was told that there was no requirement for Lara, in her situation, to sit one paper, as had been suggested and encouraged, and that because of her disability—for, by virtue of her diagnosis, she is deemed to have a disability under the Equality Act 2010—she is eligible for reasonable adjustments. At the meeting with Ofqual, I learned that several hundred students were awarded grades in that way last year, allowing them to progress with their peers.

Now, the focus of the campaign moved to comms. Clearly, provision has been made for recognition of these unique and most compelling circumstances, but high-performing and good schools in my constituency did not understand that from the guidance that had been issued. Although several hundred students were awarded grades in that way, I know of at least four in my constituency of Eastbourne who would be eligible under the Equality Act. If that were replicated across the 650 constituencies of this land, it would not be several hundred students but several thousand. I fear that students have been overlooked and disenfranchised because their school did not recognise the signposting in the guidance last year.

Through my experience of supporting Lara, it has become apparent that the implications of the guidance with respect to the Equality Act have not been universally understood or applied. As recently as a few weeks ago, Lara’s campaign team was contacted by another family in Sussex who had been told that their daughter would

qualify only for a certificate of recognition. A member of Lara’s team took it up with the school, which repeated the advice that she would need to sit at least one exam. This is year 2 of the change, and the same wrong advice is being given.

In brighter news, on the eve of the coronation—so perhaps most missed it—Ofqual issued new guidance to clarify the position. In the very short time since then, I have consulted those who have followed the case closely to ask whether the guidance means that situations such as Lara’s would be immediately recognised and understood, and whether students such as Lara would get the recognition to which they are entitled under the Equality Act.

An exams officer said that the guidance still does not go far enough. One lead who works closely with children and young people in hospital said that

“despite the new guidance offering more clarification there are issues with the case study examples. The case studies do not refer to the ‘appropriate guidance’—will this give children and their families any reassurance?”

A head said:

“This is a step in the right direction, but I think we need clarity about ‘rare and exceptional circumstances’. This still suggests that the onus is on the family, or school, to prove or argue that a child or young person with a serious illness cannot sit exams due to ‘rare and exceptional circumstances’. This in my view would create extra stress for the young person involved, their family and not so important, but a consideration, nonetheless, more workload for Exams teams in schools. There should be a clear set of criteria regarding serious illness which of course should be backed by medical evidence which protects the dignity of the families involved.”

I have just two humble asks of the Minister, who has been most generous with his time while we have been campaigning on this issue. First, what more can be done, at this very late hour, with the new exam season almost upon us, to ensure that the new recognition has been clearly understood and applied in every school across the land? Secondly, will he consider the situation of students who may have been overlooked last year? I very much understand that the integrity of exam grades is an overarching concern, and it is important that every student’s qualifications command due respect, but this case has highlighted the need for the recent change to be flagged more explicitly with schools and exam centres.

We received good news on Friday. All exam boards with which Lara is entered for qualifications have confirmed that they will award her GCSE grades based on non-exam assessments completed, evidence of mock performance and teacher assessment. We feel that in Lara’s case—and hopefully nationally—the system is moving in the right direction for children and young people who face similar challenges. I am pleased that Lara will receive her grades this summer.

I will leave the concluding words to Lara’s dad, who has been a champion for her through all these many difficult weeks:

“The impact of this inconsistency is discrimination—some are lucky enough to be awarded grades, others not.”

I pay tribute to the young people in my constituency who mobilised to promote Lara’s interests and help secure her grades, to Lara’s friends and family, and to Lara for sharing her story.

4.46 pm

Tracey Crouch (Chatham and Aylesford) (Con): It is a pleasure to serve under your chairmanship, Mr Robertson. May I begin by congratulating my hon. Friend the Member for Eastbourne (Caroline Ansell) on securing the debate? I recently applied for a similar debate but, as yet, have not been successful. Perhaps the Minister will be spared yet another debate in Westminster Hall—subject, of course, to his response today. I also take the opportunity to congratulate those who mobilised behind the petition to raise this incredibly important issue on behalf of Lara and her friends.

I will be brief, because my hon. Friend has already made an exceptional speech highlighting the issue, but I want to take the opportunity to mention specifically cancer and examinations. My hon. Friend is right that the definition used in the guidance is very wide with reference to disabilities.

