

**Tuesday
20 June 2023**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 20 June 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

TREASURY

The Chancellor of the Exchequer was asked—

Financial Ombudsman Service Decisions: Cost of Implementation

1. **Jim Shannon** (Strangford) (DUP): Whether he has held discussions with banks on the costs of implementation of Financial Ombudsman Service decisions. [905496]

The Economic Secretary to the Treasury (Andrew Griffith): The Financial Ombudsman Service offers a proportionate and informal resolution of disputes that is cost-free for consumers. Where it upholds a complaint against a firm, it can award redress for that concern to that consumer. I work very closely with my officials and with the Financial Ombudsman Service to make sure consumers have the justice they require.

Jim Shannon: I thank the Minister for that that response. This has been an ongoing issue in the House for some time, and I spoke to some of the Minister's colleagues beforehand. The Chancellor and the Minister will know that the parliamentary ombudsman found that 1 million Equitable Life savers lost money as a direct result of Government decisions. Why, then, are the Government holding themselves to a different standard and ignoring the wishes of the parliamentary ombudsman, having paid victims of the Equitable Life scandal only 22% of the money they lost from their pension funds? I say that with great respect, but I do think we need an answer.

Andrew Griffith: I respect the hon. Member for raising this issue. It has however, been raised many times before in this House, and answered from this Dispatch Box as well.

Cost of Living

2. **Ian Byrne** (Liverpool, West Derby) (Lab): What fiscal steps he plans to take to help reduce the impact of recent increases in the cost of living on households. [905497]

5. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What recent assessment he has made of the potential effects of his policies on inflation on the cost of living. [905500]

12. **Richard Thomson** (Gordon) (SNP): What recent assessment he has made of the potential effects of his policies on inflation on the cost of living. [905509]

The Chancellor of the Exchequer (Jeremy Hunt): We know the pain that households up and down the country are going through as a result of the cost of living pressures at the moment, and have announced one of the largest support packages in Europe, worth around £3,300 per household this year and last.

Ian Byrne: The latest report from Which? highlights that even supermarkets' own budget brands of food have increased in price by 26.6%. There are security locks on baby formula milk, at the same time as corporations are making vast profits. The Government have signed up to the United Nations' sustainable development goal of eradicating poverty by 2030. Surely, in the light of those commitments, now is the time for the Chancellor to act. Will he cap essential food prices and tackle the grotesque profiteering in the food industry that is driving many of my constituents in Liverpool, West Derby into poverty?

Jeremy Hunt: I totally respect the hon. Gentleman for raising the concerns of his constituents in the way that he has done. I do not believe that capping prices is the right long-term solution, but we are doing a lot, including payments of £900 per household for people on means-tested benefits, £150 for households with someone disabled living in them and £300 for households with pensioners living in them, precisely because we want to help the people that the hon. Gentleman is talking about. I will be meeting the regulators next week to talk further about what needs to be done with respect to supermarkets.

Patricia Gibson: Over the weekend, the former Governor of the Bank of England, Mark Carney, spoke about how before the Brexit referendum, the Bank of England had set out that the likely consequences of Brexit were "a weaker pound, higher inflation and weaker growth".

Does the Chancellor think it is fair that the UK Government's decision to ignore the stark warnings from the Bank of England are now being paid for by the households who can least afford it?

Jeremy Hunt: I am afraid that I do not buy this Brexit narrative from the SNP. Food price inflation has been around 20% in Germany, Sweden, Portugal and Poland in recent times, so this is not a UK-specific issue. We are all dealing with the consequences of Putin's invasion of Ukraine and the aftermath of the pandemic, and we are all tackling it with one central focus, which is to bring down inflation as our overriding priority.

Richard Thomson: The former US Treasury chief said earlier this month that Brexit was a "historic economic error", and described the UK Government's economic policy as having been "substantially flawed for some years".

Will the Chancellor finally face up to what the rest of the world can see, and admit that leaving the world's largest single market has not only had a significant impact on inflation, but a deleterious impact on household finances across the country?

Jeremy Hunt: The issue with that argument is that the UK has actually grown faster than France or Italy since we left the single market, and according to the managing director of the International Monetary Fund, the UK economy is “on the right track”.

Sir Jake Berry (Rossendale and Darwen) (Con): I thank my right hon. Friend for all he has done for people in Rossendale and Darwen to help them through this cost of living crisis, but people are very concerned about what is being described as the mortgage bomb about to go off. Is now the time for him to look at reintroducing the bold Conservative idea of mortgage interest relief at source? If we do not help families now, all the other money that we spent to help them will have been wasted if they lose their home.

Jeremy Hunt: No one in Rossendale and Darwen could have a more doughty champion than my right hon. Friend, and I listen to what he says carefully, but I think he will understand that those schemes that involve injecting large amounts of cash into the economy right now would be inflationary. So much as we sympathise with the difficulties and will do everything we can to help people seeing their mortgage costs go up, we will not do anything that would mean we prolonged inflation.

Mr Speaker: I call the SNP spokesperson.

Stewart Hosie (Dundee East) (SNP): The cost of a two-year fixed mortgage in March 2021 was 2.57%; this week, it reached 6%. The Chancellor and the Economic Secretary have said there are no plans to change the Bank of England inflation target, meaning that the base rate that drives the mortgage rate will continue to rise as inflation stays stubbornly high, and mortgages will go up. In the absence of such a change, what do the Government plan to do to actually tackle the mortgage pain people are suffering?

Jeremy Hunt: First, I would say to the right hon. Member that he is talking about something that is being experienced across the world. In fact, interest rates have risen faster in the United States and Canada than they have here. The answer is that we will look at doing everything we can to help people under pressure, but we will not do things that would prolong the inflationary agony that people are going through. We have to be very careful, because a lot of the schemes that are being proposed would actually make inflation worse, not better.

Stewart Hosie: On the issue of inflation, the Office for Budget Responsibility said in March that inflation was due to peak at 2.9% at the end of this year. By May, the Bank of England had forecast that it would be 5% at the end of this year, so it had almost doubled in the space of two months. Given that headline inflation is still 8.7% and food inflation is 16.5%, will the Chancellor guarantee today that inflation will be halved to 5%, as promised by the Prime Minister in January of this year?

Jeremy Hunt: The IMF, the OBR and the Bank of England all predict that we will hit our target to halve inflation, and I give the right hon. Member this guarantee: we will stick to the plan to do so.

Growth Plan of 23 September 2022 and Cost of Mortgages

3. **Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): What recent assessment he has made of the potential impact of the growth plan of 23 September 2022 on mortgage rates. [905498]

9. **Janet Daby** (Lewisham East) (Lab): What recent assessment he has made of the potential impact of the growth plan of 23 September 2022 on mortgage rates. [905504]

10. **Christine Jardine** (Edinburgh West) (LD): If he will make an assessment of the implications for his Department's policies of the cost of mortgage products. [905506]

The Economic Secretary to the Treasury (Andrew Griffith): We recognise that this is a concerning time for homeowners and mortgage holders, but we cannot ignore the fact, much as some may wish to, that interest rates have risen across western economies as a result of the covid pandemic and the impact of the war in Ukraine. The Bank of England sets the base rate, which can have an effect on mortgage pricing, and the Bank has been independent since the decision of the then Labour Government in 1997. We remain committed to responsible management to bring inflation under control, which is the only sustainable way to lower interest rates and lower mortgage rates.

Gerald Jones: The former Prime Minister has apologised for the mistakes in her so-called growth plan and the damage it caused. Families across the UK will soon start paying thousands more in mortgage interest payments. Given the Prime Minister's comments yesterday, it appears that there is little or no further support coming. Will the Minister join the former Prime Minister and apologise to the nation for the impact of the Conservative party's misguided economic experiment?

Andrew Griffith: Much as the Opposition would prefer this not to be the case, it is a fact that this is impacting across western economies. Although market-to-market comparisons are not always easy, in the United States of America the average 30-year mortgage has now increased to above 6%. As I have said, this Government will do what we can sustainably to lower interest rates, and thereby ease the burden on mortgage holders.

Janet Daby: This is the second time I am putting it to the Government that the Conservatives are no longer the party of home ownership, and I do not think it will be the last time either. I say this because the average interest rate on a new two-year fixed mortgage is now above 6%. The Chancellor has already said that they will do everything they can, but what does that actually mean, because the public would like to know?

Andrew Griffith: I thank the hon. Lady for her question. Not only are we taking action and taking the tough decisions to sustainably improve the nation's finances, but we are working with lenders—the Chancellor and I regularly meet the mortgage industry—on the support they can provide to mortgage holders if they do get into financial difficulties. There is a range of measures,

which includes term extensions and switches to interest-only payment holidays. The Financial Conduct Authority guidance is very clear that any repossession—and they are currently running at a historical low—should be an absolute last resort.

Christine Jardine: As a result of the 6% rate that we have heard about, more than 1 million households on flexible-rate mortgages have already faced increases this year, and 1.8 million more will see their fixed-rate deals come to an end and face increases in this year. It is not just homeowners. The knock-on effect has meant that in my constituency in Edinburgh, we have had the highest rental inflation anywhere in the country at 13.7% in the last financial year, because landlords are facing increases in their mortgages. The Government have said that they are willing to support people, so would they be willing to consider the Liberal Democrat idea of a mortgage protection fund to protect those on the lowest incomes, and support those who are struggling?

Andrew Griffith: I thank the hon. Member for her question, but regrettably the proposal that she and her party put forward would not only delay the point at which we are able to bear down on inflation and deliver the nation's mortgage holders the lower interest they need but, as I understand, it would do nothing for the plight of private renters.

Mr Speaker: I call the Chair of the Treasury Committee.

Harriett Baldwin (West Worcestershire) (Con): The growth plan in September obviously had an impact on the mortgage market, but is the Economic Secretary to the Treasury aware that by November, the Governor of the Bank of England said, when he gave evidence to our Committee, that the increases in mortgages henceforth were down to the Bank of England's own increases, because that temporary effect from the growth plan had dissipated? Increases since then have been largely due to the fact that inflation has been worse than the Bank was forecasting. Did the Economic Secretary note that this week I received a letter from the Chair of the Court of the Bank of England, saying that they are going to undertake the request that I sent for them to look at their inflation modelling and at why it has been incorrect?

Andrew Griffith: Not for the first time, the Chair of the Treasury Committee is on the money in her understanding of what is driving the markets, and in her advocacy and championing of the fact that our lending banks need to do a good job not just for mortgage holders, but also for savers. I am happy to meet her to talk about how we can ensure that they do the best job they can.

Richard Fuller (North East Bedfordshire) (Con): In his earlier reply the Minister talked about mortgages in the United States. He will know that in the United States it is common to fix a mortgage for 15 or 30 years, which gives certainty about monthly repayments and can of course be refinanced if mortgage rates go down over the term of the mortgage. I understand that the UK Treasury looked at the UK mortgage markets and at introducing long-term fixed rates, and found that at that time there was not much potential. Will he consider looking at that again?

Andrew Griffith: As ever, my hon. Friend's question is apposite when it comes to Treasury matters. There are indeed long-term fixed-rate mortgages on the market, and I have taken advice from officials on that. The constraining factor is consumer demand, and that is not a pattern of behaviour we have seen. Clearly for some mortgage holders such mortgages do offer long-term certainty, and it is certainly my objective for us to see the broadest range of choices for householders and for their own individual patterns in the market.

Jonathan Gullis (Stoke-on-Trent North) (Con): Mortgage payers in Stoke-on-Trent North, Kidsgrove and Talke are rightly worried at this moment in time, with the impending re-brokering that they are facing. To support what my right hon. Friend the Member for Rossendale and Darwen (Sir Jake Berry) said earlier, is it time to return to a Conservative principle of introducing a mortgage interest relief at source-type scheme, which allows borrowers tax relief for interest payments on their mortgages?

Andrew Griffith: I always listen enormously carefully to my hon. Friend's powerful advocacy for Stoke-on-Trent, and his constituents put their trust in this Government. One thing they put their trust in, is that this Government would not come forward with the sort of unfunded spending commitments that we see on the Labour Benches. That would be disastrous for my hon. Friend's constituents because it would see inflation remain higher for longer.

Mr Speaker: I call the shadow Minister.

Mr Pat McFadden (Wolverhampton South East) (Lab): The only thing that grew as a result of what the Government did last September was people's mortgage payments. Two-year fixed rates are now more than 6%, and payments for householders are up £2,900 over the next year. Have the Government learned the lesson from the previous Prime Minister's decision—I stress that word; it is nothing to do with international events—to use the country as a giant economic experiment that hurt homeowners, pushed up interest rates and shook international confidence in the United Kingdom? If they have, will the Minister now apologise to the householders who are paying the price for that mistake?

Andrew Griffith: As ever, I listened carefully to the right hon. Gentleman's rhetoric. I ask him whether he has learned the lesson from what we saw with the last Labour Government, who spent their way through the nation's finances and whose most lasting contribution to the economy was a note that we inherited from the then Chief Secretary to the Treasury saying there was no money left.

Mr McFadden: Back to 2023. This is a real crisis, affecting real people as a result of the real decisions of the Minister's Government. Figures out today show that the average UK tenant is spending more than 28% of their income on rent, and rents have gone up by more than 10% in the past year. Rents are being forced up because the landlords who people rent from are seeing their mortgages go up, too, and sometimes even faster than mortgages in general. The Chancellor and the Prime Minister were supposed to be the team that would come in and sort everything out. Can the Minister tell us what went wrong?

Andrew Griffith: What went right is the fact that we on the Government Benches not only always focus on the stability of the nation's finances to get inflation and interest rates falling further and faster than the Opposition would, but even within that envelope, we found £3,300 on average to support households over last winter and the upcoming winter. That will have a significant impact on the difficulties that mortgage holders and renters are facing because of the higher interest rates that are a feature across the western world.

Financial Sanctions Regime

4. Rachel Hopkins (Luton South) (Lab): What recent assessment he has made of the effectiveness of the financial sanctions regime. [905499]

The Chief Secretary to the Treasury (John Glen): The Government undertake extensive assessment of the effectiveness of the sanction regimes, which are eroding Russia's financial base. We have sanctioned 28 Russian banks, covering 80% of Russia's banking sector, and frozen more than £18 billion of Russian assets, and we have implemented unprecedented trade sanctions in addition.

Rachel Hopkins: Constituents in Luton South have raised concerns about the financial sanctions regime with me. Can the Government confirm whether it is still the case that Russian account holders in the UK can hold £50,000 or more in their accounts? What is to prevent individuals of concern simply parcelling up assets through proxies into a large network of accounts below the permitted level?

John Glen: The Office of Financial Sanctions Implementation works closely with our allies across the G7 to ensure that we have co-ordinated action among our international partners on this unprecedented package of sanctions. We have frozen the assets of 1,600 individuals and entities. We have implemented 35 different sanction regimes across government. I would be happy to take away the specific question that she has asked, because it is technical, and respond.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): A multimillion-pound start-up project that could be transformational in my constituency is now at risk because the Office of Financial Sanctions Implementation is yet to process an asset freeze licence application in respect of just 0.002% of the company's capital, which was submitted in April. What steps is the Minister taking to ensure that such applications are dealt with swiftly? If I provide him with details of the company, will he ensure that the application's progress is expedited?

John Glen: I am happy to take up my right hon. Friend's case. We have expanded the OFSI resources. We have a monthly monitoring and efficiency dashboard. I accept how frustrating it can be for constituents' businesses when such situations arise, and I am happy to take the matter away and get back to him swiftly.

Mr Speaker: I call the shadow Minister.

James Murray (Ealing North) (Lab/Co-op): As the war in Ukraine continues, we must not let up for a second on efforts to tighten the net on the accomplices and beneficiaries of Putin's regime. We welcome the direction of the measures announced yesterday. Can the Minister confirm whether those measures will close all the loopholes and specifically the ownership thresholds, which Russian oligarchs and their enablers have been able to exploit to evade the bite of sanctions?

John Glen: The Government will be relentless in their pursuit of illicit assets. As I said, we have sanctioned 24 banks with global assets of over £940 billion and 120 elites with a combined worth of £140 billion. Working closely with our allies, we have incrementally and sequentially tightened that net and immobilised more than 60% of Putin's war chest of foreign reserves worth £275 billion. We continue to work closely with our allies to intensify those measures as opportunities arise.

Sir Robert Syms (Poole) (Con): I have one or two constituents in Poole who lost their jobs because they were in companies owned by Russians who were sanctioned, and they have found it difficult to have an orderly wind-up because banks run a mile from loaning those businesses a reasonable amount of money to sort them out. I know of one situation where people have not been able to get P60s as the business cannot get money from any of the banks—they do not want to be involved in anything to do with sanctions—so it cannot pay the accountants who would produce them. May I have a word with the Minister about that? In some cases, we are going over the top, and it is affecting our constituents.

John Glen: Those points demonstrate how serious and extensive the Government's actions are, but I recognise that sometimes unfortunate situations arise and I am happy to look at that case and take it back to the Office of Financial Sanctions Implementation.

John Cryer (Leyton and Wanstead) (Lab): To pursue the issue of proxies raised by my hon. Friend the Member for Luton South (Rachel Hopkins), am I right in thinking that the Minister said a few minutes ago that he was prepared to examine the possibility of taking action against proxies and those persons of interest who use proxies?

John Glen: What I would say is that the Government are committed to an ever-tighter grip on illicit finance and those individuals close to Putin who make a material contribution to his regime. Obviously, I will not commit on the Floor of the House to individual extensions to what we have already done, but I have set out the range of sanctions regimes that exist across multiple Departments of Government and I am happy to receive representations on whatever case the hon. Member wishes to bring to me.

Consumers of Financial Services: Compensation

6. Bob Blackman (Harrow East) (Con): What steps he is taking to support consumers of financial services who have not received compensation in cases where action by a third party has led to financial loss. [905501]

The Economic Secretary to the Treasury (Andrew Griffith): My hon. Friend is a strong champion of consumers who have suffered financial loss, particularly through his chairmanship of the all-party parliamentary group on personal banking and fairer financial services. He understands that the UK does not operate a zero-loss regime where consumers of financial services are automatically compensated, but it is important that regulators make very clear where the scope of protection lies and who is eligible for compensation.

Bob Blackman: I thank my hon. Friend for that answer. It is clearly important that where the ombudsman recommends that compensation be paid, banks pay it. Equally, the Government should pay compensation, such as when the parliamentary ombudsman found against them on Equitable Life policyholders, as was mentioned by the hon. Member for Strangford (Jim Shannon). I understand that the budget to pay compensation to those policyholders has been underspent by some £300 million, so rather than return the money to the Treasury, will my hon. Friend use it to compensate the Equitable Life policyholders who have suffered in the long term?

Andrew Griffith: We set out the terms of that settlement in 2010 and there is nothing to update the House on today.

Nick Smith (Blaenau Gwent) (Lab): For over five years, I have campaigned on behalf of steelworkers who were part of the British Steel pension scheme. Many were ripped off by sharks posing as financial advisers. While a redress scheme is now in place, legal advisers for steelworkers report claim processing delays of six months at the Financial Conduct Authority, 12 months at the Financial Services Compensation Scheme and two years at the Financial Ombudsman Service, which suggests that all is not right. Delays to cases can have a big impact on possible payouts, so will the Minister please look into the performance of those organisations? Steelworkers and other financial consumers deserve much better than this.

Andrew Griffith: Yes, I will. I have had conversations with the hon. Member about that, and I will take up the case of any unwarranted delays.

Technology Sector

8. **Alexander Stafford (Rother Valley) (Con):** What fiscal steps he is taking to support the technology sector. [905503]

15. **Laura Farris (Newbury) (Con):** What fiscal steps he is taking to support the technology sector. [905513]

The Chancellor of the Exchequer (Jeremy Hunt): I have set out our national ambition to be the world's next silicon valley. We are making good progress; last year we were ranked the world's third largest technology market after the United States and China.

Alexander Stafford: Ultimate Battery in Thurcroft in Rother Valley is developing groundbreaking battery technologies and is on track to create 500 new jobs by 2025. What help can the Department give me and my

constituents to help burgeoning businesses such as Ultimate Battery, to make Rother Valley and other places across the north technology hubs?

Jeremy Hunt: I thank my hon. Friend for his support for this really important sector in Rother Valley. We have a number of schemes, including £541 million of funding available in the Faraday battery challenge. We also have the £1 billion automotive transformation fund. As a result of the efforts that he and many others have made, we now get 40% of our electricity from renewable sources—the second highest in Europe—and much more progress is to come.

Laura Farris: I recently convened a roundtable in my constituency with the Minister for Science, Research and Innovation, my hon. Friend the Member for Mid Norfolk (George Freeman) and a number of science and tech businesses. Their No. 1 question was what fiscal support was available for their sector. I am aware that there are numerous schemes, grants and tax relief, but it was notable that they were not well understood by the businesses, and I could not find them published anywhere on the new Department's website. Could my right hon. Friend put together and publish a package of all the support available to investors and innovators, and how it can be applied for, to maximise the potential of this vital new frontier in west Berkshire and beyond?

Jeremy Hunt: That is a fair point. I thank my hon. Friend for the fact that Newbury is a hotbed of technology businesses, with Roc Technologies, Stryker, Edwards Lifesciences and a range of other businesses that she gives a lot of support to. I will write to her listing all those things and I will make sure that it is available on the website of the Department for Science, Innovation and Technology.

Tim Farron (Westmorland and Lonsdale) (LD): The tech sector in rural Cumbria depends on reliable broadband. Communities in Warcop, Sandford, Coupland Beck, Blea Tarn and Ormside in Westmorland have signed up to the community interest company and volunteer group B4RN to provide a gigabit connection for just £33 a month, but the communities have been suddenly designated a low priority area, which means that their vouchers have been removed, putting the whole project at risk. Will the Chancellor commit to supporting those communities, residents and businesses to ensure that they get the vouchers that they were initially promised?

Jeremy Hunt: I will happily look into what has happened. We strongly support all rural areas having access to gigabyte broadband, as an important part of our policy. We have made a lot of progress on that. I will look into detail of what is happening in the hon. Gentleman's area and get back to him.

Hospitality Businesses

11. **Ben Lake (Ceredigion) (PC):** What fiscal steps he is taking to support hospitality businesses. [905507]

The Financial Secretary to the Treasury (Victoria Atkins): Hospitality businesses play an important role in local communities and the UK economy. They will benefit from business rates support worth £13.6 billion

over the next five years, which includes increased generosity from the retail, hospitality and leisure relief scheme from 50% to 75% in 2023-24. There is also our Brexit pub guarantee, which means that the duty on a draught pint in a pub will always be lower than its equivalent in the supermarket.

Ben Lake: The Minister will be aware of long-standing calls from the sector to reduce VAT to bring it into line with European equivalents. Will the Treasury undertake an assessment of the economic benefits of doing so? Will it consider that as part of a package, alongside increasing the threshold for VAT registration from £85,000 to £100,000 to support smaller businesses?

Victoria Atkins: The hon. Gentleman poses many questions for me, some of which are very complicated. VAT relief for the hospitality sector was important in the aftermath of the pandemic, but it cost us a great deal of money and we have had to raise it back up to 20%. We keep the other VAT matters under review, and I would be delighted to meet him to discuss the complexities behind them.

Stephen Crabb (Preseli Pembrokeshire) (Con): A great many of the new job opportunities and career paths being created in Pembrokeshire are in the tourism and hospitality sector. Does my hon. Friend agree that the very last thing that business people who are creating those growth opportunities need right now is a tourism tax of the kind being brought forward by the Welsh Labour Government in Cardiff, which will hit businesses with new burdens and raise the cost of going on holiday in Wales?

Victoria Atkins: The sun always shines in my right hon. Friend's corner of Pembrokeshire when he speaks up for it. He is quite right to identify how the Conservatives in Government are trying to help businesses through our business rates relief in England, through our energy support scheme over recent months and, of course, through the Brexit pub guarantee. Welsh Labour, on the other hand, wants to call last orders and have higher taxes for the businesses he is so keen to support.

Mr Speaker: I call the shadow Minister.

Abena Oppong-Asare (Erith and Thamesmead) (Lab): The 2019 Conservative manifesto, some three Prime Ministers and four Chancellors ago, promised a fundamental reform of business rates. This is another broken Tory promise. Will the Minister admit that only a Labour Government will end the chaos, scrap business rates and replace them with a fairer system, so that our amazing hospitality sector can thrive and grow faster?

Victoria Atkins: I have a great deal of respect for the hon. Lady, but I must point out to her gently that we have, in fact, conducted that review. In the autumn statement, we were able to announce a £13.6 billion package of help over the next five years, including a multiplier freeze for all ratepayers, large and small; a transitional relief cap funded by the Exchequer; retail, hospitality and leisure relief; and a small business support scheme, which will help to cap bill increases at £600 per year for any business losing eligibility for some or all

small business rate relief or rural rate relief at the 2023 revaluation. We have done that review and are supporting businesses that need help.

Cost of Living: Energy Prices

13. **Alan Brown** (Kilmarnock and Loudoun) (SNP): What recent assessment he has made with Cabinet colleagues of the potential effects of energy prices on the cost of living. [905510]

22. **David Duguid** (Banff and Buchan) (Con): What fiscal steps he is taking to support households with their energy bills. [905520]

The Exchequer Secretary to the Treasury (Gareth Davies): Advanced economies around the world share the challenge of high inflation from the energy shock, and the UK has been affected by those global factors. The Government have taken significant action to help households with rising energy prices and the cost of living by providing a significant support package totalling £94 billion. That includes supporting households with energy bills by extending the energy price guarantee and removing the premium paid by 4 million households using prepayment meters. Overall, the Government have paid about half of a typical household bill since October 2022.

Alan Brown: Many people in the highlands and islands of Scotland will have had their taxes used to help pay for the construction of the gas grid, despite the fact that they are off the gas grid themselves and do not get the benefits of being connected to it. Their area supplies the oil and gas, and now the cheap renewable energy, that is facilitating lower energy bills across Great Britain, yet they are more likely to be fuel poor. To rub salt in the wounds, many pay a surcharge on their electricity bills. When will the UK Government address those inequities?

Gareth Davies: I would simply point out that across the United Kingdom we have provided extensive support, as I said in my answer to the substantive question. I am very happy to write to the hon. Gentleman with details on his specific point.

David Duguid: When the energy profits levy was introduced to help the Government's support of household energy bills, I welcomed the investment tax allowance that was introduced along with it on new oil and gas for energy security. In recent weeks, I also welcomed the Exchequer Secretary's announcement in Aberdeen of a price floor in the form of an energy security investment mechanism, at which the EPL will be removed. The devil, of course, will be in the detail. I welcome the Treasury's ongoing engagement and dialogue with the oil and gas industry, but will the Minister commit to a regular, perhaps quarterly, fiscal forum with the industry, as used to happen prior to covid? Does he agree that Labour's plans to ban all new oil and gas is based on ideology and not a pragmatic approach to this country's energy security and net zero?

Mr Speaker: Order. The hon. Gentleman ought to put in for an Adjournment debate. It would be easier for all of us.

Gareth Davies: I can think of few better advocates for the oil and gas industry than my hon. Friend. I was very pleased to meet industry leaders and the chair of the oil and gas forum in Aberdeen recently. We had a very good discussion and I am grateful to the industry for its ongoing engagement with Ministers and officials. I can assure him that the Government are very committed to engaging with the oil and gas sector, as we have been doing for a long time.

Leaving the EU: Economic Impact

14. **Patrick Grady** (Glasgow North) (SNP): What recent assessment his Department has made of the potential impact of withdrawal from the EU on the economy. [905512]

The Financial Secretary to the Treasury (Victoria Atkins): As per my previous response to the same question by the hon. Gentleman in the last Treasury oral questions, I note that the UK has grown at a similar rate to comparable European economies since 2016, and that it still remains challenging to separate out the effects of Brexit and wider global trends on the UK economy. We remain absolutely committed to seizing the opportunities we now have, free from the EU.

Patrick Grady: That is very convenient. Only the UK has to deal with Brexit. Everyone has had to deal with covid and everyone has had to deal with Ukraine, but only the UK has had to deal with Brexit. That is why, according to the London School of Economics, customers have collectively paid nearly £7 billion extra in their food bills as a direct result of all the checks and frustrations that have come with Brexit. Is the Minister honestly saying that it was a good idea, and that it has not hurt the UK economy?

Victoria Atkins: Let me again gently remind the hon. Gentleman to look at what is happening in the rest of the EU. For example, the eurozone is suffering from the effects of mild recession. All this is due to the global headwinds that we are all facing. However, I know that the hon. Gentleman will be delighted by the recent growth upgrades from the Office for Budget Responsibility, the Bank of England and the OECD. We do face challenges, and of course we have to work with our global counterparts to try to deal with those global headwinds, but we are focusing very much on the Prime Minister's priority of halving inflation, because that is what will make a real difference to our constituents.

Mr John Baron (Basildon and Billericay) (Con): Does the Minister agree that, despite "Project Fear" forecasts, we have record employment, very low unemployment, good inward investment and trade deals in abundance? Perhaps the Scottish National party should focus on its poor record on the economy and, indeed, on financial transparency, and get over the fact that we have left the EU.

Victoria Atkins: May I take this opportunity to congratulate my hon. Friend on his recent honour, which is extremely well deserved? He has made his point very succinctly. We have an exciting future ahead of us—we are already signing trade deals with non-EU countries, and we have a fantastic deal with the EU—and it is now up to us to make a real success of it.

People on Lower Incomes: Financial Support

16. **Peter Aldous** (Waveney) (Con): What steps he is taking to provide financial support to people on lower incomes. [905514]

The Financial Secretary to the Treasury (Victoria Atkins): The Government recognise the challenges facing households as a result of the elevated cost of living, and we took further action in this year's spring Budget to provide targeted support to protect the most vulnerable. That included the new cost of living payments this year, help with the cost of essentials through a further extension of the household support fund in England, and the uprating of benefits in line with inflation in April this year.

Peter Aldous: One of the best ways of supporting those on lower incomes is to remove the barriers that prevent them from acquiring the new skills that are necessary for better-paid jobs. Will my hon. Friend confirm that the Treasury is working closely with the Department for Education and the Department for Work and Pensions to ensure that the Lifelong Learning (Higher Education Fee Limits) Bill gets rid of those obstacles, and can she provide an update on the progress of the Barber review?

Victoria Atkins: I know that you like Ministers to answer briefly, Mr Speaker, so, if I may, I will answer my hon. Friend's first question now and respond in writing to his question about the Barber review.

My right hon. Friend the Chancellor made employment one of the four Es in his drive for growth in the spring Budget, and we are working closely with the Department for Education to invest in exactly the way that my hon. Friend describes. That includes investment in free courses for jobs, which enable people to study high-value level 3 subjects and gain free qualifications, and employer-led skills bootcamps in high-growth areas—a phrase that I never thought I would find myself uttering—which, apparently, involve sectors such as digital, and are available to those who are either unemployed or in work and wanting to retrain.

Dr Rupa Huq (Ealing Central and Acton) (Lab): Food banks, playgroups and warm spaces are among the services provided by mosques, temples, synagogues and churches for all our constituents to help them cope with the cost of living crisis, but many of the buildings are creaking and falling apart. Will Ministers consider extending Gordon Brown's policy of VAT relief on building works for listed places of worship to all such places, to recognise their role in providing social good and to alleviate the pressure on multiple systems?

Victoria Atkins: I thank the hon. Lady for raising an important point. There has been an incredible outpouring of support across communities—not just in religious communities, but at village and town halls around the United Kingdom—in an effort to help people with the cost of living pressures that we face in the winter. The picture is quite complicated, but perhaps I can write to the hon. Lady with a fuller response to her question, because I want to do it justice and I know I will get in trouble with you, Mr Speaker, if I do so now.

Inflation

17. **Richard Burgon** (Leeds East) (Lab): What recent steps he has taken to reduce inflation. [905515]

The Chief Secretary to the Treasury (John Glen): The Government are doing three things to reduce inflation. First, we remain steadfast in our support for the independent Monetary Policy Committee of the Bank of England as it takes action to return inflation to its 2% target. Secondly, we are making difficult but responsible decisions on tax and spending so that we do not add fuel to the fire. Thirdly, we are tackling high energy prices by holding down energy bills for households and businesses, alongside investing in long-term energy security.

Richard Burgon: The rich and powerful have repeatedly sought to blame workers for high inflation, even though workers' real wages have been falling as inflation soars. Many leading economists now say that profiteering by certain corporations, not wages, is driving price rises. The French Government have taken action to limit food prices, and Spain has introduced rent controls. When will this Government start targeting the profiteering that is helping to drive inflation?

John Glen: We continue to have constructive dialogue with industry and different sectors. I met supermarket representatives a few weeks ago, and the Chancellor and others in the Treasury will continue to have these conversations. I think most people recognise that we face common global challenges and that different economies will respond in different ways.

Topical Questions

T1. [905521] **Mr John Baron** (Basildon and Billericay) (Con): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Jeremy Hunt): We will not hesitate in our resolve to support the Bank of England as it seeks to strangle inflation in the economy, and the best policy is to stick to our plan to halve inflation. I also want to make sure that we do everything possible to help families paying higher mortgage rates in ways that do not themselves feed inflation, so later this week I will be meeting the principal mortgage lenders to ask what help they can give to people who are struggling to pay more expensive mortgages and what flexibilities might be possible for families in arrears.

Mr Baron: Despite being the gateway to most financial services in the City, I suggest that the London stock exchange is ailing, with CRH and Arm being the latest canaries in the coalmine. While welcoming the Edinburgh reforms, what further consideration has the Chancellor given to my suggestion that tax incentives be introduced to encourage our British pension funds—the big beasts—to invest more in UK equities, given that, since the financial crisis of 2008-09, they have reduced their exposure to equities by 90%, unlike in most other developed economies?

Jeremy Hunt: My hon. Friend always speaks extremely wisely on financial matters, and he is absolutely on the money when he talks about the opportunity that would present itself by unlocking £3 trillion of pension fund

assets, many of which would get a better return for pensioners if they were invested more in our high-growth businesses, as well as that being a good outcome for the London stock market. All I will say is: watch this space.

Mr Speaker: I call the shadow Chancellor.

Rachel Reeves (Leeds West) (Lab): While the Government squabble over parties and peerages, mortgage products are being withdrawn and replaced by mortgages with much higher interest rates. This is a consequence of last year's Conservative mini-Budget and 13 years of economic failure, with inflation higher here than in similar countries. Average mortgage payments will be going up by a crippling £2,900 this year, so where does the Chancellor think families will get the money to pay the Tory mortgage penalty?

Jeremy Hunt: At the autumn statement, we announced £94 billion of support to help families going through very difficult times. That is more support than was ever proposed by Labour. The answer to these pressures is not borrowing an extra £28 billion a year, as people like Paul Johnson are saying that more borrowing means higher inflation, higher interest rates and higher mortgage rates.

Rachel Reeves: Is the Chancellor for real? These are the real-life consequences of what is happening under the Conservative Government today, so do not try to pass the buck.

Let me bring this home. In Selby and Ainsty, 12,000 households will be paying, on average, £2,700 more on their mortgage. In Uxbridge and South Ruislip, 10,000 households will be paying, on average, £5,200 more. Each and every family know who is responsible for trashing the economy: the Conservative party. Will the Chancellor apologise for the harm that his Government have caused with the Tory mortgage penalty?

Jeremy Hunt: I am proud of our economic record, which has seen our economy grow faster than those of France and Japan since 2010, and at the same rate as Germany. Those mortgage holders in Selby, Uxbridge or Mid Bedfordshire will be paying even more for their mortgages if a Labour Government borrow £100 billion more in the next Parliament, and we will not let that happen.

T3. [905524] **Craig Tracey** (North Warwickshire) (Con): As the Minister knows, having a strong insurance and financial services sector is vital to the growth of our economy, which is one of the Prime Minister's pledges. So will the Minister confirm that he is doing everything in his power to make that happen, particularly with a view to our international competitiveness in those key sectors?

The Economic Secretary to the Treasury (Andrew Griffith): I can give my hon. Friend the assurance he seeks. He will know from his significant contribution to the Financial Services and Markets Bill as it has gone through this House that it introduces a new duty on our financial regulators to promote the growth and international competitiveness of the United Kingdom. Thanks to him, the Bill also contains specific reporting measures as to how they are going to achieve that important objective.

T2. [905523] **Ian Byrne** (Liverpool, West Derby) (Lab): I recently met the Minister for Schools to present him with a costed proposal for piloting universal free school meals in Liverpool. He said that he was not ideologically opposed to that but all roads lead to the Treasury, so here we are. Will the Chancellor work with me and that Minister to enable this pilot, which would transform the education, health and wellbeing of thousands of children across my great city?

Jeremy Hunt: I will be happy to write to the hon. Gentleman to talk to him about that initiative. We are making great progress in our schools—we have risen to fourth in the global league table for reading—but we can always do more.

T6. [905528] **Sir David Evennett** (Bexleyheath and Crayford) (Con): I welcome my right hon. Friend's commitment to making inflation and the cost of living his top priority, as it is also a top priority of my constituents. Does he agree that the Institute for Fiscal Studies is entirely correct to say that Labour's plans for £28 billion of borrowing in its green prosperity plan would simply lead to higher rates of interest and higher inflation?

Jeremy Hunt: My right hon. Friend is absolutely right; the answer to inflation is to tackle it, not to make it worse.

T4. [905525] **Ian Lavery** (Wansbeck) (Lab): Real-terms wages are lower now than they were in 2008, which is a disgrace. The north-east has been hit harder than other regions, worst of all on child poverty. The rates of child poverty have shot up, with the result that we have 67% of children in working families living in poverty. Is the Chancellor's deliberate, brutal policy of wage suppression working? If so, who for?

Jeremy Hunt: We understand the pressures that families are going through up and down the country, but we have responded with generous support this year and last of more than £3,000 for the average household. Not only that, but since 2010 the number of children in absolute poverty has fallen by 400,000.

T7. [905529] **Theresa Villiers** (Chipping Barnet) (Con): Paying around half the cost of people's energy bills and freezing fuel duty has been crucial in helping people with the cost of living, but is there further action the Government can take to get inflation down? Are we on track to halve it by the end of the year?

The Chief Secretary to the Treasury (John Glen): Controlling public spending and ensuring that the interventions we are making prioritise growth enablement is a relentless activity. The household support fund of £2.5 billion continues to be an additional source of support for households, but there are no quick fixes; there is a relentless pursuit of the goals that we have set out at the start of this year.

T5. [905526] **Chris Elmore** (Ogmore) (Lab): How on earth can the Chancellor begin to understand the worries of ordinary homeowners when it would seem that in 2018 it slipped his mind to declare that he had spent £3.5 million buying seven luxury flats in Southampton as an investment opportunity? Is the

reality not that he and the Treasury Front-Bench team are completely out of touch with what homeowners are facing?

Jeremy Hunt: With respect to the hon. Gentleman, he should get his facts right before making that kind of suggestion. He got them wrong.

Anna Firth (Southend West) (Con): In-person banking facilities are vital to everyone in Southend West, yet in recent years we have lost all but one of our bank branches. A new community-based post office banking hub model is being rolled out, so will the Minister support my efforts to get one of those into Leigh-on-Sea?

Andrew Griffith: I thank my hon. Friend for her question. She will be aware of what is in our Financial Services and Markets Bill, and I can update the House by saying that the Government have tabled an amendment to protect free access to cash withdrawal and deposit facilities. I would be happy to meet her to discuss her constituency's needs.

T8. [905530] **Mr Alistair Carmichael** (Orkney and Shetland) (LD): I remind the House of my entry in the Register of Members' Financial Interests. Recent Government pronouncements relating to food security have been welcome, but if they are to be meaningful then farmers and crofters need certainty about the future of Government support and, critically, the amount of money that will be available to fund that. Will the Chancellor tell us when he will engage with the Department for Environment, Food and Rural Affairs and the devolved Administrations about the size of the budget that will be available? In the meantime, will he meet with me and the National Farmers Union Scotland?

John Glen: As the right hon. Gentleman knows, the farming support payment is ported to Scotland and operates on a different basis because it is devolved. We have committed to the sum of £2.4 billion for the duration of this Parliament and there are a number of schemes where the uptake is now increasing. I will continue to engage with my colleagues at DEFRA as those schemes develop further.

Mary Robinson (Cheadle) (Con): The last bank in the entire constituency of Cheadle is about to close, so I was delighted when, following my interventions and direct conversations with LINK and appeals from the community, Bramhall was chosen to be LINK's 100th banking hub recommendation. It will be invaluable for residents, but they will be left without banking services until it is open. Will the Minister look into bridging options in the interim, between the bank closing and the hub opening, or consider imposing requirements on banks to remain open until a hub is implemented?

Andrew Griffith: I would be happy to meet my hon. Friend to talk about the range of options. I am delighted about the solution proposed for Bramhall, in her constituency. Last week, I visited the new banking hub in the constituency of the hon. Member for Ealing Central and Acton (Dr Huq). I hope the whole House will wish the operator, Vip Varsani, well in that new endeavour.

Sir Chris Bryant (Rhondda) (Lab): For the first time in my 20 years as an MP we have a real housing crisis in the Rhondda. Two thirds of people own their own homes, but lots of people who have relied on the commercial rented sector are finding that landlords are selling their properties because of decisions made about taxation and, because there is a cap on housing benefit, they do not want to continue in that market. Dozens of people are being evicted week in, week out. Will the Government look closely at what is happening to protect people in constituencies such as mine, so that they can keep their own homes?

John Glen: I am happy to meet the hon. Gentleman to discuss what is happening in his constituency. Obviously, there have been a series of changes since the section 24 change in the Finance Act 2015 and there are particular pressures in the housing economy at the moment, but I am happy to meet him to discuss that further.

Matt Hancock (West Suffolk) (Ind): I welcome the work that the Chancellor and the Prime Minister have done to promote work on artificial intelligence done here, and in developing an ecosystem for that. It is clear that the UK has an opportunity to lead on this, especially on regulation, if we get it right, but only if we seize that opportunity now. What is the Chancellor doing to make that happen?

Jeremy Hunt: My right hon. Friend is right to say this is a big opportunity. We are home to a third of Europe's AI start-ups, but we are very aware of the risks of AI. The Government are hosting a global AI summit, with the support of President Biden, this autumn, to ensure we get that regulation absolutely right.

Sammy Wilson (East Antrim) (DUP): Quite rightly, this Question Time has been dominated by questions about inflation and the cost of living. One policy that has not been mentioned is the Government's net zero policy and the inflationary costs included in it, from green levies of £12 billion to the cost of strengthening the infrastructure and the favourable treatment given to renewable energy firms. While the Minister may condemn the Labour party for its £29 billion green policy spending plan, what is the cost of the Government's net zero policies to consumers? Are they not picking their pockets dry?

The Exchequer Secretary to the Treasury (Gareth Davies): We have a world-leading track record on net zero, but we must balance that correctly with who bears the cost. Critical to the nature of the right hon. Gentleman's question is mobilising more private capital, and we are making great strides on that front.

Peter Gibson (Darlington) (Con): Can my hon. Friend update the House as to when we will see spades in the ground on the Brunswick site in Darlington for the Darlington economic campus?

Gareth Davies: My hon. Friend is a great champion of Darlington, and Darlington's economic campus is a critical part of levelling up. The Government Property Agency has been working hard to finalise commercial negotiations. I would be happy to write to my hon. Friend when I have a more substantive update.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): Ever-increasing food prices mean that some families are having to cut down on the amount they eat. Will the Minister support Labour's plan to negotiate a new veterinary agreement for agriculture products to reduce the cost for food producers and bring down those crippling food prices?

Jeremy Hunt: We will always look at Labour policies, but they are normally not right.

Alun Cairns (Vale of Glamorgan) (Con): Clear policy direction and a strong regulatory framework have led to the UK being the world's leading centre in financial technology. Does my hon. Friend agree that the crypto industry offers the same opportunity for the UK to exploit?

Andrew Griffith: My right hon. Friend is absolutely right. I was pleased to join him in a Westminster Hall debate about the regulation of the cryptoassets sector. I commend the work done in this House by the crypto and digital assets all-party parliamentary group. He might join me in welcoming the decision by Andreessen Horowitz, one of the world's largest technology companies, to locate its only international office outside of San Francisco here in the UK and to run its 2024 cryptoassets school here.

Clive Efford (Eltham) (Lab): In 2016, Exercise Cygnus tested the country's preparedness for a pandemic. Was the Government's response at that time adequate, and what can the Chancellor do in his current role to make sure that we are properly prepared in the future?

Jeremy Hunt: I am looking forward to answering questions about that tomorrow afternoon at the covid inquiry. We did what was recommended following Exercise Cygnus. Certainly, Ministers did what they were advised to do, but the operation was focused on pandemic flu. The question that we must ask ourselves is why we did not have a broader focus on the different types of pandemic that could have happened, such as covid.

Daisy Cooper (St Albans) (LD): The Government's business rates review last autumn was anything but fundamental, because it did not even look at the calculations for fair and maintainable trade, which are hammering the viability of pubs in St Albans. If the Chancellor has in fact abandoned his commitment for a fundamental review of business rates, which he himself called for last summer, will he at least look at the calculations for fair and maintainable trade before any more of our valuable pubs have to close?

The Financial Secretary to the Treasury (Victoria Atkins): We conducted a review and put in place the £13.6 billion package of support to help businesses on our high streets. If the hon. Lady is able to look at, for example, the multiplier freeze, she will see that that has had a significant impact on those rates, as has the retail, hospitality and leisure business rates relief, which will help raise the rate of relief from 50% to 75%. We have targeted this very carefully at exactly the businesses that she mentions.

Patrick Grady (Glasgow North) (SNP): The Chancellor was shaking his head during my question earlier on, so will he say whether he accepts the findings from the Centre for Economic Performance at the London School of Economics that shows that Brexit is responsible for a third of UK price inflation since 2019? Regulatory sanitary checks and other border checks added almost £7 billion to total domestic grocery bills over the period from December 2019 to March 2023. Does he accept that?

Jeremy Hunt: No.

Mr Speaker: I call Jim Shannon.

Jim Shannon (Strangford) (DUP): I do not have a question.

Mr Speaker: Right, let us move on.

Ugandan School Attack

12.33 pm

Jim Shannon (Strangford) (DUP) (*Urgent Question*): To ask the Minister of State, Foreign, Commonwealth and Development Office to make a statement about the attack on the Lhubiriha Secondary School in Uganda on 16 June.

The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell): At the outset, I thank my friend the hon. Member for Strangford (Jim Shannon) for raising this important matter and for his courtesy in taking the trouble to inform my office.

On Thursday 16 June, there was an horrific and cowardly attack on Lhubiriha secondary school in Mpondwe in western Uganda, which borders the Democratic Republic of Congo. The Government of Uganda have confirmed that 42 people were killed, of whom 37 were students from the school. Six people were injured. There are also reports that a further five to seven people, which may include children from the school, were abducted. The Ugandan authorities believe that the perpetrators are from the Islamic State-affiliated armed group the Allied Democratic Forces, or ADF, which operates in the DRC. The Ugandan military is pursuing the attackers. Those responsible for the attack must be brought to justice.

I issued a tweet on 17 June expressing my horror at the attack, which took the lives of so many innocent schoolchildren. My condolences go out to all the victims and to their families. The British Government strongly condemn this attack. We have confirmed that no British nationals were caught up in the attack. In response to the attack, the Foreign Office updated its travel advice for Uganda on 17 June with a factual update. The British high commissioner in Kampala issued a tweet sending her condolences to all those affected and the British high commission in Kampala remains in close touch with the Ugandan authorities.

Jim Shannon: First of all, I thank the Minister very much for his response. He encapsulates our horror and our concerns. I also thank him for his obvious interest, which we know he has anyway, but which he has proven today. I am sure the whole House will join me in expressing our deepest sorrow and sympathies for the victims of Friday's abhorrent attack.

I want to put on record the full magnitude of what occurred. On Friday 42 people, including 37 students, were killed when militants from the ADF, affiliated with IS Central Africa Province, attacked the Lhubiriha secondary school. Some victims were murdered with machetes, while others were killed in their dormitories when terrorists threw bombs and set the building alight after students had barricaded the doors to try to protect themselves. Six additional students were kidnapped to carry loot stolen from the school and it is estimated that some of those may be some young girls and ladies.

The effect of this act of terror is clear: many of the town's residents have fled since the attack, and yesterday schools across the region were empty, as teachers and students feared turning up. While IS Central Africa Province has yet to claim the attack, that is not unusual, and the attack carries all the hallmarks of ISCAP. Moreover, it is part of a trend of escalating attacks by

the group, targeting Christian villages in the DRC since March, resulting in some 400 deaths. This attack in Uganda spells an alarming development.

The attack is part of a wider trend of violence against Christian and religious minority communities stretching across central Africa, including attacks from Daesh, Boko Haram and Fulani militants in Nigeria and intentional targeting of places of worship by al-Shabaab in Somalia, Kenya and Ethiopia.

I want to ask the Minister four questions. First, what steps can the Foreign, Commonwealth and Development Office take to help recover those who were kidnapped? Secondly, what scope is there in the current UK aid budget to provide emergency relief to displaced communities and help to create a safe environment for schools to reopen? Thirdly, when was the latest joint analysis of conflict and stability assessment carried out for the region by the FCDO, and does it reflect the current threat from IS Central Africa Province to Christians and minority communities? Fourthly, what can we do to prevent future attacks?

Mr Mitchell: The hon. Gentleman sets out the position extremely well. He asks me a number of questions. First, in respect of the aid budget, Britain has a significant partnership with Uganda, which last year was in the order of £30 million. That is spent principally on humanitarian and reproductive health-related issues, but we always keep the humanitarian situation under review and we will continue to do so in this specific case. He asks me about the latest JACS report; it is not recent, but I can tell him that before these horrific events we were looking at commissioning another one and we will pursue that. In respect of what more Britain can do, we are in very close touch with the Ugandan authorities and will do everything we can to help them.

Mr Speaker: We now come to the Chair of the Select Committee.

Alicia Kearns (Rutland and Melton) (Con): I congratulate my very good friend the hon. Member for Strangford (Jim Shannon) on securing the urgent question. My condolences go to all those parents who are suffering unimaginable horror and fear. The abduction of children is cowardly in the extreme, and I am sure that the Minister is doing all he can to exert pressure to bring those six children home to their families.

The Foreign Affairs Committee is gravely concerned about the current situation. We have launched an inquiry into counter-terrorism so that we can look at the position in countries such as Uganda. We are aware of links between the Allied Democratic Forces and Daesh. Will the Minister please explain what we are doing to discourage any engagement with the Wagner Group? Increasingly, too many African countries are turning to the Wagner Group in a misplaced effort to counter the rise of organisations such as Daesh. Will the Minister also explain what we are doing to tackle border insecurity between Congo and Uganda? The situation is grave.

Mr Mitchell: I thank my hon. Friend the Chair of the Foreign Affairs Committee for what she has said. On her third point, I make it clear that we work closely together on counter-terrorism and regional security, which is a shared priority.

On my hon. Friend's first point, she is right: this was a horrendous attack on young people and students. A fire bomb was thrown into the male student dormitory, and six and possibly as many as 12 mostly female students appear to have been abducted. Two others, who were taken to a nearby health centre, died owing to a lack of blood supplies. My hon. Friend was right to emphasise the cohort that has suffered so much.

On the disorder at the border, we give strong support to the Luanda and the Nairobi peace processes, which are designed to try to do something about the disorder in the eastern DRC, of which I know my hon. Friend is well aware.

Mr Speaker: I call the shadow Minister.

Ms Lyn Brown (West Ham) (Lab): I am grateful, Mr Speaker. I thank the hon. Member for Strangford (Jim Shannon) for securing the urgent question.

Forty-two people are dead, including 37 children, and students remain in terrible danger after being abducted. I struggle to understand the mentality of anyone who deliberately seeks to murder children. The Opposition, and I know the whole House, stand in solidarity with the people of Uganda in their grief.

Last month, the shadow Foreign Secretary and I discussed these issues with His Excellency the Ugandan Minister of Foreign Affairs. Insecurity in the region is a serious threat to many lives. It is also a threat to sustainable development, and to UK interests. Sadly, it lacks the international attention that it deserves.

The ADF is responsible for frequent massacres and brutality in DRC. It seems most likely that it is responsible for this atrocity too. The security situation could grow still more complex as elections in DRC approach this December. May I press the Minister on what plans the Government have to update our sanctions on the ADF? Is he confident that he has the right resources to map illicit financial flows? Do we understand where we have leverage over those who support the ADF and other armed groups in the area?

How are we engaging with the African Union, the East African Community and the Southern African Development Community to support consensus against insecurity among regional states? The ADF and hundreds of other armed groups that terrorise the region must be held to account. Surely the Government must update our offer of support, in solidarity with the people of Uganda.

Mr Mitchell: The hon. Lady makes several important points, and I thank her for the tone and content of her comments. She asked a number of questions. We are in very close touch with the African Union and the SADC. I should emphasise that Uganda has designated the ADF a terrorist organisation, and the Ugandan defence forces are tracking the perpetrators, as the President has made clear.

The hon. Lady asked about illicit financial flows. She will know from the "Integrated Review Refresh" that tackling those flows of stolen and dirty money is a high priority for the Prime Minister. We are actively engaged in working out how we can do more on that front.

Finally, on the processes that Britain is engaged in supporting, the Nairobi process, to which we have provided funding, is a very important aspect of how we bring

some sort of order to the eastern DRC, which, as the hon. Lady implied and knows well, is a source of enormous worry to all the surrounding countries, as well as to us and many others.

Vicky Ford (Chelmsford) (Con): I thank my good friend, the hon. Member for Strangford (Jim Shannon), for securing this urgent question. I have visited schools in Uganda. They should be happy and safe places. This is yet another tragedy. I am concerned about rising violence throughout the region. Since the war started in Sudan, there have been ominous reports of waves of ethnic violence in El Geneina in Darfur. It may be that the Rapid Support Forces are rekindling genocide in Darfur. Genocide has happened there before, and it may be happening again.

It is incredibly important that the international community keeps shining a spotlight on this and that we break this culture of impunity, because when one violent organisation thinks it can get away with it in one part of Africa, another violent organisation thinks it will get away with another atrocity in another part of Africa. Will my right hon. Friend agree to meet members of the UK's Darfur community who are desperate to tell people what is going on there so that they can whistleblow on what might be genocide again?

Mr Mitchell: My right hon. Friend will know that I have met recently with the Darfur community, but things have changed since that meeting, so I take on board her final point. She also made a point about the war in Sudan, which means there is the possibility—perhaps the likelihood—that this area of disorder, conflict and humanitarian disaster could stretch from the middle east right the way down to southern Africa. She is completely right about that.

My right hon. Friend is also right to say that impunity must not be allowed to stand on this or any other violent acts. The Ugandans are pursuing the perpetrators. The Ugandan commander-in-chief of land forces has been to the area and was joined by the commander of Operation Shuja, which is the Ugandan deployment in the eastern DRC specifically to combat the ADF. I hope that that, in part, answers her question.

Mr Speaker: I call the SNP spokesperson.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): This is a shocking terrorist crime, and I put on record my party's condolences to the families of those murdered in this horrific attack. I congratulate the hon. Member for Strangford (Jim Shannon) on bringing attention to this crime, which has had too little of that.

The people who carried out this atrocity are not an unknown group. They have already been proscribed as a terrorist organisation by Uganda and the United States of America. When will the UK Government finally join those countries in proscribing them too? What will the UK Government do to support Uganda in response to this attack and to the ongoing threats that clearly exist there?

Lasting solutions can only be achieved by Governments in this region with outside support investing in peacebuilding and civic society building. Military cannot be the only

[Drew Hendry]

option, so does the Minister agree that it would be a mistake to continue cutting aid in the sub-Saharan area and, indeed, worldwide?

Mr Mitchell: On the hon. Gentleman's final point, we are deploying very large amounts of British taxpayers' money in the area, as he suggests, and we are ensuring that we are light on our feet and using that to good humanitarian effect. If he looks at some of the programmes I have announced recently, he will see that they directly affect the humanitarian position, particularly for girls and women.

In respect of what Britain is doing to try to ensure greater security in the eastern DRC and on the border to which the hon. Gentleman refers, although we never discuss proscription and other security measures in advance, he may rest assured that the British Government are fully engaged, not least through the Nairobi peace process, in doing anything that we can to bring back stability to this very troubled part of the world.

Mary Robinson (Cheadle) (Con): I thank the hon. Member for Strangford (Jim Shannon) for bringing this really important question before the House. It is a dastardly and awful attack—it is desperate—and the people living along that border will be fearful for their lives and living with a heightened sense of fear and danger. Could my right hon. Friend set out what measures we are taking across that border between Congo and Uganda to help those people who are living in fear every day?

Mr Mitchell: Britain has been heavily engaged through both the Luanda and the Nairobi peace processes in trying to tackle that very problem, and we will continue that engagement until we are finally successful.

Sammy Wilson (East Antrim) (DUP): I also congratulate my hon. Friend the Member for Strangford (Jim Shannon) on securing this urgent question. I know that he has been diligent in highlighting these issues, as have so many organisations—such as Open Doors—that have also highlighted the persecution of Christians and other minority religious groups across the world. I chide him in just one way: do not fall into BBC-speak. These people are not militants, but terrorists. They are terrorists who have blood on their hands and engage in the cruellest activities to promote their cause.

May I ask the Minister two questions? First, we have a foreign aid budget, and this is not just about Uganda,

but Nigeria and other parts of central Africa where these occurrences are happening almost daily. How can our aid budget be targeted in such a way as to help those who are victims or potential victims? Secondly, it seems that some Governments—either because they do not have the resources or do not have the willpower—are not pursuing these terrorists in the way they should. What discussions has the Minister had to ensure that those Governments take action where possible, and get help from our own Government in doing so?

Mr Mitchell: On the right hon. Gentleman's last point, as I said, the Ugandan commander-in-chief of land forces has been there, and the Ugandan army is pursuing the perpetrators. The right hon. Gentleman added very eloquently to the statement and comments of our hon. Friend the Member for Strangford, and I very much agree with what he says. On how the British development budget is spent, we spend a great deal of time and taxpayers' money on trying to stop conflicts from starting, stopping them once they have started, and reconciling people once they are over. That is the aspect of the budget to which he was referring, and I think it is very effective and gives very good value to the British taxpayer.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I congratulate the hon. Member for Strangford (Jim Shannon) on tabling this urgent question on a topic that I know he is passionate about. We learned from Michela Wrong's excellent article in a recent issue of *Foreign Affairs* how the M23 paramilitary organisation, which is actively destabilising areas of both the DRC and Uganda, has been given direct economic and military aid supported by the Rwandan Government in a deliberate strategy of President Paul Kagame, similar to that which they abandoned under pressure in 2012. Given the leverage that this Government now have with that regime, what assurances has the Minister—who I believe is an admirer of President Kagame—sought from the Rwandan Government that they will respect the sovereignty of their neighbours in the region, lest we provoke a wider humanitarian crisis in the great lakes?

Mr Mitchell: I expect to see the Foreign Minister of Rwanda within the next 24 hours, and I will say to him what we say to all of those who are engaged in fighting, profiteering or causing human misery in the eastern DRC: that we urge everyone to be part of the Nairobi and, indeed, the Luanda peace processes. We urge everyone to lay down their weapons and allow a peace process, which can also ensure that humanitarian aid reaches people who desperately need it.

Cost of Living Support

12.54 pm

The Minister for Disabled People, Health and Work (Tom Pursglove): With permission, Mr Speaker, I will make a statement on the progress of delivery of cost of living support.

The Government understand the pressures that households face in the current climate. We are all familiar with the global factors that are the root causes of costs being higher, including President Putin's illegal war in Ukraine and the aftermath of the pandemic. We are committed to delivering on our priority to halve inflation, which will help ease those pressures for everyone and raise living standards.

Alongside that important work, we continue to implement our wide-ranging and significant package of cost of living measures to support the most vulnerable during 2023 and 2024. We have increased benefits and state pensions by 10.1%, and increased the benefit cap by the same amount so that more people are helped by the uprating. For low-paid workers, we have increased the national living wage by 9.7% to £10.42 an hour. That represents an increase of more than £1,600 to the gross annual earnings of a full-time worker on the national living wage. That increase, and the increases we made to the national minimum wage in April, have given a pay rise to about 2.9 million workers.

To help parents, we are undertaking a significant expansion of childcare, including a rise, later this month, of nearly 50% in the maximum amount of childcare payments for people on universal credit. For the most vulnerable, the £842 million extension of our household support fund into 2023-24 means that councils across England can continue to help families with the cost of groceries, bills and other essentials. Taking into account the extra money that we have provided through Barnett funding for Scotland, Wales and Northern Ireland, who can decide how they allocate that money, we have committed an extra £1 billion. That is on top of what we have provided since October 2021, and brings total funding to £2.5 billion.

With energy bills being one of families' biggest worries, the energy price guarantee will also remain in place as a safety net until the end of March 2024, should energy prices increase significantly during that period. Since that energy bills support began in October 2022, the Government have covered about half of a typical household energy bill this past winter, and by the end of June will have saved a typical household around £1,500. We are also building on and extending the one-off cash payments we provided during 2022-23 that saw us make more than 30 million cost of living payments, including a £150 disability cost of living payment to 6 million people, up to £650 for more than 8 million households on means-tested benefits, and an additional £300 on top of the winter fuel payment for more than 8 million pensioner households. Those payments put hundreds of pounds directly, and at pace, into the pockets of millions of people.

However, we recognise that cost of living pressures continue, particularly for the most vulnerable households. That is why we continue to provide targeted support to help those most impacted by rising prices throughout this financial year, including more support for people

on means-tested benefits such as universal credit, with up to three cost of living payments totalling up to £900. The Government have already delivered the first £301 payment to 8.3 million households—support worth £2.5 billion. The two further payments of £300 and £299 will be made in the autumn and the spring, and pensioner households will get an additional £300 on top of their annual winter fuel payment this winter, as they did last year.

I am pleased to be able to confirm to the House that from today, to help with the additional costs that disabled people face, more than 6 million people across the UK on eligible extra-costs disability benefits will start to receive a £150 disability cost of living payment. Those cash payments, which we estimate will be worth around £1 billion, will be automatically transferred into people's bank accounts, with those eligible for the support not needing to take any action. By the end of Monday 26 June, we plan to have made 99% of payments to those already eligible—that is millions of payments being made in just seven days. Most remaining already eligible people will receive their payment by 4 July. We estimate that nearly 60% of individuals who receive an extra-costs disability benefit will also receive the means-tested benefit cost of living payment, and more than 85% will receive either of, or both, the means-tested pensioner payments.

This Government will always protect the most vulnerable, but we are also helping to improve living standards for everyone by getting more people into, and progressing in, better-paid jobs. That is the surest and most sustainable way to raise incomes and grow the economy. The number of people in employment has increased to a record high, but by removing the barriers that stop people from working, we are reducing the number of people who are economically inactive—those who are neither working nor actively looking for work. It is encouraging that last week's labour market statistics show a further fall in inactivity of 140,000, or 0.4%, on the quarter.

We are tackling inflation to help to manage the cost of living for all households and providing extra targeted support for those that need it. The disability cost of living payments, landing in millions of bank accounts from today as part of our wider support package, underline our commitment to supporting disabled people. That is reflected in how we are stepping up our employment support for disabled people and people with health conditions; ensuring people can access the right support at the right time and have a better overall experience when applying for and receiving health and disability benefits; and transforming the health and disability benefits system so that it focuses on what people can do, rather than on what they cannot. It is also reflected in the fact that we expect to spend over £78 billion in 2023-24 on benefits to support disabled people and those with health conditions, which is 3.1% of GDP.

With the Government's significant package of cost of living support, worth over £94 billion in 2022-23 and 2023-24, we are ensuring that those most in need are protected from the worst impacts of rising prices, putting more pounds in people's pockets and providing some peace of mind to the most vulnerable in society.

Mr Speaker: I call the shadow Secretary of State.

1 pm

Jonathan Ashworth (Leicester South) (Lab/Co-op): I thank the Minister for advance sight of his statement, but let us be clear: he has come to the House today and is asking us to congratulate him on this payment when, after 13 years, the number of disabled people living in poverty is up by over 1 million. He is asking us to congratulate him on this payment when, almost every day now, we hear stories of disabled people cutting back on hot meals, showers and washing their clothes, because otherwise they would not be able to afford to use the equipment that helps them get by in life. He is asking us to congratulate him when, after 13 years of Conservative Government, child poverty is up by 600,000 and pensioner poverty is up by 400,000. He is asking us to congratulate him when we have a cost of living crisis now so severe that the Joseph Rowntree Foundation today reports that nearly 6 million of the poorest households are forced to skip meals and 7 million of the poorest families are going without food, heating or even basic toiletries.

The Minister talks about employment, but there are 2.5 million people out of work for reasons of sickness or disability. The working-age disability benefit bill is going to go up to around £25 billion, but many people out of work want to work. That is why we proposed an “into work guarantee” welfare reform to help people to move off sickness benefits and into work. Instead of offering help now to people out of work, the Government are actually cutting disability employment advisers by 10%. Because the Government are failing to do their part in helping to tame inflation, disabled people in work and families are seeing the value of their wages ravaged by inflation. In fact, the value of this disability payment is worth £5 less in real terms than when the Chancellor announced it in the autumn statement because of inflation.

The Government are failing to play their part in helping to tame inflation. When combined with them running the economy off the cliff last autumn, policies that led to turmoil on the markets and a run on pension funds, that means that thousands of disabled people, thousands of working families and even pensioners are living in fear of the letter they will soon be getting this year telling them it is time to remortgage. Disabled people and families are facing hundreds or indeed thousands of pounds more on their refinanced mortgage over the coming years, with 1.3 million homes this year collectively paying £10 billion extra on mortgages—a Tory mortgage premium. Disabled homeowners and families are paying the price—literally paying the price—for 13 years of Tory economic failure. So my question is very simple: when so many disabled people and so many families are facing more on their mortgage because of decisions taken by this Government, how on earth does the Minister expect them to cope?

Tom Pursglove: I obviously appreciate the shadow Secretary of State taking the time to come to respond to this statement today. On the fundamental point of supporting people properly, I do not think that there is disagreement between us. We disagree on the detail of this and I think it is substantial and significant that, as I set out earlier, we are providing £94 billion of comprehensive cost of living support to people over 2022-23 and into 2023-24. That is structured support

that is hitting people's bank accounts in the way I have described, including the latest tranche of support through the disability cost of living payment, but there is also the discretionary support that can be provided through local authorities to meet the needs that exist, where they do not necessarily neatly fit into those structured support packages. That is significant support and he should welcome it.

I was very interested to hear what the shadow Secretary of State had to say about our employment-related measures. I would be absolutely delighted if he were to come forward and welcome the structural reform that this Government are determined to make to help to support more disabled people and people with health conditions into work, removing the jeopardy they feel around the benefit system to smooth that journey.

There is also the tailored support that we want to provide alongside that to improve the journey through the system and to unlock people's aspirations—namely, universal support, that tried and tested supported employment model through individual placement and support in primary care in the first year, but growing beyond that. That is welcome support that will identify people's needs and support them on a case-by-case basis to meet those objectives, with of course all the benefits that that brings, as well as keeping people well in work.

The Work Well partnerships are building capacity alongside NHS services. They are meaningful interventions on the supply side that this Government are making, and I think they are to be welcomed. It would have been nice for him to welcome the structured and more permanent support that we want to provide to help people to live more fulfilling lives, with employment at the heart of that.

The shadow Secretary of State also said, effectively, that the United Kingdom stands alone in these challenges. That is absolutely not the case. I was at the United Nations last week representing our country and it is fair to say, from many of the conversations I had with others, that the challenges we are facing are repeated in their countries—not just in Europe, but much further afield. For example, in the US, the Federal Reserve has increased rates at the fastest pace since the 1980s and in Europe interest rates are at their highest level in more than two decades. What we will do is take a responsible approach. The Chancellor of the Exchequer set that out in questions just now. What we will not be doing is making unaffordable spending pledges that will simply lead to higher rates in the long term. That is not the way to address these issues effectively.

On the specific issue of mortgages, again, we must not do anything that only fuels the challenges that households face. We have made a number of changes, including through support for mortgage interest and the scheme around that. For example, from April this year, claimants can be eligible for SMI from three months instead of nine. We have also abolished the zero earnings rule to allow claimants to continue receiving support while in work and on UC. The interest rate we pay is based on the Bank of England-published average mortgage rate, which increased from 2.09% to 2.65% on 10 May 2023. We of course continue to have important and receptive engagement with lenders about that support.

What is clear is that the Opposition have either no plan or an uncosted plan. The latter would simply fuel inflation and make matters worse. In contrast, what we

will get on and do is provide the support that we have outlined, which is comprehensive and is meeting people's needs, but of course we keep that package under constant review. We are also focused on our fundamental mission, which is to bring inflation down in the way we have described.

Sir Jake Berry (Rossendale and Darwen) (Con): I congratulate the Minister on what is a meaningful package, which particularly will be of help to disabled constituents of mine in Rossendale and Darwen, but will he accept that the measures that put money back in people's pocket when they rely on benefits will not dent the challenges people are facing when it comes to their mortgage going up by hundreds of pounds a week or a month? Will he talk to his friends at the Treasury about reintroducing mortgage interest relief at source, which is a true Conservative way of tackling the cost of living crisis by cutting taxes and putting money back in the pockets of the squeezed middle?

Tom Pursglove: My right hon. Friend is trying to tempt me to make commitments on behalf of the Treasury today that of course I am not able to do, but what I am able to do is ensure that the point he has made in this debate is relayed to Treasury colleagues. Again, there are ongoing conversations being had involving the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Mid Sussex (Mims Davies), who leads on housing within the Department for Work and Pensions, and colleagues in the Department for Levelling Up, Housing and Communities, for example, around some of the challenges that people are facing with housing. She is working proactively on this, along with colleagues elsewhere.

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

David Linden (Glasgow East) (SNP): I too thank the Minister for advance sight of his statement, although in reality it is a nine-page press release rehash of previous Government announcements. The only new thing today is the £150 disability payment. Will the Minister reflect on the excellent report from Scope, "Disability Price Tag 2023: the extra cost of disability", which shows that, on average, disabled households have expenditure that is £975 higher per month? We know that, for example, as a result of specialised diets, higher transport costs, higher energy costs and higher insurance premiums, there is a cost to disabled people.

Unfortunately, the Government do not have a good record when it comes to disabled people, particularly the 2.5 million legacy benefit claimants who were so cruelly overlooked during the pandemic and did not get the equivalent of the £20 uplift. I welcome the £150, but I ask the Minister to reflect on the wise words of Scope, which says that that will not touch the sides. To that end, as the Government are not quite getting this, may I invite the Minister to come to Glasgow to meet me and the Glasgow Disability Alliance, where he will hear the message, loud and clear, that this simply does not go far enough and that far too many people are going to struggle unless the Government up their game?

Tom Pursglove: The key point I would make, which I set out in my introductory statement, is that there is a significant alignment; people receiving the disability

cost of living payment are also receiving various other parts of the support package. Eight-five per cent of those who qualify for the disability cost of living payment are also receiving a mean-tested or the pensioner cost of living payment. They are receiving various parts of the package of support. We continue to keep those matters under constant review, as Members would expect. I have a meeting later today with a Minister in the Scottish Government and no doubt matters relating to the cost of living will come up. As a Minister in the Department for Work and Pensions, I am committed and determined to visit all parts of the United Kingdom and I will take away the hon. Gentleman's suggestion about where I might go.

Bob Stewart (Beckenham) (Con): Can I re-emphasise the point made by my right hon. Friend the Member for Rossendale and Darwen (Sir Jake Berry)? Huge numbers of constituents are coming to me about the mortgage changes. They are absolutely terrified. I know that the Government are doing all they can, but can I ask them to redouble their efforts because this is going to have a huge impact on the cost of living?

Tom Pursglove: I thank my right hon. and gallant Friend for his question. This is a significant issue in his constituency and a challenge in constituencies across the country. Ministers across the Government are mindful of it. It draws focus back to the key, overarching mission of this Government and the economic plan that the Chancellor and Prime Minister are advancing. That is why it is so critical that we tackle the inflationary pressures. We must not add to those inflationary pressures. If we can deal with that root cause, that is the best way to help people in that situation.

Madam Deputy Speaker (Dame Rosie Winterton): I call the Chair of the Work and Pensions Committee.

Sir Stephen Timms (East Ham) (Lab): The cost of living payments have made a vital contribution to millions of families in supporting people through the current crisis and I welcome the contribution they have made. However, the need for them does reflect, particularly following the removal of the £20 a week uplift from universal credit, the historically low headline level of benefits—at the moment, in real terms, the lowest for 40 years. What consideration are the Minister and his colleagues in the Department giving to consolidating those occasional one-off payments into the mainstream benefits—universal credit and the rest—so that people can budget with confidence, week by week?

Tom Pursglove: The right hon. Gentleman will recognise that my right hon. Friend the Secretary of State has his annual review of benefits and pension levels, where all matters are properly considered in the usual way. Decisions are made and announced through those formal processes. It is worth saying in relation to disability spending more generally that in 2027-28 total disability spending is forecast to be over £41.6 billion higher in real terms compared with 2010. We are spending very significant sums of money on support for disabled people. We also have those cost of living packages of support in place for them. We will continue to be on the side of helping people through this difficult time, supporting where we can and cushioning the impacts of those challenges.

[Tom Pursglove]

Again, I invite Opposition Members to join the support for the overarching mission of this Government, which is to get inflation down and to relieve those pressures.

Aaron Bell (Newcastle-under-Lyme) (Con): I welcome my hon. Friend's statement and the £150 that is going into the bank accounts of 6 million people, including many of my constituents in Newcastle-under-Lyme. I welcome all the support that he outlined, including on energy bills for the entire country, households and businesses, over the winter. I welcome that energy bills are about to start falling at last, which I know will be welcome to everybody across the House. However, does he agree that the best way for us to help the most vulnerable is to help them into well-paid, sustainable jobs, whether part-time or full-time? We should look for support from employers for adaptations and managing conditions in doing that.

Tom Pursglove: I totally agree with my hon. Friend. Work is such an important part of relieving some of those pressures, but it is also important for people in the longer term. We want more people to unlock their potential and access all the benefits and opportunity that work brings. We see that as a partnership, and we want to continue to deepen that commitment as a Government, working collaboratively with employers to unlock those opportunities. Schemes such as Access to Work Plus, which we have piloted, evaluated, and are now rolling out, are all about crafting roles, working with an individual and an employer, where there is a determination to employ a disabled person. We see massive benefit to that approach, not just for the business and our economy, but also for the disabled person in question.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I rise to support what my right hon. Friend the Member for East Ham (Sir Stephen Timms) has just said. We cannot underestimate the impact of the last 12 years of cuts to the baseline in support and social security, with £33 billion taken out of working-age budgets. The temporary one-off payments do not even touch the sides, and that is resulting in one in three disabled people living in poverty, which is twice the number of non-disabled people. Let me again ask the question that my right hon. Friend the Member for East Ham put to the Minister: when will he be increasing the uplift?

Tom Pursglove: I repeat what I said in response to the Chair of the Work and Pensions Committee. We are determined to try to get to grips with the longer-term pressures that people face. The hon. Member for Glasgow East (David Linden) mentioned the "Disability Price Tag" report by Scope. One of those pressure is energy costs, and one thing that colleagues in the Department for Energy Security and Net Zero are currently looking at is the wholesale market reform of our energy market. As part of that, they are considering the issue of social tariffs and support, to see how we best support those costs in the longer term. The best way to tackle those issues in the round and get those pressures down, is by addressing the inflationary challenge that we are currently experiencing. That is what the Government are focused

on at the moment, and that is the right approach. On the wider matter in response to the question from the Chair of the Committee, we will take that away and it will be considered in the usual way as part of the annual process.

Wendy Chamberlain (North East Fife) (LD): Scope's "Disability Price Tag" report has already been mentioned, but the £975 a month means that the extra payment of £150 does not cover even a week of additional costs, and it points to the lack of sufficiency for social security that the Chair of the Work and Pensions Committee referred to. My private Member's Bill recently became the Carer's Leave Act 2023, and when I met constituents they had either had to give up work because of their caring responsibilities, or they had lost carer's allowance because of the hours they were working. The Minister talks about a transformation of the system. Does he agree that carer's allowance is ripe for reform?

Tom Pursglove: The hon. Lady and I have previously had exchanges on carer's allowance, and the approach we take is to consider that when we have our deliberations on annual uprating. We will make modification to that when it is affordable and appropriate, but I hear her representation. I also congratulate her on the Carer's Leave Act 2023, which introduces an important change. I know that a lot of effort went into that behind the scenes, and I congratulate her on it.

Derek Twigg (Halton) (Lab): I cannot recall a time when so many families and individuals have contacted my office because they cannot afford to live, whether that is being able to buy food, heat the house, or do other things as a family. We have seen the start of a fall in energy prices, but the fact remains that for the foreseeable future they will be much higher than they were before the start of this crisis. We are also seeing problems with interest rates and various other pressures on families. In particular, rents are outstripping local housing allowance by a considerable amount in my local area, and people are being evicted. On the housing front, pressures from interest rates are starting to bite, and people cannot afford the rents that are now being charged in the private sector. What is the Minister going to do about that?

Tom Pursglove: On that specific point, I draw the hon. Gentleman's attention to the points I made earlier about some of the ongoing work, but I will also ask my hon. Friend the Member for Mid Sussex (Mims Davies) to provide him with a response to that question, because I know she is engaging with colleagues elsewhere in the Government around those challenges.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Minister has already acknowledged the additional costs of nearly £1,000 a month that disabled households have over able-bodied households, but those costs are disproportionately higher in rural areas such as the highlands, which I represent with my constituency. People there have extra costs for transport, energy and so on. Is it not time that the Government did more to compensate people with those extreme costs? Would a start not be to make up for what they lost with the universal credit mismatch during the pandemic and, indeed, to restore the £20 a week on universal credit immediately?

Tom Pursglove: There is no plan to restore that £20 uplift in the way that the hon. Gentleman describes, but in relation to disability benefits, I draw his attention to the statistics and figures I set out earlier. There will also be, as I have announced, an evaluation of the cost of living payments in the autumn, which will no doubt take into account a whole host of factors and be thoroughgoing in that. I am also working with the disability unit to take a close look at the costs that people are experiencing during this cost of living challenge, because we want to learn from those challenges for the future.

Ms Lyn Brown (West Ham) (Lab): When visiting schools, I am told by young children that it is not their turn to eat tonight. Schools tell me that pupils take leftovers from school friends so that they can eat a lunch. Rents are rocketing and households are paying almost £1,000 a year more on food than they did in 2021. Does the Minister honestly think that the support that the Government are offering is enough to stop rising hunger in constituencies such as mine?

Tom Pursglove: I of course recognise that food prices are a challenge not just here in the UK, but abroad, too. For example, I am aware that food inflation here is 19%, but within the EU it is 19% and in the euro area it is 18%. People are experiencing these significant challenges not just here, but abroad. I have seen reports just today of retailers discounting products to try to help with some of these pressures, which goes beyond the package of support that the Government are providing. That £94 billion figure is not insignificant. We also continue to support families on a case-by-case basis through the household support fund, and I encourage the hon. Lady to signpost her constituents to that support, because where people have particular needs and challenges, they can be supported through that help.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): In his statement, the Minister mentioned support with energy bills. Earlier this week I received an email from a constituent in the village of Capel Hendre in my constituency, which is on the mains gas network, but a large proportion of households use alternative fuels such as heating oil. The payment on alternative fuels was not made directly through electricity bills, but people had to apply for it. She has missed the deadline for the alternative fuels payment scheme. I know this is not the Minister's direct responsibility, but will he raise with the responsible Minister the fact that a cohort of people have missed out? Is there a possibility of reopening the scheme so that constituents can get the support to which they are entitled?

Tom Pursglove: I commend the hon. Gentleman for his nifty way of getting that important question into the proceedings this afternoon. If he could share those details with me, I will gladly make sure that that reaches the Minister responsible at the Department for Energy Security and Net Zero.

Marsha De Cordova (Battersea) (Lab): It is worth noting that the UK Government were the first Government to be investigated by the UN Committee on the Rights of Persons with Disabilities for their treatment of disabled people. We all know the additional costs that disabled people face—they are a fact—with higher energy bills

and so forth. The disability price tag is around £975 extra a month. The woeful support of the cost of living payments will not go anywhere near meeting those additional needs, so why on earth does the Minister think it is enough? We do not need any more analysis—the evidence is there, so why can he not take action now?

Tom Pursglove: I reiterate the point that people often receive multiple parts of the comprehensive cost of living support that we are providing. The hon. Lady also made a point about the UN, but my experience from speaking to counterparts from across the world at the UN last week and being involved in the discussions there was that people often look to the United Kingdom as being a world leader on these matters. It is important to make that point in the context of the comment she just made. The fact is that we are continuing to keep under review the package of support that is provided, but it is worth recognising that people often receive multiple parts of the package alongside the disability cost of living payment.

Marion Fellows (Motherwell and Wishaw) (SNP): It was a real pleasure to listen to the hon. Member for Battersea (Marsha De Cordova), who is always eloquent when it comes to disabled people. We have heard already about the support with the £150 extra. I thank the Minister for that; it is literally better than nothing. Many disabled people are trying to get into work, because they have to work to be able to afford the basics in life. There is a disability income gap, as the Minister will be aware. Will he look back on his White Paper, because he missed out the delays that people are now facing to get support from Access to Work? It is impossible, almost. Disabled people are losing jobs daily, because they cannot get the support they need when they need it. Will the Minister review that and try to help disabled people be able to afford more?

Tom Pursglove: The hon. Lady knows, because we meet regularly to talk about these issues, my absolute determination to deliver on greater employment opportunities for disabled people. In fact, as I said earlier, I am meeting the Scottish Minister later today, where this issue is on the agenda. I hope that we can move forward with our reforms in a constructive, collaborative manner, so that they benefit people across the United Kingdom to their fullest extent. We are putting additional resource into Access to Work to get through applications quicker, and a number of process changes have also been made. Those are in the early stages, but the anecdotal commentary I am receiving from officials is that with some of these changes, we are seeing cases processed much more quickly.

Clive Efford (Eltham) (Lab): The Resolution Foundation estimates that mortgage payers will pay an average of £2,900 more in the next year due to increases in interest rates. Some 13% of retirees are still paying mortgages at the time of retirement, and 770,000 households are not claiming pension credit, so do not qualify for pension credit payments. This Government have been a disaster for pensioners, particularly those with mortgages. If the Minister has done his research, can he tell us how many people on pension credit applied for mortgage interest support? How many pensioners are facing interest rates rising faster than their pensions?

Tom Pursglove: I do not have those figures to hand for this debate, but I will take that request away and ask ministerial colleagues in the Department to respond.

Rachael Maskell (York Central) (Lab/Co-op): There is no room for complacency. Our constituents are absolutely desperate. On Saturday night, I got another email from a constituent who literally had no money left. She was spiralling into debt, and she could not afford her rent, food or energy. Today's announcement will do nothing to help her, and it will do nothing to help so many of my constituents who are in such desperation. What steps has the Minister taken to look at the essentials guarantee that the Joseph Rowntree Foundation is putting forward, which would see a consistent uplift in all benefits to help people such as my constituent?

Tom Pursglove: I am obviously not familiar with the circumstances of the individual in question, so it is impossible for me to comment on the support that he or she may or may not be eligible to receive. I always encourage people to apply for any support to which they might be entitled. Benefit calculators are available on the gov.uk website to help people to do that. The household support fund is being delivered in the hon. Lady's community, but if she wishes to share some details with me about that specific case, I will gladly take that away to look at. As I said earlier, there is also the opportunity, with the annual decisions taken within the Department, for all these issues to be considered.

Patrick Grady (Glasgow North) (SNP): The Minister said rather dismissively to my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) that the Government have no plans to reinstate the universal credit uplift. Has he done any analysis of the really positive impact that that uplift had on people

and the negative impact of taking it away? At the very least, will he look at replicating across the whole of the UK the Scottish child payment of £25 a week, which is made to the people who need it most?

Tom Pursglove: We have no plans to replicate the Scottish child payment here in England. I will happily look at the wider report to which the hon. Member referred.

Christian Wakeford (Bury South) (Lab): The cost of living crisis has had an impact on businesses in my constituency such as Lomas News, whose energy bills went up by 400%. In April, it got relief of £4.93. With food inflation up, rents up, mortgages up and bills still high, the support is not enough, is it?

Tom Pursglove: We are continuing to provide comprehensive support to both individuals and businesses to get them through this difficult time, and we have done that consistently. Of course, the hon. Member stood on the same manifesto that I did, so I very much hope that he will subscribe, as I do, to the Government's overarching mission to get inflation down, which will relieve the very challenges to which he alludes.

BILL PRESENTED

OUTDOOR EDUCATION BILL

Presentation and First Reading (Standing Order No. 57)

Tim Farron presented a Bill to require that every child be offered at least one outdoor education experience during primary school years and at least one such experience during secondary school years; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 24 November, and to be printed (Bill 329).

Children in Hospital for Extended Periods (Report to Parliament)

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

1.31 pm

Sir Oliver Heald (North East Hertfordshire) (Con): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to report to Parliament on the merits of providing financial support for parents of children receiving care in hospital for extended periods.

My constituent Ceri Menai-Davis contacted me after the loss of his six-year-old son Hugh to a rare cancer on 18 September 2021. He and his wife Frances are in the Gallery today. They had a terrible ordeal for more than 10 months, attending hospital and at times commuting daily, as they watched their son rapidly decline over a number of months in hospital from a sporty youngster to his sad passing. When Mr Menai-Davis contacted me at the end of 2021, he and his wife had just set up a charity called It's Never You, which are the words that Mrs Menai-Davis said to her husband when they got the diagnosis. They wanted to help parents of very ill children in hospital with mental and physical support and to call for some financial help.

Cases where children are in hospital for extended periods are rare. The reply I received to a written question showed that about 4,000 children a year spend more than two months continuously in hospital. Of course, not all of those are cases where the parents go to hospital every day or stay there.

Mr Menai-Davis asked if I could arrange for him to meet a Health Minister to lobby for better care of parents. I did that, and the then Minister of State, my right hon. Friend the Member for Charnwood (Edward Argar), held a meeting with us on 24 March 2022, where he heard about a range of practical problems with care for parents in hospitals, including the availability of food and mental support. The Minister asked for full details, and we prepared documents, which we sent to him, to inform the work on the new generation of children's hospitals, including on facilities for parents of very sick children. He responded constructively on issues of outreach to parents, food for parents staying in hospital with children, improved facilities for families in the new hospitals programme and linking NHS charities with the work of It's Never You.

Through my constituents' charity, parents or guardians of sick children benefit by connecting with a community of peers, finding support, including moral support, sharing experiences, and getting professionally sourced and reliable information via a social network. That is done not by the statutory authorities but through the Children's Cancer Platform, which is the UK's only platform built exclusively to support parents in this difficult situation. The charity has started to put wellbeing bags into hospitals such as Addenbrooke's and Great Ormond Street; they are about to go into Oxford University Hospitals as well. The bags are well received. The charity is also present in Manchester, Birmingham, Cardiff, Leeds and many more places. It has partnered with several charities across the UK and aims to form an umbrella, whereby all relevant charities can be found in one place.

Addenbrooke's in Cambridge is, of course, the major hospital for East Anglia, and it is also the site for a new children's hospital. The team there have had productive meetings with Mr Menai-Davis in which he has shared insights, which the team have described to me as "inspiring". However, the aspect of this ten-minute rule Bill raised by my constituent is the financial impact on parents of having to spend months in hospital supporting sick young children. My constituent is self-employed, and it cost him a lot to put his child first. He was able to manage only because of his strong personal position economically, but he feared for others who were less fortunate and found themselves in the same position. He gave me examples of people his charity is helping.

I have raised the financial issue with Ministers in the Department for Work and Pensions and the Department of Health and Social Care and have been pointed to some limited help, such as a parent being able to use their annual leave entitlement or unpaid parental leave for dependants. There is also bereavement leave, but there is not any specific state support for parents whose finances are affected because they have been unable to work due to spending so much time with their child in hospital.

A family in that situation may be able to claim universal credit or, if they are already on universal credit, to get an increase to compensate partly for the drop in their income, depending on the individual circumstances. Parents who have worked for the same employer for at least a year are entitled to 18 weeks' unpaid parental leave for each child, which can be taken until the child's 18th birthday, but there is nothing specific to deal with a situation such as occurred here.

In the Bill, I am asking for a report to be made to Parliament by the Secretary of State on

"the merits of providing financial support for parents of children receiving care in hospital for extended periods."

That would not cost a great deal as there are so few cases of this sort, but it would mean that, in tragic circumstances such as these, all parents could concentrate on helping their children rather than worrying about money. In a way, the Bill is also about Ceri Menai-Davis and his wife Frances being able to help other parents who find themselves in the situation that they found themselves in. In some ways, it is a legacy for Hugh.

Question put and agreed to.

Ordered,

That Sir Oliver Heald, Dr Caroline Johnson, Dame Margaret Beckett, Sir Robert Syms, Valerie Vaz, Sir Paul Beresford, Gareth Thomas, Mrs Flick Drummond, Clive Efford, Selaine Saxby, Stephen McPartland and Jackie Doyle-Price present the Bill.