Two weeks ago, I got in touch with the Minister about my constituent Charlotte, who was recently diagnosed with a rare type of non-Hodgkin lymphoma and is now receiving treatment under the Royal Marsden Hospital. When Charlotte's grandma Mavis got in touch with me, Charlotte, who is 16 and a pupil at Maidstone Grammar School for Girls, was expecting to sit her GCSEs in a couple of weeks. Her options, as set out by the then guidance, were effectively limited to her sitting the exams, but if she were too unwell to do so, she would be eligible for a certificate of recognition, which, while equivalent to a GCSE, is not technically the same; as my hon. Friend pointed out, that would cause her health experience to cast a long shadow.

Given that assessments during covid enabled students to get their rightful grades for years of hard work without having to sit an exam, something did not feel right about that, especially as Charlotte is incapacitated by her cancer treatment. Chemotherapy is harsh, even for the strongest and fittest of people; it deprives people not just of physical strength but of mental capacity, too.

Being a good student, Charlotte has engaged with the schools team at the Marsden. Under the impression that she will still have to sit her exams, she has, since beginning this horrible journey, tried to stay up to date with her school work. She has tried to do past practice papers, but manages about 20 minutes before she is too exhausted and has to sleep for several hours. Her mother tells me that the experience is upsetting, because it is challenging Charlotte's identity. Identity is not just about what someone looks like, but who they are. I am sure Charlotte's hair loss, through her chemotherapy, is making her feel like a different person, but the impact of not being able to sit and study, having done so diligently since primary school, will have an equally significant and profound impact on her psychologically.

Chemo brain is a real thing. As someone who has no recollection of an urgent question I asked after a round of chemo, I can sympathise with Charlotte, who often cannot remember what she studied the previous day. We have the benefit of *Hansard* to help us with our recollections. It usually makes us look marvellous, but she does not have that. So angered was I that poor Charlotte, who was already facing a health crisis, an identity crisis, and—ever so importantly for someone in their teenage years—a social crisis, was now also facing an educational

injustice that I disturbed the Minister on a bank holiday Monday. For the record, he was his usual kind, receptive and brilliant self.

Last Friday, I was delighted to receive the updated guidance from the Joint Council for Qualifications. It was updated last Wednesday, and at the bottom of page 14, it says—I am paraphrasing—that in rare and exceptional circumstances, where the centre cannot identify additional reasonable adjustments that would allow the candidate to sit their examinations, an awarding body may be able to determine grades using suitable alternative assessment evidence. I drilled down into what that actually meant, and it was exactly what Charlotte needed. The family are really grateful, and the change has removed an enormous amount of stress. Charlotte can concentrate on her treatment and general wellbeing. She will suffer this horrific treatment until September, but she will hopefully finish in time to start her A-levels.

I want to make two points. First, Charlotte's school, Maidstone Grammar School for Girls, has been brilliant and nothing but supportive of Charlotte and her family. However, it learned of this change when I sent the revised guidance to Charlotte's family, who then sent it on to the school. What communication is taking place with schools, including hospital school teams, about this change? I dare to suggest that there is minimal awareness of it. Given how close we are to the start of the exam period, its enactment might face challenges. The updated guidance is really difficult to understand, and the school had to seek clarification that it covered cancer.

That brings me to my second point. In the 109 pages of guidance, there is only one reference to cancer, and that is in the explanation of the definition of disability in the Equality Act 2010. Cancer should not be skirted around like that in guidance. Cancer is not just the cruel, harsh disease that we all hate; its treatment is like nothing else. I would not want to get into ranking the disabilities defined in the Act, but a diagnosis of cancer turns your world upside down, regardless of age. However, the value and importance of educational assessment is drilled into children and young adults; that starts with their standard assessment tests in primary school. A diagnosis of cancer threatens all they have ever worked for. I think the guidance ought to be a bit more open, explicit, transparent and empathetic. Covid proved that we can provide a different kind of assessment, so let us capitalise on that. Let us make it clear in the guidance, in actual terms, what will happen if a student cannot sit their exams due to cancer treatment.

Understandably, Charlotte might not feel as though she is lucky right now, but she has an articulate, caring and supportive family to help her navigate this minefield. She has a school that cares about its pupils, and lives by its Latin motto "not for self, but for all". She is on the right side of a change in guidance, for which the appreciation is heartfelt. However, I hope the Minister recognises that despite that, there need to be further changes in awareness and specification around cancer. I look forward to hearing his response.

4.53 pm

Stephen Morgan (Portsmouth South) (Lab): It is a pleasure to see you in the Chair, Mr Robertson. I thank the hon. Member for Eastbourne (Caroline Ansell) for

requesting this important debate, and I pay tribute to her brave young constituent, Lara, whose battle against cancer inspired it. I think I speak for all hon. Members in saying that our thoughts are with her, and we wish her all the best.