Sir Oliver Heald accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 November, and to be printed (Bill 328).

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of the Chancellor of the Exchequer relating to the Finance (No. 2) Bill: Procedure not later than 45 minutes after the commencement of proceedings on the motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker

which may then be moved; proceedings may continue, though opposed, until any hour, and may be entered upon after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Julie Marson.*)

FINANCE (NO. 2) BILL (PROCEDURE)

Ordered,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision (including provision having retrospective effect) may be made about the application of section 12 of the Investigatory Powers Act 2016.—(*Victoria Atkins.*)

Finance (No. 2) Bill

Consideration of Bill, as amended in the Committee and the Public Bill Committee

[Relevant document: Sixteenth Report of the Treasury Committee, Tax Simplification, HC 1425.]

New Clause 4

DOMESTIC TOP-UP TAX TO APPLY FROM
31 DECEMBER 2023

“This Part has effect in relation to accounting periods commencing on or after 31 December 2023.”—(*Victoria Atkins.*)

This new clause makes it clear that the domestic top-up tax imposed by Part 4 of the bill commences at the same time as the multinational top-up tax imposed by Part 3 of the bill.

Brought up, and read the First time.

1.40 pm

The Financial Secretary to the Treasury (Victoria Atkins): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Dame Rosie Winterton): With this it will be convenient to discuss the following:

Amendment (a) to new clause 4, at end insert—

“(2) The Treasury may by regulations amend subsection (1) by substituting a later date for the date for the time being specified there.”

Government new clause 5—*Communications data.*

New clause 1—*Review of alternatives to the abolition of the lifetime allowance charge—*

“(1) The Chancellor of the Exchequer must, within six months of this Act being passed—

(a) conduct a review of the impact of the abolition of the lifetime allowance charge introduced by section 18 of this Act and other changes to tax-free pension allowances introduced by sections 19 to 23 of this Act, and

(b) lay before the House of Commons a report setting out recommendations arising from the review.

(2) The review must make recommendations on how the policies referred to in subsection (1)(a) could be replaced with an alternative approach that provided equivalent benefits only for NHS doctors.”

This new clause requires the Chancellor to review the impact of the tax free pension allowance changes and to recommend an alternative approach targeted at NHS doctors.

New clause 2—*Reports to Treasury Committee on measures to simplify tax system—*

“(1) The Treasury must report to the Treasury Committee of the House of Commons on steps taken by the Treasury and HMRC to simplify the tax system in the absence of the Office of Tax Simplification.

(2) Reports under this section must include information on steps to—

(a) simplify existing taxes, tax reliefs and allowances,

(b) simplify new taxes, tax reliefs and allowances,

(c) engage with stakeholders to understand needs for tax simplification,

(d) develop metrics to measure performance on tax simplification, and performance against those metrics.

(3) A report under this section must be sent to the Committee before the end of each calendar year after the year in which section 346 (abolition of the Office of Tax Simplification) comes into force.”

This new clause would require the Treasury to report annually to the Treasury Committee on tax simplification if the Office of Tax Simplification is abolished.

New clause 3—Review of public health and poverty effects of Act—

“(1) The Chancellor of the Exchequer must review the public health and poverty effects of the provisions of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) The review must consider—

- (a) the effects of the provisions of this Act on the levels of relative and absolute poverty across the UK including devolved nations and regions,
- (b) the effects of the provisions of this Act on socioeconomic inequalities and on population groups with protected characteristics as defined by the 2010 Equality Act across the UK, including by devolved nations and regions,
- (c) the effects of the provisions of this Act on life expectancy and healthy life expectancy across the UK, including by devolved nations and regions, and
- (d) the implications for the public finances of the public health effects of the provisions of this Act.”

New clause 6—Review of business taxes—

“(1) The Chancellor of the Exchequer must, within six months of this Act being passed—

- (a) conduct a review of the business taxes, and
- (b) lay before the House of Commons a report setting out recommendations arising from the review.

(2) The review must make recommendations on how to—

- (a) use business taxes to encourage and increase the investment of profits and revenue;
- (b) ensure businesses have more certainty about the taxes to which they are subject; and
- (c) ensure that the system of capital allowances operates effectively to incentivise investment, including for small businesses.

(3) In this section, ‘the business taxes’ includes any tax in respect of which this Act makes provision that is paid by a business, including in particular provisions made under sections 5 to 15 of this Act.”

This new clause would require the Chancellor to conduct a review of business taxes, and to make recommendations on how to increase certainty and investment, before the next Finance Bill is published.

New clause 7—Statement on efforts to support implementation of the Pillar 2 model rules—

“(1) The Chancellor of the Exchequer must, within three months of this Act being passed, make a statement to the House of Commons on how actions taken by the UK Government since October 2021 in relation to the implementation of the Pillar 2 model rules relate to the provisions of Part 3 of this Act.

(2) The Chancellor of the Exchequer must provide updates to the statement at intervals after that statement has been made of—

- (a) three months;
- (b) six months; and
- (c) nine months.

(3) The statement, and the updates to it, must include—

- (a) details of efforts by the UK Government to encourage more countries to implement the Pillar 2 rules; and
- (b) details of any discussions the UK Government has had with other countries about making the rules more effective.”

This new clause would require the Chancellor to report every three months for a year on the UK Government’s progress in working with other countries to extend and strengthen the global minimum corporate tax framework for large multinationals.

New clause 8—Review of energy (oil and gas) profits levy allowances—

“(1) The Chancellor of the Exchequer must, within three months of the passing of this Act—

- (a) conduct a review of section 2(3) of the Energy (Oil and Gas) Profits Levy Act 2022, as introduced by subsection 12(2) of this Act, and
- (b) lay before the House of Commons a report arising from the review.

(2) The review must include consideration of the implications for the public finances of the provisions in section 2(3)—

- (a) were all the provisions in section 2(3) to apply, and
- (b) were the provisions in section 2(3)(b) not to apply.”

This new clause requires the Chancellor to review the investment allowances introduced as part of the energy profits levy, and to set out what would happen if the allowance for all expenditure, apart from that spent on de-carbonisation, were removed.

New clause 9—Review of section 36—

“(1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact on the public finances of the measures provided for by section 36 of this Act (‘the section 36 measures’).

(2) The assessment must include details of any analysis by the Treasury or HMRC of—

- (a) the amount of additional tax raised by the section 36 measures and,
- (b) the number of individuals who are required to pay additional tax as a result of the section 36 measures.”

This new clause requires the Chancellor to review the impact of the measures in the Act that affect people with non-domiciled status, including by setting out how many people will be required to pay additional tax and how much this will raise in total.

New clause 10—Review of new bands and rates of air passenger duty—

“(1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the changes to air passenger duty introduced by this Act on—

- (a) the public finances;
- (b) carbon emissions; and
- (c) household finances.

(2) The assessment under subsection (1) must consider how households at a range of different income levels are affected by these changes.”

This new clause requires the Chancellor to publish an assessment of this Act’s changes to air passenger duty on the public finances, carbon emissions, and on the finances of households at a range of different income levels.

New clause 11—Review of impact of tax changes in this Act on households—

“(1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the changes in this Act on household finances.

(2) The assessment in subsection (1) must consider how households at a range of different income levels are affected by these changes.”

This new clause requires the Chancellor to publish an assessment of the changes in this Act on the finances of households at a range of different income levels.

New clause 12—Review of Part 5—

“(1) The Treasury must conduct a review of the provisions of Part 5 of this Act (electricity generator levy).

(2) The review must consider the case for ending or amending the charge on exceptional generation receipts when energy market conditions change.

(3) The report of the review must be published and laid before the House of Commons within six months of this Act being passed.”

This new clause would require the Government to conduct a review into the energy generator levy with a view to sunseting the levy when market conditions change.

New clause 13—Review of effects of Act on the affordability of food—

“The Chancellor of the Exchequer must, within six months of this Act being passed, lay before the House of Commons an assessment of the impact of the measures of this Act, and in particular sections 1 to 4 (income tax), on the ability of households to afford the price of food.”

This new clause would require the Government to produce an impact assessment of the effect of the Act on the affordability of food.

New clause 14—Review of effects of Act on small businesses—

“(1) The Chancellor of the Exchequer must, within six months of this Act being passed, lay before the House of Commons a report on the likely impact of the measures of this Act on small businesses.

(2) The report must assess the effect on small businesses of any taxes charged under this Act, in the context of other financial pressures currently facing small businesses including—

- (a) the rate of inflation, and
- (b) the cost of energy.”

This new clause would require the Government to produce an impact assessment of the effect of the Act on small business with particular regard to inflation and the cost of energy.

New clause 15—Review of effects of Act on SME R&D tax relief—

“(1) The Chancellor of the Exchequer must lay before Parliament within six months of the passing of this Act a review of the impact of the measures in section 10 relating to research and development tax relief for small and medium-sized enterprises.

(2) The review must compare the impact of the relief before and after 1 April 2023, with regard to the following—

- (a) the viability and competitiveness of UK technology start-up and scale-up businesses,
- (b) the number of jobs created and lost in the UK technology sector, and
- (c) long-term UK economic growth.

(3) In this section, ‘technology start-up’ means a business trading for no more than three years; with an average headcount of staff of less than 50 during that three-year period; and which spends at least 15% of its costs on research and development activities.

(4) In this section, ‘technology scale-up’ means a business that has achieved growth of 20% or more in either employment or turnover year on year for at least two years and has a minimum employee count of 10 at the start of the observation period; and spends at least 15% of its costs on research and development activities.”

This new clause would require the Government to produce an impact assessment of the effect of changes to SME R&D tax credits in this act on tech start-ups and scale-ups.

Government amendments 9 to 13.

Amendment 1, page 12, line 30, leave out clause 18.

Amendment 2, page 12, line 37, leave out clause 19.

Amendment 3, page 13, line 31, leave out clause 20.

Amendment 4, page 14, line 1, leave out clause 21.

Amendment 5, page 14, line 11, leave out clause 22.

Amendment 6, page 14, line 20, leave out clause 23.

Government amendments 14 to 16.

Amendment 22, in clause 115, page 74, line 10, at end insert—

“(1A) The Chancellor of the Exchequer must, within one month of this Act coming into force, lay before the House of Commons an assessment of the impact of extending the provision of subsection (1) to wine which—

- (a) is obtained from the alcoholic fermentation of fresh grapes or the must of fresh grapes and fortified with spirits,
- (b) is included in one or more of the United Kingdom Geographical Indication Scheme registers, and
- (c) is of an alcoholic strength of at least 15.5% but not exceeding 20%.”

This amendment requires the Chancellor to lay before the House an assessment of the impact of providing comparable transitional relief to fortified wine made from fresh grapes, such as port and sherry, as has been made available to other forms of table wine.

Amendment 20, in clause 264, page 188, line 7, at end insert—

“(2) The Treasury may by regulations amend subsection (1) by substituting a later date for the date for the time being specified there.”

Amendment 23, in clause 278, page 198, line 9, after “costs” insert “and relevant investment expenditure”.

This amendment is linked to Amendment 24.

Amendment 24, in clause 278, page 198, line 12 at end insert—

“Where the generating undertaking is a generator of renewable energy, determine the amount of relevant investment expenditure and also subtract that amount.”

This amendment, together with Amendments 23, 25 and 26 would allow generators of renewable energy to offset money re-invested in renewable projects against the levy.

Amendment 25, in clause 279, page 199, line 21, at end insert—

“a ‘generator of renewable energy’ means—

- (a) a company, other than a member of a group, that operates, or
- (b) a group of companies that includes at least one member who operates a generating station generating electricity from a renewable source within the meaning of section 32M of the Energy Act 1989;

‘relevant investment expenditure’ means any profits of a generator of renewable energy that have been re-invested in renewable projects;”.

This amendment is linked to Amendment 24.

Amendment 26, in clause 279, page 199, line 26, at end insert—

“a ‘renewable project’ is any project involving the generation of electricity from a renewable source within the meaning of section 32M of the Energy Act 1989;”.

This amendment is linked to Amendment 24.

Government amendments 17 to 19.

Amendment 7, page 265, line 2, leave out clause 346.

This amendment would leave out Clause 346, which abolishes the Office of Tax Simplification.

Amendment 21, in schedule 16, page 399, line 27, at end insert—

“(2A) The Treasury may by regulations amend subsection 2(a) by substituting later dates for the dates for the time being specified there.”

The aim of this amendment is to enable the Treasury to extend the permitted period for multinational groups to make transitional safe harbour elections, reducing the compliance burden, in the event that other countries are slow to follow suit in implementing these rules.

Victoria Atkins: Let me first thank all right hon. and hon. Members who have taken part in debates on the Finance Bill so far. Today is Report stage, but there has been intense scrutiny of many measures in the Bill, not just line by line in Committee on the Committee Corridor but, importantly, in Committee of the whole House. I hope that I will hear from right hon. and hon. Members on some of those discussions.

We are focusing on a number of proposed amendments to the Bill, which I will address in turn. Many of the Government's amendments focus on ensuring the proper functioning of the legislation in response to scrutiny from businesses, business representative groups, parliamentarians and feedback. Others take forward responses to substantive issues that have emerged during the Bill's passage. This is an exercise of how scrutiny in this place works, and I hope it works well. I will address each Government amendment in turn in this part of the debate. To reassure colleagues, I want to listen to the debates that will follow on non-Government amendments and proposed new clauses, and I hope to deal with points raised by right hon. and hon. Members when I wind up.

Government amendments 9 and 10 seek to ensure that our policy of full expensing achieves its intended affect. The existing wording can result in balancing charges being incorrectly calculated by not applying the correct apportionment to the disposal receipts. This is a straightforward and necessary technical adjustment to a policy that will help businesses to invest with confidence and boost UK productivity.

Government amendments 11, 12 and 13 provide that both the decarbonisation allowance and the existing investment allowance in the energy profits levy work as intended. They correct unintended exclusions by revising definitions to ensure that the investment allowances apply throughout the UK, in UK waters and on the United Kingdom continental shelf.

Government amendment 14 is a minor technical amendment that concerns the lifetime allowance—specifically, in clause 23, which allows modifications of certain existing transitional protections to ensure that stand-alone lump sums can continue to be paid to those who are entitled. The amendment clarifies the tax treatment for any amount above the limited 5 April maximum. The amendment is required to avoid an unintended outcome that would otherwise arise as a result of the removal of the lifetime allowance charge, whereby those who are entitled to stand-alone lump sums may not have been able to access their full benefit. The amendment corrects that. We are grateful to members of His Majesty's Revenue and Customs pensions industry stakeholder forum for raising the issue.

New clause 4 relates to the domestic minimum top-up tax, which is part of the global minimum tax agreement. That agreement protects against large multinational groups and companies using aggressive tax planning and shifting their UK profits overseas. The amendment simply puts beyond doubt that the commencement date for the domestic top-up tax aligns with the multinational top-up tax and the internationally agreed timings, and

no earlier. The start date is for accounting periods beginning on or after 31 December 2023. We will discuss the global minimum tax agreement in more detail later, precisely because it is of particular interest to right hon. and hon. Members. I will respond to those further arguments and suggestions when I wind up.

1.45 pm

Amendments 15 and 16 relate to the Bill's provisions on alcohol duties and seek to ensure that alcoholic products produced overseas and imported into the UK are not excluded from the new draught relief or small producer relief. This is a technical amendment to ensure that the new reliefs apply equally to alcoholic products produced domestically and overseas and meet the originally intended policy aims. The amendments mean that the condition to be approved by HMRC applies to UK producers only.

Government amendment 17 on the electricity generator levy seeks to ensure that the provision works as intended and in accordance with the policy that the Government set out at the end of last year in its published technical notes in legislation. It will confirm that receipts of joint ventures attributed to their members are taxed whether or not the member is a generator, to ensure that those members are liable as intended. The amendment will ensure that the Government's policy intention is clear in the specific provisions for joint venture members, and that the electricity generator levy collects the right amount of tax from the correct taxpayers.

Government amendments 18 and 19 intend to avoid any uncertainty for those planning new deposit return schemes, which introduces rules on accounting for VAT on deposits charged under statutory deposit return schemes. The amendment will put beyond doubt that VAT is due on unreturned drink deposits, removing any uncertainty for affected businesses.

New clause 5 makes technical changes to ensure HMRC's civil information powers work as Parliament intended, to support its tax collection functions. The new clause will clarify the law to put beyond doubt that HMRC may continue to collect what is termed "communications data", including essential information such as names, addresses and dates of birth from businesses and third parties. Following a recent change by the Home Office to its interpretation of communications data under the Investigatory Powers Act 2016, the clause will simply ensure that existing legislation continues to function exactly as Parliament originally intended, including the important safeguards already in place for the protection of citizens' data.

Stewart Hosie (Dundee East) (SNP): The subparagraphs that new clause 5 intends to delete were not in the original Finance Act 2008 but were added by the Investigatory Powers Act. I am at a loss as to why it is necessary to remove them from that Act to make it work in the way intended.

Victoria Atkins: That gives me the opportunity to declare that I sat not only on the Joint Committee for that Bill but on the Select Committee. There was a great deal of concentration and discussion, as I recall—the House will have to forgive me as I am rolodexing back several years in my memory—about the meaning of communications data, because of the sensitivities in

[Victoria Atkins]

relation to some of the powers rightly given to our security services in order to safeguard national security and for other purposes.

There has been some debate about how the General Data Protection Regulation and the Data Protection Act apply in the years that have fallen since. The clarification has been made because the Home Office wanted to ensure that it defines that accurately, protects citizens' rights and permits Government agencies, law enforcement agencies and other agencies to collect and review the data necessary to protect us all. We are tabling this amendment now at the first opportunity we have had, to ensure that that phrasing still permits HMRC to collect the vital data that we need to ensure that our taxes are collected properly. To sum up my point on new clause 5, the civil information powers allow HMRC to continue to collect vital revenue to fund our public services.

In conclusion, the Government's proposed amendments will ensure that the legislation works as it should and that HMRC has the powers it needs to continue collecting tax revenue that is vital to fund our public services that so many in our country rely on. I will, of course, address all amendments tabled by other Members when I wind up later. I very much want to listen closely to the debate that will now follow. In the meantime, I commend amendments 9 to 19 and new clauses 4 and 5 to the House. I urge hon. Members to accept them in due course.

James Murray (Ealing North) (Lab/Co-op): It is important, briefly, to first recognise the context in which we consider amendments and new clauses to the Bill. Yesterday we heard the news that the average rate for a two-year fixed-rate mortgage has now breached 6% for the first time since December. That news will leave the 400,000 people across the country whose existing fixed deals end between July and September feeling anxious and fearful. They face the prospect of having hundreds of pounds less in their pockets each month when their current deal expires and they have to re-mortgage. That is not to mention all those on variable rates, who have already seen their payments rise relentlessly as a result of interest rates going up again and again.

Across the country, mortgage payers are facing interest rate rises to above 6% for the second time in 12 months. The first time came in the wake of the Conservatives' disastrous mini-budget last autumn; now it is because inflation means that banks expect interest rates to stay higher for far longer than anyone feared. The truth is that mortgage payers are feeling pain because the Tories crashed the economy and have no plan to fix it. What is more, we know the current increases in mortgage payments come after 13 years of low growth and stagnant wages. They also come after 25 tax rises by the Government in this Parliament alone, increases that have pushed the tax burden in this country to its highest level in 70 years.

I will begin considering the detail of our amendments on Report by focusing on something very rare indeed: a tax cut from this Government. That tax cut is included in clause 18. Through that section of the Bill, the Government will be spending £1 billion of public money a year to benefit the 1% of people with the biggest pension pots. Ministers may claim that their decision

was driven by a desire to get doctors back into work, but since the policy was first announced the Government have flatly rejected any call to consider a fairer and less costly fix targeted at doctors' pensions.

It is not just Labour who have been questioning the Government's approach; the Conservative Chair of the Treasury Committee, the hon. Member for West Worcestershire (Harriett Baldwin), said that even she was surprised that Ministers had opted for a blanket cut rather than a bespoke policy for doctors. That is why we will be voting today for our amendment 1, which deletes clause 18, thereby abandoning plans for this blanket change that fails to spend public money wisely. As our new clause 1 makes clear, the Chancellor should finally do what so many have been calling on him to do and produce an alternative approach to pensions that is targeted at NHS doctors and provides taxpayers with value for money.

Harriett Baldwin (West Worcestershire) (Con): I put on the record that while the hon. Gentleman quotes me correctly, I underline that I was pleasantly surprised.

James Murray: I thank the hon. Lady, I think, for that intervention. I am trying to work out exactly what point was being made there, but I think the overall point is clear. There is concern from all sides at £1 billion a year of public money being spent on a blanket change, rather than something targeted at NHS doctors.

That failure to spend public money wisely is evident again in the Bill's proposal to reduce air passenger duty for domestic flights, the impact of which our new clause 10 seeks to uncover. Again, at a time when public finances are under severe pressure, household budgets are being stretched in all directions and the cost of inaction on climate change grows by the day, it is baffling that a tax cut for frequent flyers is the Government's priority for spending public money.

Kit Malthouse (North West Hampshire) (Con): I just want to take the hon. Gentleman back, if I may, to the point he made on pensions. Can he not see the difficulty of having a specific regime for NHS doctors? For example, if he were to bring in a specific regime, would it apply to doctors who also work in the private sector? What would happen if an NHS doctor changed career and became an accountant? There are other areas where we have difficulty securing the services of public servants beyond a certain point, for example judges, prison governors or senior police officers. Is he proposing that each of those areas should have their own specific scheme and that therefore we should build a sort of rats' nest of complexity around pensions?

James Murray: I thank the right hon. Gentleman for his comments, but I feel he is misguided in claiming that it is somehow only Labour calling for a doctors-only pension scheme to be investigated. I referred to the Chair of the Treasury Committee, but I could also refer to the current Chancellor—the current Chancellor—who less than a year ago suggested that we should go for a doctors-only scheme. All we are asking is for the current Chancellor to do what he told himself to do less than a year ago and investigate the possibilities. That is important, because that is how we spend public money wisely.

To return to air passenger duty, Ministers may try to point out, when we discuss it later in the debate, that the lower rate of domestic air passenger duty has been accompanied by the introduction of an ultra long-haul rate. But when taken together, the air passenger duty changes in the Bill are set to cost the taxpayer an additional £35 million a year. That cannot be the right priority for spending public money. In Committee, we tried to get to the bottom of why this tax cut is being prioritised.

Alun Cairns (Vale of Glamorgan) (Con): I am grateful to the hon. Gentleman for giving way on that point. How does the shadow Minister square his comments with those made by the Welsh Government calling for air passenger duty to be devolved and abolished to support Cardiff Airport, which they have purchased?

James Murray: I will leave matters for the Welsh Government to the Welsh Government to set out their position. We are trying to challenge the position of the UK Government on air passenger duty.

Whatever the UK Government say, the reasoning behind air passenger duty changes have been hard to come by. In Committee, we wanted to understand why the cost of domestic flights is so high up the agenda of this Government under this Prime Minister. I asked the Minister whether, if someone were to travel by helicopter around the UK, for instance from London and Southampton, that would be subject to air passenger duty. I could equally have asked if that would be the case if someone were to get a helicopter ride from London to Dover. At the time, the Minister clarified that there is no air passenger duty other than on fixed-wing aircraft, so that anyone wanting to make short hops in a helicopter can rest assured that this tax would not apply.

I also asked the Minister whether, if someone travelled on a private jet around the UK from, say, London to Blackpool, what rate of air passenger duty would apply in that case. The Minister confirmed that private jets will not benefit from the domestic air passenger duty cut—something the Chancellor may want to let his neighbour on Downing Street know. Finally, I asked the Minister what rate of air passenger duty would apply if someone lived in the UK but was travelling to another home of theirs, let us say in Santa Monica, California. The Minister did not say at the time whether such a flight would attract the ultra long-haul rate, but my understanding is that it would not, so anyone on the Government Benches who needs to fly to their Los Angeles home will not be hit.

It is clear from the Tories' approach that they have no idea how to spend public money wisely, and that their judgment over what to prioritise is at odds with the British people. Under the Conservatives in this Parliament alone, people across Britain have faced 25 tax rises and 12 interest rate rises. Yet the Tories think the priorities for taxpayers' money in the middle of a cost of living crisis should be tax cuts for frequent flyers and for those with the very largest pension pots. The truth is that under the Conservatives, working people always end up paying the bill.

Richard Drax (South Dorset) (Con): On the Government Benches, we get tired of hearing from the Opposition Benches about taking taxpayers' money. This is money

the poor taxpayer is having to pay in the first place and should not be taxed on. So far as pensions are concerned, surely the aim for all of us is to have, if we can afford to, sufficient money to live free of the state and off the state at the end of our years, thereby allowing taxpayers' money to be effectively used for those who really do need it.

James Murray: I thank the hon. Gentleman for his intervention. At one point I thought he was touching on a point that we might agree on, which is that spending public money is about priorities. It is about making choices on how to spend public money wisely. That is important at any stage for any Government, but in the middle of a cost of living crisis, when household budgets are being stretched and people are facing mortgage payments going up relentlessly, it is more important than ever that we prioritise the spending of public money and spend taxpayers' money wisely. That is really at the heart of the argument I am making. We need a fairer tax system in this country, but time and again the Conservative Government have ignored chances that were in front of them to do something about it. Our new clause 9 relates to the Government's approach to non-dom tax status—the £3.2 billion a year loophole that the Prime Minister called “that non-dom thing”.

2 pm

As we discussed in Committee, clause 36 will affect non-doms who claim the remittance basis, as it will stop them using a non-UK holding company to avoid tax on chargeable gains made on a UK business. The Minister may remember that when we debated non-dom tax status on 31 January, she was keen to claim that the measure we are now considering would “close a loophole” in the non-dom legislation. However, she was not so keen to explain that, as the Government's own policy paper admits, the measure will raise—on average, over the next five years—just one twentieth of the £3.2 billion lost through non-dom tax status every year.

Labour believes that if people make Britain their home, they should pay their taxes here. That patriotic point should be accepted in all parts of both sides of the political divide, but Ministers in this Government, under this Prime Minister, seem desperate to defend the non-dom loophole. We will keep pressing the Government to think again and to follow our plan to abolish non-dom status, replace it with a modern system, and use the money raised to strengthen the NHS, childcare and the economy.

Craig Mackinlay (South Thanet) (Con): Does the hon. Gentleman really believe that non-doms who could pay zero inheritance tax in other places around the world and need not spend money any at all in the UK will just stay here and be taxed under his plans? Or will they up sticks and go elsewhere—which they are very capable of doing—in which case we would lose the VAT and everything else that comes with non-dom spending in the UK?

James Murray: I would welcome a more extended debate about non-dom tax status. That might be slightly outside the remit of today's debate, but I refer the hon. Gentleman to some very good research conducted by the London School of Economics and Warwick University on the impact of people potentially leaving the UK as a result of any changes in non-dom status. Getting rid of

[James Murray]

non-dom status would still net £3.2 billion a year according to the work done by the LSE and Warwick, which is based on HMRC data which they have looked at and which constitutes reputable evidence showing what would happen in that event. As I have said, we would replace non-dom status with a modern system like the one that operates in many other countries around the world.

Let me link the hon. Gentleman's point to the point made earlier by the hon. Member for South Dorset (Richard Drax). This is about priorities. What is the priority for expenditure of £3.2 billion a year? Is it protecting non-dom tax status, or is it strengthening the NHS and childcare? That is at the heart of the question we are asking today.

As well as closing the non-dom loophole—about which I could speak at length—we will keep pressing the Government to close gaps in their approach to the windfall tax on oil and gas giants. Our new clause 8 presses them to think again about their investment allowance loopholes. We believe it is wrong for Ministers to leave billions of pounds of windfall profits for oil and gas giants on the table when some of that money should be helping to support families through the cost of living crisis.

We know, of course, that making our tax system fairer is not just a question of having the right legislation in place domestically; it is also a question of working with other countries to end the race to the bottom among large multinationals around the world. As our new clause 7 makes clear, we want the Government to remain committed to implementing the global agreement on a minimum rate of corporate tax. This landmark deal from the OECD is an important step towards ending the international race to the bottom on tax, as it calls time on large multinationals which operate in the UK but use low-tax jurisdictions overseas to avoid paying their fair share of tax. When large multinationals do that, it flies in the face of the British sense of fairness, it deprives public services in our country of much-needed funding, and it undercuts and undermines British businesses that play by the rules.

As we have made clear throughout consideration of the Bill, we are glad to see this legislation being implemented. We want to see the global agreement in place so that large multinationals pay a minimum level of 15% tax in each jurisdiction in which they operate. We have raised the need for such an international deal many times with the Government. Indeed, I first pressed Treasury Ministers on the subject more than two years ago, on 13 April 2021, during Second Reading of an earlier Finance Bill. At the time, we suspected that the Government might be dragging their feet because they wanted to keep alive the possibility of a race to the bottom in the future, but now, with Ministers having finally agreed to implement the deal—albeit in a version that they allowed to be weakened from what was originally proposed—opposition to it has galvanised those on the Tory Back Benches.

Two days ago, the right hon. Member for Witham (Priti Patel) published an opinion piece in *The Sunday Telegraph*. The headline described the common-sense approach taken with the global minimum corporate tax rate—the approach that her colleagues on the Conservative Front Bench want to implement—as a “radical plan for permanent worldwide socialism”.

The right hon. Member has tabled an amendment to this part of the Bill, which she said in her piece on Sunday was

designed to be helpful and easy to adopt.”

I would be interested to hear whether the Minister agrees, and how helpful she thinks the amendment is, because we believe that it is designed to undermine fatally the implementation of the landmark deal on a global minimum corporate tax rate. Efforts to scupper the implementation of the deal constitute an astonishing act of self-sabotage on our public finances. The reality is that if the UK walks away now from implementing these rules, businesses will simply be taxed by other countries which have implemented the deal. Let me reassure the Minister that if the amendment is pushed to a vote by Conservative Back Benchers, we will oppose it, so Ministers need not worry about whether they will be able to vote it down even if they lose their majority through a Back-Bench rebellion.

What on earth does this situation say about the state of the Conservatives and about the weakness of the Prime Minister? The amendment, which brazenly undermines the Government's position, has been signed by right hon. and hon. Members who, within the last 12 months, have held the offices of Prime Minister, Chief Secretary to the Treasury, Secretary of State for Levelling up, Housing and Communities, Secretary of State for Business, Energy and Industrial Strategy, and a raft of other ministerial positions. What would happen to the implementation of these rules if the right hon. Member for Richmond (Yorks) (Rishi Sunak) became the third Conservative Prime Minister to be forced from office in 12 months, and an MP who supports this amendment took over his role? The truth is the Conservatives have now become totally incapable of offering any certainty or stability, but that certainty and stability is what businesses and investors so desperately want so that they can play their part in growing our economy and raising living standards for people across Britain.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): Has the shadow Minister seen today's report from the Institute for Public Policy Research? It states that the UK is in the middle of an economic growth “doom loop” as a result of decades of under-investment by Government and businesses. Recent statistics indicate that the UK has the lowest business investment in the G7, ranking 27th among the 30 OECD countries. Does that not suggest that businesses have no confidence in the Government's strategy, and that alarm bells should be ringing in the Treasury?

James Murray: The hon. Gentleman is right to describe the state of the economy as a doom loop. It is on a managed path of decline, which even the former Chancellor, the right hon. Member for Spelthorne (Kwasi Kwarteng) described as a “vicious cycle of stagnation”. The fact is that without any stability or certainty and without a plan for growth, we cannot get the economy out of that doom loop, which is exactly what we are pressing the Government to do.

I know that Conservative Members may be feeling rebellious today, so perhaps they will consider supporting our new clause 6, which requires the Chancellor to follow Labour's lead and set out a plan for business taxes that increases certainty and investment. The truth

is, however, that even if the Conservatives did set out a plan, no one would believe that they would or could stick to it. Everyone knows that this Prime Minister is weak, hostage to his party, and unable to lead. Only a new Labour Government can bring the stability and certainty that businesses need.

That is what we need in order to boost investment, create jobs and grow Britain's economy. That is what we need to get us off this path of managed decline, to provide security for family finances once again, and to make people across Britain better off.

Harriett Baldwin: I rise to speak to new clause 2 and amendment 7, which were tabled in my name and those of all the other members of the cross-party Treasury Committee.

"Taxes are far too complex."

Those are not my words but the words of the Chancellor of the Exchequer when he gave evidence to our Committee. The amendments to which I am speaking would give legislative effect to the recommendations of the report we published last week on the work of the Office of Tax Simplification. The report is on the Table, and I encourage all hon. and right hon. Members to read it.

Across the House, I think we can all agree that, regardless of the level of tax, the tax system itself has become far too complex. To give an example, as a result of the Committee's current inquiry on tax reliefs, we have finally found out how many tax reliefs there are in the tax code—1,180. The unnecessary complexity in our tax code makes the tax system expensive and difficult for HMRC to administer, makes the tax system confusing and makes it difficult for taxpayers to understand the choices on offer and the consequences of those choices for their after-tax income.

A complex tax system can be hugely costly for taxpayers and for those responsible for compliance with the tax code. The Financial Secretary to the Treasury was kind enough to give evidence to our Committee on the VAT system last week, and she described it as the "most complex" part of the tax system. VAT creates a crippling compliance burden for small businesses and, as a result, there is a massive pile-up of companies just underneath that £85,000 turnover threshold. This shows that small, potentially dynamic, growing businesses—the engines of our economy—would rather stay under the threshold than deal with the VAT system.

Unfortunately, the VAT threshold is far from the only cliff edge in our tax and benefits systems. At worst, these cliff edges result in people being worse off for earning more money. In recent evidence to a joint session of the Treasury Committee and the Work and Pensions Committee, we heard how people can suddenly find themselves much worse off, after losing entitlements such as free school meals and council tax support, when they earn only a little more money. Indeed, next winter a person who earns an extra £1 will take home £900 less because they lose the cost of living support entitlement, which we reflected in a recent report. People would actually be better off by working less, or perhaps not working at all, and surely that is something we do not want to see in our tax and benefits systems.

Kit Malthouse: My hon. Friend is making a powerful point, but does she accept that complexity can lead to gaming of the system? It often feels as if the accountancy

profession and tax planners are streets ahead of the Revenue, to the extent that we now have to have a general anti-avoidance measure so that, if they find something we do not like, they are not allowed to do it, even though it may be within the rules. That is a direct product of this complexity, which is creating a whole other industry around finding loopholes.

Harriett Baldwin: I agree with my right hon. Friend's excellent point. Not only do the wealthiest get the best tax advice, but general financial advice has now become so expensive in this country that only 8% of our constituents can afford to pay for it.

2.15 pm

I turn to the example of a young father of, say, three children who is doing well at work and who gets a promotion taking his income above £50,000 for the first time. We might think this would be unadulterated good news but, actually, the tax system will send him a message that this is perhaps not such a wise thing, because he will immediately go into the upper tax threshold and his marginal rate of tax will be 40%. He will get the extra 2 percentage point national insurance surcharge as well. If he has a student loan, 9% might be taken off the outstanding balance. And of course child benefit will start to taper. For a father of three children, that could mean a marginal withdrawal rate of a further 29%. Our potential go-getter would be left with only 20% of the pay rise he had been awarded, and this applies to the kind of people we want to encourage to take on pay rises and extra work because it is good for the economy.

Bob Stewart (Beckenham) (Con): I am ignorant about tax affairs, but trying to sort it out might make it even more complicated.

Harriett Baldwin: My right hon. Friend highlights that this is not an easy task. The point I am trying to make with my amendments, which I hope he will support, is that, by abolishing the Office of Tax Simplification, we lose not only a source of valuable advice on how to simplify the tax system but the message that we want to do so, which I know the Chancellor wants to convey.

Higher up the income scale, the £100,000 income bracket triggers the withdrawal of the very welcome steps we have taken on tax-free childcare and the personal allowance. This means that a family with two children in full-time childcare, if they happen to live in London, would be better off earning £99,999 than earning more than £150,000 because they would have a more than 100% withdrawal of extra earnings in that income bracket, which is very distorting. It provides disincentives to work, and we see that obstacle to economic growth reflected in the workforce numbers produced by the Office for National Statistics.

The Chancellor agrees that

"the tax system is overcomplicated and the trend of ever more complication must be reversed."

It is surprising that, on coming to office, he chose not to reverse the abolition of the Office of Tax Simplification. It was established in 2010, and it was given a ringing endorsement by the Treasury in its 2021 statutory review. Disbanding the independent champion for simpler tax sits very uncomfortably with the Government's insistence that tax simplification is a priority.

[*Harriett Baldwin*]

However, the most important factor in securing tax simplification in practice would be for the Chancellor to take on the personal responsibility for simplification that he pledged to take, which brings me to the Treasury Committee's new clause 2. We have heard that, while the Treasury and HMRC focus on new taxes, the Office of Tax Simplification did important practical work seeking to simplify the existing tax system. We also heard in our evidence session that the Office of Tax Simplification did good work listening to taxpayers to understand how the complexity of the tax system works against them. The reports of the Office of Tax Simplification were published very transparently, unlike the private advice given to Ministers, and they facilitated parliamentary scrutiny of tax simplification efforts.

The Chancellor told us that he intends to be a Chancellor who makes "progress on tax simplification." I welcome the simplification of the lifetime allowance, which the Opposition opposed earlier, but the Committee wants the ability to hold him accountable for that. Under new clause 2, the Treasury would report to the Committee annually on the Chancellor's promise to simplify taxes.

Victoria Atkins: I have genuinely enjoyed my hon. Friend's contributions not just today but at earlier stages, and I enjoyed being grilled with the Committee's very thoughtful questions last week. In the spirit of agreement and co-operation, would it meet with her and the Committee's approval if I committed to write to the Committee once a tax year, including this tax year, on the subject of simplification? The Committee could look at that report, decide for itself how the Government of the day are doing and, of course, call Ministers to account before the Committee.

Harriett Baldwin: I thank the Financial Secretary for that intervention, which is very much in the spirit of what we are calling for in our new clause. Our report set out the sorts of things we would like to see. The report from the Treasury should be annual and it should include international comparisons, where available. It should also set out what the Treasury has done within that year to simplify taxes for our constituents and those who run businesses.

Dame Andrea Leadsom (South Northamptonshire) (Con): Let me add that we want to see real examples of simplification, as the tax code is so incredibly long and confusing. Just today, I was talking to people from some businesses that have found it impossible and extremely expensive to work their way through that tax code. As the Chairman of the Treasury Committee has set out, some concrete examples would be crucial in any report that came to the Committee.

Harriett Baldwin: I thank my right hon. Friend for that intervention, which made me think immediately of the measures in this Bill on the increased rate of corporation tax. That in itself is controversial, but we now have these ladders between 19% and 25%. Our Committee would be interested to see the letter that the Financial Secretary has undertaken to write to us annually include an assessment of not only new measures such as that on the behaviour of businesses—I highlighted the impact of the VAT measures just now—but of the existing body of tax law. As with the simplification of the

lifetime allowance, we must ensure that this Treasury and these Treasury Ministers focus relentlessly on how they can simplify the complexity and the behavioural signals that our tax system is sending, which are deterring people from entrepreneurialism, taking on extra work and earning higher incomes. With that, I am happy to have spoken to those two amendments.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I wish to speak to my new clause 3, which would compel the Chancellor to assess the impacts of the Bill on poverty and inequalities, and, subsequently, our health. It states:

"The Chancellor... must review the public health and poverty effects of the provisions of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) The review must consider—

(a) the effects of the provisions of this Act on the levels of relative and absolute poverty across the UK...

(b) the effects of the provisions of this Act on socioeconomic inequalities and on population groups with protected characteristics as defined by the 2010 Equality Act...

(c) the effects of the provisions of this Act on life expectancy and healthy life expectancy across the UK...

(d) the implications for the public finances of the public health effects of the provisions of this Act."

Most notably, it must consider those implications on the NHS. So the ask is simple: that the Government should disclose their evaluation of the impact of their economic policies on the health of our constituents—that is it. It is fairly straightforward, and I think we are all aligned on that; these are ambitions the Government have professed to have in their levelling-up agenda. My new clause would contribute to that and to the achievement of the reduction in health inequalities to which the Government say they aspire. They should have nothing to fear from the transparency that this new clause would bring.

As we know, there is overwhelming evidence that socioeconomic inequalities are the key determinants of our health and, consequently, our health service use; inequalities in income, wealth and power will determine how long we are going to live and to live in good health. It is, therefore, only reasonable that the Government report on how the Finance Act will have an impact on those inequalities. For example, life expectancy for men is four years lower in Oldham than it is in the Prime Minister's constituency. In the past 13 years, Oldham Council has had £230 million in funding cut from its central Government funding—that is 29% of its total budget in 2010. It has received funds through the competitive bidding processes for the towns fund and levelling-up fund totalling £44 million. A GCSE in maths is not required to see the shortfall there. However, in Surrey, where the Chancellor is an MP, people have seen their council budget cut by just 8.3%. The issues are clear when we compare that 8.3% with that 29%.

How can it be right that in the sixth richest country in the world people are dying younger because of their socioeconomic position? Poverty and inequality are not inevitable; they are political choices that can have deadly consequences. The pandemic revealed that stark reality, exposing how our structural socioeconomic inequalities impacted on who was infected by covid and their experience of the disease. People on low incomes were more likely to be infected and to die of covid; within that, and at

every other level of the income hierarchy, people of colour and people with disabilities were disproportionately represented in case numbers and deaths. If we are to prevent the same mistakes from happening, the Government must listen. If they do not listen to me, they should listen to Professors Sir Michael Marmot, Clare Bambra and Kate Pickett, and to countless others. There is overwhelming evidence to show that structural inequalities in our country drove the unequal death toll from covid.

Michael Marmot revealed that instead of narrowing, health inequalities, including how long we are going to live and to live in good health, were getting worse; prior to covid, our life expectancy and healthy life expectancy was getting worse. Most significantly, his analysis showed that unlike the situation in the majority of other high-income countries, our life expectancy was flatlining. For the poorest 10% of the country, including in my part of the world, it was actually declining, with women being particularly affected. He showed that “place matters”; living in a deprived area in the north-east was worse health-wise than living in an equally deprived area in London.

Sir Michael also emphasised that it is predominantly the socioeconomic conditions that people are exposed to, not the NHS, that will drive their health status and how long they will live. Analysing the abundant evidence available, he attributed the shorter lives that people in poorer areas such as my north-west constituency are predominantly living to the disproportional Government cuts to local public services, support and income that they have experienced since 2010—and then the pandemic hit. As the National Audit Office and others have outlined, it was always a question of when, not if, there would be a pandemic. Like many of us, Sir Michael has pointed out that the Government’s hubris can be seen not only in their pandemic management but in the high and unequal covid death toll. Improving our health and wellbeing must be a priority of this Government and an outcome of our economic—and other—policies.

Matt Rodda (Reading East) (Lab): My hon. Friend is making an excellent, powerful speech. Does she agree that the inequality she has described also extends across a range of other fields, such as the quality of housing and of food?

Debbie Abrahams: My hon. Friend is absolutely right on that. When we look at the socioeconomic inequalities and the social determinants of health, we see that they include both the quality of housing and people’s opportunities for healthy living. That all has an impact, but we know that our socioeconomic determinants are the key drivers—the most important ones—of our health outcomes. There is indisputable evidence about that, which is unfortunately not reflected in some of the choices the Government are making.

I am glad that my party has recognised that, along with the importance of tackling socioeconomic determinants of health, in our health mission. We will take a health-in-all policies approach to tackle the socioeconomic inequalities driving health inequalities across our country. We will create a Marmot England and introduce new mission-delivery boards to ensure Government Departments work together to tackle health inequalities. My new clause is about ensuring that the Chancellor also recognises this and publishes a

review into the impacts on poverty, inequality and, ultimately, health. After covid, that is the least the Government can do.

2.30 pm

Priti Patel (Witham) (Con): I am grateful for the opportunity to speak to amendment 20, tabled in my name, which has the support of more than 25 right hon. and hon. Members.

It is not breaking news that I remain concerned about the introduction of a global minimum corporation tax. We have debated the issue in the House, in Committee—Ministers, the Chancellor and colleagues, including the hon. Member for Ealing North (James Murray), the Opposition spokesperson, are aware of my views—but I think it is right that we have the right level of scrutiny of the policy because I have concerns about the implementation, which I have raised consistently.

Before I come to the range of concerns about the policy, I will touch on the remarks made by the Chair of the Treasury Committee, my hon. Friend the Member for West Worcestershire (Harriett Baldwin). She spoke about the need for business certainty, which is crucial, as did the hon. Member for Ealing North. I believe that the implementation of this tax policy creates challenges for businesses and for business certainty. As she highlighted, it also exacerbates the complexities that businesses face when it comes to administering these policies. There are also implications for capital allowances.