The hon. Member for Eastbourne spoke with passion and empathy about her constituent's experience, the longer-term implications of the current arrangements, and her constituents' tireless efforts to bring these issues to this place via the petition and campaign. Of course, Lara is not alone, and I am therefore grateful to the hon. Member for raising these issues with Ofqual, too. No one wants young people to be discriminated against or overlooked, so I thank her for securing today's debate. The hon. Member for Chatham and Aylesford (Tracey Crouch) made a number of helpful points with regard to her constituent's experiences of cancer. As ever, I thank her for her insight and contribution.

As Members have outlined, the Joint Council for Qualifications sets out rules and guidance for exam boards across the UK on access arrangements, reasonable adjustments and what is known as "special consideration". The JCQ special consideration guidance says that for enhanced grading in "acceptable absences", 25% of the total assessment must have been completed. Where special consideration cannot be used, a candidate may be awarded a certificate of recognition, but as we have heard today, this is not a qualification certificate.

At its heart, this is a debate about the need for us to provide an inclusive education system—a system that is fair for all, that does not allow any child to slip through the cracks or be treated unfairly, and that gives every child the opportunity to demonstrate what they are capable of and to succeed. That is particularly important for the most vulnerable children in our country, who too often get forgotten. This has become even more significant in the light of the fact that so many children have lived through so many different challenges in recent years. Evidence shows that children and young people have suffered greatly as a result of the pandemic. The surge in mental health conditions among children is unprecedented, and there have been sharper increases for children than for adults. Paediatric services have not been protected from the growth in waiting lists for hospital care. Vulnerable children, such as those with special educational needs and disabilities, are particularly affected. It is essential that our education system be set up to support the most vulnerable children, and to ensure that the safety net is ready to catch every child in every school in every corner of the country, should they need it.

That is why it was vital to invest in education recovery following the pandemic, to ensure that all young people, particularly the most vulnerable, were given the opportunity to catch up on the learning they had missed. Unfortunately, however, the Government ignored the advice of their own education catch-up tsar; the now Prime Minister said that the Government had "maxed out" on supporting children's learning. We are only now beginning to see the impact of that decision.

As we have heard, during the pandemic, we saw the use of centre-assessed grades across the country. Although centre-assessed grades work much better for most students than the Government's botched algorithm chaos, which caused distress for so many young people and their parents, we should note that centre-assessed grades

were not without issues. Teachers worked incredibly hard to produce grades at late notice, but the Government failed to set a level playing field. There was variation between centres, variation in assessment, variation in awarding, and variation in internal appeals processes. Private school grades soared, then fell sharply last year. University College London's Centre for Education Policy and Equalising Opportunities and the London School of Economics found that pupils without graduate parents were disadvantaged by the centre-assessed grades approach, so serious questions were raised about the lack of moderation that permitted such variation to flourish. Ofqual may be the regulator in this area, but the buck stops with the Government. If we are to consider embedding centre-assessed grades for any students, those issues need to be addressed.

As with all types of assessment, it is essential that the results produced by centre-assessed grades are fair and consistent across the board. On a broader level, it is clear from the stories we have heard today that a degree of flexibility is needed in our assessment system to support children in extremely vulnerable situations. Allowances are made for pupils in exceptional circumstances, but as we have heard, more could be done to make the guidance clearer and more accessible. There are too many examples of vulnerable young children not being aware of the support they need, and being penalised as a result. Also, exam boards must be reachable by those who require assistance, and must be flexible where possible. Schools must ensure that they provide the best possible support and advice for children in severe need.

In his response, I hope the Minister will outline what his Department is doing to ensure that guidance to exam boards, schools, parents and pupils on the options available is as clear as possible on alternative assessment options in exceptional circumstances. I finish by restating my thanks to the hon. Member for Eastbourne for starting this important conversation, and I look forward to hearing updates on her campaign.

5 pm

The Minister for Schools (Nick Gibb): It is a pleasure to take part in this debate under your chairmanship, Mr Robertson. I congratulate my hon. Friend the Member for Eastbourne (Caroline Ansell) on securing a debate on this important subject. She has raised Lara's illness with me, and I know how gruelling and debilitating fighting cancer is; we all wish Lara a full and speedy recovery. I was also sad to hear from my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) about the diagnosis of her constituent Charlotte, a student at Maidstone Grammar School for Girls. We all wish Charlotte a speedy recovery. I was pleased to hear that the school has been hugely supportive of Charlotte, which does not surprise me, given my experience of being a pupil at Maidstone Grammar School—albeit, I am afraid to admit, half a century ago.