Richard Drax: I congratulate my right hon. Friend on amendment 20. The only certainty that the Opposition can offer to businesses is that taxes will be so high that businesses will fail—that is about the only thing the Opposition can do. So far as this measure is concerned, can she tell the House what the Americans think of the idea? Where are they in their thinking?

Priti Patel: I thank my hon. Friend for his support for the amendment and for his comments. As we have discussed previously—I was going to touch on this—the United States is not in a position to introduce the policy. It is a fact—politics in the US is like politics here or anywhere in the world—that the Republican party has made it abundantly clear that it will not allow this policy to go through. It wants to go further and to bring in legislation that will put retaliatory measures in place against countries that impose the new tax and burdens on US businesses and multinationals.

Returning to the amendment, I will come on to some specifics with regard to the dialogue I have been having with the Minister and the Chancellor on this subject. It is right that we scrutinise the policy, which the amendment seeks to do. It is right for the Government to pursue international agreement to address the complex tax arrangements, which hon. Members have referred to, that exist with multinational corporations and businesses operating in multiple jurisdictions. That is vital and makes sense.

Richard Foord (Tiverton and Honiton) (LD): On the point about multinational corporations, does the right hon. Member think that it is right that we treat multinational corporations that produce oil and gas in a different way from the way we treat renewable energy companies, including companies that produce renewable energy

[Richard Foord]

and invest in renewable energy projects? At the moment, it seems that the energy profits levy treats those things in different ways. Will she be supporting Liberal Democrat amendments to the Bill to encourage investment in renewable energy projects?

Priti Patel: I thank the hon. Gentleman for his comments. I would rather businesses had zero taxation policies. I should declare an interest: when I was a Treasury Minister many years ago, I undertook the fiscal review of oil and gas. Frankly, we need to do everything to stimulate investment in both oil and gas and renewables. I would like to see consistency in policies on that.

Specifically to my point about multinationals and how they are taxed in jurisdictions, I support the Government in the sense that it is right to look to close tax loopholes where we see companies operating in multiple jurisdictions, but the plans for a global minimum tax are wrong, as I have raised in the House before. They are wrong and flawed for a number of reasons.

No one would deny that the introduction of such a measure is complex—it is not straightforward. I paid attention to the comments made by the hon. Member for Ealing North. There is no point just saying that we need to crack on and implement this; we have to do it in the right way, which is why I put forward the amendment. It even gives the Government scope for more time to look at the complexities around its implementation and to look at what our competitors are doing. We should not rush headlong into this. These are complex changes that will be challenging to enforce; I will speak about that, too.

I believe the measure is anti-competitive. It undermines our fiscal sovereignty. Without labouring the point too much, we have left the EU. The Government have the ability to make their own tax laws and fiscal sovereignty is crucial to this, too. Why are we now going to surrender tax powers to the will of the OECD?

Economic growth has already been mentioned by my hon. Friend the Chair of the Treasury Committee. We do not want to undermine our ability to be a low-tax global beacon of free trade. The Government are pursuing policies such as freeports. We all welcome that when it comes to competition, but we do not want to encourage a culture of subsidies, which this policy will do.

I believe that Governments and Parliaments must have flexibility to set their own fiscal policies and tax rates, striking a balance across all sectors, including multinational companies and small and medium-sized enterprises. Speaking as an MP for Essex, which is known to be an entrepreneurial county, SMEs are the backbone of our economy. We have to strike a balance between being competitive and having low tax rates to attract investment, and generating revenue to support public services—I agree with the hon. Member for Ealing North about that. If we are not competitive, we will not have the tax revenues to support public services. However, a minimum corporate tax would prevent us from doing that.

There are problems with the OECD's plan, which is why I want to have greater scrutiny on implementation. The enforcement and implementation mechanisms are unclear and countries could find ways around them,

which should concern us. They could find loopholes to circumvent the policy. The UK looks set to gold plate measures. We follow rules and standards when we sign up to them, which is the right thing to do when it comes to our Government policies. The same cannot be said for more than 130 countries that have taken an interest in the matter. For many, agreeing to the OECD framework appears to be more about rhetoric and the ability to take action on taxing multinationals, than making the changes necessary and following the committed approach that this Government plan to take. I have no doubt that the Minister will want to speak about that, because the Government are being diligent in their approach and more scrutiny is required.

Moreover, limiting fiscal freedoms opens the door for countries to entice investment from big businesses with big subsidies, which distorts the market. All hon. and right hon. Members will understand that in a subsidy race we simply cannot compete with the United States or even China. Some countries can pump millions of dollars into supporting investment from multinationals. That is not what we do in this country.

We are more competitive as a country in being able to deploy a full range of fiscal and tax-cutting powers, than we are in a race to the bottom with subsidies. There are serious concerns about how these plans will be enforced and, importantly, how disputes between countries will be resolved. I understand that negotiations with the OECD are taking longer than expected, which is not a surprise, and I think it will be some time before an agreement is reached, but by baking into primary legislation a requirement for us to implement without any further flexibility, we risk blindly signing up to a package where foreign officials could overrule decisions and interpretations in our own jurisdiction and in on our own Government.

The peer review panels, being set up to review implementation, could be made up of representatives from China or other hostile states—for example, Russia—all countries which are involved in the process and states that have concerning records on human rights, war crimes and other conflicts, which we debate in this House day in, day out. Frankly, they do not meet our standards and we should be cognisant of that. Our tax affairs could be judged by representatives from states that many in this House are concerned about.

There is then the issue of the date of implementation, which I have referred to in my amendment. The Government have been clear that they will implement the policy by the end of this year—as clause 264 states, from 31 December 2023. This measure, despite the concerns I am raising, can only have a chance of succeeding in the way the Government hope if it is implemented in a constituent manner by all states—or, if not that, by a critical mass—at the same time. This is where we have concerns. We are just not seeing this right now in other countries and among our competitors, because they are not as wedded to the date as we are. I understand why we have to put down the date to enshrine it in law.

The United States, as my hon. Friend the Member for South Dorset (Richard Drax) has mentioned, will not be able to take this through to implementation by 2024. The Republicans in the House of Representatives are opposing those plans. But as well as opposing and preventing the US—our largest trading power—from introducing them, they are threatening retaliatory measures

on countries that implement the policy, and in doing so will penalise US-based companies. So we could have a situation where this Government introduce a tax measure that adversely impacts on our trade and investment with the US. Of course, that could have an impact on trade negotiations and some of the work that other Departments are doing—such as Business and Trade, for example.

It would be interesting to know from the Minister whether this issue was discussed by the Prime Minister and the President in their recent bilateral talks. The US is crucial in this, but it is not just the US that will not implement the policy. The EU members are not going to implement the policy fully on day one. They have been given six years to implement it. In Asia, major economies and competitors are setting dates behind the UK: Japan, Singapore, Thailand and Hong Kong. Although that the Government have been clear about their intent, we need to know what they intend to do on implementation. I have put my own concerns about this tax on the record. I think the date is wrong.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): My right hon. Friend knows that I have signed her amendment. It is a good amendment because the compromise, as it stands, gives the Government more time to think carefully about what we are doing here. As she said, the Americans are almost certainly not going to implement this measure. That means that the single largest trading nation in the world will not play a part in this. What assurances has she secured from the Government? Will she press her amendment tonight? If she does so, I will support her. If she does not press it, I will understand that she has some assurances. Can she spell out what the assurances from the Government are?

Priti Patel: This is important. The purpose of scrutinising the Bill and discussing the amendment is about the implementation and how the Government will pursue that. We have big concerns. Other countries are not moving forward, so we will be the first. We need a sensible and practical course of action. My amendment is reasonable.

I have had discussions with the Chancellor in particular. He has given some very clear assurances that, in the light of the points that I have raised, not just today but previously, and the conversations that I and all colleagues who have signed the amendment have had, in respect of the implementation of the tax, the Government have committed to bring to this House regular updates on what the OECD is proposing with regards to policing pillar 2. That speaks to my point about how all the enforcement mechanisms will work and about whether countries will be circumventing the rules and the structures of pillar 2. Also, before the summer recess, they will bring forward some detailed assumptions and modelling. The Treasury has forecast and scored, as I understand it, the expected tax revenues from pillar 2. That is something that I have been pursuing and asking specific questions about. It is important that we understand not only what revenues are gained, but the costs that will be incurred, particularly by businesses.

I have received clear assurances that the Government will publish, ahead of the autumn statement, details on the compatibility—or even the lack of compatibility—and

interoperability of the US's global minimum tax legislation and that proposed by the OECD. That, of course, has an impact of double taxation for companies.

2.45 pm

The Government will come to the House at future fiscal events—the first one being in autumn this year—to present an assessment of the progress that countries are making around pillars 1 and 2 and around the policy itself. That ensures that the Government are providing very structured updates within the fiscal framework on the impact of this policy on our economy, as well as that of major economies not implementing the policy by 2024. There are substantive commitments from the Government. I commend the Chancellor, who has been incredibly constructive in discussions. I am grateful to him and to the Minister, because she and other colleagues have had to do much of the heavy lifting.

To be clear, I will not press the amendment to a vote. I have had this commitment from the Chancellor in writing. There has been an exchange of letters between us. It is very important to put it on the record that he has been very constructive on the specific requests that I have made.

To conclude, I would love there to be more flexibility on this policy. The Government have a big opportunity in the next six months of this calendar year, before the commencement date, to look at what other countries are doing, to look at what they have learned and to reflect on the macro-economic backdrop facing us right now—not just domestically for businesses, but internationally.

Let me turn now to the administration of capital allowances, which we have discussed in previous debates. Those allowances will still pose burdens to businesses. Conservative Members must ensure that it is not a Conservative Government who are putting burdens on businesses, but that they do everything possible to bring down the tax base and the tax burden, and to simplify taxes for businesses.

Madam Deputy Speaker (Dame Rosie Winterton): I gently remind colleagues that if they want to intervene on a speaker, it is important that they are in the Chamber at the beginning of the speech, just in case the point that they wish to raise has already been made. It is also important to stay until the end. I call the SNP spokesperson.

Stewart Hosie: Before I turn to the new clauses and amendments before us, it is worth reminding ourselves briefly about the debate so far, not least that the Bill was derived from a Budget that had the stated intention of seeing the debt, borrowing and inflation all fall. As the Financial Secretary has said previously, debt servicing costs are down, and indeed they are—they are down from last November, but massively up from the previous year. She said that the fiscal targets are to be met. Again, indeed they are. The debt target in particular is forecast to be met in five years' time measured against the fiscal charter, but it will be at 0.2% of GDP. That is £6 billion out of a GDP approaching £3 trillion. As I have said before, these are very fine margins.

Although it is true that having a weather eye on debt and deficit—the big macro-economic indicators—is important, so too is immediate help for families suffering from high inflation, high energy prices and spiralling

[Stewart Hosie]

mortgage costs. Those things, however, are all sadly absent from the Bill. That is important because the OBR has told us that living standards will fall by 6% over this fiscal year. That will be the largest two-year fall since Office for National Statistics records began in the 1950s. It is important because inflation is still at 8.7%, and it is far worse for certain essentials such as sugar, at nearly 50%. Remember that inflation was forecast to fall to 2.9% by the end of this year. Since then, it has been revised up to 5% by the end of this year. That means that the forecasts and the pain keep rising.

We know that real pay is not keeping pace with inflation. Troublingly, the Government are keeping their head in the sand regarding the inflationary impact of Brexit, ignoring even the former Bank of England Governor, Mark Carney, who could not have been clearer about the contribution Brexit has made to the soaring inflation we face.

I turn to the amendments and new clauses we are considering on Report. New clause 1 calls for a review of alternatives to the abolition of the lifetime allowance, and amendments 1 to 6 delete clauses associated with the abolition. On Second Reading, I suggested the need to probe this matter in Committee. The decision to remove the cap on lifetime pension allowances, which will cost around £3 billion, will benefit a tiny number of already pretty comfortably off or very well-off people. I also suggested that, if the measure was genuinely designed to lift certain categories of worker—doctors in particular—out of a pension and employment trap, the Government should, to be brutally honest, have come up with a much better and far narrower solution.

My hon. Friend the Member for Aberdeen North (Kirsty Blackman) also raised the matter in the Committee upstairs. She made the point that a significant number of questions have been raised in the House and elsewhere about the lifetime allowance and the problem it has caused, particularly for NHS doctors, but went on to quote Torsten Bell of the Resolution Foundation, who noted that 20% of those who will benefit from the change in the lifetime allowance work in the finance industry, meaning that nearly as many bankers as doctors will benefit. That surely cannot have been the intention. We are pleased to support new clause 1, because it seeks not simply a review, but a review that will make recommendations about how a more focused alternative could be delivered.

Amendment 7 seeks to remove entirely the abolition of the Office of Tax Simplification, and new clause 2 seeks reports based on metrics to measure the performance of tax simplification. We will support both if they are voted upon. My hon. Friend the Member for Dunfermline and West Fife (Douglas Chapman) provided some excellent context in Committee, arguing that

“the OTS achieved a significant amount during its 12 years of existence and, with greater ministerial support for its proposals, could have achieved much more.”—[*Official Report, Finance (No. 2) Public Bill Committee*, 18 May 2023; c. 136.]

He also quoted George Crozier of the Chartered Institute of Taxation, as many have done over many years, who said that there had been

“useful reforms to employee expenses and inheritance tax reporting,” and that

“every Finance Act of the last decade has had measures in it which owe their genesis to the OTS, and which have made navigating the tax system easier for one group or another.”

My hon. Friend also made the rather important point that it was the independence of the Office of Tax Simplification that made it stand out from anything that can be provided in-house. We will back amendment 7 and new clause 2 if they are pressed to a Division.

If I may say a few words about Government new clause 4 and Government amendments 9 to 13, they appear to come under the category of tidying up and clarification. New clause 4 in particular ensures that both domestic and international top-up taxes commence at the same time, and the other amendments ensure that reliefs and charges operate as intended.

However, I am rather less sanguine about Government new clause 5. Ostensibly, it is required to deal with the situation where

“financial institutions are regarded as telecommunications or postal operators”.

For example, subsection (5) of Government new clause 5 suggests that paragraph 19(4) and (5) of schedule 36 to the Finance Act 2008 be removed, but paragraph (19)(4) says:

“An information notice does not require a telecommunications operator or postal operator to provide or produce communications data.”

That is a protection against the requirement to produce data in certain circumstances. Paragraph 19(5) defines “communications data”, “postal operator” and “telecommunications operator” as per the Investigatory Powers Act 2016—the very legislation that inserted those protections into schedule 36 to the Finance Act 2008 in the first place. Government new clause 5 not only affects the financial institutions regarded as telecoms or postal operators but, it would appear on my reading, removes protections in the Act for all telecommunications and postal operators not to be required to provide certain information in certain circumstances.

The Financial Secretary said she would answer questions at the end in her summing-up, and my questions are rather simple. What problem is Government new clause 5 designed to address? Why has a potentially significant amendment such as this come so late in the day? Is it even remotely appropriate that a criminal justice measure, the Investigatory Powers Act, should be amended in a potentially significant way through a late-delivered new clause on Report of a Finance Bill?

New clauses 3 and 8 to 14 call for reviews or reports of one form or another on the public health and poverty effects of the Bill, the oil and gas profits levy allowance, the impact of those with non-dom status, the bands and rates of air passenger duty, the impact of tax changes on households, and the effect of the Bill on the affordability of food and on small businesses. We are happy to look on those positively, although I am not certain that new clause 12 should really be opening the door to reducing the electricity generator levy. The Lib Dems have disappeared, but I would have said to the hon. Member for Tiverton and Honiton (Richard Foord), had he been in this place, that if one opens the door to a tax cut to the Tories, they by and large take it.

We will also support new clause 7, which requires a statement of progress on the pillar 2 reforms, seeking “to extend and strengthen the global minimum corporate tax framework”.

It is important that we have a global minimum corporate tax framework, and I am not convinced by the arguments made by the right hon. Member for Witham (Priti Patel) about offering the opportunity for implementation to be delayed.

Again, the Lib Dems are not in their place, but I am also not yet convinced by new clause 15 because, while there are issues with the Government's research and development framework, which I have raised before—namely, the stated intention to limit attributable expenditure for data and cloud computing licences—the new clause seeks to make the regime more restrictive and introduces the extraordinarily subjective viability clause in subsection (2)(a).

It is, however, true that none or few of the amendments and new clauses tabled substantially alter the Bill. It is also sadly true that none of the Government changes offer any hope of substantial help for the cost of living crisis any time soon. I fear that the Bill, and the Budget it derived from, will go down in the missed opportunity category.

Alun Cairns: I will speak to part 2 of the Bill, clauses 46 to 60, to which Government amendments 15 and 16 refer. In general, they relate to duty rates and any exemptions that apply thereafter. The Government's objectives have been to simplify the system, to have an emphasis on health and healthy consumption, and, of course, to support pubs. In general, these are significant changes that have a positive impact on the hospitality sector.

When the Exchequer Secretary's predecessor, my hon. Friend the Member for South Suffolk (James Cartlidge), said at the Dispatch Box that the Bill delivers the Brexit pub guarantee, there was significant enthusiasm within the sector to recognise and interpret a long-term commitment. There are two elements that immediately stem from that. The first is that these are changes that can be delivered as a result of Brexit; there were difficulties, challenges and nonsensical structures in the sector that could not be amended while we were a member of the EU. That is a major positive impact. However, the significance of the Brexit pub guarantee is that it will be long-term and we look for it to be ever extended.

I pay tribute to the Exchequer Secretary, who has engaged with me on some of the points that I have already made, but also to his predecessor, to the Chancellor, and to the Prime Minister when he was Chancellor, for recognising the opportunities to amend duty rates. That can genuinely help the hospitality sector, particularly pubs.

The original draught duty relief, which was in the Budget two years ago, was set to be 5% and to come into force this year. This year's Budget and the Bill increased that to 9.1%, which will make a real difference. It follows the theme, all being well, of a continuing differential between rates that apply to the off-licence trade and those that apply to pubs and the general hospitality sector. The Government have therefore taken important, positive steps, which are welcomed far and wide.

3 pm

We are trying to encourage people to consume alcohol in pubs more often than at home—clearly, there is an overhang from the covid pandemic—and to recognise the challenges that publicans, pub companies and brewers have faced in recent years. In the year to April, 4,600 pubs

closed. That demonstrates the challenge that publicans and pub companies face. The Bill shows the importance that we as parliamentarians place on having the pub in the community, where people can consume alcohol in a safe space, and anyone who drinks to excess is monitored and encouraged to do otherwise by the publican, friends and other hostelry customers.

The pub sector is hugely innovative. Pubs employ people flexibly and offer great opportunities to young people. I know that they are keen to work with the Department for Education, the Treasury and the Department for Work and Pensions. A meeting is coming up between the pub sector and the Department for Work and Pensions to ascertain how the apprenticeship levy can be used to reach people who are currently far away from the employment market. Pubs can offer flexibility, which can help bring those people back into the labour market.

My specific comments will relate to alcohol that is served on the premises, but is consumed off the premises. The common phrase that the industry uses is "decanting." That gives rise to a new complexity, to which clause 52 refers. I recognise that one of the motives for changing the duty rates was to simplify the structures. The historical structures were hugely complex, expensive to administer and expensive for HMRC to interpret and collect. However, I cannot understand why, in simplifying the procedure, we are introducing a different tax rate for people who are served on the premises and consume at home.

Let me explain the market, because the first stage is to understand the marketplace. We are talking about a tiny proportion of the market—comprising possibly 0.1% of alcohol that is served on the premises. The market encompasses ale enthusiasts who take one or two pints home at the end of the day. Perhaps some people do not want to stay in the pub late and are happy to consume those one or two pints at home. Those ale enthusiasts usually take them in specially designed decanters to maintain the freshness of the beer. Another environment would be a tap room in specialist consuming environments such as a brewery, where people go to taste the different ales on offer.

The Bill proposes to apply the higher duty to those who are served alcohol on the premises and consume it at home. There are significant challenges in collecting that duty and in monitoring which pint has been served in a takeaway canister and which has been consumed on the premises. Some canisters hold two pints. A consumer may well drink one pint on the premises and take the second pint home to drink when watching the football on Sky. I am not sure which rate will apply in such a case and how we would prove whether the pint had been drunk on or off the premises.

I know that my remarks sound a bit facetious, but I do not mean them to be. I want to give full credit to the Exchequer Secretary, who has engaged and explained the reason for the difference in duty. It is to stop large outlets such as supermarkets choosing to serve alcohol on the premises and thereby benefiting from the lower duty. I recognise that that is a risk. Smaller shops such as corner shops could also try to apply for a licence to serve alcohol on the premises. That would change the nature of consuming alcohol. We like pubs because people can drink on the premises in the safe and healthy environment that I described.

Collecting the extra duty will be complicated. It will be onerous for the publican to monitor which pints have been served for takeaway. As I said, some may be drunk on the premises and some drunk off the premises. I repeat that that will apply to only 0.1% of the beer that is served on the premises. Although I recognise the serious risks that the Exchequer Secretary highlighted to me, I cannot accept that it is beyond the wit of the Treasury and the industry to devise a solution. I ask the Exchequer Secretary to re-engage with the industry to ascertain whether there is a much easier solution so that we can table specific provisions in future Bills to overcome the challenges.

The draught duty relief provision has already had a technical error. It was originally targeted at containers that hold 40 litres or more, but those are rarely used in the industry. I understand that officials simply googled the size rather than engaging with the industry to come up with an ideal solution. Thankfully, the legislation has changed that to 20 litres, which is a workable size. The good news has continued through our placing a lower draught duty on alcohol served on the premises.

The Government have made a good move. They have responded to calls from the industry, be they from small brewers, large brewers, pub companies, freehouses or individual publicans. That is recognised far and wide as a major step forward. The relief has increased from 5% to 9.1%. It will make a real difference to saving pubs, keeping them open and fulfilling the Government's agenda to encourage people to drink safely and to drink less alcohol in general. It will help keep the pub at the heart of the community.

I ask the Exchequer Secretary to look at the tiny element I have described because there is a risk of undermining the good work that has been done for just 0.1% of beer that is consumed by people who choose to have one pint at home after they leave the pub. I hope that he can come up with a clause that will meet the needs of the industry and avoid the real risks that he previously highlighted.

Nigel Mills (Amber Valley) (Con): It is pleasure to speak to amendment 21, which stands in my name. I also want to speak to the amendments on the Office of Tax Simplification, which my hon. Friend the Member for West Worcestershire (Harriett Baldwin) tabled and I was happy to put my name to.

In my more naive and mischievous days, I occasionally tabled amendments to Finance Bills that called on the OTS to review elements of tax. The last time I tried that was on corporation tax in about 2014 and the amendment was accidentally passed in the Bill Committee. I say "accidentally" because neither side knew that we were voting for the amendment. We thought we were voting to withdraw it and we had to rewrite history quickly and pretend that the amendment had not been passed. I have not been able to serve on a Finance Bill Committee ever since, or indeed any Bill Committee, so perhaps I could recommend that as a tactic for Members who do not enjoy them as much as I used to.

If we were being slightly mischievous, we could say that 13 years of the OTS has not resulted in a tax system that is a great deal simpler than the one we have now, but that is probably more the Treasury's fault than the OTS's. The serious point is that we need to find a mechanism whereby we can simplify our tax regime. It

has got ever more complicated, and at some point we will see taxes start to fall over, because the complexity of different policy ideas over time that conflict with one another leaves us with a system that is incredibly hard to follow and to comply with and is putting undue costs on individuals and businesses.

We could, in a rolling programme, find a way of taking out some of this complexity by being a bit clearer in our policymaking about what we are trying to do. Are we trying to raise income? Are we trying to encourage or discourage certain behaviours? Are we trying to virtue-signal? Are we trying to win votes? Sadly, we do all those things at the same time, sometimes in conflicting ways, and end up with a rather strange system.

The amendments I want to speak to are about the global minimum corporate tax. I think I am the lone voice on the Back Benches who likes to speak in favour of this. I remember looking at this issue before I came here. The OECD has spent a very long time trying to find a solution to base erosion and profit shifting. A few years ago, it produced 15 or so ideas that were quite worthy but made absolutely no progress. The Government then introduced the diverted profits tax in the UK to try to tackle this issue on a domestic basis. It would be a terrible signal if the UK, having been one of the countries that signed up to this, now decided that we want to delay implementation and not go ahead with it.

To be fair, no other solution has been found to how we can stop certain large multinationals trying to hide revenue in low-tax jurisdictions that has no commercial basis for being there. We have tried changing transfer pricing rules, we have tried country-by-country solutions, and we have tried more reporting—we have tried all manner of things, but none of them has managed to fix the problem. That is why the two pillars in the most recent OECD deal, while far from perfect, are the best we are going to get. If we do not go ahead with those, we might see some even more radical, less consensual, less well thought-through ideas being brought in. We even see the UN starting to play in this space, and there is a real risk that what it produces may not be consistent with a coherent tax regime.

I am not the biggest fan of the OECD. I once described it as the "Organisation for Excessively Complex Drivel." If we read the rules that we are putting through today, there is a real sign that it is excessively complex, and that was my motivation for tabling amendment 21. We probably could have found a better way of achieving the same thing, rather than UK-headquartered groups having to go through a very complicated series of calculations for every subsidiary they have in an overseas regime to try to work out whether they have paid the 15% minimum tax, when the headline rate in those countries is 25% or 30%, and it is extraordinarily unlikely that they will not have paid that 15% tax, and there may well have been timing differences that have to be worked through to try to prove that. That will be a huge compliance burden, and it will not add very much. It will not collect any tax, and it will just make these rules look a lot worse than they are.

The purpose of amendment 21 is to offer the Government the chance to extend the power that the transitional, lighter-touch regime we are allowed to use for the first three years of the rules that has been agreed by the OECD and use it for a bit longer, especially if not every

country in the world is following our early implementation of these things, to try to avoid us imposing a compliance burden in the UK that will not exist elsewhere. I accept that that is not currently in the OECD agreement.

As more and more countries try to put these rules into their own domestic law, I think we might see them realise how fiendishly complicated they are and start to look for simpler ways of implementing them, so that we can focus on working out where real tax abuse—avoidance and evasion—is taking place and go and collect the tax that is not being paid, rather than having a big compliance burden. There are plenty of precedents for how we can do that in our own tax rules. We had the worldwide debt cap, which we do not need any more, so we scrapped it, but that had a gateway test. Companies went through a simple test, and if it was clear that they were innocent, they did not have to go through the full detail of the rules. I am sure that we could find some way around that. Our old foreign-controlled company rules had a list of territories that were treated as good unless there was any avoidance going on, and we could use a model like that.

I want to touch on why it is important that the UK takes a lead on this. I think it is fair to say that our overseas territories and Crown dependencies have been among those that have behaved the naughtiest around the world in terms of certain tax behaviours that they have encouraged or permitted in their jurisdictions. We are not going to get global progress on this issue if the UK is not at the forefront. If we say we will wait for the pack, half the world will think, “Well, they’re the ones that have been responsible for a whole chunk of this. If they’re not going to do it, we’re certainly not going to do it.” It is important that we are seen to take a lead in tackling this. Getting this right is hugely popular. Our constituents do not want to see large multinational corporations hiding their profits in low-tax jurisdictions. This sort of relatively moderate measure that we are opting into as part of a global deal does not have any sovereignty concerns.

3.15 pm

The US approach has been through various iterations. I was at a lecture by Pascal Saint-Amans a couple of weeks ago, who was the OECD director who brought through the deal. He tells the story that the negotiations were going nowhere until the US representatives at the negotiations when President Trump was in office said, “Actually, what we want is a minimum corporate tax.” The whole room was astonished that the Americans had moved from not really wanting it to suddenly coming up with an idea.

What we have here, in many ways, is a Trump-era US solution. We can see that, because the Americans introduced their own base erosion and anti-abuse tax in 2017, or BEAT—another great acronym—which started out at 5% but is now at 10% and will go to 12.5%, so they are almost at 15% already. They also have their global intangible low-taxed income regime, which is an even better acronym: GILTI. I urge the Minister to think of great acronyms for new tax rules, because I think a global anti-avoidance rule called GILTI sends the right message. That is, again, a US domestic attempt to tackle US corporations moving intangible income offshore. The minimum corporate tax of 15% that we want to introduce is trying to tackle exactly the same problem.

We should not forget that most of the multinational corporate tax avoidance we have seen has been by US multinationals using US rules that were badly written because the US did not really care what happened overseas and allowed companies to play around with its sub-part F entity classification rules, basically to avoid US tax and avoid everybody else’s while they are at it, as they could get away with it. I would not take too many lessons from the US on this issue. In fact, its domestic policy is to introduce something quite similar to try to tackle a problem that it has created and exacerbated around the world.

We can set an example to the US and encourage its politicians to see that such a thing has been done in the past and should not be allowed to continue. We want responsible corporates around the world that are trading multinationally to pay the right tax in the right jurisdiction. I accept that that is not easy, and it is a complicated thing to get right, but that is what we want to see. I think we will see increasingly that consumers do not want to buy services and goods from corporations that are engaging in that sort of outrageous behaviour. If they carry on like that, it will be damaging to the US economy, so I would urge it to get on board with these rules. I certainly urge the Government not to give any sign that we are backsliding. It is the right thing to do. It is by no means perfect. I am sure we can improve the detail of it, but the principle is there, and we should go ahead and implement the deal.

Victoria Atkins: I should have known by now that my hon. Friend the Member for Amber Valley (Nigel Mills) would put his points succinctly and with expertise. He has taken me a little by surprise in ending as he did, but I thank him greatly for his comments.

May I conclude this stage of the scrutiny of the Bill by first of all genuinely thanking all right hon. and hon. Friends and Members for their contributions on Report? It has genuinely been the sort of scrutiny that shows this House in its best light: although there has been a certain amount of party politicking in certain parts of the Chamber, a very detailed set of questions and concerns has been raised about some of the most complex parts of the Bill. When I responded to the Chair of the Treasury Select Committee, my hon. Friend the Member for West Worcestershire (Harriett Baldwin), in giving evidence last week, I said that VAT is the most complex part of tax law, which in itself is incredibly complex. I think I am about to prove that pillar 2 may be joining that very elevated rank.

If I may, I shall concentrate on some of the amendments that have been the focus of the House this afternoon; I hope colleagues will understand if I do not address some amendments that have not been spoken to, or will not be pushed to a Division. First and foremost, I will deal with tax simplification—in new clause 2 and amendment 7, which have been tabled by my hon. Friend the Member for West Worcestershire. Again, I very much thank our Treasury Select Committee colleagues for their interest, their expertise and their commitment on this issue, and their scrutiny of opportunities for tax simplification. I have read the report already, which I hope shows my commitment to simplification. I hope my hon. Friend will understand if I do not respond in detail to the report now; we will of course respond formally to it in due course.

[Victoria Atkins]

My right hon. Friend the Chancellor and I remain deeply committed to simplifying the tax system. My right hon. Friend the Member for North West Hampshire (Kit Malthouse) intervened earlier on: he is a chartered accountant, so he knows with great expertise just how complicated some aspects of the tax system can be. I very much share the Chancellor's ambition and determination to try to bring some simplicity to some of these reliefs and rules. We very much want to engage constructively with the Treasury Select Committee and, indeed, the whole House in our efforts to do so.

If I may, I will just touch on amendment 7. We have introduced through this Finance Bill our determination to put simplification at the heart of the tax system and our consideration of it, which is why we will not be able to renege on our commitment to abolish the Office of Tax Simplification. We are going to stay the course with that policy, but we genuinely see the Bill as an opportunity to enable us to put simplification at the heart of the Treasury.

With regard to new clause 2, the Chancellor has set a clear mandate to Treasury and HMRC officials to focus on both the simplicity of new tax policy design and simplifying the existing tax rules and administration at all times. At spring Budget, the Chancellor announced the first steps of that work, including a range of improvements to make it easier for businesses, especially small businesses, to interact with the tax system. That includes—this is by no means an exhaustive list—a systematic review to transform HMRC guidance and key forms for small businesses, and a consultation on expanding the cash basis, which is a simplified way for over 4 million sole traders to calculate and pay their income tax. As my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) said, these need to be practical simplification measures. I very much hope that the consultation on the cash basis will provide some of that practicality that she and others so wish for.

We are also taking further action to simplify the tax system through the Bill. A great example of that is the permanent £1 million limit to the annual investment allowance, which provides 100% first-year relief for qualifying main and special-rate investments in plant and machinery, simplifying the tax treatment of capital expenditure for 99% of businesses. The Bill will also simplify the process of granting share options under an enterprise management incentive scheme. We also announced at spring Budget our efforts to simplify the customs import and export processes. That includes opportunities to streamline customs declaration requirements and engage with traders on plans to rationalise and digitise HMRC's authorisation processes, all of which is obviously essential with our bright new future out of the EU.

The Chancellor has also set out that he is asking officials to consider tax simplification ahead of every fiscal event. Of course, hon. Members will have ample opportunity to scrutinise the Government's progress on simplification through the finance Bill process each year. We also continue to publish tax information and impact notes, which set out the expected impact of tax policy changes on individuals and businesses, and HMRC's annual customer experience surveys, which measure taxpayers' overall experience of interacting with HMRC.

Dame Andrea Leadsom: Just to clarify, will the Minister include in her assessment a simplification of the cliff edges that the Chair of the Treasury Committee raised? We have taken quite a lot of evidence on that, and it really does create disincentives to invest, to work and so on.

Victoria Atkins: That is a very interesting point. I hope the Chair will not mind my saying so, but when I gave evidence last week, quite rightly I was challenged about how we measure success. This is incredibly complex, as my right hon. Friend will appreciate. For example, with the corporation tax rises, we have introduced the tapering because we have the policy intent of trying to help businesses that are small or perhaps finding their feet, and we do not want to be charging them 25% corporation tax if they have not reached the levels of profit set out in the Bill. The metrics we will use are very much being considered. I am not in a position to commit to those metrics at the moment, but I promise I will come back to her when we have a settled package that we think will address not only the concerns of the Committee but the wider concerns beyond simplification, such as fairness and encouraging growth.

HMRC also reports annually in its reports on its objective to make it easy to get tax right. As I have just set out, we are actively considering how to develop a suite of metrics to measure progress on that. Precisely because we recognise the concerns and the thoughtful considerations of the Treasury Committee and others across the House, I was very pleased at being able to intervene on my hon. Friend the Member for West Worcestershire to commit today to reporting annually—that is, in each tax year—to the Committee to provide an overarching summary of the Government's progress on the simplification. To be very clear, I intend that to start this tax year, because I take this very seriously and I very much hope that Committee members and others in the House will share my intentions in so doing. I therefore hope that my hon. Friend and Committee members will not feel the need to press their amendments and new clauses.

I turn now to the subject of the global minimum tax legislation, which is again a complicated area. If I may, Madam Deputy Speaker, with your munificence, I will just spend a little bit of time on it, precisely because I understand the concerns that my hon. Friends have and, indeed, the level of scrutiny they have quite rightly given it as the Bill has made its journey through the House. First and foremost, if I may—I am very keen to get this on the record, because I know that my right hon. Friend the Member for Witham (Priti Patel) will rightly expect such commitments on the record—before I make the commitments that the Chancellor has made in his letter, I will set out the background to pillar 2. Although my right hon. Friend the Member for Witham clearly has a great deal of knowledge about this area, it is fair to say that not everybody in Parliament will have the same understanding.

By way of an explainer, pillar 2 will ensure that large multinational groups with revenues of more than £750 million pay a minimum effective tax rate of 15% in every jurisdiction they operate in. It is designed to protect against the risk of harmful tax planning by multinational groups and to promote fair and open competition on tax policy. It is really to prevent those large multinationals from shifting profit out of the UK to those parts of the world that charge far lower tax

rates than us. This will help to ensure that profits generated here in the UK are taxed in the UK, and it will strengthen the UK's international competitiveness through placing a floor on the low tax rates that have been available in some countries.

A lot of questions have been asked about implementation, and I shall go into detail on them in a moment, but if we do not implement these rules, the tax will still be collected, but by another jurisdiction. That is because pillar 2 is designed as an interlocking set of rules ensuring that low-taxed profits will be taxed even if the UK or other countries do not move ahead. This is why we are determined to introduce or implement pillar 2 from 31 December this year, along with other EU member states and with Australia, Canada, Japan and Switzerland, so that we are moving in lockstep with our international peers.

3.30 pm

Before I answer some of the questions that my right hon. Friend the Member for Witham has rightly raised, let me put on record my sincere thanks to her, and to other colleagues and friends who signed her amendment—and to whom I have spoken over many months in the run-up to today—to scrutinise what this means for the United Kingdom and for businesses. I absolutely understand why they are asking the questions. As I said, this is Parliament at its best, and I am genuinely grateful to her for raising these questions. What is more, the Chancellor is grateful. My right hon. Friend wrote to the Chancellor, and I am pleased to inform the House that he replied to her in the following way, to ensure that we all understand and appreciate the levels of scrutiny that have taken place.

The Chancellor maintains that the Government are sadly not in a position to support the amendment, but we recognise the importance of these matters to hon. Friends and Members of the House. On that basis, the Chancellor and I are happy to provide an update on pillar 2 implementation as part of the forthcoming fiscal event in the autumn, and if necessary in the spring. That update will include the latest revenue forecast from the OBR—that is an important point—and a status update on international implementation, which is a point that hon. Members are focused on. It goes without saying—I hope my right hon. Friend and others know this—that the Chancellor and I stand ready and are happy to continue to discuss such issues with her and others, as we move towards implementation towards the end of the year.

Quite rightly, my right hon. Friend and others have posed questions, and I will try to answer some of them. I was asked about implementation, which I completely understand. The member states of the EU are committed to implementation, and the EU directive in place is legally binding. The directive allows small member states—defined as those with 12 or fewer parent entities, and, therefore, those that are much smaller than our economy—more time to introduce the rules. Those countries are very few, and are not in the same economic position as the United Kingdom. They will not get an advantage from delaying implementation, as the directive requires other EU member states to collect the tax instead.

I have also looked to countries such as Thailand, Singapore and Hong Kong. The UK has a large and mixed economy, where it is appropriate for us to take action to combat aggressive tax planning and support

measures that support competition. Australia, Japan and Canada, which are our peers by size and shape of economy, are also implementing that rule. Indeed, Japan's 2023 tax reform Bill was enacted after passing Japanese procedures in March. It will be introducing the income inclusion rule from 1 April, four months after us next year.

On the States, I understand why the question is being posed, and my hon. Friend the Member for Amber Valley set out some of the history behind where America has got to. In 2017, the US introduced a minimum tax on the foreign income of its multinationals, and it has recently introduced a minimum tax on the domestic income of large groups, including foreign headed multinationals. The US already has in place rules that operate on a similar basis to pillar 2, and it has been one of the strongest advocates for developing a global standard. It has maintained its commitment to align its rules with the agreed pillar 2 template, but until that happens, the OECD inclusive framework members, including the US, have agreed how the US rules and pillar 2 rules should interact, to ensure that US multinationals are subject to the same standard as groups in other countries. That is an important context.

If it is not implemented in the UK, what does that mean? Again, the question posed is a fair one. Generally, the international top-up tax is applied at the top of the business, and at the level of the ultimate parent entity. If that jurisdiction has not implemented the rule, the taxing right passes down the ownership chain of the business, until there is an entity in a jurisdiction that has implemented the rule. This is why without UK rules, this tax—chargeable in the UK, if it did apply—would be payable to another jurisdiction unless and until we implement the rules.

I very much understand the concerns raised about sovereignty. We retain the sovereignty to set our corporation tax rate. It is still the lowest in the G7, and we can use important tax levers to boost investment, including the UK's world-leading R&D credit and full expensing regimes announced in the Budget. We have also ensured that UK tax reliefs such as the refundable R&D credit will not be treated as depressing the effective tax rates of claimants. We have been able to achieve that because we have been at the forefront of discussions and negotiations on these rules.

On the point about how these rules are agreed, implemented and who holds who to account, the model rules were agreed by consensus requiring the agreement of each country and jurisdiction. It is then up to each country and jurisdiction to implement the rules. There is not a higher body than jurisdictions here to do so. I very much understand the concern about innovation and growth. We will remain free to use the corporation tax system to support innovation, business investment and regional growth through R&D tax credits, enhanced capital allowances and tax reliefs in investment zones. We must continue to work together with our partners to avoid a subsidy race that could distort trade or impact sectors.

In answering those questions, I hope I have addressed some of the issues that Members have raised in relation to pillar 2. I very much hope that my right hon. Friend the Member for Witham, having brought the scrutiny which would be expected from her, will feel able not to press her amendment to a vote.

On the lifetime allowance and the Opposition's new clause 1 and amendments 1 and 6, the Opposition just do not seem to get it. This measure has been brought forward to help the NHS retain those doctors and consultants whom we are so desperate to have in our NHS looking after our constituents and helping to cut the backlogs, as the Prime Minister has set out as one of his five priorities. That is why we have introduced this policy. The hon. Member for Ealing North (James Murray) seems to think—and we have had this conversation many times before—we could have dreamt up a proposal dealing just with doctors in the same amount of time it took us to bring in this policy—two weeks. The fact is that this measure started having an impact on our doctors, our consultants, our chief constables and others this tax year, as hon. and right hon. Friends have set out. We want to make that change precisely because we believe that our NHS and public services deserve it, and that is why we are bringing that lifetime allowance forward.

Moving to the non-doms point, this is again a conversation we have had repeatedly with those on the Opposition Front Bench. The hon. Member for Ealing North asked about the £830 million and seemed to question it. I am sorry to break it to him, but that has been scorecarded by the Office for Budget Responsibility. It has certified it, costed it and said that it will bring in £830 million over the scorecard period.

My right hon. Friend the Member for Vale of Glamorgan (Alun Cairns) raised important questions regarding alcohol duty. He welcomes the changes in the round, but as the chair of the all-party parliamentary beer group, it is understandable that he is asking whether the draught relief is designed to apply to off-trade pints as well as on-trade pints. I am afraid that it is not, because we want to support consumption of beer in pubs. It is one of many ways not only to support our local pubs, but also to secure opportunities arising out of our exit from the European Union. Only pints in pubs will be subject to this measure, not pints poured into takeaway containers. The industry body the Campaign for Real Ale has lobbied to ask that that could happen. We have looked at the idea carefully, as has the Exchequer Secretary to the Treasury, my hon. Friend the Member for Grantham and Stamford (Gareth Davies), but we have serious concerns that it would overcomplicate the draught relief. I hope to reassure my right hon. Friend and CAMRA that takeaway services can continue so long as the beer comes from a full-duty barrel. I am reminded that takeaway off-trade beer accounts for 0.1% of beer sales, but, when the Bill passes its Third Reading today, I am sure that we will all be raising a pint in celebration.

We touched briefly on the electricity generator levy, which is payable only on the portion of revenues that exceeds the long-run average for electricity prices. We have done that carefully to try to ensure that we achieve the Government's wanted net zero ends while looking after customers. New clause 12 perhaps misunderstands how the EGL operates, so we urge colleagues to reject it. In relation to the energy profits levy, it is important to note that the Government expect it to raise just under £26 billion between 2022 and 2028, helping to fund the vital cost of living support that we have discussed.

In relation to air passenger duty and new clause 10, we have made changes to take advantage again of our post-EU freedoms and to support the United Kingdom.

We want friends and family to be able to fly to see each other across the United Kingdom. I am not quite clear whether Labour understands that or is now against helping friends and family across the UK to reunite. I am sure that all will become about as clear as its £28 billion U-turn.

I turn to new clause 5. The right hon. Member for Dundee East (Stewart Hosie) asked why are we making this change on Report. It became apparent that a welcome clarification by the Home Office on how information is obtained for criminal investigations means that some data that is genuinely needed by His Majesty's Revenue and Customs to check a person's tax position is deemed as communications data. The clarification aims to secure that into law. We are trying to do it as quickly as possible, which is why it is in the Finance Bill.

The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) raised the duty to report on public health and the poverty effects of the Bill. We already publish data on people in both relative and absolute low-income households each year through the "Households below average income" publication. The Welfare Reform and Work Act 2016 also requires us to publish statistics on the percentage of children in relative and absolute low income, combined low income and material deprivation and persistent low income. I very much hope that she will welcome the £3,300 on average of help that we are securing for families across the United Kingdom in these difficult times.

To conclude—[*Interruption.*] I thought that the House might be interested in some of the details; apologies for that. The Bill contains a number of important measures that will support the UK economy, people and businesses. I therefore urge the House to reject the proposed non-Government amendments for the reasons that I detailed, and agree to the Government's amendments and new clauses. In closing, I thank everybody involved for their contributions to our discussions not just today but in the months that have led up to this.

Question put and agreed to.

New clause 4 accordingly read a Second time, and added to the Bill.

New Clause 5

COMMUNICATIONS DATA

'(1) Section 12(2) of the Investigatory Powers Act 2016 (restriction of powers to obtain communications data) does not apply to a power falling within subsection (2).

(2) A power falls within this subsection if it is conferred (whether before, on or after the passing of this Act) by or under—

- (a) any Finance Act of any year (including this Act and any other numbered Finance Act);
- (b) the Taxes Acts (within the meaning of TMA 1970);
- (c) the customs and excise Acts (within the meaning of CEMA 1979);
- (d) any enactment relating to value added tax;
- (e) any enactment, not falling within paragraphs (a) to (d), that relates to tax.

(3) But subsection (1) does not apply in relation to the exercise of such a power by a public authority in the course of a criminal investigation by the authority.

(4) In section 12 of the Investigatory Powers Act 2016, after subsection (2) insert—

"(2A) Subsection (2) is subject to section (Communications

data)(1) of the Finance (No. 2) Act 2023 (no restriction on tax related powers).”

(5) In Schedule 36 to FA 2008 (information and inspection powers), in paragraph 19, omit sub-paragraphs (4) and (5).

(6) In consequence of the repeal made by subsection (5), omit paragraph 10 of Schedule 2 to the Investigatory Powers Act 2016.

(7) The modification and amendments made by subsections (1) to (6) are to be treated as having always had effect.

(8) Subsections (9) and (10) apply where—

(a) before the day on which this Act is passed, a public authority imposed a requirement on a person under a power falling within subsection (2), and

(b) as a result of section 12(2) of the Investigatory Powers Act 2016 the public authority did not, ignoring this section, have the power to impose it.

(9) The requirement is to be treated as having been imposed on the day on which this Act is passed (and accordingly the period in which it must be complied with is to be treated as starting on that day) unless—

(a) the requirement was withdrawn by the public authority before that day, or

(b) the person complied with the requirement before that day.

(10) Where, before the day on which this Act is passed, the public authority imposed a penalty on the person for contravening the requirement—

(a) the penalty is of no effect, and

(b) if already paid, the authority is liable to repay it.—(*Victoria Atkins.*)

This new clause removes a restriction on the exercise of civil information powers (for example, Schedule 36 of the Finance Act 2008 which HMRC use to obtain information from, and about, taxpayers) which otherwise might prevent their use in certain cases (for example, where online banks or other financial institutions are regarded as telecommunications or postal operators).

Brought up, read the First and Second time, and added to the Bill.

New Clause 7

STATEMENT ON EFFORTS TO SUPPORT IMPLEMENTATION OF THE PILLAR 2 MODEL RULES

“(1) The Chancellor of the Exchequer must, within three months of this Act being passed, make a statement to the House of Commons on how actions taken by the UK Government since October 2021 in relation to the implementation of the Pillar 2 model rules relate to the provisions of Part 3 of this Act.

(2) The Chancellor of the Exchequer must provide updates to the statement at intervals after that statement has been made of—

- (a) three months;
- (b) six months; and
- (c) nine months.

(3) The statement, and the updates to it, must include—

- (a) details of efforts by the UK Government to encourage more countries to implement the Pillar 2 rules; and
- (b) details of any discussions the UK Government has had with other countries about making the rules more effective.”—(*James Murray.*)

This new clause would require the Chancellor to report every three months for a year on the UK Government's progress in working with other countries to extend and strengthen the global minimum corporate tax framework for large multinationals.

Brought up, and read the First time.

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

The House divided: Ayes 202, Noes 296.

Division No. 259]

[3.44 pm

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)

Abrahams, Debbie

Ali, Rushanara

Ali, Tahir

Allin-Khan, Dr Rosena

Amesbury, Mike

Anderson, Fleur

Barker, Paula

Beckett, rh Margaret

Begum, Apsana

Betts, Mr Clive

Black, Mhairi

Blackman, Kirsty

Blake, Olivia

Blomfield, Paul

Bonnar, Steven

Bradshaw, rh Mr Ben

Brennan, Kevin

Brock, Deidre

Brown, Alan

Brown, Ms Lyn

Brown, rh Mr Nicholas

Bryant, Sir Chris

Buck, Ms Karen

Burgon, Richard

Byrne, Ian

Byrne, rh Liam

Cadbury, Ruth

Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)

Cameron, Dr Lisa

Campbell, rh Sir Alan

Carden, Dan

Carmichael, rh Mr Alistair

Champion, Sarah

Clark, Feryal (*Proxy vote cast by Chris Elmore*)

Cooper, Daisy

Cooper, rh Yvette

Cowan, Ronnie

Coyle, Neil

Creasy, Stella

Cruddas, Jon

Cryer, John

Daby, Janet

David, Wayne

Davies-Jones, Alex

Day, Martyn

De Cordova, Marsha

Debbonaire, Thangam

Dhesi, Mr Tanmanjeet Singh

Dixon, Samantha

Docherty-Hughes, Martin

Dodds, Anneliese

Doogan, Dave

Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)

Doughty, Stephen

Dowd, Peter

Eagle, Dame Angela

Eagle, rh Maria

Eastwood, Colum

Edwards, Jonathan

Efford, Clive

Elliott, Julie

Elmore, Chris

Eshalomi, Florence

Esterson, Bill

Evans, Chris

Farron, Tim

Farry, Stephen

Fellows, Marion

Flynn, Stephen

Foord, Richard

Fovargue, Yvonne

Foxcroft, Vicky

Foy, Mary Kelly

Furniss, Gill

Gardiner, Barry

Gibson, Patricia

Grady, Patrick

Grant, Peter

Green, Sarah

Greenwood, Lilian

Greenwood, Margaret

Griffith, Dame Nia

Hamilton, Fabian

Hamilton, Mrs Paulette

Hanvey, Neale

Hardy, Emma

Harris, Carolyn

Hayes, Helen

Hendry, Drew

Hillier, Dame Meg

Hobhouse, Wera

Hodgson, Mrs Sharon

Hollern, Kate

Hopkins, Rachel

Hosie, rh Stewart

Howarth, rh Sir George

Huq, Dr Rupa

Hussain, Imran

Jardine, Christine

Jarvis, Dan

Johnson, Kim

Jones, Darren

Jones, Gerald

Jones, rh Mr Kevan

Kane, Mike

Kendall, Liz

Lake, Ben

Lavery, Ian

Law, Chris

Leadbeater, Kim

Lewis, Clive

Lightwood, Simon

Linden, David

Lloyd, Tony (*Proxy vote cast by Chris Elmore*)

Long Bailey, Rebecca

Lucas, Caroline

Lynch, Holly

MacAskill, Kenny

Madders, Justin

Mahmood, Mr Khalid

Malhotra, Seema

Maskell, Rachael

McCabe, Steve

McCarthy, Kerry

McDonald, Andy

McDonnell, rh John

McFadden, rh Mr Pat

McGovern, Alison

McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)

McMahon, Jim

McMorris, Anna
 Mearns, Ian
 Mishra, Navendu
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz

Sheerman, Mr Barry
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian
 Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Williams, Hywel
 Winter, Beth
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Colleen Fletcher and
Liz Twist

NOES

Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy (*Proxy vote cast by Mr Marcus Jones*)
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib (*Proxy vote cast by Mr Marcus Jones*)
 Blackman, Bob

Blunt, Crispin
 Bone, Mr Peter (*Proxy vote cast by Mr Marcus Jones*)
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Burns, rh Sir Conor
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Churchill, Jo
 Clark, rh Greg

Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle (*Proxy vote cast by Mr Marcus Jones*)
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Edwards, Ruth
 Ellis, rh Sir Michael
 Ellwood, rh Mr Tobias
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Fox, rh Dr Liam
 Frazer, rh Lucy
 Freeman, George
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke

Hammond, Stephen
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Heaton-Harris, rh Chris
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, Paul
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherilyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Dame Maria
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien

Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Patel, rh Priti
 Pawsey, Mark
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Pow, Rebecca
 Prentis, rh Victoria
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Raab, rh Dominic
 Randall, Tom
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian

Smith, Royston
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Noes:

Robert Largan and
 Amanda Solloway

Question accordingly negated.

Clause 7

TEMPORARY FULL EXPENSING ETC FOR EXPENDITURE
 ON PLANT OR MACHINERY

Amendments made: 9, page 4, line 25, leave out from “that” to end of line 26 and insert

“has been the subject of that or any other first-year allowance or has been allocated to a pool for that or any other accounting period”

This amendment ensures that the rules for determining the amount of a balancing charge work as originally intended in all scenarios.

Amendment 10, page 5, line 8, leave out from “that” to end of line 9 and insert

“has been the subject of that or any other first-year allowance or has been allocated to a pool for that or any other accounting period”—(*Victoria Atkins.*)

This amendment ensures that the rules for determining the amount of a balancing charge work as originally intended in all scenarios.

Clause 12

ENERGY (OIL AND GAS) PROFITS LEVY:
 DE-CARBONISATION ALLOWANCE

Amendments made: 11, page 8, line 37, leave out “a subsea” and insert “an”

This amendment ensures that the relief works as intended for onshore activities.

Amendment 12, page 8, line 41, leave out from “infrastructure” to end of line 42 and insert

“means any upstream petroleum pipeline, oil processing facility or gas processing facility (as those expressions are defined by section 90 of the Energy Act 2011 but as if that section also applied (with the appropriate modifications) to Northern Ireland).”

This amendment ensures that the relief works as intended for onshore activities and Northern Ireland.

Amendment 13, page 9, line 1, leave out subsection (7) and insert—

“(7) The amendments made by subsections (2) to (4) have effect in relation to expenditure incurred on or after 1 January 2023 and the amendments made by subsections (5) and (6) have effect in relation to expenditure incurred on or after 26 May 2022.”—(*Victoria Atkins.*)

This amendment ensures that the relief for operating expenditure works as intended for onshore activities and Northern Ireland from the time when the charge to energy (oil and gas) profits levy was imposed (26 May 2022).

Clause 18

LIFETIME ALLOWANCE CHARGE ABOLISHED

Amendment proposed: 1, Page 12, line 30, leave out Clause 18.—(*James Murray.*)

Question put, That the amendment be made.

The House proceeded to a Division.

Madam Deputy Speaker (Dame Eleanor Laing): I am aware that the card readers are not working in either Lobby. I can assure the House that steps are being taken to count this Division manually, in the old-fashioned way. We will have the result quite soon.

The House having divided: Ayes 192, Noes 294.

Division No. 260]

[3.59 pm]

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
 Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Allin-Khan, Dr Rosena
 Amesbury, Mike
 Anderson, Fleur
 Barker, Paula
 Beckett, rh Margaret
 Begum, Apsana
 Betts, Mr Clive
 Black, Mhairi
 Blackman, Kirsty
 Blake, Olivia

Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Sir Chris
 Buck, Ms Karen
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)

Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Carden, Dan
 Champion, Sarah
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Daby, Janet
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Dixon, Samantha
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
 Doughty, Stephen
 Dowd, Peter
 Eagle, Dame Angela
 Eagle, rh Maria
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Fellows, Marion
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Grady, Patrick
 Grant, Peter
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Dame Nia
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Hanvey, Neale
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Hendry, Drew
 Hillier, Dame Meg
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Kane, Mike
 Kendall, Liz

Lake, Ben
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewis, Clive
 Linden, David
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacAskill, Kenny
 Madders, Justin
 Mahmood, Mr Khalid
 Malhotra, Seema
 Maskell, Rachael
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Mishra, Navendu
 Monaghan, Carol
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 Norris, Alex
 O'Hara, Brendan
 Onwurah, Chi
 Oppong-Asare, Abena
 Oswald, Kirsten
 Owatemi, Taiwo
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Sheerman, Mr Barry
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John

Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomson, Richard
 Timms, rh Sir Stephen
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian

Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Williams, Hywel
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Colleen Fletcher and
Liz Twist

NOES

Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy (*Proxy vote cast by Mr Marcus Jones*)
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib (*Proxy vote cast by Mr Marcus Jones*)
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter (*Proxy vote cast by Mr Marcus Jones*)
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Burns, rh Sir Conor
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cash, Sir William
 Cates, Miriam

Caulfield, Maria
 Chalk, rh Alex
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle (*Proxy vote cast by Mr Marcus Jones*)
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Edwards, Ruth
 Ellis, rh Sir Michael
 Ellwood, rh Mr Tobias
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Fox, rh Dr Liam

Frazer, rh Lucy
 Freeman, George
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Heaton-Harris, rh Chris
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, Paul
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)

Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cheryl
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Dame Maria
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Patel, rh Priti
 Pawsey, Mark
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Pow, Rebecca
 Prentis, rh Victoria
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg

Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie

Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Noes:
 Robert Largan and
 Amanda Solloway

Question accordingly negated.

Clause 23

MODIFICATION OF CERTAIN EXISTING TRANSITIONAL PROTECTIONS

Amendment made: 14, page 15, line 2, leave out from “(S.I. 2006/572),” to end of line 12 and insert

“in article 25C (payment of stand-alone lump sums: tax consequences), for paragraph (3) substitute—

“(3A) Section 636A of ITEPA 2003 (exemptions and liabilities for certain lump sums under registered pension schemes) is to be read as if, after subsection (1C), there were inserted—

“(1D) In the case of a stand-alone lump sum paid under a registered pension scheme—

(a) no liability to income tax arises on so much of the sum as does not exceed the 5 April 2023 maximum, and

(b) section 579A applies in relation to the remainder (if any) of the sum as that section applies to any pension under a registered pension scheme.

(1E) In subsection (1D) and this subsection—

(a) ‘stand-alone lump sum’ has the meaning given by paragraph (3) of article 25 of the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572);

(b) ‘the 5 April 2023 maximum’ means the maximum amount that, on 5 April 2023, could have been paid to the member under the registered pension scheme by way of a stand-alone lump sum.

(1F) For the purposes of determining the maximum amount mentioned in paragraph (b) of subsection (1E), condition C in article 25A of the order mentioned in paragraph (a) of that subsection (condition that member has reached normal minimum pension age etc) is treated as met.”—
(Victoria Atkins.)

This amendment provides that any amount of a stand-alone lump sum in excess of the maximum amount that could have been paid to the relevant pension scheme member free of tax on 5 April 2023 is subject to income tax at the member’s marginal rate.

Clause 51ALCOHOLIC PRODUCTS QUALIFYING FOR
DRAUGHT RELIEF

Amendment made: 15, page 41, line 1, after “produced” insert “in the United Kingdom”—(*Victoria Atkins.*)

This amendment ensures that overseas producers (who cannot be approved under clause 82) can access the relief.

Clause 58

EXCLUSIONS

Amendment made: 16, page 45, line 5, after “produced” insert “in the United Kingdom”—(*Victoria Atkins.*)

This amendment ensures that overseas producers (who cannot be approved under clause 82) can access the relief.

Clause 292NON-CHARGEABLE AMOUNTS OF JOINT VENTURE TO BE
ATTRIBUTED TO PARTICIPANTS

Amendment made: 17, page 213, line 22, at end insert—

“(8) Where the appropriate proportion of the non-chargeable amount is required to be added to the result of Step 4 in section 278(5) for a generating undertaking that is not ‘qualifying’ (see section 278(3)) in the qualifying period in which it is to be added, that undertaking is to be treated as qualifying for that period.”—(*Victoria Atkins.*)

This amendment corrects a technical error to secure that the appropriate proportion of the “non-chargeable amount” is charged in all cases.

Clause 314

DEPOSIT SCHEMES

Amendments made: 18, page 236, line 10, leave out “VAT that would, apart from section 55C(3),” and insert

“the VAT in respect of the deposit amount that, on the applicable assumption, would”

This amendment introduces an assumption that is intended to clarify how, in the case of deposit amounts that are not repaid, the liability to account for VAT works.

Amendment 19, page 236, line 14, at end insert—

“(2A) The applicable assumption is that, in the case of those goods, section 55C(3) is ignored and the deposit amount and the price payable for the goods are regarded instead as indistinguishable parts of the consideration for the supply of the goods.”—(*Victoria Atkins.*)

This amendment makes it clear that, in calculating the VAT liability, unreturned deposit amounts and the price payable for the goods are treated in exactly the same way.

Third Reading

4.14 pm

Victoria Atkins: I beg to move, That the Bill be now read the Third time.

My right hon. Friend the Chancellor delivered a Budget for growth. He was clear that this Government’s focus is not just growth from emerging out of a downturn, but long-term, fiscally sustainable, healthy growth.

The Finance (No. 2) Bill, which Members of this House have had the opportunity to scrutinise and debate over the last three months, delivers on these commitments. It takes forward measures to support enterprise and grow the economy by encouraging business investment and helping to increase employment. It legislates for

announcements made at previous fiscal events, which take advantage of our opportunities outside the EU, and it implements the tax measures needed to continue improving and simplifying our tax system to ensure that it is fit for purpose.

As the Bill has received such scrutiny, I do not propose to go into a detailed summary of the Bill. I just wish to thank the many people involved in bringing such a piece of legislation forward, because they work tirelessly behind the scenes and rarely receive the thanks they deserve.

First and foremost, I thank officials across the Treasury and HMRC for all their help, advice and expertise in creating the Bill and the proposals within it. In particular, I thank the Bill manager, Mikael Shirazi, who has navigated the Bill with great aplomb, often managing teams of tens of officials on my screens as I was having briefings. I am extremely grateful to him and all the Bill team for their very hard work.

I must also thank my private office—again, the unsung heroes of any ministerial office. They have worked extremely hard, particularly Holly, a member of my private office. I thank the Parliamentary Counsel; the Bill Committee Chairs on the Committee Corridor; the Doorkeepers; the Clerks; the Whips, of course; other Treasury Ministers who have helped in this; and, of course, you, Madam Deputy Speaker, for your consideration. I thank your fellow Deputy Speakers for their consideration, too.

Finally, I thank all hon. and right hon. Friends and Members across the House who have contributed to the scrutiny of this important Bill. I hope that, at the end of this, we can be very proud of the measures that have been taken forward as part of our Budget for growth.

4.17 pm

James Murray: I take this opportunity to thank the many people who have supported me and my colleagues throughout the consideration of this Bill, not least all my colleagues on the shadow ministerial team, the Whips and the Opposition Back Benchers. I also thank the Clerks and parliamentary staff, and third parties, including the Chartered Institute of Taxation, which always provides invaluable support and evidence for us and all Members of the House.

Let me speak briefly to this Bill, which we have considered in detail over recent months. Our feeling as we approach the end of this is that it could have been a chance to make the tax system fairer. A fairer tax system is desperately needed after 13 years of low growth and stagnant wages, and after 25 tax rises by the Government in this Parliament alone—increases that have pushed the tax burden in this country to its highest level in 70 years. But instead, we see the Government prioritise £1 billion of public money a year to benefit the 1% of people with the biggest pension pots. They are prioritising a tax cut for frequent flyers. They are refusing to scrap the non-dom tax status. They are refusing to close windfall tax loopholes. And they are spending their time battling their own MPs over implementing common-sense plans to stop multinationals race to the bottom on tax.

Beyond any individual tax changes, what British businesses and families need now is a credible, ambitious plan from the Government to grow the economy and to

make everyone in every part of our country better off. The failure to do that is perhaps the greatest failure of this Bill and the approach of this Government.

The Conservatives have had 13 years and they have failed. As long as they stay in power, the vicious cycle of stagnation stays, too. It is time for a new Government who will get us off this path of managed decline and make sure that people and businesses in Britain succeed.

4.19 pm

Stewart Hosie: Loth as I am to disagree with the Minister, there was little by way of substantial growth in the Budget and there is almost nothing by way of immediate cost of living support in this Bill. We can only hope—although it is hope over expectation—that the Bill at least delivers some of the growth and some of the investment that the Government’s rhetoric would suggest they expect to see. I hope that happens, even though I doubt it will, and that the forecasts we see at the next fiscal event will be rather better than the ones we have seen over the past three or four years.

Madam Deputy Speaker (Dame Eleanor Laing): I am pausing in case there is a speech about to erupt, but there is not. Therefore, I will put the Question.

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)),

PUBLIC SERVICE PENSIONS

That the draft Judicial Pensions (Remediable Service etc.) Regulations 2023, which were laid before this House on 15 May, be approved.—(*Robert Langan.*)

Question agreed to.

STANDING ORDERS (CONSIDERATION OF ESTIMATES)

Ordered,

That Standing Order No. 54 (Consideration of Estimates) shall apply for the remainder of this Session as if, for the word ‘Three’ in line 1, there were substituted the word ‘Five’.—(*Penny Mordaunt.*)

PETITION

Planned closure of the Bank of Scotland’s Pollokshields Branch

4.21 pm

Alison Thewliss (Glasgow Central) (SNP): I rise to present a petition on behalf of my constituents on the planned closure of the Bank of Scotland’s Pollokshields branch. The Bank of Scotland in Pollokshields is due to close its doors, should the Bank of Scotland not reconsider, on 27 July 2023, to the upset of many in the community. I thank in particular Bill Lawns, the manager of the Nan McKay Community Hall, Tabassum Niamat of The Bowling Green Together and the wider Pollokshields community, whose wonderful spirit and kindness is shown on a daily basis.

The petition of residents of Glasgow Central,

Declares that the proposed closure of the Pollokshields Branch of Scotland in Glasgow will have a detrimental effect on local communities and the local economy; notes that this closure would negatively affect the large elderly population in the area, alongside those from ethnic minority backgrounds who prefer to transact in cash and deal with people they know; further notes that Albert Drive has been hit by two serious fires in recent years, and the Bank was an anchor holding footfall to the rest of the street.

The petitioners therefore request that the House of Commons urge the Government and the Bank of Scotland to take into account the concerns of petitioners and take whatever steps they can to halt the planned closure of this branch.

And the petitioners remain, etc.

[P002839]

Transport Accessibility: Bolton West

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

4.22 pm

Chris Green (Bolton West) (Con): It is a pleasure to get this Adjournment debate on public transport accessibility in the Bolton West constituency. Public transport is important to so many of my constituents who use it on a regular basis, whether for leisure reasons, to go to work or to go to the shops. However, it is immensely important for those people in the constituency who do not use it that we use the infrastructure overall to make sure that public transport can take a substantial load off the transport needs in and around the constituency.

This Government have a very good story in recent years in terms of investment. A few years ago, the Liverpool to Manchester electrification project was completed. It was part of the Government's ambition to level up and get the northern powerhouse going. The electrification of our railways is key to that. Not only that route, but the Manchester to Preston route, which goes right through the constituency, was electrified. There were huge technological challenges with tunnelling and historical concerns about our industrial heritage, but the Department and the wider team ensured that the project was delivered. We could then get rid of the ancient trains and have new, modern coaches on our tracks, which has made a significant difference. They are quieter, cleaner and far more attractive. If we want to encourage people to use public transport, we should deliver an attractive service that they feel happy and comfortable using.

There was also significant investment—£85 million—in the Ordsall Chord. That is part of the wider investment we need in Greater Manchester to ensure that the railway system works better, given that the city of Manchester is such an important hub for the wider railway system in the north-west of England and a key part of north-south connectivity.

More work needs to be done in the city of Manchester on, for example, the digitalisation of the railways. Even as we are improving services in many ways, there is congestion, and there are challenges in getting around Manchester and into Manchester from Bolton West and further afield. Improving services in the city of Manchester will enable Bolton West and neighbouring areas to improve their services too.

The Ordsall Chord is a magnificent structure, which is visually impressive. A huge amount of talent is responsible for the engineering behind it. The structure was made by Severfield steel in Lostock at the heart of Bolton West. One reason why I am so enthusiastic about the Government's actions on railways throughout the country—there is obviously a huge plan for HS2—is that much of that transport upgrade will require Severfield and other manufacturers to increase their output to deliver those magnificent projects. It is not just about the railways in Bolton West or the city of Manchester and beyond, but about manufacturing jobs in the steel industry, which rely on such investment.

I am looking forward to the delivery of the Daisy Hill accessibility project. The platform is currently not accessible to people in wheelchairs or with mobility challenges. When the project is started and rolled out later this year,

it will give those people the opportunity to use the railway station in Daisy Hill. It will also enable people to come to Westhoughton and that part of the constituency.

Significant challenges can be produced by success. One big concern is about car parking spaces in the constituency. The car parks at Lostock railway station, Blackrod, Horwich Parkway and Westhoughton are often full. That is partly because they are used by people who have a short drive to the railway station, from where they carry on their commute, perhaps up to Preston or down to the city of Manchester. However, the problem is not only down to local commuters.

Car parks are also full because of the commuters who travel from further away in Lancashire. People will drive into the Greater Manchester administrative area because there is a distinct drop-off in rail fares there. From talking to my hon. Friend the Member for High Peak (Robert Largan), I know about the concerns that exist there. Railway passengers should get on at their local stations, but they have to drive into Greater Manchester to avoid parking fees and to pay lower fares. I therefore believe that this is a problem for not just Bolton West, but constituencies across the Greater Manchester area and constituencies and areas around Greater Manchester.

Resolving the parking problems would be useful for local residents, but if we want a more environmentally friendly public transport system, it must reflect the concerns and interests of car drivers, many of whom use public transport as a stage in their journey to and from work.

The electrification project is ongoing. The Liverpool to Manchester and Manchester to Preston electrification has been of benefit to my constituents. We also have an ongoing electrification project between Bolton and Wigan. In the short term, it causes some disruption. When communication about these projects is well delivered—and Members have a role to play in ensuring that we get the information from the Department or the railways and share it more broadly—it gives a positive view of what we are doing, and people can buy into and appreciate the wider project. I think constituents are looking forward to getting these improved services and improved rolling stock.

I remember going to school in Widnes from Liverpool on the Pacer trains. People complained about them at that point, and as a Member of Parliament I have heard people complaining about them in the constituency in recent years. It is a relief to see them gone, and that demonstrates the progress we are making.

I think more of my constituents use the bus to get to work than the railway, so in many ways, bus services are more important. As part of the devolution strategy, this project has been handed to the Mayor of Greater Manchester. I appreciate that it will take time for the Mayor to develop his plans and ideas and to work with Ministers and the bus companies. He is now rolling out his devolution plan for Greater Manchester in the boroughs of Bolton and Wigan. I may be the Member for Bolton West, but my constituency also covers part of the Borough of Wigan, so this is of great interest to me and my constituents.

I look forward to seeing how the Mayor will deliver his plan. For me, the mark of success will be if we have a more comprehensive service covering a better geography,

with more point-to-point travel, so that people can get to work early in the morning, late in the evening or on Saturdays and Sundays. It is not just about the main routes. Some routes in Greater Manchester have very good bus services, where one bus is chasing after the other. We need to ensure there is a comprehensive system of bus services wherever people are, whether it is in a poorer neighbourhood or a wealthier neighbourhood, so that they can get to their place of work, be it in the town centre, the city centre or on a trading estate.

This is my challenge to the Mayor of Greater Manchester: now that he has the power—and it is a power he has wanted for a long time—he has to make sure he can deliver that comprehensive bus plan for my constituents in Bolton West, so that not only Bolton but Wigan and all the parts of them are better connected. Buses ought to be part of the plan, so that when we look at investment in Greater Manchester it is not always about getting to the centre.

One of my concerns about devolution is that it seems to be focused on the city of Manchester; it is only about having a railway network and a bus network to the city of Manchester. It is immensely important that we develop the radial aspect as well. We want to be able to go from Bolton over to Bury or down to Trafford. We want that radial aspect and to be able to reach out from Bolton West over to Chorley, Wigan and other places. That is what good public transport ought to be delivering. It should not just be about bringing people to the centre of Greater Manchester; it ought to enable people to go wider.

I appreciate that the Mayor does not necessarily have responsibility for the railways broadly or the bus services. That is where I would ask my hon. Friend the Minister and the wider team to make sure that they work with him, the other Mayors across the north of England and the boroughs and councils, as well as the providers of these services, to make sure that the system does not have artificial barriers, such as the barrier I mentioned between my constituency and the Chorley constituency. People should not feel as though they have to get in their car and drive, which to a certain extent would defeat the point of having that comprehensive transport system or public transport system—one where people can get on the bus or the train and relax, look out the window, or perhaps do a little bit of work on the way to work. They should not feel the need to get in their car to start that public transport journey.

My understanding is that there is multi-modal smart ticketing between buses and trams at the moment, which will become increasingly important; although it is quite technologically challenging in many ways, I look forward to that opportunity when it also applies to the railway system. I realise that it is really rather complicated, but the trams do not reach the Wigan or Bolton boroughs, so when that system applies to us, that will be one of the things making public transport far more convenient.

I appreciate the ongoing work on walking and cycling routes, with Government investment from Westminster being given to the Mayor, so that people do not have to drive to the railway station. They will feel comfortable with walking routes, or more so with cycling routes, if they are delivered well and there are appropriate facilities at the railway stations, giving people that comfortable option of being able to cycle to the railway station, whether they have a fold-up bike that they can take on

the train or they leave their bicycle at the station. I think those options are immensely important. I appreciate that some parts of Greater Manchester are rather more hilly and perhaps rather more rainy than Oxford and Cambridge, but I do think that if people are given that option, there will be significantly more take-up over time.

I will just talk about three other projects that are not in the narrow sphere of public transport but are immensely important. About 15 years ago there was a move to get a congestion charging zone in Greater Manchester, and the suggestion at that time under the Government in 2008 was that a further expansion of the tram network was dependent on a congestion charging zone being imposed on Greater Manchester. It was very frustrating that that investment was contingent on a congestion charging zone. There was a referendum in Greater Manchester in 2008, and every single borough opposed a congestion charging zone—even the city of Manchester, which would have had the least negative impact.

That scheme has been revisited, admittedly in a distinct form as a clean air zone, but fundamentally much of the practice is very similar to what we had before. Initially, it does not apply to cars—it applies to buses, vans and lorries—but one of my concerns is that it will evolve over time. We want to be positive about public transport, but if this modern iteration of that congestion charging zone is imposed, people will feel—and do feel at the moment—that they are being told to stop using the vehicle they normally use because it is convenient, and have no choice but to use public transport. They are almost coerced into using public transport. I appreciate that the initial plans for the congestion charging zone in Greater Manchester do not cover cars, but I suspect that in the very near future they will, and many people see that project as coercive. I think it is the duty of the Mayor of Greater Manchester to make sure that in Greater Manchester public transport is a choice that people want to take, rather than a choice that they feel coerced into taking.

My final note on this topic is similar: I know the Mayor has raised a point about workplace charging zones, where people driving to work have a tax on them, or perhaps a tax on their business. Again, I can see why the Mayor would want to have that revenue-generating system, but the emphasis should be on improving the railway system—as this Government are doing—upgrading it, and making it cleaner and more efficient. We should be building that capacity, not just in the Bolton West constituency but across Greater Manchester and beyond, and improving the bus system. I appreciate that the Government have given immense powers, ability and support to the Mayor of Greater Manchester to deliver on that.

There is a lot of discussion about the tram system and how it is going to be expanded, but I am not tempted at the moment to say that it should come to my constituency from Greater Manchester, though many constituents would be. Perhaps its coming to Bolton North East would be more appropriate, because that links with Bury far more effectively than it perhaps would with Bolton West. We are actually blessed with railway stations right across the constituency. I have mentioned Horwich Parkway and Blackrod, and we have Westhoughton, Daisy Hill, Hag Fold, Atherton and Lostock, which link in with the wider network. I as

[Chris Green]

a local Member of Parliament and many other colleagues right across the country champion the cause of the local public transport network. It is my judgment: I enjoy using the buses and the trains, because I so often find driving so frustrating. It is far more relaxing and far more comfortable and, when I come into work and I do what I do, I am often in a better and more relaxed state of mind.

I ask the Minister to continue his good work with what he is doing in promoting the railways, to continue working with colleagues on the overall transport infrastructure and to make sure that the ongoing delivery between Bolton and Wigan is delivered on time.

4.41 pm

The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden): I begin by congratulating my hon. Friend the Member for Bolton West (Chris Green) on securing this debate, and on speaking so passionately about the issues not just in his constituency, but across Greater Manchester and the wider region. He made the point at the very start of his comments that the transport infrastructure should not be a funnel towards Manchester city centre, but a fanning out, with a radial approach right across the region. As a Lancashire lad from not very far up the road in Blackburn, I am fully aware of many of the issues he has raised. I used to trundle through on those Pacer trains down the Ribble Valley line through Bolton and into Manchester, and we can see the transformation over the last few years with the investment from this Government. I have visited Bury recently, but I will be coming to Bolton soon, so I look forward to seeing some of the upgrades my hon. Friend has talked about, particularly around Daisy Hill station as I am the accessibility champion for the Department.

My hon. Friend talked about the radial movement of traffic around Greater Manchester, and I think it was particularly important what he said about the need to avoid any of the artificial barriers that council boundaries can sometimes create. I am really glad to see that he and other Conservative Members from across Greater Manchester are happy to work with the Mayor. Just yesterday, I had a meeting with the Mayor and my hon. Friend the Member for Leigh (James Grundy) about some of the projects the Mayor is pushing forward. I am just so glad to see Conservative Members leaning forward on that. I know that some Opposition Members, if any had been here today, would not perhaps have wanted to talk about the Mayor of Greater Manchester, given that we know the relationship between him and the Leader of the Opposition could perhaps be improved, if I can put it like that. However, it is Conservative MPs who are really leading the fight for their constituencies right across the region. Given the long-standing nature of the career of my hon. Friend the Member for Bolton West compared with that of some of his colleagues in Greater Manchester, I am sure he will be able to guide them and help them.

My hon. Friend is right to talk about the broader issues of economic opportunity, because that is what transport is really about. Yes, it is about getting from A to B, but it is also about why someone wants to get from A to B. It is about cultural connections, economic growth and delivering opportunity for people across the

country, and I think that was at the heart of what he was really saying. It is about the broader levelling-up approach that the Government have taken in that space, and we need to continue that and do more of it.

The Government recognise the importance of transport to Greater Manchester, its people and the economy, and we have demonstrated that in the commitments made through the “trailblazer” deeper devolution deal, and our significant funding commitments, such as the electrification projects that my hon. Friend talked about. Indeed, when I was a special adviser in the Department for Transport a few years ago, I remember visiting Bolton with the then Secretary of State and my hon. Friend, to see some of that fantastic work in progress. It goes to show that over the past 13 years there has been a huge amount of electrification, compared with what happened in the previous 13 years.

Chris Green: Many tens of miles have been delivered under this Government, with about seven or so miles during 13 years of the previous Government. We are delivering, and we have more ambitious plans to carry on rolling out electrification.

Mr Holden: My hon. Friend is right about the seismic shift in electrification. I cannot quote the exact number off the top of my head, but I will write to him with that. We are talking about a magnitude of 10, 20, or 30 times what happened under the last Labour Government. That shows a real commitment to transport in this country, and to faster, more reliable transport. Electric trains are also lighter, which reduces wear and tear on the network because they do not have to drag a full diesel engine. There are all sorts of benefits to electrification.

However, it is not just electrification. We have put more than £1 billion into Greater Manchester through the city region sustainable transport settlement over five years. Most areas of local government love the prospect of a five-year plan, but we have delivered it. We have delivered it because we need that long-term vision, and we want to back that long-term thinking for Greater Manchester, to ensure that it can properly level up. There are also local public transport and active travel networks. On top of that, we have invested £94.8 million to support the implementation of Greater Manchester’s bus service improvement plan, and another £35.7 million for the zero-emission bus network.

Just in the past fortnight, the Secretary of State and I signed off an additional £18 million in extraordinary funding for Greater Manchester, to help maintain local transport services until the end of 2024. Two weeks before that we announced a further £72.3 million infrastructure package for rail services in Greater Manchester and the north-west, with upgrades to Manchester Victoria, and a third platform being built at Salford Crescent. That will help to ease those bottlenecks into Manchester, and particularly on the Manchester to Bolton corridor that my hon. Friend will know well. Those works support future service improvements to a range of destinations across, and not just into, Greater Manchester and beyond, including the constituency of my hon. Friend. That forms part of much wider plans to transform rail services in the area and across the north of England, including the trans-Pennine route upgrade and electrification of the Wigan to Bolton route that my hon. Friend mentioned. All those schemes

build on in excess of £1 billion investment completed in 2019, which upgraded and electrified many railway lines across the north-west, and introduced that crucial new fleet of trains for Northern and the TransPennine Express for which we had waited so long.

Let me turn to the specifics of the electrification on the Wigan to Bolton line, which my hon. Friend mentioned. In September 2021, the Government invested £78 million to electrify the railway lines between Bolton and Wigan by the middle of this decade. That vital project will enable the Bolton to Manchester corridor, which is one of the busiest rail routes in the area, to host longer electric trains with a greater seating capacity—that is often a concern mentioned by our constituents up and down the country, particularly at peak hours. The work will electrify 13 miles of track and lengthen platforms for six-car capacity at Westhoughton, Hindley and Ince stations. Line closures have been happening since January, delivering the early works, including replacement of bridges. Indeed, as I speak the new Ladies Lane concrete bridge spans over Hindley station are being readied for installation this weekend. Project plans to ensure delivery at the earliest opportunity are in progress so that passenger benefits can be realised swiftly.

My hon. Friend will be pleased to note that in December 2022 the timetable successfully implemented a number of changes developed through the Manchester taskforce, to improve on the performance levels experienced in 2018 and 2019 when delays marred a significant number of journeys. The Bolton corridor saw an increase in train lengths to provide sufficient capacity to meet demand, a standardised timetable pattern and the re-routing of the Barrow-Windermere airport service via the Bolton corridor. The Manchester taskforce is currently looking at the next stage of service development to maximise the benefits of the Wigan-Bolton and Victoria-Stalybridge electrification schemes and the recently announced improvements around Manchester. That is more of those tentacles spreading out, as my hon. Friend mentioned.

My hon. Friend spoke extensively about buses in his speech. Given that I am the local transport and roads Minister, it is one of my favourite forms of transport. Not only do I look after it directly, but it also uses roads, which are the other part of my brief, so buses are particularly important to me. I echo his comments. The Government know how important local bus services are to ensuring communities can stay connected and people can access vital local services, particularly many of the elderly, who for a variety of reasons may no longer be able to use their own transport. That is why we have invested more than £3.5 billion in buses since March 2020 to keep services running in the face of plummeting levels of patronage during the pandemic and to drive long-term improvements to bus services up and down the country. That includes our recently announced package of long-term support of £300 million over the next two years to provide the long-term certainty that the sector requires to deliver sustainable bus networks that better reflect the needs of those who rely on these vital services every day.

Part of that funding was for the measures to ensure we have cheaper bus fares with the £2 cap on single fares from 1 January, which is currently available on more than 5,000 routes across England outside London, including ones from my hon. Friend's constituency out to other parts of the country. Sometimes our Metro Mayors

take full credit for the bus service support locally, but it is only right that my hon. Friend takes some of the credit, because it is only his votes in this place that have allowed us to deliver that money for the Mayor of Greater Manchester. It is important that we recognise that.

The measure to cap fares is helping to encourage more people to use buses and is saving passengers money during what everyone in the House acknowledges are difficult economic times. That is why we recently announced that the scheme will be extended until 31 October this year, with a further £2.50 fare cap all the way through to 30 November 2024. The funding we have provided over the past three years is the largest Government investment in buses for a generation.

In the past three years alone, Greater Manchester has received around £135 million from this Government purely in pandemic-related support to keep the buses running. That is in addition to the £95 million to deliver Greater Manchester's local bus service improvement plan and almost £36 million to support the roll-out of zero-emission buses in Greater Manchester. We have stepped up to support Greater Manchester's local transport network as it implements the franchising of bus services and delivers the Bee Network. Giving local transport authorities greater control over the provision of bus services in their area, either through an enhanced partnership or through franchising, is a key part of the Government's levelling-up agenda. For areas that decide to take on franchising, that means they are taking on the farebox risk, so they need to ensure that their plans are right, and they will rightly be held accountable by the public for the decisions they take.

We are clear that franchised services must deliver a more comprehensive service for passengers, so I am pleased that my hon. Friend's constituents will be some of the first to benefit from the newly franchised services in Bolton and Wigan when they commence this September.

My hon. Friend raised the workplace parking levy. On local charging, I am aware of the attempts in 2008 by the Greater Manchester authority to introduce a congestion charge as part of a bid to the then Government's transport innovation fund. That was rejected by a local referendum, as my hon. Friend mentioned, and has not been resurrected since. Any consideration of a workplace parking levy would be for local authorities to promote and is a matter for local judgment and debate.

However, workplace parking levy schemes cannot be implemented without formal approval from my right hon. Friend the Secretary of State, who will consider in full the merits of any proposals and listen to hard-working local MPs from across the Greater Manchester area. I recognise that a workplace parking levy scheme may have wider impacts on local residents and businesses. We would expect the local authority to explain those impacts in full to the Secretary of State as part of any proposal, along with any mitigations proposed to the negative impacts where a local authority has concluded that there is no feasible alternative to such a levy.

My hon. Friend also mentioned the Mayor's plan for a clean air zone. Greater Manchester local authorities provided revised air quality proposals on 1 July last year. We have written requesting further evidence from the Greater Manchester authorities to enable us to consider their plans further. The Government have already allocated nearly £170 million to Greater Manchester to

[Mr Holden]

help reduce nitrogen dioxide levels. That is on top of the money we put into the zero-emission bus plan and into the city region sustainable transport settlement. Some of the comments that he made were particularly important. We should be providing that positive choice of a public transport alternative to people and not trying to coerce them into doing things. That is what is most important and that is what the Government have stood behind with more than £1 billion put in through a five-year package. I urge local government across the country, including in Greater Manchester, to think about the message that it is sending to people when it proposes some of these plans.

I turn to the important issue of accessibility to transport. There are more than 14 million disabled people in the UK—a fifth of the country—and that number is set to rise further as the population grows and people develop more issues in their old age. Today, disabled people make fewer journeys than non-disabled people and are significantly less likely to be employed. Transport can act as a powerful enabler, connecting people with places and unlocking access to education and employment, but it can do that only if it is designed and provided with disabled people in mind.

It is vital that the transport services we rely on can be used easily and confidently by everybody. That is at the core of the Government's inclusive transport strategy, published in 2018, and it is just as relevant today as when it was first released. The strategy outlines a number of commitments, and the progress that we are making to address them will support disabled people across Bolton West to make the journeys that are important to them, as it will for millions of disabled people across the country. That will also provide broader benefits for the rest of the travelling public.

For example, in May—just last month—Parliament approved the Public Service Vehicles (Accessible Information) Regulations 2023, which I took through Committee. They will require the provision of audible and visible information on board local bus and coach services in Britain, so bus users in Bolton should be able to travel with as much confidence as those in other parts of the country. That is a small but important part of levelling up for many people in the country.

We also continue to invest in the accessibility of our railway stations. I am pleased to say that, as hon. Friend said in his speech, a new lift will be installed later this year at Daisy Hill to provide a step-free route between the station entrance, ticketing facilities and

platforms. In March, we launched the inclusive transport leaders scheme, inviting transport operators from across the country to share their knowledge of improving service accessibility and to celebrate their progress in supporting the creation of an inclusive transport system. Those are just three examples of how the Government are levelling up accessibility across our country, including in Bolton West.

In 2020, we launched the “It’s everyone’s journey” campaign, encouraging all passengers to travel with a little more awareness of each other’s needs, and in so doing seeking to increase disabled people’s confidence to travel. Last year, we supported the Bill introduced by my right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright) that aimed to eliminate discrimination against all disabled taxi and private hire vehicle users. Later this year, we will publish updated best practice guidance for local licensing authorities, including strengthened recommendations on providing an inclusive service.

On buses, local authorities entering into partnership arrangements with their local bus operators are required to actively reflect the needs of their disabled passengers in their plans, and new bus charters should ensure a shared understanding of the rights of all bus users to access services. So, across the piece, whether on private hire vehicles and taxis, on our buses or on our rail network, the Government are at the forefront of ensuring that accessible public transport options are available to everybody.

Greater Manchester now faces a significant opportunity as it prepares to franchise bus services later this year, to redefine what an accessible transport system means and to ensure that services, including in my hon. Friend’s constituency, genuinely reflect the needs of local people and passengers. We rightly seek improvements in accessibility at a national level, but I am keenly aware that inaccessibility is deeply individual and a localised experience. It is about the buses, taxis and trains that disabled people take every day, and the extent to which they are respected as individuals and their needs anticipated.

I am clear that together as a Government, working with transport authorities and operators and the mayoral combined authorities, we must strive to listen to passengers, whatever their needs are. We must seek to improve transport provision so that it truly works for everyone, every day.

Question put and agreed to.

5 pm

House adjourned.