As my hon. Friend the Member for Eastbourne is aware, Ofqual regulates qualifications, examinations and assessments in England. It is responsible for ensuring that regulated qualifications reliably indicate the knowledge, skills and understanding that students have demonstrated, and that people have confidence in the qualifications it regulates. The duty to make reasonable adjustments for students taking qualifications, and the judgment as to whether an adjustment is reasonable, sit with the exam

[Nick Gibb]

boards, subject to the specifications that Ofqual has published under section 96 of the Equality Act 2010. Ofqual rules require exam boards, in line with equalities law, to have clear arrangements for making reasonable adjustments, and to publish them, including details of how a student qualifies and what reasonable adjustments will be made.

Exams mark the culmination of a number of years of hard work, and provide students with the fairest chance to show what they know, understand and can do. To be diagnosed with a serious illness in advance of exams will always be an incredibly difficult and distressing experience. Examinations and formal assessments are the best and fairest way of judging students' performance. They have a level of impartiality that other forms of assessment do not; everyone is assessed in the same way at the same time. Additionally, they are marked to the same standard and, crucially, they are marked anonymously. The unprecedented disruption in 2020 and 2021 meant that centre and teacher-assessed grades were needed to enable students to progress. However, last year we were able to return to exams, and it was an important step back to normality for students.

Exams are going ahead again this year, and GCSE students will continue to be provided with formulae and equation sheets in maths, physics and combined science exams. That is important to prepare students for college, university or employment in the best possible way, and to help them make choices about their future. I am pleased to confirm that there are arrangements in place to support students facing challenging medical circumstances this year. As my hon. Friends have mentioned, details were published last week by the JCQ.

Caroline Ansell: I recognise that the guidance has been published, but how does the Minister account for the fact that it has not been universally understood or applied?

Nick Gibb: I will come on to my hon. Friend's important point about how we ensure that schools are aware of the changes to the guidance.

Every year, reasonable adjustments are made to assessments, or the way in which assessments are conducted, in order to reduce or remove disadvantage caused by a student's disability. Adjustments are determined on a case-by-case basis, and can include allowing a student to take exams at home or in another setting, such as a hospital. Last year, in 2022, exam boards were able to use alternative evidence as a reasonable adjustment to determine a grade in exceptional circumstances where disabled students were unable to take exams and assessments, even with other reasonable adjustments in place, due to the extent of their disability. It is important to say that in this context, "a disability" does include some long-term illnesses, including cancer diagnoses, as my hon. Friend the Member for Chatham and Aylesford has identified.

Senior examiners use robust evidence provided by schools and colleges to determine a grade without the student taking the scheduled exams and assessments. Exam boards considered each individual situation carefully, case by case, and ensured that the work was assessed by their examiners to the same performance standard as

the work of students who took exams. To ensure that the grades awarded reflect national standards, it is only fair for examiners, rather than teachers, to determine grades in these exceptional circumstances. I am pleased to say that exam boards have confirmed that in 2023 and beyond, they are taking an approach that is very similar to the one they took in 2022.

The Joint Council for Qualifications published its updated reasonable adjustment guidance on 5 May 2023—on the eve of the coronation, as my hon. Friend the Member for Eastbourne rightly pointed out—to provide clarity and assurance to students and schools. It may be helpful to note that as part of the resilience arrangements in place this year, Ofqual provided guidance on how schools and colleges should collect and retain evidence of student performance in the unlikely event that exams cannot go ahead as planned. That means that schools and colleges will be more likely to have the assessment evidence that they would need to provide to the exam boards so that they could determine a grade. I should clarify that the arrangements in place last year were not centre-assessed grades, as referred to by the hon. Member for Portsmouth South (Stephen Morgan) and my hon. Friend the Member for Eastbourne. Rather, they were a form of reasonable adjustment, because the determination of the grade is made by the examiners, not by the teacher or the school.