Westminster Hall

Tuesday 20 June 2023

[MR NIGEL EVANS *in the Chair*]

Smokefree 2030 Target

9.39 am

Bob Blackman (Harrow East) (Con): I beg to move, That this House has considered the Smokefree 2030 target.

It is a pleasure to serve under your chairmanship once again, Mr Evans, and thank you for stepping in to ensure that the debate can take place. We will be considering the 17 April statement to the House on achieving a smokefree England by 2030, cutting smoking and stopping kids vaping.

The debate is co-sponsored by me, in my capacity as chairman of the all-party parliamentary group on smoking and health, and by my friend, the hon. Member for City of Durham (Mary Kelly Foy), who is a vice-chair of the group. The APPG wants to ensure that Parliament has the chance to debate the announcement made by the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Harborough (Neil O'Brien), and to consider whether those measures are sufficient to end smoking by 2030 and level up the health and wellbeing of some of the most deprived communities in the country.

At the outset, I commend my hon. Friend the Under-Secretary for announcing the first tobacco control measures since the Government set out their Smokefree 2030 ambition way back in 2019. Since 2021, the APPG has been calling for greater funding to help smokers to swap and to stop, and to provide incentives to help pregnant smokers to quit. We are extremely pleased to see that those measures have been taken forward.

However, while the measures recently introduced by the Government to achieve a Smokefree 2030 are welcome, they are insufficiently ambitious, as they provide only a quarter of the funding called for by the Government's own independent review last year. Meanwhile, big tobacco continues to make extreme profits selling highly addictive, lethal products that kill if they are used correctly.

The idea of a levy on the industry is popular and feasible, and is supported by voters of all political persuasions, as well as the majority of tobacco retailers. The manufacturers clearly have the money and high profits, so they should be made to pay to end the epidemic. This is more than just a health crisis because delivering a Smokefree 2030 is integral to delivering economic growth, which is a mantra for the Government and for Opposition parties.

Analysis conducted by Landman Economics on behalf of ASH—Action on Smoking and Health—found that, in addition to causing around 75,000 premature deaths a year in the UK, in 2022 smoking cost the economy a staggering £173 billion, including lost productivity and premature death.

Let me break those figures down. The cost to the public finances was £21 billion, which is nearly double the tobacco tax revenues of £11 billion. The cost to the

NHS was £2.2 billion, and to social care £1.3 billion. Those figures are substantial, but they pale into insignificance beside the £5 billion of social security payments and the £11.8 billion of lost income tax and national insurance—people who are sick from smoking are unable to work. That is public money, and it will continue literally to go up in smoke for years to come unless we take urgent and bold action.

I welcome the measures announced by the Minister in April, but I recognise that they still fall well short of the recommendations in Dr Javed Khan's independent review. Of the four “must do” measures recommended by Dr Khan, only one—promoting vaping for adult smokers—has been fully adopted by the Government. The recommendation to improve prevention in the NHS has been partially implemented via the new NHS long-term plan with respect to tobacco treatment services, but those have been constrained by a lack of funding.

Dr Khan's top two recommendations, which are increased investment in tobacco control and increasing the age of sale, have not been adopted, which has left tobacco control efforts desperately underfunded and put the Smokefree 2030 ambition in critical jeopardy. While I commend the Government's ambition and commitment to make smoking obsolete by 2030, to date that ambition has not been matched by funding. Dr Khan's independent review made it clear that a Smokefree 2030 cannot be delivered on the cheap. Speaking recently on improved public sector productivity, the Chancellor stated that

“we count the number of hospital treatments but not the value of preventative care, even though that saves lives and reduces cost.”

I could not agree more.

Public health interventions, such as smoking cessation, cost three to four times less than NHS treatment for each additional year of good health achieved in the population, yet this is where the largest budget cuts have fallen to date, with the public health grant falling by a quarter in real terms since 2015 and funding for tobacco control falling by almost half. Local authorities have done their best to continue delivering vital tobacco control activity despite these funding cuts, but there is much more that we can do. If the Government are serious about the Smokefree 2030 ambition, they cannot keep asking local government to do more with less. More funding must be made available to deliver it.

Last year, Dr Javed Khan called on the Government to urgently invest an additional £125 million per year in a comprehensive Smokefree 2030 programme. One of his options for raising that money was a “polluter pays” levy on tobacco manufacturers, based on the principle that those responsible for the problem should be required to fix it. The principle has been accepted on numerous occasions: the landfill levy; the tax on sugar in soft drinks; requiring developers to pay for the costs of remediating building safety defects; and, most recently, a statutory gambling levy. The “polluter pays” model would enable the Government to limit the ability of manufacturers to profit from smokers while protecting Government excise tax revenues. That will prevent big tobacco gaming the system as it currently does with corporation tax.

Despite paying little corporation tax, the big four tobacco companies make around 50% net operating profits in the UK—far higher than the average of 10% for UK manufacturers overall. Imperial Brands is the most

[*Bob Blackman*]

profitable, with 40% market share in the UK and over 70% net operating profits in 2021. Why should an industry whose products diminish the health of users be allowed to make such excessive profits? A levy could raise £700 million a year while capping the profits on sales to ensure that the costs are not passed on to smokers. Some £700 million from tobacco manufacturers would more than cover the £125-million additional funding that Dr Khan estimated was needed for tobacco control, with money left over for other prevention and public health measures.

[*MR VIRENDRA SHARMA in the Chair*]

Amendments to the Health and Care Act 2022 calling for a consultation on such a levy were tabled by the hon. Member for City of Durham, who is co-sponsor of this debate, and were accepted in the House of Lords last year. Health Ministers were sympathetic, but the Treasury opposed the measure, so it was voted down by the Government, despite overwhelming public support for a levy. Some 75% of the British public think that tobacco manufacturers should be made to pay. My first question to the Minister is: can he tell me, if the Government will not commit to a levy on tobacco manufacturers, how, when and where will they find the additional funding needed to deliver the Smokefree 2030 ambition? Since 2020, public health Ministers have committed to publishing a new tobacco control plan, initially by July 2021 and then by the end of 2022—we are still waiting. The previous tobacco control plan expired last year, leaving us without a strategy or any targets for reducing smoking rates among the most disadvantaged groups.

In the absence of national leadership, local authorities are stepping up to the plate. For example, the London Tobacco Alliance, which I am proud to support, launched last year. It is leading the charge to make the capital smoke-free by 2030. I am sure the Minister will join me in commending the alliance and other regional partnerships across the country that are committed to tackling smoking in their communities. In place of a tobacco control plan, the Minister has said that tackling smoking will be “central” to the major conditions strategy. However, the recent call for evidence for that strategy was not reassuring, and certainly did not place smoking front and centre. My second question is: if the Minister will not commit to a new tobacco control plan—I wish he would—can he at least reaffirm that smoking will be central to the major conditions strategy and that further tobacco control measures will be included in the major conditions strategy when it is finally published? I assure the Minister that he has the full support of the APPG in his efforts to tackle youth vaping, and recent announcements by both the Minister and the Prime Minister are warmly welcomed.

My views on youth vaping were summed up expertly by the chief medical officer:

“If you smoke, vaping is much safer; if you don’t smoke, don’t vape; marketing vapes to children is utterly unacceptable.”

The APPG is deeply concerned about recent figures published by ASH showing that there has been a significant rise in youth experimentation with nicotine e-cigarettes, driven by cheap, colourful disposable vapes and child-friendly marketing.

Dr Neil Hudson (Penrith and The Border) (Con): I congratulate my hon. Friend and the hon. Member for City of Durham (Mary Kelly Foy) on securing this debate. Although I acknowledge that vaping has a role in helping adults to quit tobacco smoking, youth vaping has unintended consequences, as my hon. Friend is starting to elaborate. We have seen a surge in such vaping, and there are huge health and environmental concerns. As he said, the products are targeted at young people, with colourful packaging and flavouring. The Government have taken some strong steps. Does my hon. Friend agree that we need to go faster to stop this unintended public-health ticking time bomb?

Bob Blackman: I thank my hon. Friend for that intervention. It reminds me that 11 years ago I led a debate in this place on introducing standardised packaging for tobacco products. At the time, both the Government and the Opposition said they had no plans to support such a measure. Of course, we now have standardised packaging of tobacco products. I hope we can get standardised packaging of vaping products as well.

The Government recently issued a call for evidence on the best approaches for tackling youth vaping. I look forward to seeing the response. First and foremost, the Government should make disposable vapes, which are the worst things for the economy, much less affordable, by adding a £5 excise tax. That would also make the distribution of those products subject to much more stringent controls, making it easier to prevent illicit and underage sales. It would in particular ban the issuing of free samples to young people.

Will the Minister tell us when the Government’s response to the call for evidence on youth vaping will be published, and whether it will include specific enhanced regulation to address loopholes in the law? I welcome the Minister’s commitment to adapting the tobacco trace and trace system, to strengthen enforcement and to target the illicit market. I particularly welcome the Minister’s commitment to exploring how to share information with local partners about who is registered on the track and trace system, which is critical.

Gareth Johnson (Dartford) (Con): Does my hon. Friend agree that there is a critical role for trading standards in enforcing measures against illegal vapes, counterfeit tobacco and underage sales? We could greatly secure the environment for the consumer by trading standards enforcing the laws.

Bob Blackman: My hon. Friend must have read the next part of my speech. At present, trading standards officers have one arm tied behind their back in the fight against illicit tobacco, due to a lack of options for identifying and cracking down on retailers who repeatedly flout tobacco regulation. We know that retailers who sell illicit tobacco products are much more likely to sell tobacco to children, undermining tobacco-control regulations. They also seek to hook children on the addictive product that kills more than half of long-term users, by giving or selling them vapes in the first place.

Retailers are required to have an economic operator ID before they can trade in tobacco, under the current tobacco tracking and tracing regulations. Through adaptation of that system, local enforcement will easily be able to identify retailers who are breaking the law,

and hold them accountable. That is the approach that I recommend in my ten-minute rule Bill, which would introduce a retail licensing system, similar to the one that exists for alcohol. Retail licensing for tobacco was recommended in Dr Khan's independent review.

The Minister will be pleased to know that that approach has the support of the public and retailers. Survey evidence from ASH, published last autumn, found that more than eight in 10 small tobacco retailers support the introduction of a tobacco licence, backed by mandatory age verification. Will the Minister commit to publishing further detail on his plans to strengthen the track and trace system, before Second Reading of my ten-minute rule Bill on retail licensing in November?

It is undeniable that big tobacco and those representing its interests never cease in their attempts to undermine public policy, not just on tobacco but on vaping. Only last weekend, *The Observer* revealed that lobbyists connected to big tobacco were funding Facebook campaigns opposing new vaping regulations. Regulations, I think we can all agree, are desperately needed to protect children. It was exceptionally well timed, therefore, that yesterday the Department of Health and Social Care published guidance for all parts of Government on our legal obligations to protect public policy from the commercial and vested interests of the industry—guidance that I very warmly welcome. The Department of Health and Social Care, as custodian of the World Health Organisation framework convention on tobacco control, has been staunch in its support for that treaty and has upheld our legal obligation to strictly limit any engagement with the industry solely to that required for effective regulation of the industry. Will the Minister put it on the record that Government—the Executive, legislature and judiciary—are required to limit interactions not just with tobacco manufacturers but with any organisations or individuals with affiliations to the tobacco industry, including lobbyists or industry trade bodies, such as the UK Vaping Industry Association, which lists big tobacco among its members?

Mr Sharma, it is good to see you in the Chair; thank you for stepping in. When the Government initially announced their Smokefree 2030 ambition, it was described as “extremely challenging”. Four years on, not only has the challenge increased but the need for action has become more urgent. Cancer Research UK estimates that we will miss achieving the ambition by nine years; it will be even longer for the most disadvantaged in society. I am sure that the Minister agrees that that is not acceptable, so I wish to remind him of comments that he made in his previous role as a Minister for levelling up. He said that

“ultimately on public health and on prevention, we need to think extremely radically and really floor it, because otherwise the NHS will just be under humongous pressure for the rest of our lifetimes because of an ageing population.”

The proposals brought forward to date have been radical, but are not yet sufficient. There is nothing on key measures recommended by the APPG and by Dr Khan in last year's review, which included reinstating funding that was cut for behaviour change campaigns, raising the age of sale, retail licensing, and tougher regulations for tobacco as well as vaping. I hope that when the Minister replies to this debate, he can assure the Chamber that the major conditions strategy will be published this year and will contain further measures—and funding—sufficiently radical to achieve our ambition for a smoke-free

future, not just in England but throughout the United Kingdom. I look forward to hearing the contributions of other colleagues on this important matter, and thank you, Mr Sharma, for allowing this important debate to take place today.

Several hon. Members *rose*—

Mr Virendra Sharma (in the Chair): Order. I have two announcements to make before I call the next speaker. This debate will still finish at 11 am. I intend to start calling Opposition Front Benchers at 10.30 am. Rather than setting a time limit now, I make this request of all Members: try to be brief, so that everybody can contribute. I hope that, in that way, we can deal with the situation. I call Mary Kelly Foy.

9.58 am

Mary Kelly Foy (City of Durham) (Lab): It is a pleasure to serve under your chairmanship, Mr Sharma, and to follow my co-sponsor of this debate, the hon. Member for Harrow East (Bob Blackman). He is also the chairman of the all-party parliamentary group on smoking and health, of which I am a vice-chair. I declare that interest.

As we have heard, the measures announced by the Minister in April were a step in the right direction. However, they fell very short of the comprehensive strategy outlined by the APPG and the Khan review, and it has taken far too long—almost four years—for the Government to get going on this. In the meantime, tobacco continues to kill an estimated one person every five minutes in Britain. The deaths are disproportionately concentrated in regions such as the north-east—regions that have some of the highest rates of poverty and, in turn, the highest rates of smoking in England. In the north-east, nearly 13,000 people died prematurely from smoking between 2017 and 2019. This has an economic cost for our communities of over £100 million in healthcare costs and £64 million in social care costs. All the while, tobacco companies make record profits, leaving the taxpayer and families to pick up the pieces.

We are fortunate in the north-east to have a highly effective regional tobacco control programme—Fresh—funded by all the local authorities in the region and the local integrated care board, and it has proven successful over the years. Just yesterday, it launched a new behavioural change campaign called “Smoking Survivors”, which features two women from the north-east who have quit smoking and survived cancer. However, national funding for behavioural change campaigns such as that fell by around 90% between 2008 and 2018. Although regional activity is vital, we need strong leadership from the Government if we are to see every region be smoke free by 2030.

Like the hon. Member for Harrow East, I welcome the Minister's recent announcement on tackling youth vaping, but why did it take so long for the Government to act? When the Health and Care Act 2022 was going through Parliament in 2021, I tabled amendments that would have given the Government powers to prohibit child-friendly branding on e-cigarette packaging and to ban the free distribution of vapes to under-18s, which, as we know, has strong cross-party support. To my amazement, not only did the Government fail to adopt my amendments, but they voted them down.

[Mary Kelly Foy]

As the Minister will remember, one of Dr Khan's must-do recommendations was raising the age of sale for tobacco beyond 18, so I was disappointed not to see that included in the April announcement. The all-party group has already urged the Government to launch a public consultation on raising the age of sale, and I urge them to do that too.

I will end with a few questions for the Minister, which probably echo what the hon. Member for Harrow East asked. Will the Minister commit to consulting on a "polluter pays" levy to raise funding for a comprehensive tobacco control strategy?

Will the Government consider measures to address the affordability, accessibility, appeal and advertising of vapes, which were recommended by ASH in its response to the Government's call for evidence on youth vaping? Once again, I highlight the fact that big tobacco companies rigorously lobby against vaping regulations, so I would like the Minister to take note of that.

Will the Minister confirm that a consultation on raising the age of sale will be considered? Finally, will he reassure the House that a comprehensive strategy to address smoking and vaping will be delivered—if not through the tobacco control plan, as promised by his predecessors, then in the forthcoming major conditions strategy?

Mr Virendra Sharma (in the Chair): I urge Members to stick to about five minutes.

10.3 am

Damien Moore (Southport) (Con): It is a pleasure to serve under your chairmanship, Mr Sharma. I congratulate the hon. Member for City of Durham (Mary Kelly Foy) and my hon. Friend the Member for Harrow East (Bob Blackman) on securing this important debate. The Department of Health and Social Care's announcement in response to the Khan smoking review of last year was a positive step to ensure the UK remains a world leader on harm reduction and has a strong chance of reaching the Government's ambitious Smokefree 2030 target. That said, I worry there is a serious risk that the target will be missed, with an estimated 13.3% of adults in the UK still smoking. The Department's announcement that a reduction in smoking would also reduce the number of hospital admissions is clearly correct. It would help the Government's priority of reducing NHS waiting lists.

The Government are taking a harm reduction approach to tackling smoking. As the Minister said, the person who quits today is the person who is not in a hospital bed tomorrow. I therefore welcome the Government's highly pragmatic approach to vapes, but only by embracing all smoking alternatives—not just vaping, but gum, patches and NHS stop smoking services—can the UK give itself the best chance of hitting its Smokefree 2030 target, with the health benefits that would result from that.

There are 3.3 million vapers in the UK, but vaping does not meet the needs of all smokers looking to stop. Furthermore, because it does not closely mimic smoking, 35% of current vapers use vapes and cigarettes alongside one another, as confirmed by Action on Smoking and Health. Other products, such as "heat not burn", heat

tobacco rather than burning it, and therefore produce substantially fewer harmful and potentially harmful chemicals than cigarettes. They also mimic cigarettes much more closely than vapes, which means that smokers who switch to them are less likely to continue smoking. Importantly, studies have shown that they are less attractive than vapes to younger people who have never smoked.

That said, there are rightly concerns about youth uptake of vaping. Vapes are designed for adult smokers who are trying to quit, not for teenagers to use as a gateway to other nicotine products. There is clearly a balance to be struck between ensuring that vapes do not end up in the hands of young people and not hindering the access of adult smokers to these reduced-risk alternatives.

At international forums, the UK should stand up for this positive harm-reduction approach to tackling smoking. Now that it has left the EU, it can speak as a world leader on harm reduction, alongside nations such as Sweden and Japan, to demonstrate the powerful role that support for less harmful alternatives to cigarettes can play in reducing smoking prevalence.

In 2018, when I sat on the Science and Technology Committee, we called for independent research to be commissioned on the relative risks of "heat not burn" tobacco products. The research would fill the gap in knowledge and understanding of the impact of these products and the relative harms compared to other products, such as e-cigarettes, and would ensure that evidence-based policymaking was not solely reliant on the industry for scientific evidence. I stood—and indeed continue to stand—firmly by that call from the Select Committee for proper scientific research to be done. It is only when we have all the facts that we can make the most effective decisions to help us stop smoking by 2030, with all the health benefits that that entails and all the lives it will save.

10.6 am

Mrs Paulette Hamilton (Birmingham, Erdington) (Lab): I thank the hon. Member for Harrow East (Bob Blackman) and my hon. Friend the Member for City of Durham (Mary Kelly Foy) for securing this important debate. For seven years, I was the cabinet member on Birmingham City Council overseeing public health. Because of that, I have seen the long-term health impacts of smoking on communities across both Birmingham and the UK.

It is shocking that one of the biggest causes of death in the UK—causing around 150 cases of cancer per day—is entirely preventable. Around 6.6 million adults currently smoke in the UK. In Birmingham and Solihull, more than 10,000 people are admitted to hospital per year as a result of smoking. As a district nurse, I saw the effects that smoking can have on people both with and without existing health conditions and how difficult it can be to quit. I met patients with COPD—chronic obstructive pulmonary disease—who were using oxygen to help them to breathe and who would still ask to be wheeled outside to smoke because they were so addicted to smoking.

We have a very strong pro-smoking lobby in the UK. Action on Smoking and Health reported that the tobacco industry works to undermine public health measures and is increasing its marketing plans, including to market to young people and to oppose regulation. In the face of that, young people in my constituency do not stand a

chance. That is why we truly need strategies to prevent our young people from starting smoking in the first place.

I recognise that encouraging the use of e-cigarettes is a vital part of the Government's strategy. However, it is important that we do not forget about the risk associated with them. Not enough research has been done on vaping for us to know the long-term effects, especially during pregnancy, and the impact on the lives of children who vape, which are just starting to show through. Last year, 40 children in England were admitted to hospital due to vaping-related disorders, with 15 children under 10 admitted due to the effects of vaping. We are relying on best estimates to understand the impacts of vaping. It is vital that the Government commit to proper research and enforcement, including clamping down on the sale of e-cigarettes containing harmful levels of nicotine.

The ambition is for England to be smoke free by 2030. It is a welcome target, and the Government themselves have recognised that it will need bold action. The Khan review, which was published a year ago, found that, without further action, England will miss the smoke-free target by at least seven years, and the poorest areas, such as my communities in Erdington, Kingstanding and Castle Vale, will not meet it until 2044. We are still to see the Government's new tobacco control plan more than a year later.

It is ridiculous that, since the Smokefree 2030 target was published—only three years ago—the Secretary of State has changed four times. If we are serious about stopping smoking and improving outcomes for all, we need an NHS fit for the future, with the capacity to deliver long-term, ambitious targets for public health. We need a serious Government, committed to backing our health service. Only Labour can deliver on those promises.

10.11 am

Jim Shannon (Strangford) (DUP): I thank the hon. Members for Harrow East (Bob Blackman) and for City of Durham (Mary Kelly Foy) for securing this important debate. I am always pleased to come along and make a contribution.

Although Northern Ireland does not yet have a smoke-free target, I strongly support the Smokefree 2030 ambition. I welcomed the Minister's announcement in April, which set out a number of bold and innovative measures. Putting in place the measures needed to make England smoke free by 2030 will enhance efforts to tackle smoking across the whole United Kingdom. Although Northern Ireland and the other devolved nations hold responsibility for their own health policies, the Government in Westminster maintain responsibility for UK-wide policies, which will impact progress in the devolved nations. I know that the Minister is always keen to respond in a positive way; perhaps he could confirm that discussions have taken place and tell us their outcome.

I particularly welcome the commitment to hold a consultation on pack inserts. All of us have probably called for that—I know I have—and I am pleased to see that it has been adopted by the Government. Cigarette pack inserts providing health information have been required in Canada since 2000, and there is substantial evidence that they are effective. Research carried out in

the UK supports their use here too. I hope that the Minister will confirm when the consultation will open—that is my first question.

As the Minister knows, healthcare services are under severe pressure across the United Kingdom. Tackling smoking, which is a leading preventable cause of death and disease, killing 2,300 people in Northern Ireland each year, is vital if we are to ease that pressure. In Northern Ireland, cases of lung cancer among men are projected to increase by 74% by 2035. That is massive, but the figures are even more massive for women, for whom cases are projected to increase by 91%. Smoking is responsible for over seven in 10 cases of lung cancer. Therefore, real, targeted action needs to be taken. I am keen to get the Minister's thoughts on that.

In 2016-17, the estimated hospital costs for treating smoking-related diseases in Northern Ireland were £172 million. If we do not take urgent action now to reduce smoking rates, our healthcare service will continue to face huge pressure. Analysis by Cancer Research UK shows that current rates of decline in Northern Ireland will not achieve the smoke-free ambition of smoking rates of 5% or less until the late 2040s, which is a decade after England. That means that our deprived populations will not be smoke-free until 2050. We need to step up efforts to achieve a smoke-free future at both the devolved level and the UK level.

I was interested to see the Minister's announcement on how the Government intend to crack down on illicit tobacco and vaping products. We can give some credit to the Government, and to the Minister in particular, for the action they have put forward. The sale of illicit tobacco undermines efforts to reduce smoking rates. It is concentrated among poorer smokers and disadvantaged communities, contributing to higher rates of smoking. Retailers who sell illicit tobacco are much more likely to be happy to sell to children, so the illicit market also poses a particular risk to children's health. Addressing the issue requires tackling not just the supply but the demand for illicit tobacco in communities where smoking is endemic.

The UK has made great strides in reducing the trade of illicit tobacco in the last two decades, with a comprehensive anti-smuggling strategy, which has more than halved the market share of illicit cigarettes, from 22% in 2000-01 to 9% in 2021. The Government need to be thanked and congratulated for that. It is a very positive and clear strategy, and it is working, but we need perhaps to sharpen it up a wee bit. There is still more to be done.

The announcement that His Majesty's Revenue and Customs and Border Force will publish an updated strategy to tackle illicit tobacco is welcome. Northern Ireland, with its land border with the EU, is particularly geographically vulnerable to illicit trade run by criminal gangs, and we have a proliferation of paramilitary groups on both sides using the illicit tobacco sector to create moneys for their criminal uses. Border Force and HMRC have a key role to play in tackling smuggled tobacco, especially in our most disadvantaged communities, where smoking rates are highest. It is not the Minister's responsibility, but perhaps he could give us some idea about how that co-operation between the Police Service of Northern Ireland, Garda Síochána and the mainland police here is working.

[Jim Shannon]

I also welcome the Minister's commitment to adapting the tobacco track and trace system to strengthen enforcement and target the illicit market. In particular, the Minister's commitment to explore how to share with local partners information about who is registered on the track and trace system is critical. Will he confirm whether sharing information with local partners from the track and trace system overseen by HMRC will be part of the new strategy? It is important that it is. The Minister is nodding, so I expect that the answer is yes, which would be good news. Will he also tell us whether the new illicit tobacco strategy will be launched before the summer recess? As MPs, we always like timescales—I know I do, so perhaps he could respond positively to that question.

10.16 am

Liz Twist (Blaydon) (Lab): It is a pleasure to serve under you as Chair, Mr Sharma. I commend the hon. Member for Harrow East (Bob Blackman) and my hon. Friend the Member for City of Durham (Mary Kelly Foy) for securing today's debate.

Smoking is not a lifestyle choice; it is a lethal addiction that the vast majority of smokers enter into before they reach adulthood. It is also an addiction that is increasingly concentrated among the most disadvantaged in society. The Office for National Statistics recently reported that over a third of smokers are now among the poorest 20% of the population. Lest we forget, that concentration of disadvantage is fuelled by the tobacco industry, the ability of which to maximise its profits by selling lethal and addictive products must be strictly regulated if we are to achieve our Smokefree 2030 ambition and protect the nation's health.

My constituency, like that of my hon. Friend the Member for City of Durham, is in the north-east, which is the most disadvantaged region in the country, as well as having the lowest regional life expectancy and among the highest smoking rates. It gives me absolutely no pleasure to say that. In 2021, 22,000 adults in Gateshead smoked, which cost the NHS £7 million and local authority social care £5.4 million, as well as costing £66 million in lost productivity. Those costs are due entirely to smoking and are entirely preventable.

Tobacco addiction has been levelling down communities across the country for decades and will go on doing so until the Government start to take action to deliver on their Smokefree 2030 ambition for all in society. On average, smokers spend around £2,500 per year on smoking. That is money they can ill afford. The total spend in Gateshead is £55 million—an eye-watering amount that goes up in smoke, with no benefit to the local community. Ending smoking will significantly increase disposable income in poorer communities such as mine, help grow the local economy, and improve the health and wellbeing of our communities.

Members have spoken about the need for investment in stop smoking services, which is indeed vital. The hon. Member for Harrow East spoke passionately at a debate in March about the Smokefree 2030 ambition and the role of support for smokers in achieving that goal. I wholeheartedly agree with him: smokers need to be motivated and supported to quit. But, as we have heard, the public health budget that funds local authority stop

smoking services has been cut by 45% in real terms since 2015. That funding desperately needs to be reinstated if smokers are to get the support they need and deserve. The Government have so far failed to make the necessary funding available from the public purse. That is why I support a levy on tobacco manufacturers to pay for measures such as the stop smoking services needed to deliver the Smokefree 2030 ambition. Will the Minister fulfil the prevention Green Paper commitment to consider a “polluter pays” approach to funding tobacco control? That funding is sorely needed if we are to achieve our ambition of a Smokefree 2030.

Another area I want to look at is mental health. More investment is desperately needed to tackle smoking among those with mental health conditions as smoking is the leading cause of significantly reduced life expectancy among people with a mental health condition. Depending on the condition, life expectancy can be reduced by between seven to 25 years and as many as one in three smokers has a diagnosable mental health condition. Smoking is an indirect cause of poor mental health across the whole population through its impacts on physical health, income and employment. It is also a direct cause because it increases the risk of some mental health conditions, such as depression and schizophrenia. Those factors form a cycle whereby smokers are at greater risk of poor mental health and those with poor mental health are at greater risk of becoming heavily addicted to smoking and struggling to stop, further damaging their mental health. Investment is desperately needed to break that cycle. I could say much more on the issue. It is vital that we look at the provisions in the NHS long-term plan. They, on their own, will not reach the much larger group of smokers who need assistance to quit.

The improving access to psychological therapies programme has around 1,690,000 referrals a year and supports people with conditions such as depression and anxiety. The smoking status of clients of IAPT services is not routinely monitored. However, given the high rates of smoking among people with common mental health conditions, it is likely that around one in four clients smokes, which is equivalent to 504,000 smokers a year taking part in the IAPT programme. Pilot projects have shown that IAPT therapists are willing and able to deliver support to quit and that clients value the offer, so extending IAPT to include smoking cessation treatment would be highly cost-effective as it piggybacks on an existing service. But that still requires investment.

Finally, I want to share concerns that others have raised about the increase in youth vaping. Smokers with mental health conditions have been found particularly to benefit from access to e-cigarettes given their high levels of addiction and their barriers to quitting. It is essential that we ensure that adult smokers continue to have that help as a safer alternative to smoking and a means of quitting, but we must drive down the increasing rates of vaping in our children.

Gareth Johnson: The hon. Lady is making an interesting speech. There is no doubt that vaping saves lives when smokers convert to vaping. Although we must do everything we can to stop children from accessing vapes and dissuade non-smokers from taking up vaping, does she agree that the last thing we want is to do anything at all that prevents or dissuades smokers from switching to vaping or other alternatives such as heat-not-burn products?

Liz Twist: Of course, it is right that we do everything we can to help adults stop smoking, but we also want to prevent young people from accessing vaping. We do not know the long-term impact, and it is important that we do not get non-smokers taking up smoking because of some attractive bubblegum or strawberry-flavoured vape. There are also environmental issues with disposable vapes, which are often used. Yes, I agree with the hon. Gentleman, but we must tackle the other side of the issue as well.

Fresh, the tobacco control programme in the north-east, and Action on Smoking and Health have submitted strong, evidence-based proposals for further regulation of vaping to the consultation, which has just closed. The Government must act now, without delay, to implement their proposals. My final question to the Minister is this: will he commit to publishing concrete proposals for regulation to tackle youth vaping before the summer recess?

10.24 am

Hywel Williams (Arfon) (PC): I congratulate the hon. Member for Harrow East (Bob Blackman) on securing the debate. I must confess to some trepidation about taking part, because it is on an England-only topic: health is devolved, as the hon. Member for Strangford (Jim Shannon) pointed out. However, smoking is of specific and acute importance to young people, and many young people from Arfon work, live, love and play in England, so it has relevance.

I am a former smoker. I smoked until my 30s, when a friend pointed out the folly of rolling dried leaves up in paper and setting fire to them in my mouth—that eventually persuaded me. More relevantly, as long ago as 2005 I was a supporter of the Smoking in Public Places (Wales) Bill, a private Member's Bill promoted by Julie Morgan, the then Labour MP for Cardiff North, that would have devolved power to the Welsh Assembly to ban smoking in public places. Unfortunately, the then UK Labour Government did not provide time for that Bill, and by the time an England and Wales Bill had become law, more people employed in bars, hotels and restaurants in Wales had contracted fatal smoking-related diseases. I am not being too dramatic about this: the lack of devolution in that instance actually cost lives.

In Wales, as in England, smoking is the largest single cause of preventable and premature death. Poverty is an issue. Wales is a poor country: when we were in the European Union, parts of Wales qualified for regional aid on the same basis as the most poverty-stricken parts of the former Soviet bloc in eastern Europe. That is how bad it was and, tragically, that is how bad it remains.

Smoking is responsible for half the difference in life expectancy between rich and poor. Smoking hits us hard in Wales: our smoking rates are some of the highest among vulnerable populations. The Welsh Government's tobacco control plan, published in July 2022, sets a target for Wales to become smoke free by 2030. Meanwhile, England's tobacco control plan has expired, and the promised updates have been delayed time and again.

As I said, this is an England-only matter because health is devolved. Health policy has diverged between Wales and England, not least in that the wellbeing approach adopted in Wales is markedly different from

the illness policy introduced elsewhere. Reducing smoking is an urgent element of that wellbeing approach. However, many of the key policy interventions in Wales that require legislation are reserved and must be voted through in this Parliament. The Welsh Government do not have the power to put warnings on individual cigarettes, put inserts in tobacco packs or strengthen the regulation of e-cigarettes—by the way, if they did, I suspect that those warnings would be in both our languages, but that is a matter for another day. The Welsh Government have even been told that they do not have the power to raise the age of sale for tobacco to 21.

Those were all key measures that were recommended in the Khan review and are supported by the people of Wales, but they cannot be taken forward because of a lack of devolution and powers. By being so slow, the UK Government are undermining the ability of the Welsh Government to achieve their Smokefree 2030 ambition. That ambition is supported by seven out of 10 people in Wales, a figure that rises to eight out of 10 among those who voted for my party, Plaid Cymru, at the last election.

The “polluter pays” levy is vital for Wales, as it is for England. I was pleased to put my name, on behalf of Plaid, to the amendments to the Health and Care Bill that the hon. Member for City of Durham (Mary Kelly Foy) tabled on Report, and particularly to the amendment that called for a consultation on a levy on tobacco manufacturers to pay for measures needed to deliver a smoke-free future. If the Government had adopted that amendment, we would now be much closer to achieving the target. A UK-wide levy would have raised as much as £700 million per year, which would have been sufficient to fund the programme both in England and Wales.

There are many other regulations that would benefit Wales but that need action from Westminster. Because of the time available, let me just say that those measures include: warnings on cigarettes; a ban on all tobacco flavours; prohibition of free distribution of vapes to children; a ban on sweet names, bright colours and cartoon characters on vapes, which are all so appealing to children; and a requirement that tobacco packs have inserts. These are all measures that the Government have refused to adopt in the past and are still slow to adopt today. Announcements on pack inserts and free vape distribution are urgent, so that both Parliaments have clarity. Will the Minister confirm the dates for the launch of the consultation on the pack insert regulations that was announced in April, and at the very least to reassure us that it will take place before the summer recess?

Mr Virendra Sharma (in the Chair): I hope that the Front Benchers and the Minister will spare about a minute or two for Bob Blackman to wind up at the end of the debate.

10.30 am

Martyn Day (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship today, Mr Sharma, and I thank the hon. Members for Harrow East (Bob Blackman) and for City of Durham (Mary Kelly Foy) for securing today's debate. This is absolutely vital issue that needs to get far more attention than it has had.

[Martyn Day]

It is good to hear the broad cross-party consensus in the debate. Of course, as has already been mentioned by a number of speakers, health is a devolved matter. However, smoking is a significant public health issue in Scotland and a leading cause of preventable ill health, premature death and disability.

In 2013, the Scottish Government set a target that children born that year would reach adulthood in a smoke-free Scotland; our target for that is 2034, a few years after the English target date. A recent YouGov poll for ASH found that that 2034 target is supported by three quarters of adults in Scotland, with even more support coming from the supporters of my party—it was supported by eight out of 10 of them at the last election. It is perhaps worth remembering that the ban on smoking in public places came into force in Scotland in the spring of 2006, with the rest of the UK following soon afterwards.

As a footnote, the ban in Scotland came in on my birthday, which, as a non-smoker, I thought was a wonderful thing. I thoroughly enjoyed nights out a lot more afterwards. However, a much more profound effect was felt by my friends who smoked. Almost all of them have either stopped smoking completely or very significantly reduced their consumption.

Research shows that the number of heart attacks in Scotland fell by 74% between 1990 and 2014. Reduction in the number of people smoking and the increased uptake of cholesterol testing and statin drugs were cited as major contributory factors for that fall. That is very positive and it backs up the evidence I have seen with my own eyes among my friends and family connections. Since 2013, smoking prevalence has fallen significantly, from 22% to 14% now, but much remains to be done.

Smoking remains the leading cause of death in Scotland. Indeed, in 2021 the Scottish health survey set out that smoking was the cause of about one in five deaths and it is estimated that it also causes around 100,000 hospital admissions a year. The Scottish Government estimate that smoking costs NHS Scotland at least £300 million and the true figure could be upwards of £500 million, with additional costs, such as lost productivity, environmental and fire costs, calculated by Landman Economics at another £500 million. That is money literally going up in smoke for public services, as well as for smokers, at a time when the cost of living crisis is hitting hard everywhere.

We should not forget that the average smoker in Scotland—I do not know what the equivalent figures are for England, Wales or Northern Ireland—consumes around 12 cigarettes a day, which means they spend £1,875 a year on smoking. It remains pretty big business. Of course, smoking prevalence is highest in the areas that are most deprived, which further compounds health inequalities and poverty issues.

As Scotland's five-year tobacco control plan is set to be renewed later this year, I hope for an ambitious set of policies that can help us to achieve our goal of a smoke-free 2034. A range of policies that aim to make smoking less visible, such as prohibiting smoking in public playgrounds, are being considered. However, there is only so much that can be done by Holyrood.

The Government's Green Paper on prevention commits to considering options for raising revenue to fund evidence-based tobacco control, including a "polluter pays" approach, using mechanisms set out in the Health Act 2006. That would be a public health fund rather than a tax, modelled on the pharmaceutical pricing scheme that is organised and collected by the Department of Health and Social Care on behalf of England and the devolved nations.

Three quarters of adults in Great Britain support making the tobacco industry pay a levy or licence fee to Government for measures to help smokers quit and to prevent young people from taking up smoking. Tobacco must be the only product that kills when it is used as intended. I had a smile moment when the hon. Member for Arfon (Hywel Williams) mentioned why he stopped. I always think of the Bob Newhart comedy sketch, for those of a certain generation, about introducing tobacco to the western world. If it had been found nowadays, no one would use it. That makes me wonder why we continue.

The tobacco industry continues to make vast profits: on average, 50% of operating profits, compared with only 10% on average for UK manufacturing. Big tobacco can—and should be made to—pay. A "polluter pays" levy would be not a tax but a public health fund, raising a fixed sum to pay for recurring costs of tobacco control. Capping profits at 10% would prevent tobacco manufacturers from passing on the cost to smokers and ensure that tobacco taxes were not undermined.

The current pharmaceutical scheme, set out in the Health Act 2006, is administered by the DHSC, with the devolved Administrations opting in. A tobacco control fund could easily be operated on the same basis. Funding for evidence-based tobacco control policies, such as public education campaigns, smoking cessation services and enforcement, has declined since 2010. The levy could restore funding for those vital activities, and provide additional resource for the further activity needed to reach a smoke-free generation throughout the UK's nations. Will the Minister listen to the public and commit to consulting on a "polluter pays" levy to provide the funding needed to deliver Smokefree 2030 through the rest of the UK, and to assist Scotland with its 2034 target?

No debate on smoking could be complete without consideration of vaping, which has come up several times today. For many, vapes are a helpful route out of smoking and towards less harm. They are potentially a useful aid for many adult smokers, which has been proven by evidence from Cancer Research UK. However, as we have heard today, understandable concerns about youth vaping are growing, particularly about the cheap, disposable vapes most widely used by children. There have been many calls throughout Scotland to ban disposable vapes, and that movement is gaining traction, with 21 of the 32 councils in Scotland now backing a national ban on those products. It is true that single-use e-cigarettes are often discarded irresponsibly and, because of their composition, do not break down in the environment. Even if users attempt to recycle them, as is theoretically possible, they will find that the infrastructure required to do so does not exist in many places.

I am particularly troubled by the rise in youth vaping, about which several hon. Members have already expressed concern. Those products should never have been intended

for children or for non-smokers, yet recent surveys have found an increase in experimental use among 11- to 17-year-olds. The cynic in me thinks that big tobacco may have designed those products to have child appeal, and ensure a future generation of consumers. Disposable vapes are brightly coloured, available in flavours attractive to children, and are in a price range that is accessible to those with limited funds. They should probably be banned but, at the very least, an excise tax on disposables should be introduced. That would put the price up and make them far less affordable to children, thereby driving down the use of these environmentally damaging products.

In conclusion, while the rate of smoking continues to fall in Scotland, it remains too high to be confident about meeting our targets of reducing it by 2034. We must all come together to eliminate smoking and stop the spread of nicotine addiction. I thank all hon. Members for their contributions and continued dedication to trying to eliminate the UK's leading cause of preventable death. I urge Ministers to commit to implementing a "polluter pays" levy to help fund much-needed tobacco control action not just in England but throughout the devolved nations.

10.39 am

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to see you in the Chair, Mr Sharma. At 9.30 am, it would have been a pleasure to see anybody in the Chair. I place on the record my thanks to you and Mr Evans for stepping into the vacancy. I congratulate the hon. Member for Harrow East (Bob Blackman) and my hon. Friend the Member for City of Durham (Mary Kelly Foy) on securing this important debate and on their tireless work on this issue. When we create a smoke-free England—the consensus here today is for a smoke-free Britain—it will be in no small part thanks to their tremendous efforts and campaigning.

I also pay tribute to my hon. Friends the Members for Birmingham, Erdington (Mrs Hamilton) and for Blaydon (Liz Twist), and the hon. Members for Southport (Damien Moore), for Strangford (Jim Shannon) and for Arfon (Hywel Williams), as well as the hon. Member for Linlithgow and East Falkirk (Martyn Day), who leads for the Scottish National party on health issues. There is consensus across the Chamber on where we need to go.

In 2019, the Government committed themselves to a Smokefree 2030. As Members across the House will be aware, that means a smoking prevalence of around 5% of the population. The commitment was welcomed across the House, and for good reason: despite significant progress in driving down smoking rates over the past 40 years, smoking, as we have heard today, is still the biggest cause of cancer and death in the United Kingdom. Smoking causes around 150 cancer cases every day, and smoking tobacco kills one person every five minutes.

Those deaths are made all the more tragic by the fact that they are avoidable. By creating a smoke-free England, we would empower people to live happier, longer and healthier lives, and substantially reduce pressure on our NHS, as Cancer Research UK estimates that up to 75,000 GP appointments could be freed up each year if we put an end to smoking. That would all come alongside substantial economic benefits, as smoking costs the

public finances an estimated £20.6 billion. The argument for a smoke-free future is overwhelming. We just need to get there.

In a recent response to a written question I tabled, the Minister stated that his Department is "confident" that it is

"on course to achieve...Smokefree 2030,"

but Cancer Research UK estimates that the Government are, as we heard from the hon. Member for Harrow East, on track to miss their Smokefree 2030 target by around nine years. Smoking cessation services have faced cuts of 45% since 2015-16, and in some of the most deprived areas of England, smoking rates are increasing, not decreasing.

That increase is incredibly concerning, and it risks exacerbating health inequalities that are already widening, in some cases at an alarming rate. Therefore, I would be grateful if the Minister explained why his Department is so confident that the 2030 target will be met, and where the Government's modelling is, as well as why it differs from that of Cancer Research UK.

The announcements the Minister made in April were undoubtedly welcome, but they do not seem to me to be ambitious enough or wide-ranging enough to get us back on track. If that is the case, and if we are to miss the 2030 target, the Department of Health and Social Care needs to fess up and say how it plans to keep its pledge. The truth is that the foot has been taken off the pedal with regard to Smokefree 2030. The Government wasted precious time, and unless they act swiftly the target will be beyond reach. I do not want that. I want the Minister to succeed in achieving the target, and I do not think anybody in the Chamber wants us to miss it.

We need action, so I will press the Minister on a few key points. First, will he confirm whether the Government plan to announce any further measures to tackle smoking prevalence, or whether the April announcement is intended to replace the tobacco control plan and the health disparities White Paper?

Secondly, the April announcement referred to an updated strategy to tackle illicit sales and imports of tobacco due to be released at some point this year. There is a backlog of reports to be published sometime this year. We would like this one to be at the front of the queue, not the back. Will the Minister update Members on where the work has got to and when we can expect publication of the strategy?

Thirdly, the Minister will no doubt be aware that Cancer Research UK and ASH have made several recommendations to the Government, most notably on an increase in the age of sale and a "polluter pays" tobacco levy. I would be interested to hear what recent assessment he has made of those proposals and whether they will inform his Department's work moving forward.

Finally, cross-Government guidance on protecting public policy from the vested interests of the tobacco industry was published yesterday. That is a step in the right direction, but will the Minister set out how the guidance will be disseminated to all branches of Government, given that it is cross-departmental?