My hon. Friends the Members for Eastbourne, and for Chatham and Aylesford, both asked how the new guidance will be communicated. The JCQ has shared the updated guidance with the education sector and with schools, and will also include mention of it in its newsletter to schools and colleges this week. In addition, the Department for Education and Ofqual will look for other opportunities to promote the updated guidance. My right hon. Friend the Secretary of State will shortly send a letter to all MPs and peers that will further summarise this matter. Our key advice to students, and parents of students, who find themselves in difficult situations prior to their exams is to speak to their school or college, which can then contact the exam board directly on their behalf to discuss possible arrangements for them to be assessed and to receive a grade. As was the case in 2022, those arrangements will be decided case by case, based on supporting assessment and medical evidence. I conclude by reiterating that we must give as many pupils as possible—

Tracey Crouch: I am sorry to interrupt the Minister's peroration, but part of my speech was about being very explicit about cancer. The Minister is absolutely correct that cancer is covered by the Equality Act—it is highlighted—and comes under the definition in the guidance, but given that Charlotte's school had to seek clarification on whether cancer was included, there could be further communication to make it much more explicit and clear that cancer is a very important part of what is covered by the guidance. No child should go through that horrible diagnosis thinking about their education or their exams. If that concern can be removed very early on in conversations on the subject, it would be enormously helpful to every child who, sadly, faces cancer.

Nick Gibb: My hon. Friend makes an important point, which I will make sure is conveyed to the Joint Council for Qualifications. The whole administration of

exams has to be conducted away from the interference of Ministers and other politicians, to make sure that it is fair and objective. I will make sure that my hon. Friend's comments, and other comments from this debate, are passed on to Ofqual and the Joint Council for Qualifications.

I reiterate that we must give as many pupils as possible the opportunity to sit exams, as they are the fairest way for pupils to show what they know, understand and can do. I am pleased that exam boards have now put in place a clear process that allows students with a disability that prevents them from taking their scheduled exams

or other formal assessments to receive a grade, after all the work they put in during their studies. I pay tribute to my hon. Friends the Members for Eastbourne, and for Chatham and Aylesford, for the caring and attentive way in which they have supported and raised the concerns of their constituents.

Question put and agreed to.

Resolved,

That this House has considered centre assessed grades.

5.11 pm

Sitting adjourned.

Written Statements

Wednesday 10 May 2023

BUSINESS AND TRADE

Regulatory Reform and Retained EU Law

The Secretary of State for Business and Trade (Kemi Badenoch): I am pleased to be able to update the House on the Government's regulatory reform programme, and on amendments that we are tabling to the Retained EU Law (Revocation and Reform) Bill.

The ability for an independent UK to forge its own place in the world is one of the main reasons the country voted to leave the European Union. This Government are committed to seizing the opportunities following our exit, which is why we are now removing EU laws from the UK statute book.

The Government introduced the Bill so that we could end the special status of retained EU law. It ensures that, for the first time in a generation, the UK's statute book will not recognise the supremacy of EU law or EU legal principles. As the Bill is currently drafted, almost all REUL is automatically revoked at the end of 2023, unless a statutory instrument is passed to preserve it.

Over the past year Whitehall Departments have been working hard to identify retained EU law to preserve, reform or revoke. However, with the growing volume of REUL being identified, and the risks of legal uncertainty posed by sunset instruments made under EU law, it has become clear that the programme was becoming more about reducing legal risk by preserving EU laws than prioritising meaningful reform. That is why today I am proposing a new approach: one that will ensure Ministers and officials can focus more on reforming REUL, and doing that faster.

Today the Government are tabling an amendment for Lords Report, which will replace the current sunset in the Bill with a list of the retained EU laws that we intend to revoke under the Bill at the end of 2023. This provides certainty for business by making it clear which regulations will be removed from our statute book, instead of highlighting only the REUL that would be saved. We will retain the vitally important powers in the Bill that allow us to continue to amend EU laws, so more complex regulation can still be revoked or reformed after proper assessment and consultation. Today we will also update the REUL dashboard, available on gov.uk.

We will still fully take back control of our laws and end the supremacy and special status of retained EU law by the end of 2023. We will also make our laws fit for UK purposes, reducing the regulatory burden and controlling the flow of new regulation. We will no longer tie business up in red tape.

I am pleased to say that the Government have already revoked or reformed over 1,000 EU laws since our exit. In addition to the list of around 600 we propose to revoke directly through the REUL Bill, the Financial Services and Markets Bill and the Procurement Bill will

revoke around a further 500 pieces of REUL. We are committed to lightening the regulatory burden on businesses and helping to spur economic growth, and our Edinburgh reforms of UK financial services include over 30 regulatory reforms to unlock investment and boost growth in towns and cities across the UK.

As part of this drive for deregulation, today I can announce that we will make improvements to employment law which could help save businesses around £1 billion a year, while safeguarding the rights of workers. We will consult on cutting unnecessary red tape on recording working hours, streamline engagement with workers when a business transfers to new owners, and provide up to 5 million UK workers greater freedom to switch jobs by limiting non-compete clauses.