The last Labour Government had a proud history of taking bold action to drive down smoking prevalence. We implemented the indoor smoking ban and took action to tackle cigarette advertising, and we are still feeling the benefits of those policies to this day. We

[Andrew Gwynne]

want to continue that legacy and, indeed, the measures that were brought in more recently. That is why creating a smoke-free England within a smoke-free United Kingdom will be an absolute priority for the next Labour Government.

Our recent health mission launch set out the first steps of our road map to a smoke-free Britain. They include making all hospital trusts integrate opt-out smoking cessation interventions into routine care and expecting every trust to have a named lead on smoking cessation, so that every single clinical consultation counts towards health improvement. We would legislate to require all tobacco companies to dispel the myth that smoking reduces stress and anxiety. We would also ban vapes from being advertised to children and instead work with councils and the NHS to ensure that vapes are being used to stop smoking—full stop.

That is just the start of our road map to a smoke-free United Kingdom. The next Labour Government wholeheartedly believe in a smoke-free future, and we will not shy away from taking the bold steps that are needed to protect and improve public health. Until then, we are ready to work constructively and across party lines to build a smoke-free England within a smoke-free United Kingdom. I look forward to hearing how the Government plan to get us back on track.

10.47 am

The Parliamentary Under-Secretary of State for Health and Social Care (Neil O'Brien): It is a pleasure to serve under your chairmanship, Mr Sharma. I thank my hon. Friend the Member for Harrow East (Bob Blackman) and the hon. Member for City of Durham (Mary Kelly Foy) for securing this hugely important debate, and I thank other hon. Members for some excellent speeches. I was haunted by the image, conjured up by the hon. Member for Birmingham, Erdington (Mrs Hamilton), of people with COPD being wheeled outside to have one more gasp—I think we have all seen things like that. It has also been a pleasure to have contributions from all four parts of the UK. I shall try to respond to as many of the questions as possible.

In 2019, the Government produced a Green Paper on preventive health, in which we introduced our ambition for England to become smoke free by 2030. The ambition aims to shift the focus from treating ill health to preventing it in the first place. That means three things: first, discouraging children and adults from starting; secondly, helping smokers to quit; and thirdly, moving smokers to less harmful alternatives, such as vapes.

That is exactly what we have been doing over the last decade, and we have made significant progress. In recent years, the Government have introduced a range of legislation. We have introduced a UK-wide system of track and trace for cigarettes and hand-rolling tobacco to deter illicit sales, and from May 2024 that will cover all tobacco products, including shisha and cigars. We have continued to invest in stop smoking services, to help smokers get the right support for them. We continue to support the NHS, and last year alone provided £35 million to the NHS long-term plan commitments on smoking. Of course, we have also doubled duty on cigarettes and introduced a minimum excise tax on the cheapest cigarettes. Between them, those measures have

helped to ensure that adult smoking prevalence in England is at its lowest level on record, 13%, and that youth smoking rates are the lowest on record—in 2021, 3.3% of 15-year-olds were regular smokers.

If we are to achieve our 5% ambition by 2030, however, we must move faster and be bolder. That is why on 11 April I introduced a package of new measures to help make more progress. To help smokers quit and move towards less harmful alternatives, we announced funding for a new national “swap to stop” scheme, which is the first of its kind in the world at a national level, to encourage 1 million smokers to swap cigarettes for vapes. We have begun to set up pathfinders, where local authorities can apply for starter kits, and the first shipments of vapes should begin going out later this summer. Local authorities across the country have expressed an interest, and we are also working with social landlords, homelessness charities, jobcentres, food banks and all the other groups that can help smokers to quit.

Despite its effectiveness as a tool to quit smoking, we must be aware of the risks that vaping poses to children and non-smokers, as various Members have pointed out. Over the past couple of years, we have seen an alarming rise in children vaping, and that is why we are taking action. We recently held a call for evidence to look at all the opportunities to reduce the number of children using vape products. It closed on 6 June and we are analysing the responses. We will publish our response within 12 weeks.

To stop children buying vapes, we need to get businesses to comply with our regulations and abide by the standards we have set. Of course, there are retailers out there selling vapes to children. That is why we recently created a new enforcement unit, which has three priorities: to tackle products imported and traded illicitly, to remove illegal products from the market that do not comply with our regulations, and to stop under-age sales to children. The unit will help remove illegal products from shelves, stop them coming through our borders and stop the sale of vapes to children.

Dr Hudson: I thank the Minister for articulating some of the risks around disposable vapes. I want to raise the risks they pose to animals. Just the other day, I was out walking my young dog Poppy and she came out of the undergrowth with a bright pink, melon-flavoured disposable vape in her mouth. I was able to get it out of her mouth, but, as a vet, I shudder to think what would have happened if she had chewed, crunched or swallowed it. Does my hon. Friend agree that we need more public awareness of the risks of vapes to health, the environment and even animals?

Neil O'Brien: That is a fascinating point, and my hon. Friend is absolutely right that we need to be aware of the environmental and wider impacts of disposable vapes as we consider our next steps.

At the end of May, the Prime Minister announced several further measures to address youth vaping, including closing the loophole that allowed industry to give out free samples, increasing education and supporting dedicated school police liaison officers to keep illegal vapes out of schools. The measures support our wider approach to tackling youth vaping—not only preventing supply, but reducing demand. We also need to take action against businesses that break the rules and protect businesses that abide by them.

As well as non-compliant vapes, the illicit trade in tobacco undermines our work to protect public health. To answer the question from the hon. Member for Arfon (Hywel Williams), His Majesty's Revenue and Customs will produce a new strategy to tackle illicit tobacco later this year. The strategy will outline joint efforts to catch and punish those involved in the illegal market and will build on the work we are already doing—my hon. Friend the Member for Harrow East alluded to it—to use the registration system as a way to improve enforcement.

Another big priority is to help pregnant women quit smoking. The rate of smoking in pregnancy remains stubbornly high; increasing the number of women who have a smoke-free pregnancy is crucial. To help expectant mothers, we have set up a financial incentive scheme, married with behavioural support. We aim to ensure that every pregnant mother who smokes across England gets help to quit. That work is based on a successful scheme in Greater Manchester, which has seen one of the biggest drops in smoking in pregnancy anywhere in the country.

To help more smokers quit, we need to be more innovative in how we connect with them, with the right type of support and messaging at the right time. To address the question asked by the hon. Member for Blaydon (Liz Twist), we are going further on mental health and are ensuring that everyone who is in mental health treatment is signposted to stop smoking services, because there is a link between the two.

Another potential opportunity that hon. Members have raised is our plan to provide pack inserts in smoked tobacco packets, with positive messages and information to help more smokers quit. We intend to launch a UK-wide consultation shortly and are engaging with devolved Administrations on the matter. To answer the question raised by the hon. Member for Strangford (Jim Shannon), we are absolutely having those conversations.

We are committed to doing all we can to prevent people from starting smoking, to give smokers the support they need to quit, and to tackle the damage from the illicit market. I talked about some of the measures that I recently announced, but we will have more to say in the major conditions strategy in the not-too-distant future. I thank my hon. Friend the

Member for Harrow East and the hon. Member for City of Durham for securing this hugely important debate, and I look forward to making further progress towards our ambition for a smoke-free England and a smoke-free UK by 2030.

10.54 am

Bob Blackman: I thank the Minister for his reply to the debate; the co-sponsor of the debate, the hon. Member for City of Durham (Mary Kelly Foy), for her contribution; the Labour Front-Bench spokesman, the hon. Member for Denton and Reddish (Andrew Gwynne), for his support from across the Chamber; and our SNP colleague, the hon. Member for Linlithgow and East Falkirk (Martyn Day), for his contribution. That we have had contributions from Northern Ireland, Wales, Scotland and England demonstrates the strong cross-party and cross-country support for making the United Kingdom smoke free. It is reassuring to hear people support the campaign with such enthusiasm.

I urge the Minister to consider carefully the questions and points that were put during the debate as we look forward to the action that is required to prevent people from starting to smoke and to encourage those who do smoke to quit. At the end of the day, this is about preventing avoidable deaths, and without that action, we will, unfortunately, see far too many people become ill and die prematurely.

While I have the floor, I will remind colleagues that on 19 July the all-party group will be hosting a reception to mark the fourth anniversary of the Government's Smokefree 2030 ambition. We hope to hear from both the Minister and the Opposition spokesman, and I invite other colleagues to contribute to the session. I hope that we will be able to celebrate some new announcements from the Government, and that we will move forward to a smoke-free England in 2030 jointly and severally.

Finally, I thank you, Mr Sharma, and Mr Evans earlier, for stepping into the Chair. When we were all sitting here before the start, we were wondering whether the debate would take place at all, and had you not stepped in, it would have been very difficult to continue. I commend the motion to the House.

Question put and agreed to.

Resolved,

That this House has considered the Smokefree 2030 target.

Volunteer Groups in Rural Settings

11 am

Mr Virendra Sharma (in the Chair): I will call Anthony Mangnall to move the motion and then call the Minister to respond. There will be no opportunity for the Member in charge to make a winding-up speech, as is the convention in 30-minute debates.

Anthony Mangnall (Totnes) (Con): I beg to move,

That this House has considered the role of volunteer groups in rural settings.

This is not so much a debate, but a statement of appreciation and a tipping of the hat to David Cameron's efforts around the big society. Those of us fortunate enough to live in a rural community are acutely aware that much of what takes place around us is done by the hard work of volunteers. From Dartmouth's food and music festivals and royal regatta to the Kingsbridge show, Brixham's pirate festival, Salcombe's Crabfest and Totnes' Christmas market, all are organised, operated and supported by legions of volunteers. Those successful events help to raise money, drive tourism and provide tailored experiences in keeping with the spirit and character of every location in which they take place.

For the purpose of this debate, I will specifically focus on the volunteering groups providing local services throughout the year to people across south Devon and, indeed, the whole country, often doing so under the radar, without thanks and making a huge difference. They are helping to decentralise the centralised bureaucratic model and provide services that operate effectively at a local level with long-term impacts. They are encouraging a new generation of volunteering and philanthropy and social engagement. They are helping to empower communities to take charge of their own future rather than waiting for the lumbering, clanking machines of state to catch up. Above all, they are providing local solutions to national problems.

For instance, south Devon is home to LandWorks, an extraordinary charity based in Dartington that seeks to provide a supported route back into employment and the community for those in prison or those at risk of going to prison. At its core, LandWorks provides a solution to reducing recidivism, which costs the UK £18 billion a year. It celebrates its 10th anniversary this year, and thanks to the extraordinary work of Chris Parsons, Ted Tuppen and countless volunteers, it has grown into an organisation that is effectively changing the landscape when it comes to preventing reoffending.

The charity's work in helping to equip trainees with skills and support to engage with society is helping to drive down reoffending rates. Compared with the national average, the figures are stark. In the UK, the reoffending rates for imprisonment and community sentences are 36.7% and 28.8% respectively. For prisoners released from sentences of less than 12 months, the reoffending rate is 53.9%. At LandWorks, the reoffending rate has never exceeded 6% during 10 years of operation.

This local solution may well offer a strong guide for how we can bring down reoffending nationally. Exploring the LandWorks model on a national scale could help to reskill and equip individuals with the skills necessary to lead successful, productive lives. The Minister is welcome to visit LandWorks, and I might encourage him to bring

the Minister for prisons, parole and probation. LandWorks is a strong reminder of how some of the best and most effective solutions to national problems come not from Westminster or Whitehall, but from a small band of volunteers who set out to make a difference within their local community. Government would do well to look closely at the model.

It has been my pleasure and honour over the past three and a half years to visit and meet many extraordinary volunteering groups across south Devon, so forgive me for this rather lengthy list: Prickles in a Pickle, a hedgehog sanctuary; Till the Coast is Clear, an organisation dedicated to keeping our coastline plastic and rubbish free; Dart Sailability; Dartmouth in Bloom and Kingsbridge in Bloom; SASHA, a domestic violence prevention charity; Cued Speech; and all the local care groups, such as Totnes Caring, Dartmouth Caring, Kingsbridge Age Concern, Kingsbridge and Saltstone Caring, South Brent Caring and Brixham Does Care. From meeting all those groups, I have created working groups to enhance their activity, such as my social care group, where best practices and resources can be shared, common problems and difficulties can be discussed and solved, and I can be given my marching orders.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman on bringing this forward; what an important subject it is. I would add to that list young farmers' clubs, and I would do so for a purpose. Does he agree that isolation is prevalent among farmers, with data indicating that in Northern Ireland, for example, a third—33%—of all farmers express concerns about loneliness and isolation? There are organisations in my area—I know he has them in his area as well—such as young farmers' clubs. They are a vital tool in the battle for good mental health for our farmers. The isolation of rural communities and the impact that loneliness and desolation sometimes have on people is hard to quantify, but it is real.

Anthony Mangnall: I thank the hon. Gentleman for continuing his record of intervening in nearly every one of my Westminster Hall debates. He does so with absolute accuracy and a commitment to raise important issues such as that. The National Farmers Union and the Country Land and Business Association are fantastic organisations, but we need to look at how we can help within communities, such as in agriculture and fisheries in my community. During the pandemic, I saw fisheries groups, farming groups and young farmers band together to help in the community. It is right to use such a debate to discuss and contemplate how we can support those groups in turn, how we can reassess the structures that keep them going and ensure that we can tackle loneliness and, indeed, suicide, which is all too prevalent in the agricultural sector.

Tim Farron (Westmorland and Lonsdale) (LD): I wondered whether it might be helpful to intervene after another intervention, but the hon. Gentleman is being very generous. I congratulate him on all that he has said; he is making really important points and delivering them well. B4RN—Broadband for the Rural North—is a wonderful community interest company that has connected thousands of homes in rural Cumbria and north Lancashire to the internet, ensuring that there is connectivity. It is basically run by volunteers on

the ground. The volunteer groups in Warcop, Sandford, Coupland Beck, Bleatarn and Ormside have done brilliant work alongside B4RN to bring hyper-fast broadband to their communities, but at the eleventh hour, the Government pulled the rug from under them by saying that their communities are no longer a priority area. Does the hon. Gentleman agree that the Government should rethink and back these volunteers and their communities?

Anthony Mangnall: I am always concerned about any platform that might help the hon. Gentleman to get his message out to his constituents. In this instance, however, he is absolutely right. When living in a rural constituency, as I do in south Devon, internet connectivity is absolutely essential. We have upgraded our internet in south Devon through volunteer groups working together with state and private enterprise—something I will touch on later—and we absolutely need to look at how we can find the balance between private, public and charitable to ensure that people are getting the services they need, especially in the new working environment post pandemic. I thank him for his intervention.

Volunteer groups are the fabric of our society in rural settings, and we must do all we can to sustain, encourage and learn from them. In 2020, I visited Hope Cove lifeboat station, and I was made aware of the UK's 54 independent lifeboat stations. These non-Royal National Lifeboat Institution stations operate at a local level, staffed by volunteers and funded by local donations. They do not benefit from being part of a wider system, at least until now. From seeing the vital work of Hope Cove's independent lifeboat station and speaking with volunteers, I was energised into action. I am pleased to inform the Minister—and you, Mr Sharma—that since that meeting with Hope Cove lifeboat station, my colleague Rachel Roberts in south Devon and I have worked extremely hard to create the National Independent Lifeboat Association, known as NILA. I am grateful to some Members here who helped me in that process.

NILA seeks not to take away the independence of independent lifeboat stations, but to promote and highlight their work while ensuring that the machinery of state is taking notice of its work and using these vital stations to keep people safe on our waterways. Since its establishment, a board has been appointed, with myself as president—that is, until I am usurped by someone important. The Charity Commission has registered it as a national charity, and just last month, United Kingdom Search and Rescue admitted it to its ranks. Once again, this is an example of where local organisations and volunteer-led services can provide a national service without huge costs and bureaucratic rigmarole to deliver an important and necessary service.

Beyond LandWorks and NILA, I will mention one group in detail, I believe for the first time in the House of Commons: the Rapid Relief Team. I am grateful that some of them are in the Gallery today. The RRT was born out of the work of the Plymouth Brethren, and I confidently suggest that it has helped people in nearly every constituency across the country. I had my own dealings with the RRT a few weeks ago, when a constituent was in dire need of medical equipment. I did not know where to turn; I asked integrated care boards and local healthcare groups, but I found myself being continually rebuffed—that is, until I spoke to the RRT. Within a day of contacting it about my constituent's concerns,

my constituent was greeted and given the medical equipment he needed. He is now living a life where he can even get out and about, and I am particularly grateful to the RRT for its efforts in that case.

Across the UK, the RRT has 3,302 approved volunteers, and its most recent impact report shows how it has effectively set about helping in the community. It has supported more than 366 events, served 95,027 meals and gifted 22,571 volunteer hours. In south Devon and across the country, the RRT has helped to deliver incident and training exercise support to emergency services, and relief at home and abroad. It is a flexible organisation that can meet the need from unexpected events.

The work of the RRT takes it across Europe, America, Australia and New Zealand, as well as the UK. It has effectively harnessed the power of teamwork by working with the private sector to encourage philanthropy and volunteering. It is even more remarkable to consider that its work has focused on emergency and disaster relief, homelessness, poverty and hardship, youth, and health and disability, and that it has been able to effectively move the dial in those areas without a single penny of Government funding.

We owe those organisations, and all the ones that I have not mentioned, a huge debt of thanks and gratitude for their work. The three examples I have given remind us how to solve local problems from a grassroots perspective, as well as how to empower communities and encourage greater private sector involvement. They also remind us that the state does not have all the answers, nor does it always need to be involved. However, although fantastic organisations such as the RRT, LandWorks and NILA all depend on volunteers, the statistics since the pandemic have shown a concerning decline in the number of people willing to volunteer. We need to consider how we can encourage a return to volunteering. Failure to do so will irreparably impact the fabric of rural and, indeed, urban communities, and only cost the Government more in the future.

Several funds have been made available through national and local government. For instance, the £5 million platinum jubilee village hall fund was announced, and the bidding in for the funding process ended in January this year. May I ask the Minister how much of that money has been allocated to date, and whether any extension is being considered? The UK search and rescue volunteer training fund helps organisations such as NILA and the RRT to train their volunteers to go out and be as effective as possible. It would be interesting to have the statistics on how many people are being trained every year, and to know how the bidding process can be streamlined to ensure that it is as effective as possible.

The Minister's Department has also announced the volunteering futures fund; I believe that £7 million has been made available to volunteering funds across the country. May I ask the Minister how much of that money has been allocated, whether the funding will be continued over the next few years, and whether we can provide certainty to local organisations, where necessary, that it will be available in the next five and 10 years? Of course, other methods can be used, such as local authority funding, section 106 funding and allowances within councils to be able to talk about these issues.

[Anthony Mangnall]

Time, job constraints and now costs are putting off volunteers. We need to think about how we can encourage more people to take up the worthy work of volunteering, not necessarily through regulation, but through encouragement and co-operation with fantastic organisations such as those represented by the people who are attending the debate. We need to think carefully about how we support volunteer groups across this country. I suggest that by encouraging private sector involvement, as well as Government adoption of local solutions, we can empower local communities and deliver across the country. Finding the balance between state, private and charitable sectors is the answer to addressing many of the challenges we face.

If Members will forgive me for recommending a book, this is well presented in “The Third Pillar: How the State and Markets are leaving Communities Behind” by Raghuram Rajan, the former Indian central bank leader. The case is made about ensuring that the balance is found between each of the three core structures in our society and ensuring that we can get the resources to where they need to go. We need to reset the balance and make the case for better co-operation between the three pillars so that we can meaningfully ensure that our volunteer groups can effectively deliver on their objectives, and support our rural communities.

There is, as ever, more work to be done in this field, but I conclude by saying that I owe a debt of gratitude to the extraordinary volunteers who have done so much in my constituency and across south Devon, and to all the volunteer groups who have done so much across all of our respective constituencies and, indeed, the country. Whether they worked during the pandemic, work abroad or work in the United Kingdom, they do so because they have pride in the work that they do and because they feel a need to take a part and a hand in society. As politicians, as Government and as officials watching this debate, we must do all we can to encourage that work and action. I look forward to hearing the Minister’s response.

11.16 am

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stuart Andrew): It is a pleasure to serve under your chairmanship, Mr Sharma. I thank my hon. Friend the Member for Totnes (Anthony Mangnall) for securing this important debate on volunteering in rural settings. I mean that most sincerely. Having spent most of my life working in the charitable sector, I know that we could not have provided anything like the services that we did in the hospice movement without a band of volunteers not just providing excellent support to the hospice staff but raising significant amounts of money.

Volunteering is vital for society and provides enormous benefits both to the volunteer and to the community that they serve. It connects communities, builds people’s skills and networks, boosts their wellbeing and improves their physical health. My hon. Friend rightly pointed out the issues around loneliness. That is an important part of my portfolio, and I see a strong link between tackling loneliness and the opportunities created through volunteering.

The Government are committed to supporting volunteering. I am delighted to have the opportunity to discuss such an important issue today and to highlight

some of the many ways in which we are supporting volunteers across the country. However, first I would like to thank all the volunteers who contribute their time and energy to support others and make a real difference in their communities. They are ordinary people doing extraordinary things to help others. Our latest figures show that around 25 million people in England volunteered at least once in the previous 12 months.

I was delighted to take part in the celebration of Volunteers’ Week at the start of the month. I had the pleasure of presenting a Points of Light award to Joana Baptista, a youth activist who set up her social enterprise, “She Dot”, to encourage girls to pursue traditionally male careers. I also met the amazing and brilliant team and young people at the Active Communities Network in Elephant and Castle, which combines arts, sports and volunteering to create transformative opportunities for young people.

The British public’s enthusiasm for volunteering was self-evident during the Big Help Out on 8 May, which formed part of the celebration of the coronation of His Majesty King Charles III. The campaign organisers estimate that more than 6.5 million people took part by volunteering in their communities. I am proud that we were able to support that campaign. Many organisations with a large rural presence took part and provided volunteering opportunities on the day, including the Campaign to Protect Rural England and the National Federation of Young Farmers’ Clubs.

Volunteers support society and their communities in a wide range of ways each and every day: they support the health and wellbeing of the nation by giving their time to health charities and the NHS, and we will always be grateful to the hundreds of thousands of people who stepped forward during the pandemic; they are the lifeblood of community sports and large events such as the Commonwealth Games; and they are also the people who see changes that are needed in their communities and go about making those changes. That is why we shine a light on those people through the Prime Minister’s daily Points of Light award.

I am grateful to my hon. Friend for highlighting the vital role that volunteering plays, particularly in rural areas. People in rural areas such as those in his constituency can face particular challenges associated with geographical isolation, such as the sparsity of public transport and access to public services. He rightly gave some excellent examples of the work that people do to tackle some of those issues. For example, the South Western Ambulance Service covers one of the most rural areas in the UK, and every day volunteers from across the south-west support their local communities. That ranges from supporting someone before an ambulance arrives, as my hon. Friend mentioned, to saving someone’s life. Of course, the Royal National Lifeboat Institution and the independent lifeboat organisations that he mentioned—and I congratulate him on his election as president of the national association—are critical, as I know from my time growing up in Anglesey. They all rely on volunteers, who do some outstanding work and put their own lives at risk to save others.

I was encouraged that the most recent community life survey showed that, despite the challenges faced in rural areas, volunteering rates in rural areas are actually higher than in urban areas. That demonstrates the commitment and willingness of people to support their

neighbours and local communities. We are committed to growing the number of volunteers and improving the volunteer experience across the country, including in rural areas. That includes supporting the next generation of volunteers and enabling them to create a lifelong habit of volunteering. An example of this is the #iwill fund, which is a joint initiative between the Government and the National Lottery Community Fund that has funded a number of projects that support young people volunteering in rural areas. For example, in Derbyshire, the #iwill fund has partnered with the Pears Foundation and other local partners to create a new young people's forest that is situated on the site of two former coalmines. The funding enables young people to design and create the new 400-acre woodland, and over 250,000 new trees have been planted.

There are, however, barriers to overcome to ensure that everyone who wants to volunteer can volunteer. There has been a dip in volunteering following the pandemic, which is why we are providing funding and working with partners to ensure that there are clear entry points for volunteering, more flexible volunteering roles that fit with people's work and life demands, and help for people to identify available volunteering opportunities. One key initiative is Vision for Volunteering, which is a voluntary sector-led initiative that aims to develop volunteering in England over the next 10 years. One of the vision's themes is to increase equity and inclusion by ensuring that volunteering is accessible and welcoming to everyone, everywhere.

In March, we announced the Know Your Neighbourhood Fund, which is a funding package of up to £30 million, including £10 million from the National Lottery Community Fund, that will widen participation in volunteering and tackle loneliness in 27 disadvantaged areas in England. It is designed to generate learning about how people in those communities can be supported to volunteer and boost their social connections. Those communities include areas that are predominantly rural, including areas in Devon.

In his opening speech, my hon. Friend the Member for Totnes referred to the Rapid Relief Team, which provides essential support in the event of emergency. It is a fantastic organisation that delivers practical support including, as he mentioned, food parcels for people in need, hot meals for emergency responders dealing with crises and a multitude of other types of support, including support for refugees from Afghanistan who are settling here in the UK. We are incredibly grateful to the Rapid Relief Team and all their volunteers for the tremendous work that they do. As my hon. Friend mentioned, it was established by the Plymouth Brethren Christian Church, and I take this opportunity to thank faith-based charities for their wonderful volunteering. When a major factory in my constituency caught fire, it was exactly those teams that were there to support the people putting their lives at risk as they tried to control the fire.

The voluntary sector has a vital role to play in the event of emergencies, such as flooding and heatwaves. Those organisations have unique local insights into the needs of their communities and, as my hon. Friend rightly said, they can sometimes adapt much quicker. Given the sector's unique capabilities, it is encouraging

to see local resilience forums work collaboratively with it to support their local response to such events. The Government are strengthening the links between emergency responders and the voluntary sector through the Voluntary and Community Sector Emergencies Partnership. That partnership is co-chaired by the British Red Cross and the National Council for Voluntary Organisations, and it brings together organisations, ranging from large household names to micro local community organisations, that can assist in the event of emergencies. I am delighted that we are continuing our work with it, including by funding it to increase the effectiveness of the sector's emergency preparedness, planning and response.

My hon. Friend mentioned LandWorks. I spent a short six weeks in the summer of last year as the Prisons Minister, so I know how important that work is. He is right that it supports people in prison or at risk of going to prison. I congratulate it on its vital work in supporting those who might otherwise take a different path; it is a great example of an organisation funded by the National Lottery Community Fund.

My hon. Friend asked about the platinum jubilee village halls fund. As he is aware, the Department for Environment, Food and Rural Affairs announced that £3-million fund last year, and it is designed to support the modernisation and improvement of village halls. I understand that it has been extremely popular. The last funding round closed in March. I am happy to write to DEFRA and update my hon. Friend when I have more information.

My hon. Friend also mentioned the volunteering futures fund. As he rightly said, more than £7 million was made available to improve the accessibility of volunteering. That funding is now fully allocated, and we are currently evaluating that scheme to see what worked and identify where we can make improvements. I see community wealth funds, which make use of dormant assets, as an opportunity to build up skills in areas where there is not the infrastructure that is needed to bring about more volunteering and community work. I look forward to updating Members as we develop that policy.

This debate has demonstrated that we share the ambition of supporting volunteers to make a real difference in their communities, including in rural areas, such as my hon. Friend's constituency. I am proud of the Government's record in developing volunteering in England, whether by supporting our strategic initiatives such as the vision for volunteering, or directly funding projects through the funds I mentioned. I thank my hon. Friend again for listing a whole raft of organisations in his constituency—he listed them so fast that I could not write them down. I thank him for proposing this valuable discussion to highlight the unique challenges faced in rural areas and, crucially, the role that volunteers play in addressing societal change in those wonderful settings. I thank every single one of them for their contribution to our society.

Question put and agreed to.

11.28 am

Sitting suspended.

Co-operatives and Alternative Businesses: Local Authority Support

[PETER DOWD *in the Chair*]

2.30 pm

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I beg to move,

That this House has considered the role of local authorities in supporting co-operatives and alternative businesses.

It is a pleasure to serve under your chairmanship, Mr Dowd. I am proud to declare my interest as a Labour and Co-op MP since 2005, and as a member of a co-operative society. I shall discuss the importance of co-operatives and alternative businesses. It is great to see the Minister here because I want to talk in particular about how councils have a role in promoting co-ops in their areas.

It is worth giving the basic background. Co-operatives are mutual societies, often locally based, that invest their profits with their members and services. That means that they are very much part of the local community, with their activity and finances in that local area. They put economic power directly in the hands of local people, ensuring that the benefits of economic growth are felt by those who create it.

As I said, I want to highlight the role of councils. There are now 41 councils up and down the country that are members of the co-operative councils' innovation network. Those councils believe that traditional models of top-down governance and economic growth are not always fit for purpose. By being part of that network, they choose to reclaim the traditions of community action, community engagement and civic empowerment that can transform communities.

There were 7,200 co-operatives in the UK in 2021. Those include 2,500 social clubs in the trade union sector; 721 in retail; and 720 in housing, which is an area of particular interest to me. There are 14 million people in the UK who are members of co-ops. This is a significant sector that reaches into many areas of our lives. Co-ops directly employ 250,000 people. In 2015, co-ops produced 2% of the UK's GDP. That is impressive enough but, compared with New Zealand where co-ops produce 20%, France and the Netherlands, where they produce 18% in each, and Finland where they produce 14% of GDP, there is still a lot of opportunity, to put it positively, for co-ops in the UK. There is also a lot of wasted opportunity, when considering what they could do to deliver for communities and the wider economy.

In 2021, UK co-operatives had an annual turnover of £39.7 billion, and they have grown every year since 2017. They are significant and important in economic terms. Some people might ask why promote co-ops rather than other businesses. Co-ops are more ambitious than other businesses, according to research by the Co-op party and its allies. As many as 61% of co-ops expressed ambitions to grow, compared with 53% of small businesses generally in the UK. That might be because some are smaller, so it is easier for them to have that ambition. Obviously, businesses are going through a difficult time at the moment. Nevertheless, that is a sign of people's personal investment in co-operatives.

Co-operatives are more resilient. Co-op start-ups are almost twice as likely to survive the first five years of trading, compared with start-ups generally. Co-ops were more resilient in the pandemic, with the number growing by just over 1% between 2020 and 2021. It is interesting that co-ops have a smaller gender pay gap than other businesses: 9% compared with 12%, based on the median hourly wage in Great Britain, and covering Northern Ireland as well. That may be because co-ops have a flatter pay scale and less of a hierarchy, but that is nevertheless a significant fact when looking at that important issue.

I want to highlight what local government is doing to promote co-ops. I will start my canter around the country with Greater Manchester and its Co-operative Commission, which was established by the Greater Manchester Combined Authority and launched by Mayor Andy Burnham, to make recommendations aimed at enabling the co-operative and mutual sector to make the best possible contribution to Greater Manchester. Of course, that is very fitting considering where the Rochdale pioneers came from. Mayor Burnham is going back to the roots of his region.

The commission focused on recommendations in three sectors: housing, the digital economy and transport. They were all chosen because of their fit with the Greater Manchester strategy. The commission promoted co-ops to reduce inequality, improve education and employment. Its stated aim is

"To help co-ops to expand into other areas of the economy to make Greater Manchester the most co-operative region in the UK."

I may have a bone to pick with Mayor Burnham, because I hope that east London might beat him to that title. Nevertheless, the Mayor accepted those recommendations by the commission, so that work is now under way to ensure that co-ops play an important role in the north-west.

Ownership hubs have been set up in several combined authorities across the UK. They began initially in South Yorkshire under the former Mayor, my hon. Friend the Member for Barnsley Central (Dan Jarvis). The ownership hub model has also been launched in Greater London. The aim of that is to promote both co-operative and employee-owned business growth. In South Yorkshire, the collaborative partnership works with the combined local authorities in the region and the South Yorkshire Growth Hub, where businesses can get support to set up or indeed convert their organisation to worker or employee ownership.

The South Yorkshire Growth Hub has experienced and knowledgeable advisers, who can offer support on setting up new businesses, upskilling workers and gaining access to finance. In London and Greater London, the London Growth Hub, under Mayor Sadiq Khan, will be tasked with increasing the growth of co-ops across different London boroughs, replicating—we hope—the successes of the South Yorkshire Growth Hub. It is significant that the hubs provide knowledge and expertise, because sometimes one of the barriers to setting up a co-op is that, seen from the outside, there are some seemingly complex legal models that have to be established, but they are not so complex if a business has a helping hand to guide it through.

Moving to the west midlands, Birmingham City Council has taken a community economic development planning approach, which engages residents, community groups,

local businesses and voluntary sector organisations as part of its economic development projects. For example, a community building has been built on a disused playing field next to Edgbaston reservoir, and the land is now used for growing food. Again, that project is very much rooted in the local community.

In January, Liverpool City Council adopted a community-led housing policy, which aims to unlock vacant land and properties for community groups to convert into new homes. The policy was devised in collaboration with local community groups. These groups are already forming land trusts and co-ops, and they will work alongside council officers and community-led housing advisers to build new houses.

In my own constituency, I know the vital importance of housing, the problem of shortage, the overcrowding situation and how little empowerment there is for many residents, whether they are private renters or council tenants. Co-ops are a really great way to give people control and power over their own homes.

I have mentioned east London. As the MP for Hackney South and Shoreditch, of course I will focus on what my own borough is doing, under the excellent leadership of Mayor Philip Glanville, a Labour and Co-op mayor who was directly elected by the residents of Hackney.

In setting its budget for the current financial year of 2023-24, Hackney set aside £70,000 to support the creation of co-ops, in order to deliver services where there is market failure and no business case for in-sourcing. Hackney has a good track record of in-sourcing many services, including our street sweeping and cleansing, but where there is not the right case—perhaps because the service is too small—Mayor Glanville wants to consider alternatives. At the moment, these include social care, affordable childcare and community energy. Where Hackney cannot in-source services and there are existing co-ops, it wants to look to local businesses, social enterprises and co-ops first, working across departments to ensure that contracts are designed to make it possible for co-ops to tender.

I should perhaps flag to the Minister one of the challenges. Sometimes in local government it is difficult for co-ops to meet the required threshold, because of some of the restrictions set at different times, in different eras and by different Governments, including different central Governments, which perhaps do not understand the benefit of a local community co-op.

Jim Shannon (Strangford) (DUP): First, I commend the hon. Lady for securing this debate. I have apologised to her already and I apologise now to you, Mr Dowd, as I am afraid I cannot stay for the whole debate, because I have another meeting to attend at 3 pm.

I also commend the hon. Lady for her leadership of the Public Accounts Committee. We are all very glad that she is there, because we believe that she gives the leadership and direction that that Committee needs. Does she agree that in these times of financial crisis, a mutually beneficial co-operative has never been more important? I know that from my own constituency. A local social supermarket in Newtownards, in my constituency of Strangford, operates almost like a co-operative—it is not an actual co-operative, but almost operates like one—in order to provide food at a lower price. This is something that our local council also

needs to sow into, in order to facilitate and encourage people. If a lower price can be obtained by that shop in my constituency, the saving can be passed on to those who need it most. Clearly, that is what we need to do. It is for that reason that this debate is so important and I once more congratulate the hon. Lady on securing it.

Dame Meg Hillier: I thank the hon. Gentleman for his kind comments and for that valid point. One of the many advantages of local co-ops is that they and the benefits are owned by the local population, and the profit is redistributed to the very people who helped to generate it. Although I have talked about small-scale co-ops, of course they can be larger; there are many such co-operative businesses up and down the country. I am focusing on how councils can facilitate co-operatives in their own areas, so by definition I am talking about the local.

Mayor Philip Glanville has established, among the elected councillors, a member champion for inclusive business, social enterprise and co-operatives. The role is held by Councillor Sam Pallis, who does an excellent job in promoting these issues. There have been some success stories in Hackney. Hackney Co-operative Developments, which has been established for a long time, is being supported by the council through the provision of properties at sub-market rent, capital investment in those properties—that can be hard for small co-ops—and targeted funding for business support and outreach projects so that that fantastic project can spread its expertise to other organisations in Hackney and help to build the co-op sector. Hackney Co-operative Developments understands the technical and legal aspects of setting up a co-op better than anyone, as do similar organisations in other areas up and down the country, so it is right that the council supports it in that way. That relates to the ask that I will have for the Minister in a moment.

Hackney has also set up a community energy fund. A few years ago, it established Hackney Light and Power, which is the energy services arm of the council, and that local company launched a £300,000 community energy fund last year, which aims to support innovative community-led energy projects that benefit Hackney. That amazing programme ensures that Hackney generates its own energy for local use. That reduces energy costs for many consumers; long may it succeed. We must see locally generated energy for local use as a way to tackle the challenge of climate change.

The first round of funding from that £300,000 community energy fund provided funding for solar panels on the Hackney Empire, our fantastic local theatre. I say “local”—it is nationally renowned, but we are proud to call it our local theatre in Hackney. I should declare, as an interest, that I am a friend of the Hackney Empire—that will hardly surprise Members—and a regular visitor to its fantastic pantomime. The fund also provided solar panels for the Mildmay club in north Hackney, in the constituency of my right hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), and Parkwood Primary School. Those panels provide enough electricity for one third of those properties’ energy use, equivalent to 35 homes. If the first round of funding can deliver that, it has real potential. The Minister is very welcome to visit if that would be helpful.

[*Dame Meg Hillier*]

We need a real understanding in Government about what co-ops can deliver. Many years ago, when Labour was last in government—it does seem like a long time ago—I was looking to mutualise the then Forensic Science Service, and I asked for guidance from the Government. I was a Minister in the Home Office, which was, perhaps understandably, not an expert on co-operatives and mutual ownership, so it commissioned advice elsewhere in Whitehall. To my horror, what landed on my desk was a document about John Lewis. I feel no horror about John Lewis, I have to say, but its model of employee ownership was not what we were looking at. It was almost as if there was no real understanding of what mutualism was. Unfortunately, I was unable to get that mutual off the ground for various reasons—many co-ops face a challenge with capital funding—but that drove home to me the fact that we need a central hub in Government that can point people to advice about co-operatives, and I have been banging that drum ever since, in all these years in opposition.

The Treasury, the Department for Levelling Up, Housing and Communities, the Department for Business and Trade, and other Departments such as the Department for Environment, Food and Rural Affairs, would benefit from that understanding. We need a hub that is open to Departments so that when advice on alternative models is needed, co-ops are considered. The Minister making the decision must have full knowledge of the possibilities and possible challenges, and co-ops must be considered as part of the solution.

Chris Stephens (Glasgow South West) (SNP): The hon. Lady is making a very important point about what central Government can do. Does she agree that that applies to measures to address food poverty? Co-operatives right across these isles are playing a vital role in ensuring people have affordable food during the cost-of-living crisis.

Dame Meg Hillier: Absolutely. As I have said, co-operatives invest back into their own communities, especially the small local co-ops—not every business does that. It is really important that we recognise what the benefits are. Like other hon. Members, I have community shops in my constituency as well as food banks, in which people can buy food and get double the value of what they paid. The fantastic community shop on the Kingsmead estate is staffed by local young people who volunteer their time. There is dignity there for the people who come into the shop; they pay for their shopping but get much more than they paid for. They can get fresh fruit and vegetables as well as other products. Community shops are an important and valuable resource.

As well as a central unit, it is important that the Government ensures that procurement opportunities are open and available to alternative businesses, so that we do not just set up a central procurement model that allows the big beasts—the big strategic suppliers of Government—to bid, without taking into account options for smaller businesses, including co-operatives, to bid. That may be beyond the Minister's personal gift today, but I am sure she can take it back to relevant Ministers. It is important that we consider what co-operatives can bring to the table.

There is a requirement to have social value in a number of contracts now, but we cannot have co-ops as an added-on extra to a big contract from one of the big strategic suppliers, there to salve Government or community conscience. In that respect, if they are involved they need to be involved properly but, better still, they can actually bid. Greenwich Leisure Ltd was a co-operative social enterprise, but it is now running leisure centres across London and elsewhere as Better Ltd. That is a mutual that is delivering for local people, and it is now big enough potentially to bid for bigger contracts. From small co-ops these larger opportunities grow.

There may be work that needs to be done to provide additional support to those businesses, such as open roundtables, discussions or opportunities for drop-ins for those businesses to come and talk to Government about what they need to do to meet Government procurement requirements. I have highlighted some of the regional and local government support that goes on. If we look at regions—this is very much in the Minister's bag—if co-operative development is a central strand of economic development outcomes for combined local authorities, then there will be more than what has been happening in Greater Manchester and elsewhere. It is something that could be used to drive up economic growth in the country. The mutual route is an entry-level way for a lot of people to get into business opportunities.

A regional co-operative development agency, to model, co-ordinate and support the co-op sector, would be an excellent initiative. It would not be massively resource intensive; in fact, if the Minister took one of the big, regional local authorities—for example, Greater Manchester—and boosted it, that could be the hub. It does not need to be in Whitehall; I am all for having those provisions outside of London. Although I am a London MP, I think it is important that we support those sectors across different parts of the country. I really want to see a central Government unit set up to support co-ops.

I hope the Minister will take those points on board. I know that she cannot answer them all. Co-operatives cover every sector of the economy and every part of Whitehall's responsibilities. I know that she is a champion within Whitehall for local government, so I hope that she will pass on these thoughts and comments to her fellow Ministers.

2.48 pm

Christina Rees (Neath) (Ind): It is always a pleasure to serve with you in the Chair, Mr Dowd. I congratulate the hon. Member for Hackney South and Shoreditch (*Dame Meg Hillier*) on securing this important debate. I have been a co-operator for many years, because I believe that the only way to improve the quality of life of people living in the UK, Wales and my constituency of Neath is by working together.

I would like to pay tribute to some of my fellow co-operators who have encouraged and supported me in my co-operative endeavours over the years. Alun Michael, former MP and now police and crime commissioner in south Wales, introduced me to the co-operative ethos many years ago. Three of the four police and crime commissioners in Wales are Labour and Co-operative, which is a wonderful achievement. I thank all the current and past members of the Wales co-operative council, on which I have had the honour to

serve for many years. A special mention goes to K. C. Gordon, secretary of the Wales co-operative council for nearly 20 years, my campaign manager when I stood for Arfon in the Senedd election in 2011, and a formidable mountain rescuer on Snowdon. Chair of the Wales co-operative council and former MEP Jackie Jones is an ambassador for co-operative ideals throughout Europe. The legend that is David Smith has campaigned for many years for the father of the co-operative movement, Robert Owen, a Welshman who was born in Newtown in Powys in 1771, to be part of the school curriculum in Wales. That will mean that children can learn that Robert Owen, who made his future and his fortune in the cotton trade, was unique among employers of that era because he believed in putting his workers in a good working environment with access to education for them and their children.

Karen Wilkie, former regional secretary of the Wales Co-operative party, gave 20 years' service to promoting and growing the co-operative sector all over Wales. The former MP and now Senedd member Huw Irranca-Davies has worked with me to have Marcora law adopted in the UK and Welsh Parliaments. I firmly believe that support for co-operatives and alternative businesses would be greatly enhanced if the UK Government created a Marcora law.

Those who missed my 20-minute speech in my Westminster Hall debate on Marcora law in September 2021 will be relieved that I am going to give the edited version today. I believe that a Marcora law is the answer to small businesses closing or where there is a lack of succession planning. Marcora law was created by the Industry Minister Giovanni Marcora in the Italian Government more than 30 years ago. Marcora law gives workers the right and, more importantly, the financial support to buy out all or parts of an at-risk business and establish it as a worker-owned co-operative. Italian workers are given the opportunity to rescue profitable parts of a business or an entire profitable business, and are each given a lump sum in advance of three years' social security payments and redundancy payments, which they pool together to use for the buy-out.

Marcora law is run by the Cooperazione Finanza Impresa—I will call it the CFI—which was set up in 1986 by the Italian Government, who hold a 98.6% share of the capital investment and oversee the CFI board. The CFI assesses, supports and provides the finances for the buy-out, and it has invested over €300 million in 560 companies, saving more than 25,000 jobs and retaining the skills and experience of the Italian workforce.

The return to CFI is more than six times the capital it has invested in worker buy-outs, and the workers also benefit from co-operative values, safeguarding employment and guaranteeing fair workplace conditions. In my Westminster Hall debate, which seems like years ago now—it was September 2021—I asked the Minister whether the UK Government had

“conducted an assessment of...the existing co-operative sector”.

I asked whether his UK Government would

“increase the size of the co-operative sector”.—[*Official Report*, 8 September 2021; Vol. 700, c. 113-114WH.]

Had he considered the benefits of worker buy-outs for at-risk businesses? Would his UK Government provide financial support to workers looking to buy out their

at-risk business? Unfortunately, the Minister was not too impressed, so I will ask the Minister today whether she will meet me to discuss the benefits of Marcora law.