The regulatory reform update, "Smarter Regulation to Grow the Economy", which I am publishing today, will be the first in a series of updates on how this Government intend to reform regulations to support economic growth. It sets out improvements to the better regulation framework to ensure that HMG only use regulation where necessary, and where regulation is used the impacts on wider Government priorities including competition and innovation are understood.

Our focus will be on policies that push businesses forward, increase their competitiveness in global markets and spur national growth.

Reforming and ending the special status of retained EU law in the UK is about making sure our laws work for the people who use them. Regulatory reform is integral to the Prime Minister's mission to boost the UK economy; a mission that puts business, consumers, and the British public first.

[HCWS764]

HEALTH AND SOCIAL CARE

Fuller Inquiry

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): On 8 November 2021, the Government announced an independent inquiry to examine the circumstances surrounding the offences committed by David Fuller in Maidstone and Tunbridge Wells NHS Trust and the national implications of his offending.

Following my statement on 1 December 2022, when I announced the establishment of the compensation scheme to facilitate compensation payments to the family members of David Fuller's victims, I also updated Parliament on the timescales of the inquiry. I advised that the report on matters relating to Maidstone and Tunbridge Wells NHS Trust was planned for the first half of 2023.

I now wish to update Parliament on the fact that, earlier this year, the inquiry was provided with information that had been passed on to the police in line with its terms of reference.

The police have now completed their enquiries regarding the new information provided to them and have found no evidence of any further criminal offences.

The inquiry will now need to investigate the information received by the police and expects that a report before the autumn will not be possible.

This delay is necessary to allow time for a thorough investigation of the information received and consideration of its impact on the inquiry.

The inquiry has notified the families of David Fuller's victims of the results of the assessment by the police and the change in timescales. I will continue to keep Parliament updated with any substantial developments.

[HCWS763]

Petition

Wednesday 10 May 2023

OBSERVATIONS

HEALTH AND SOCIAL CARE

Cost of living support for leukaemia patients

The petition of residents of the United Kingdom,

Declares that more needs to be done to support leukaemia patients with the rising cost of living; further that patients have access to hospital travel nationwide so as to end the unfair postcode lottery of support; further that the current level of support with energy prices stays put, especially for leukaemia patients as they suffer a serious financial impact after diagnosis which is currently being exacerbated by the cost of living crisis; and further that wider support is made available in light of this disproportionate impact on leukaemia patients.

The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of the petitioners and take immediate action to ensure that all leukaemia patients are provided with: a national hospital travel fund, a continued level of support provided by the Energy Price Guarantee until after April 2023 and wider additional financial support such as discounts/tariffs on bills.

And the petitioners remain, etc.—[Presented by Mark Tami, *Official Report*, 14 March 2023; Vol. 729, c. 804.]

[P002814]

Observations from the Minister for Social Care (Helen Whately):

The Government recognise the need to support low-income and vulnerable households, in the context of the increasing cost of living. This is why we announced a

£37 billion package of cost of living support for 2022-23, including £15 billion of targeted, direct support for the most vulnerable households.

The Government have announced further cost of living support for 2023-24 worth £26 billion. This includes direct cost of living payments to pensioner households, households on means tested benefits, and people on disability benefits, as well as the local authority administered Household Support Fund which provides support for people who need additional help with the cost of household essentials. In addition, benefits uprating is worth a further £11 billion to working age households and disabled people.

The energy price guarantee will be extended at £2,500 for an additional three months from April to the end of June. The energy price guarantee means that households will continue to pay less for their energy than they would otherwise have paid under the price cap, currently set at £3,280. By extending the energy price guarantee at its current level for an additional three months, the Government are providing a bridge until energy costs fall further, as is expected to happen from July onwards.

There are further sources of financial support which may be available to people with leukaemia. People on low incomes may be entitled to financial support to contribute towards their extra costs from the Department of Work and Pensions through the Universal Credit or Personal Independence Payment schemes. Alternatively, if a patient is referred to hospital or other NHS premises for specialist NHS treatment or diagnostic tests by a primary care professional, they may be able to claim a refund of reasonable travel costs under the Healthcare Travel Costs Scheme (HTCS). Additionally, patients who have cancer and are undergoing treatment for either: cancer; the effects of cancer; or the effects of cancer treatment, can apply for a medical exemption certificate that entitles them to free NHS prescriptions.

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Wednesday 10 May 2023

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