I followed up my debate by introducing ten-minute rule Bill on a Marcora law, the Co-operatives (Employee Company Ownership) Bill. To my absolute astonishment, the CFI got in touch, having watched my Westminster Hall debate and my ten-minute rule Bill debate. I had the absolute honour of speaking at the CFI conference in Rome in November 2021. Unfortunately it happened virtually, so I have still never been to Italy, but it is on my to-do list.

In the Welsh Parliament, Huw Irranca-Davies introduced a legislative proposal for an employee ownership Bill to give workers support to buy out their workplace if it is at risk of failure. Huw's motion, which received cross-party support, proposed

“that the Senedd:

1. Notes a proposal for an employee ownership Bill on promoting worker buy-outs and employee ownership;
2. Notes that the purpose of this Bill would be to:
 - a) legislate for a Welsh Marcora law to provide the legal framework, financial support and advice for worker buy-outs;
 - b) put in place a statutory duty to double the size of the co-operative economy by 2026 and to actively promote employee-ownership and worker buy-outs;
 - c) provide financial support and advice for workers to buy out all or part of a business facing closure or down-sizing and to establish a workers co-operative;
 - d) ensure that all companies in Wales in receipt of public funding or part of the social partnership and ethical procurement chains agree to the principles of worker buy-outs and employee ownership.”

Huw's Bill is still awaiting legislative time, but although it would pave the way for a Marcora-type law in Wales, only this place has the financial power to truly provide what will be needed to make worker buy-outs a success. Welfare and benefits are not devolved. Even with a Welsh Marcora law, the Welsh Government would struggle to provide the funding needed. That is why we need the UK Government to commit to such a law for the UK.

Co-operatives and alternative businesses represent a departure from the traditional business model, emphasising principles of shared ownership, democratic decision making and the pursuit of sustainable development. By prioritising social and environmental wellbeing alongside economic growth, these enterprises encapsulate the values that we hold dear: equality, co-operation and resilience. These forward-thinking initiatives are reshaping our economic landscape, fostering inclusivity and empowering communities across Wales.

Many local authorities in Wales, including my own in Neath Port Talbot, have recognised the potential of co-operatives and alternative businesses to drive positive change in their communities. They understand that these ventures not only provide valuable products and services, but generate meaningful employment opportunities and promote community engagement. By lending their support, local authorities are fostering an environment conducive to collaboration, innovation and empowerment.

A key way in which local authorities assist co-operatives and alternative businesses is through the provision of financial resources. They offer grants, loans and other forms of financial assistance to help those enterprises get off the ground, expand their operations or invest in

[Christina Rees]

sustainable practices. By leveraging access to funding, local authorities are reducing the barriers to entry and are levelling the playing field for aspiring entrepreneurs who wish to pursue a co-operative or alternative business model. In Neath Port Talbot, support is provided through a range of schemes targeted at the third sector, including the community regeneration fund, the Building Safe and Resilient Communities programme and community benefit funds linked to renewable energy products.

Moreover, local authorities play a pivotal role in facilitating networking and knowledge sharing among co-operatives and alternative businesses. They organise events, workshops and conferences at which entrepreneurs can connect with like-minded individuals, share best practice and learn from successful case studies. By fostering a sense of community and collaboration, local authorities are empowering these businesses to thrive and grow.

There are also examples of capacity-building initiatives to ensure the long-term viability of co-operatives and alternative businesses. They provide training programmes, mentorship opportunities and business-development support to enhance the skills and knowledge of entrepreneurs. By equipping them with the tools that they need to navigate the challenges of running a co-operative enterprise, local authorities are creating a sustainable ecosystem that fosters success.

I will finish by mentioning Cwmpas, a development agency working with local authorities, organisations and businesses for positive change in Wales, which has recently expanded to cover the UK—so look out! Cwmpas is a co-operative that was established in 1982 as the Wales Co-operative Centre. It focuses on building a fairer, greener economy and a more equal society in which people and the planet come first.

How we do things is just as important as what we do. Cwmpas works collaboratively, for mutual benefit, by providing support and encouragement, addressing inequality, valuing diversity and democracy, striving to be open and honest, investing in achieving positive outcomes and inspiring and empowering people, communities, and businesses to take control and reach their potential.

My good friend, Derek Walker, led Cwmpas for many years, and I was proud and honoured to speak at many of its events. Recently, Derek was made the Future Generations Commissioner for Wales, and I am sure he will do just as good a job there.

Cwmpas research found that small and medium-sized enterprises make up 90% of public sector and 62% of private sector companies in Wales, and that 20% face closure or succession in the next five years. A Marcora law has a place in improving the chances of succession, rescuing jobs and securing the future of many at-risk businesses across Wales and the UK. A Marcora law would allow organisations such as Cwmpas and local authorities to provide the financial support and expertise to deliver this.

Importantly, the support provided by local authorities and organisations such as Cwmpas is not limited to the start-up phase of co-operatives and alternative businesses. They recognise the need for ongoing support and aim to create an enabling environment for those enterprises to

flourish. Local authorities work hand in hand with those businesses to identify opportunities, address challenges, and advocate for policies that promote their growth. By nurturing a long-term partnership, local authorities ensure the resilience and sustainability of co-operatives and alternative businesses.

Support for co-operatives and alternative businesses in Wales is an essential pillar of economic development and community empowerment. By championing those enterprises, local authorities are not only fostering inclusive growth and job creation but promoting the co-operative values that define us as a society—co-operative values that have stood the test of time. As we move forward, let us continue to embrace and support the co-operative spirit and its values, for it holds the key to a more equitable and prosperous Wales.

I invite the Minister to visit Neath and to see those wonderful co-operatives and alternative businesses in operation in every community of the Neath Port Talbot local authority.

3.3 pm

Beth Winter (Cynon Valley) (Lab): It is a pleasure to follow my hon. Friend the Member for Neath (Christina Rees). I also congratulate the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier) on securing this important debate during Co-operatives Fortnight.

The economic system under which we live is creating extreme levels of inequality, poverty, suffering and hardship, and the private profit motive is benefiting a tiny few at the expense of the majority of people in the United Kingdom. After a decade of Conservative austerity, public service cuts and the current cost of living crisis, we urgently need fundamental societal change to deal collectively with the social and economic crises that we face.

I genuinely and firmly believe that co-operatives—which are “people centred” to realise “common economic, social, and cultural needs and aspirations”—have a critical role in shaping the alternative economic system that this country urgently requires.

As my hon. Friend the Member for Neath already outlined, Wales has a strong culture of co-operation, and many of the first co-operative societies were established in Wales. Indeed, the socialist Robert Owen is credited with inspiring and founding the co-operative movement in the UK. In my constituency of Cynon Valley, the first co-operative society in Wales—the Cwmbach co-operative—was established in 1859. It was founded to collectively alleviate the extreme poverty experienced by the community as a result of the miners’ strike back in 1857. Since that time, co-ops have had a growing presence in Wales with a wide variety of functions and, thanks to organisations such as Cwmpas, they now contribute £3 billion to the Welsh economy. That is no small change; that is a massive, significant contribution.

We are fortunate in Wales that the Welsh Government actively support the co-operative sector and are building an economy that prioritises wellbeing and resilience. Legislation like the Well-being of Future Generations (Wales) Act 2015 and the recently passed Social Partnership and Public Procurement (Wales) Act 2023 are models of facilitating that co-operative approach, as is the Welsh Government’s recently announced £1.7 million funding a year for the next two years to help businesses transition

to employee ownership and help develop new social enterprises. Community energy projects will benefit from the Welsh Government's publicly owned Ynni Cymru energy provider, which the shadow Climate Minister, my right hon. Friend the Member for Doncaster North (Edward Miliband), continues to champion in this House through GB Energy.

In addition to the Welsh Government, there is a significant role for councils. As Professor Neil McInroy of the Centre for Local Economic Strategies has said, we need

“a new conception of the local state”

that conceives

“the local state as a facilitating institution that empowers, coordinates and upscales social innovation from community organisation and social enterprises.”

I have been fortunate enough to do quite a lot of work with Neil and many of the trade unions in the UK to develop the building of a community wealth-building approach in the co-operative movement, which I will come to shortly.

Since I was elected to this House, given the horrendous impact of austerity, the cost of living crisis and the pandemic on people in my Cynon Valley constituency, I have prioritised working with the local council, other organisations and, crucially, local people to develop a co-operative and community wealth-building approach. I am truly determined that not only can we and should we create wealth in our communities, but we have to retain that wealth in our communities, unlike during the mining industrial revolution where we produced all the wealth in the south Wales valleys and other valleys and communities throughout the UK, but the wealth was extracted out of our communities. That cannot happen again.

My local authority, Rhondda Cynon Taf County Borough Council, and its community development team, with people like Simon Gale, have significant experience of working with and supporting co-ops and community-based enterprises. One example of how it recently worked was with the Coalfields Regeneration Trust opening a facility called Hwb Cana in Penywaun, where I used to work as a community development officer many years ago. It will function as a skills and training centre for local residents and will house Smart Money Cymru Community Bank, which will enable local people to access loans and other financial services and is similar to the credit union movement that has spread throughout the UK.

There is much more that can be done and, with that in mind, one of the first things I did when I was elected was to commission independent research by the Bevan Foundation think-tank in south Wales to assess how it is possible to transform the economy of Cynon Valley, taking a grassroots, bottom-up approach. The report produced around 17 recommendations, ranging from having a joint procurement strategy using local supply chains and bottom-up town centre regeneration to delivering a real living wage and a Cynon Valley-wide co-operative. To achieve each recommendation, we have set up a number of working groups to turn them into real action and change.

The purpose of the co-operative, which will be in the form of a development trust, is

“to stimulate community-based enterprises, with a strong focus on the green economy.”

Without a doubt, we are living in a climate crisis and notwithstanding the significant challenges and risks, we have many opportunities, particularly in Wales with our topography and green environment, to really develop grassroots, co-operative and community-owned initiatives to tackle that crisis.

We have secured funding from the Welsh Government to undertake a feasibility study into the Cynon-wide co-operative and we are currently considering that report's findings. It is a really exciting time in the valley and there are lots of opportunities there. Indeed, there was overwhelming agreement that a development trust would play a critical role to assist the economic and social revival of Cynon Valley and its long-term sustainability, which is key to any developments.

I will finish by mentioning Tyrone O'Sullivan. He is a hero of mine, and I had the privilege of attending his funeral yesterday. He was a miners' leader and a real giant of the trade union and Labour movement, but he also put co-operation into practice. His leadership and vision led to the miners' buy-out of Tower colliery back in 1995, when miners used their redundancy money to purchase the mine. It was a huge success and made in excess of £11 million in profit in the first three years alone, so it was a brilliant example of worker ownership and the potential of co-operatives.

Going back to where I started, co-operatives must be part of a much wider transformative change and must be placed in the wider context. Tyrone really did have a clear vision of the need for that societal change to give young people a future and to build and develop our communities. He showed that change can happen and that people can take control of the wealth in their communities and make sure that that wealth stays there. That vision remained part of Tyrone. I was privileged to have met him in recent weeks, when we had a long discussion about politics, socialism and the need for societal change. He spoke about the power that lies in our working-class valley communities to effect the change required to achieve—for me and for Tyrone—a socialist society.

The south Wales valleys have been at the forefront of change in the past and we can, and will, be at the forefront of change again. Co-operatives, with the co-operation of councils, have a fundamental role to play, turning that vision—and in his memory, Tyrone's vision—into reality. Diolch yn fawr.

Peter Dowd (in the Chair): Just to alert people, there are likely to be a number of votes. If that is the case, we will adjourn for 35 minutes.

3.14 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to see you in the Chair, Mr Dowd. I commend the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier) for leading this debate with an excellent speech. I commend the speeches of my good friends, the hon. Members for Neath (Christina Rees) and for Cynon Valley (Beth Winter).

I completely agree with the hon. Member for Cynon Valley: the ongoing cost of living crisis has clearly demonstrated the inherent dangers of communities being reliant on companies motivated by profit for essentials like food and housing. It is vital that co-operatives and

[Chris Stephens]

social enterprise organisations, which prioritise supporting communities, receive adequate funding, not just from local authorities and devolved Administrations, but central Government, too.

I listened intently to the colleagues who provided a bit of history on co-operatives, which have existed for centuries. The co-operative movement predates the British Labour party. In Govan in Glasgow South West, in 1777, the Govan Victualling Society became Scotland's second co-operative—it was piped to first place by the village of Fenwick. The book on co-operatives describes Govan in 1777 as a pretty village on the banks of the Clyde just outside Glasgow. Of course, some of the people of Govan still deprecate the decision of 1912 to bring Govan into the city of Glasgow for local authority purposes. I am not here to describe that part of Govan's history, but to demonstrate that we can learn lessons from the past. The memory of that society founded in 1777 lives on today in my constituency.

I am privileged to be the chair of Good Food Scotland. That organisation, along with a number of others, assisted the great organisation Govan Home and Education Link Project—Govan HELP—which transitioned during the covid pandemic away from emergency food parcels to become a co-operative pantry. The work of Good Food Scotland is thriving, with the help of both the Scottish Government and Glasgow City Council. We now have six, and rising, larders run by Good Food Scotland, with a membership so far of 1,500, which is also rising.

How vital is that service? The saving for a weekly shop using one of these Good Food larders is on average £20 a week, but we had an example just this week from the Linthouse Larder. A couple who go to a regular supermarket calculated their weekly shop at £80; using the larder, their weekly shopping is now £30. We not only need to promote the great work of co-operatives, we also need to look at supermarkets' excess profits, and we should be debating whether companies that are making excess profits should perhaps be contributing a bit more in the taxation system.

The work we are doing on eliminating food poverty backs the principles of my private Member's Bill, the Food Poverty Strategy Bill, in which I ask the Government to produce a food poverty strategy to eliminate the need for food banks by the year 2030. If Joe Biden's America can look at producing a food poverty strategy to eliminate food banks in America by 2030, we can learn lessons in this nation state and do that as well.

Co-operatives are business organisations that are owned and controlled by members to meet their shared needs. Members can be customers, employees, residents or suppliers, and they have a say in how the co-operative is run. In 2020, just 1% of UK businesses were co-ops, but more co-ops are opening in response to the ongoing cost of living crisis, and a vital job they are doing, too. In January 2022, Cooperation Town had six co-ops in its network, and that has now more than tripled to 21.

Co-operatives provide a vital service to those struggling through the crisis. The soaring food prices in supermarkets are a clear example of why we need organisations that prioritise fairness and support local communities. This

cost of greed crisis is a stark reminder of the danger of companies that sell essential supplies prioritising profit margins above all else.

Christina Rees: The hon. Gentleman really is a friend of the workers. What I find so inspiring about this debate—I am sure he will agree—is that Wales, Scotland and England have come together to show the value of co-operation and the amazing impact that co-operatives have across the UK.

Chris Stephens: The hon. Lady, too, is a friend of the workers. In fact, I once said that to her when she was in your very spot, Mr Dowd, in a debate on workers' rights. She is correct that the co-operative movement, which is doing a vital job, needs to grow in this country.

I would argue that credit unions are based on the co-operative model, and they too are playing a vital role in helping people with their finances. They help people to save and take out affordable loans. The credit union movement, which is doing great work, should be congratulated. The less I say about some of the bigger banks, the better, because I would probably veer into using unparliamentary language, and I am sure you would not allow me to do such a thing, Mr Dowd.

According to the House of Commons Library, in 2021-22 4.7 million people, or 7% of the UK population, were in food poverty, including 12% of children. In 2022-23, the Trussell Trust supplied the highest recorded number of three-day emergency food parcels. It is hardly surprising that the number of co-operatives in the UK is growing to meet the challenge of soaring levels of food poverty.

FareShare, the largest distributor of charitable and surplus food in Britain, supplies about 9,500 groups, including food banks, co-ops, community cafés and school clubs, but it currently has a waiting list of 1,500 organisations. That shows the challenge of dealing with the cost-of-living crisis. Its head of marketing noted:

"We believe this is just the tip of the iceberg for the number of charities and community groups needing more support... We do not have enough food to meet this soaring demand, so we're asking the government to provide us with £25m to help us unlock an additional 42,500 tonnes of surplus food, the equivalent of 100m meals, to the people worst hit by the cost of living crisis."

That shows the very real challenge facing citizens across these islands. The idea that the growing demand for affordable food is an indictment of the lack of action in providing adequate support through the cost of living crisis is echoed by other stakeholders.

Co-ops have the potential to offer a real, sustainable solution to the ongoing housing crisis. It is not just in the context of essentials like food that we are seeing companies take advantage of the ongoing crisis to disguise hiking their prices; increasingly, landlords are also taking advantage of the cost of living crisis to charge exorbitant prices for accommodation. Although the Scottish Government have taken decisive action to support people through the housing crisis by introducing a rent freeze and a moratorium on evictions, I am afraid that the UK Government have taken no action to protect people from the crisis. As with food prices, soaring housing costs do not impact everyone equally.

Chloe Field, the National Union of Students' vice-president for higher education, has said that the "unprecedented" housing shortage is "jeopardising students' university experience and forcing them to make difficult decisions."

She also noted:

“Without urgent action to increase the amount of affordable housing, it is inevitable that both dropouts and student homelessness will increase.”

Those on low incomes are paying a hefty price for the lack of action to tackle our housing crisis. One charity has warned that student housing is reaching a “crisis point” not seen since the 1970s. As a result, housing co-operatives are becoming increasingly popular, particularly among students, who have set up student co-operative homes. The Student Co-op Homes organisation notes that

“We know from elsewhere in the world this model works and is replicable at scale...There are now four such co-ops in the UK (housing over 130 students) in Birmingham, Edinburgh, Sheffield and Brighton, plus active groups looking to secure property in Belfast, Bristol, Glasgow, Manchester, and Nottingham. Further enquiries are coming in every month.”

Such co-op homes are a solution for people who have been priced out of buying a home in their local communities.

I hope that when the Minister responds to the debate, we will hear about what the Government are doing to help these housing co-operatives ensure that there is affordable housing, about how we are very much having to deal with food poverty, whether or not the Government will support my private Member’s Bill, what action the Government are taking to address food poverty, and about the support that they will give food co-operatives.

3.26 pm

Alex Norris (Nottingham North) (Lab/Co-op): It is a pleasure to serve under your chairship, Mr Dowd. I refer colleagues to my entry in the Register of Members’ Financial Interests, as I am a Labour and Co-op Member of Parliament and because my wife is the assistant general secretary of the Co-operative party.

I commend my hon. Friend the Member for Hackney South and Shoreditch (Dame Meg Hillier) for securing this debate and for her leadership of it. She started by saying that there is a great need and enthusiasm in this country to move to more local models and away from top-down planning to local delivery. That was really on the money, as was her point about the huge input that the co-op sector already makes to our economy. She also referred to the frankly unrealised potential of the sector, which I will talk about shortly. However, as the theme of the debate is the role of local authorities, I thought it was wonderful that she pulled out examples from across Greater Manchester, South Yorkshire, Birmingham and her borough of Hackney where local, regional and sub-regional leaders are taking ownership and putting co-ops at the heart of their local economy and their local economic development.

I believe, and this came through in what my hon. Friend said, that we are at a co-op moment. We are showing that leadership is local and developing, but that needs to be matched—perhaps this is a theme of today’s debate—with a national commitment.

My hon. Friend was ably supported by my hon. Friend the Member for Neath (Christina Rees), who, in my head, is synonymous with her 100-plus appearances for Wales in squash, as well as with the co-operative movement in Wales. She listed a number of people who have been the backbone of that movement, but she ought to have her place in that pantheon. I knew that

she would not disappoint us and would talk about the Marcora law, which is particularly germane to today’s debate.

Whether a Member is from the north-east, like the Minister, from the east midlands, like me, or from south Wales, like my hon. Friend the Member for Neath and my hon. Friend the Member for Cynon Valley (Beth Winter), a common theme is that, in recent decades, we have felt the huge loss of businesses, industries or enterprises that are at the heart of our community, and we know the absolute hole that that creates. My hon. Friend the Member for Neath, building on the Italian example, suggested a way that we can perhaps fill that hole and stop that happening. I am interested to hear the Minister’s reflections on that. Whether she is addressing the current Government or a future one, my hon. Friend will continue to press that case hard. In giving the example of Cwmpas, she made a case—this was picked up by my hon. Friend the Member for Cynon Valley—about the impact of support and input at a national level to help different models of enterprise to develop, and that that can be highly effective.

My hon. Friend the Member for Cynon Valley picked up on that theme by talking about the work of the Welsh Government and Cwmpas. However, what I also took from what she said is that the co-operative economy and co-ops’ place in the economy are as a deliverer of really important social programmes. She mentioned net zero and energy, as well as the cost of living and tackling poverty. I believe that co-ops are at the root of tackling those challenges, which is why I am a Co-operative Member, and that local authorities should act as a facilitator. I associate myself with everything that she said about Tyrone O’Sullivan. I know that a lot of pain has been felt by Welsh colleagues at his passing. For all the reasons she mentioned, his place is very much in a co-op debate, and I am glad we have had the chance to recognise that.

I will make a couple of points of my own. Efforts to support the growth of co-ops and alternative businesses are vital, because we know the difference that those business forms can make. Co-operatives, for example, put economic power in the hands of local people, and ensure that the benefits of economic growth are felt by those who help to create it. I will be interested to hear the Minister’s reflections on that, because I think that is what we are talking about with levelling up. I know that, perhaps politically, the Minister is not co-operative, but I suspect that she is by instinct. I am interested to hear her views.

Co-ops are grounded in shared values that put communities, members and workers together in the driving seat of a fairer, more ethical way of doing business, where issues such as paying a fair share of tax and protecting our natural environment are at the core of how things are done. Co-operatives are good not just for those who depend on them, but for business. They are shown to be more resilient. Co-ops are twice as likely to survive the first five years of trading than other start-ups. As my hon. Friend the Member for Hackney South and Shoreditch said, they are more ambitious, with 61% expressing a desire to grow, as opposed to 53% of businesses more generally. Where workers and members of the co-operative have a true stake and say in the success of business and, crucially, have a share in the rewards, they are more productive.

[Alex Norris]

So co-ops are resilient, ambitious and productive—qualities that we so badly need in our economy, especially in these uncertain times, and also to smooth out and avoid uncertain times in future. As colleagues have said, this is already working, with 7,000 co-operatives across the country turning over around £40 billion a year. We believe that the sector can grow and that its benefits can be felt more widely by more people.

This is about a change of focus from economic growth built around low-paid insecure work that does not ride out economic uncertainty well and is concentrated in certain regions of the country. Instead, we are talking about an “everyone in” approach, providing grassroots growth, created everywhere, by everyone, for everyone, but that will not happen by chance. Colleagues have used good examples of where it has worked well. At the root of that, there has been a degree of national, regional, sub-regional or local leadership, and it requires that proactivity. I hope we will hear some of that in the Minister’s response.

For our part, we as the Opposition have an important ambition, shared with the Co-operative party, to double the size of the co-operative sector, to help build that sustainable growth. Colleagues will also have seen that our local power plan was announced by the Leader of the Opposition on Monday. Co-operation lies at the heart of that plan, which will put money and power—literally and figuratively—into people’s hands. We believe that when more people have a say and a stake, and greater ownership of the issues and decisions that matter to them, the balance of economic power shifts back in favour of people and communities—and my goodness, do we need some of that!

We have heard that local authorities and local government are taking a lead across the country. We have also heard from colleagues that local elections saw a record number of Labour and Co-op councillors elected. There are more than 1,500 such representatives across 80% of local authorities, so the case is being made at a local level more and more. However, we need to see that matched at a national level. When the Minister makes her contribution, I will be interested to hear what work her Department is undertaking, not just to support co-ops and alternative businesses in the here and now, but going forward, in terms of its ambition and belief for the sector. On levelling up, if there is anything the Minister could deliver in her role, it would be to help those sub-regional bodies—perhaps combined authorities and mayors—to deliver ownership hubs. There is clearly enthusiasm to do that.

What more help does the Minister envisage giving local authorities to ensure that they can play their role? There has been a pattern over the past decade or more of not prioritising alternative models. It has been the same old models delivering the same old outcomes. As a result, we have pent-up potential—we really need to realise that—and that plays out in Government focus and in a policy and regulatory framework that often inhibits the development of alternative models.

I hope that the Minister has heard, in contributions from colleagues and me, about the ambition and the potential, and the difference that it would make to the

UK economy to unleash co-ops. We see the local leadership of this, and we now need to see some national leadership to match it.

3.34 pm

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Dehenna Davison): It is a pleasure to serve under your chairmanship for what I think is the first time, Mr Dowd—what a very sound time it is. First, I congratulate the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier) on securing this incredibly important debate. We in Government share her desire to expand our understanding of what more can be done to support growth in different sectors and to learn from successful examples of best practice, as mentioned by hon. Members today. When I walked in, I admit that I was not expecting to go all the way back to 1777, which the hon. Member for Glasgow South West (Chris Stephens) mentioned, but it is always important to take on that historical perspective.

In looking at best practice today, I am grateful to the hon. Member for Hackney South and Shoreditch for her canter through the country’s co-ops and the excellent work that they do to support their local communities. I am also grateful to the hon. Member for Cynon Valley (Beth Winter) for outlining the work that she is doing across the valley to develop a local co-operative; I am interested to hear how that work progresses in the months and years to come. I am also grateful to the hon. Member for Neath (Christina Rees) for highlighting some key Welsh co-operative champions, such as Robert Owen, and for her overview of the Italian experiences of the Marcora law. I would be delighted to meet her to discuss that, perhaps in Neath; I thank her for the kind invitation to visit her in her constituency.

We recognise that co-operatives and alternative businesses can and do play a vital role in boosting growth and opportunity, at both a local level, as the hon. Member for Strangford (Jim Shannon) highlighted, and a national level. For instance, Co-operative UK’s 2021 report estimates that the UK’s co-ops have a combined turnover of almost £40 billion and employ around 250,000 people. It is also important to note the role that they have in supporting their local communities, as the hon. Member for Glasgow South West highlighted with regard to food poverty—an issue that he is incredibly passionate about and on which he is a vociferous campaigner. As for his private Member’s Bill, I do not want to give a commitment today, given that it does not sit within my brief, but I will certainly ask the relevant Minister to follow up on that point and have a discussion with him.

The role played by co-ops locally and nationally is why I am really pleased that the Department for Culture, Media and Sport recently launched the social enterprise boost fund, which will see £4.1 million of Government funding invested across six local authority areas to support the creation of new social enterprises and boost early-stage organisations. The fund will run until March 2025, and we expect local delivery partners to involve local authorities over the course of the programme.

In my Department, our £150 million community ownership fund allows community groups to bid for up to £1 million of match funding to help them to buy or take over local community assets at risk of being lost and to run them as community-owned businesses,

supporting that sense of co-operative entrepreneurship. That important fund helps to safeguard the small but much-loved local assets that, frankly, we cannot put a price on, such as pubs, sports clubs, theatres and post office buildings. So far, £23.9 million has been awarded to 98 projects across the UK. I have had the pleasure of visiting a number of such projects and seeing the vital roles that they play locally. One of my highlights from my early visits was a visit to the Old Forge pub in Inverie, otherwise known as the mainland's remotest pub. Certainly for the people in that community, it is more than a pub; it is very much a central pillar of their community, right at its heart.

In addition to those funds, the Government have supported a private Member's Bill: the Co-operatives, Mutuels and Friendly Societies Bill. The Bill would grant His Majesty's Treasury the power to introduce regulations to give mutuels further flexibility in determining for themselves the best strategies for their business regarding their surplus capital. The Bill completed its Third Reading in the House of Lords on 16 June and is entering its final stages. Hon. Members may recall that on the same day, the Economic Secretary to the Treasury announced that the Government will launch reviews of the Co-operative and Community Benefit Societies Act 2014 and the Friendly Societies Act 1992, conducted by the Law Commission. Those comprehensive reviews aim to identify essential updates to legislation, thereby developing a more modern legal structure in which mutuels can be supported to take advantage of opportunities to grow.

We should also recognise the work of the local growth hubs across England, as outlined by the hon. Member for Hackney South and Shoreditch. I must say, as a Yorkshire-born lass, that I was delighted to hear that Sheffield is taking lessons to London, not the other way round. That is always very refreshing for me to hear in my levelling-up role. There are currently 37 local growth hubs, which are backed by Government funding, with each delivered by a local enterprise partnership or an upper-tier local authority. They provide local businesses of any size, any sector or any ownership status with advice and access to support for any stage of their business journey through a free and impartial single point of contact.

Growth hubs bring together the best of national and local business support from across the public and private sectors. They work with key partners and funding bodies, including local authorities, to shape provision around local needs, meaning that businesses can find the right

support for them at the right time. I am pleased to tell hon. Members that funding for growth hubs of up to £12 million in 2023-24 is confirmed.

It is important that co-operatives and alternative businesses are seen as valued members of their community by local authorities. That is why, as part of the antisocial behaviour action plan, the Government announced a high street accelerator pilot programme. Accelerators will incentivise and empower local people to work together to develop ambitious plans to tackle vacancy and reinvent their high streets so that they are fit for the future. I really hope to see co-operatives and alternative businesses in pilot areas joining the accelerator to ensure that we continue to learn how to better support their growth in our town centres and high streets.

I thank the hon. Member for Hackney South and Shoreditch and all Members for their contributions to this important debate. While I am unable to make promises today, as I hope hon. Members will appreciate, some key issues that I will take back to my Department, and more widely to Government, include assessing the barriers for co-operatives in accessing local and national government contracts; whether there is an opportunity to create a central hub for co-operative advice in Government; and whether there is an opportunity for a regional co-operative development agency. I will take those away and follow up with the hon. Lady. In the meantime, if there are more examples of ways in which local authorities can support co-operatives and alternative businesses, I will be very happy to receive them.

3.41 pm

Dame Meg Hillier: I thank all hon. Members who have contributed. The House has heard the passion that we all have for co-ops and how they can invest wealth back into the communities that generate that wealth, as well as the vital role of local authorities in championing that in their areas. We need to see co-ops go from strength to strength. It is appropriate that we have had this debate in Co-op Fortnight, so I thank Mr Speaker for granting it, and I thank all hon. Members, you in the Chair, Mr Dowd, and officials for the support.

Question put and agreed to.

Resolved,

That this House has considered the role of local authorities in supporting co-operatives and alternative businesses.

3.42 pm

Sitting suspended.

Podiatry Workforce and Patient Care

4.11 pm

Peter Dowd (in the Chair): I will call John McDonnell to move the motion, and I will then call the Minister to respond. As is the convention for 30-minute debates, there will not be an opportunity for the Member in charge to wind up.

John McDonnell (Hayes and Harlington) (Lab): I beg to move,

That this House has considered the podiatry workforce and patient care.

The background to this debate is a meeting I had with a number of local podiatrists representing the Royal College of Podiatry, so let me thank them for the briefing that the royal college has sent me. I want to talk about the development of a workforce strategy for podiatry.

To explain for those who may take an interest in the debate, podiatrists are highly skilled healthcare professionals. They are trained to assess, diagnose, prevent, treat and rehabilitate complications of the foot and lower limbs. They manage foot, ankle and lower-limb musculoskeletal pain, and skin conditions of the legs and feet. They treat infection, and assess and manage lower-limb neurological and circulatory disorders. They are unique in working across conditions and across the life course, rather than on a disease of a specific area.

A podiatrist's training and expertise extends across population groups to those who have multiple chronic, long-term conditions, which place a high burden on NHS resources. The conditions largely relate to diabetes, arthritis, obesity and cardiovascular disease. In addition to delivering wider public health messages in order to minimise isolation, promote physical activity and support weight-loss strategies and healthy lifestyle choices, podiatrists keep people mobile, in work and active throughout their life. They contribute to the wellbeing of our economy and workforce.

Podiatry is intrinsic to multiple care pathways too, and podiatrists liaise between community, residential, domiciliary, secondary care and primary care settings. They specialise in being flexible and responsive, ensuring focused patient care, irrespective of the clinical setting. Podiatrists are at the forefront of delivering innovation in integrated care. They deliver high-quality and timely care, as well as embracing safe and effective technologies that lead to improved patient outcomes.

The role of podiatrists in managing diabetic foot complications is key. They play a vital role in the prevention and management of diabetic foot complications, which, at the last estimate, cost the NHS in England £1 billion a year. In the three-year period from 2017-18 to 2019-20, there were over 190 minor and major amputations per week in England. Of the people affected, 79% will be confined to one room within a year, with 80% tragically dying within five years. That is a shocking outcome for patients, and it is even worse than the outcomes for the majority of cancers we seek to deal with.

The impact of lower-limb amputations on patients' quality of life and chances of survival are shocking, so we must do everything we can to prevent diabetic foot

complications. We have to act in a timely and targeted manner to ensure that people have the best possible chance of living long and fulfilled lives.

It is estimated that by 2025, 1.2 million people with diabetes in the UK will require regular podiatry appointments if they are to remain ulcer, infection and amputation free.

Jim Shannon (Strangford) (DUP): I declare an interest as a diabetic, so I understand exactly what the right hon. Gentleman is saying. I am aware of the silent but vital work carried out by podiatrists throughout the United Kingdom. In my constituency of Strangford, a nursing home where funded podiatry appointments were cut was still visited by a podiatrist. He was able to attend, but he treated people without taking any money. Does the right hon. Gentleman not agree that access to podiatry for the elderly in care homes should be fully funded and that they should not have to rely on family or kind-hearted podiatrists to get their health needs taken care of?

John McDonnell: What I have discovered on my journey of finding out about podiatry, which I knew very little about before I met podiatrists in my constituency, is that of course people need professional care, and that care needs to be properly funded. There are volunteers, but we should not have to rely solely on volunteers; we need professionals leading the way. Podiatrists are skilled and trained in the prevention and management of diabetes-related foot complications. That is why many of us believe that they must be at the heart of the NHS plan to eliminate unnecessary amputations and the consequent avoidable deaths.

As I said, the broader cost of diabetic foot ulcers to the NHS is more than £1 billion per year—the equivalent of just under 1% of the entire NHS budget. Effective and early intervention for diabetic foot complications prior to ulceration could save thousands of lives and millions of pounds each year.

The situation in my area in Hillingdon exemplifies what is happening elsewhere in the country, which the hon. Member for Strangford (Jim Shannon) has mentioned. Hillingdon's community podiatry service is part of the Central and North West London NHS Foundation Trust. It is suffering from severe workforce issues, which is having a detrimental effect on the people delivering the service and those suffering from foot ulceration, infection and amputation.

The service is currently failing to meet its timescales for seeing patients at high risk of developing a foot ulcer. What should be a team of 13 clinical podiatrists is now just 3.5 full-time equivalents and three support workers. The immediate concern is the pressure that puts on the staff who remain and the impact it has on the patients who need a minimum of weekly wound re-dressings to enable healing and prevent infection and life-changing amputation. The opportunities to prevent life-changing and life-threatening complications are minimised by the shortage of staff.

We also have concerns that support workers are being asked to triage and treat people beyond their scope of practice due to the staff shortage. That is not a criticism of them, but it is the reality. We should be filling the service with professionals who are fully trained to deal

with the range of complications that they might come across. The workforce challenge facing podiatry is the real issue.

There is a need for focused recruitment. As I said, it is estimated that by 2025, 1.2 million people with diabetes in the UK will require regular podiatry appointments if they are to remain ulcer and amputation free. In the absence of that, there will be a greater risk of premature disability and death. There are currently just under 10,000 podiatrists registered with the Health and Care Professions Council. That is just one per 5,500 residents in England, and that number is due to decline as a result of demographics.

Following the removal of NHS bursaries for student podiatrists in 2016, the number of undergraduates studying podiatry has declined by 38%. Prior to that, the student bursary was set at £9,000 a year and it covered the cost of tuition for a year. In 2020, in a welcome move, the Government reintroduced student bursaries, but at £5,000. That has caused a slight improvement in recruitment to the profession, but it falls far short of ensuring the future of the podiatry workforce that will be required to deal with the oncoming wave of severe diabetic complications coming out of the pandemic.

Another issue is that the average age of podiatry students on graduation is 32. The majority of students are pursuing a second degree, and the need for a second student loan is having a damaging impact on universities' ability to recruit undergraduates to train as podiatrists. By leaving it up to the market, we face the prospect of not training the workforce required to meet the needs of an ageing population.

The other issue raised with me is the limited career progression in NHS settings. Of the podiatrists currently qualified in England, approximately 40% work in the national health service. It is projected that many of those podiatrists not heading for retirement are likely to move to work in the private sector in the next five years. The reasons cited for that include lack of career development opportunities; repetitive workloads, with limited skill mix; and high demand and low capacity to meet it, leading to what people consider are unsafe staffing levels and to staff burnout.

Expansion of the podiatric workforce across primary, community and secondary services may address some but not all of those issues. Support for workforce growth is critical, but support for those already qualified to progress to advanced clinical practice and consultancy is also critical to workforce retention and ensuring adequate capability in senior clinical, leadership, education and research roles.

We need policy to ensure closer working across providers and the delivery of a foot health strategy. There is significant opportunity to expand the foot health workforce to include non-registered roles, supported by qualified, expert podiatrists. There is also opportunity to consider alternative workforce models that are inclusive of podiatrists working in private practice or the wider foot health workforce in the third and voluntary sectors, for example. A clear workforce strategy is desperately needed now. It needs to explicitly underpin how the foot health workforce is optimally configured, funded, implemented and trained and what the core outcomes of foot health services must be to meet the needs of our future population.

Currently, there is no workforce strategy, no clear statement of aim, and no standardised set of core outcome measures informed by public health or policy.

Clear foot health policy is urgently needed to maximise all the benefits that podiatry can offer across an integrated care system, before the profession becomes—as we predict it will—unsustainable, with staffing levels even more unsafe and avoidable patient harms, amputations and deaths relating to lower-limb disease rising dramatically.

I therefore have three key asks. First, I ask the Government to reinstate the £9,000 bursary for student podiatrists. If podiatrists are to be able to support the millions of people who will require their expertise, the Government must reinstate the full podiatry student bursary of £9,000 a year. That is essential if the workforce is to be secured and expanded for future generations. In the absence of long-term funding confidence, allied health professions such as podiatry are unable to commit substantial and consistent investment towards maximising recruitment and retention, both of which will be crucial in securing the future viability of this vital profession.

My second ask is for national collection of podiatry vacancy rates and inclusion of podiatry in workforce planning. Publishing a national workforce plan that considers future need for allied health professionals such as podiatrists must be a priority for the Government. That plan must take into account current trends in recruitment and retention and, for future needs-based public health, comorbidities and their impact on disease prevalence. A national workforce plan will also act as a crucial evidence base for the allocation of long-term workforce funding.

My third ask is for the guidance on integrated care system membership to be strengthened to include allied health professionals. The absence of national guidance or recommendations regarding which organisations and individuals should be included in integrated care partnerships has resulted in a patchwork of involvement for allied health professionals, including podiatrists, in integrated care decision making. Without their meaningful engagement in those discussions, there is a danger that the invaluable contribution podiatrists can make to the delivery of care might simply be overlooked. Strengthened national guidance on the make-up of integrated care partnerships, to include representation of allied health professionals such as podiatrists, should be developed and implemented at the earliest opportunity.

I conclude by thanking the professionals who work in my constituency, as well as those who work nationally. I recognise the pressures they are under and the valiant way that they cope with them.

Peter Dowd (in the Chair): I remind the Minister that the debate must conclude by 4.41 pm.

4.26 pm

The Minister for Health and Secondary Care (Will Quince): It is a pleasure to serve under your chairmanship, Mr Dowd.

Let me say first how grateful I am to the right hon. Member for Hayes and Harlington (John McDonnell) for raising this important issue. He said that he did not know a huge amount about podiatry. I must say that I did not either, because I am not the Minister with responsibility for primary care, but I do have responsibility for the workforce. One of the powerful aspects of debates of this nature is that they force not only Ministers but the Department to focus on a particular issue and give

[*Will Quince*]

Members from across the House—including the Minister—a crash course in it. As a result of my research ahead of the debate, I know far more about podiatry than I did yesterday. I thank the right hon. Gentleman for that.

I know having undertaken that research—and, indeed, from my constituency inbox—that podiatrists are a hugely important part of the workforce. They are an invaluable part of our NHS, as the right hon. Gentleman eloquently set out. I join him in saying how hugely grateful I am for their vital work supporting patients day in, day out across our NHS. The Government know that personal care that is responsive to people's needs is essential and the service that podiatrists provide to local communities is important in helping people maintain their mobility, independence and wellbeing.

As the right hon. Gentleman rightly pointed out, early identification of foot problems helps to prevent or delay the onset or exacerbation of long-term conditions, thereby reducing the risk of wounds, infection and, ultimately, amputation. He also pointed out that foot problems have a significant financial impact on the NHS through out-patient cost, increased bed occupancy and prolonged stays in hospital. Working mainly at the heart of primary care, podiatrists are well placed to ensure patients receive a quality foot screening service, as well as the appropriate onward referrals for foot and lower-limb interventions.

The right hon. Gentleman correctly pointed to our ageing population. That is not exclusive to us; it is a global problem, certainly in the western world. I say “problem” but, actually, it is a great thing that people live longer. However, it is a challenge for health systems, because people are living longer with long-term conditions and complex needs that we need to ensure we can support and manage as a society. As the right hon. Gentleman pointed out, the need will continue to grow.

The right hon. Gentleman raised a number of issues but, with his permission, I will focus mainly on the workforce rather than on podiatry more generally. I recognise that the workforce remain under sustained pressure, having worked tirelessly throughout the pandemic to provide high-quality care for those who need it. I recognise that podiatrists' role in supporting our NHS is as important as ever. It is vital that we support the workforce both now and in the future.

Jim Shannon: The right hon. Member for Hayes and Harlington (John McDonnell) referred to volunteers. I have them in my constituency, and if it were not for the volunteer podiatrists who give their time every day of the week, free of charge, I believe the NHS would be suffering even more. That is why we need to push for the recruitment that he referred to.

Will Quince: I thank the hon. Member for his intervention, and I pay tribute to all those who volunteer. This is not the only area in our national health service where volunteers play an important role, but it is important that they are add-on and add value—supporting professionals as opposed to replacing professionals. That is why, at the heart of this debate, we must ensure that we have the podiatry workforce that we need across all four nations—although this debate is specifically focused, understandably, on England.

As the right hon. Member for Hayes and Harlington pointed out, demand for the NHS continues to grow. That is why we have already done a significant amount to invest in the education and training of our future workforce. NHS England—until recently, this was done by Health Education England—has worked extensively to enhance and modernise the podiatry profession. One central factor, which the right hon. Gentleman alluded to, is the development of the foot health standards for the education and training of the foot health support workforce.

However, I am certainly conscious that we have more to do. As part of that process, we developed the podiatry apprenticeship, which is a degree apprenticeship, and supported the implementation of that route into the profession. The numbers are still small, but they are growing, which is great to see. We are keen to promote that route into the profession, not least because it comes with significantly reduced costs for those taking part in the training.

With the promotion of more podiatry apprenticeships, we are offering a more diverse number of training options for students. Furthermore, the learning support fund, which the right hon. Member for Hayes and Harlington pointed to, provides all eligible nursing, midwifery and allied health professional degree students—including podiatrists—with a non-repayable training grant of a minimum of £5,000 per academic year. I say “minimum” because there is an additional hardship element to that of up to £3,000 per year, and additional support is available for childcare, dual-accommodation costs and, where appropriate, travel. The right hon. Gentleman specifically asked for an increase; there are no plans for that at present, but I will of course take that away and have a look at it.

John McDonnell: I am here if the Minister needs any assistance in—I was going to say beating—negotiating the Treasury into submission.

I think I mentioned a figure of one podiatrist to every 5,500 people, but I think that I have got that wrong; I think it is actually one to every 55,000 people. That is a huge demand that is placed on podiatrists.

On the Minister's point regarding the bursary, the British Society of Rheumatology pointed out in one of its briefings that an estimated £15 million a year would be saved on the costs of rheumatoid arthritis if sufficient support was given, particularly through podiatrists. In our argument or discussion with the Treasury, this is therefore an investment that will save money, and we know that directly from the evidence that has been provided.

Will Quince: I thank the right hon. Gentleman for his intervention. We are constantly looking at those spend-to-save arguments in areas in the health service where it makes sense to invest. Following this debate, I will gladly look at the podiatry courses and see how over-subscribed or under-subscribed they are, because that may—or may not—help to make the case.

I just spoke about training. Training is important because, of course, we need to see new podiatrists coming in to practise. However, as the right hon. Gentleman mentioned, retention is as important as recruitment. As important as increasing numbers of podiatry trainees is,

it is also important to retain the highly qualified, highly skilled, experienced people we already have practising podiatry in the NHS.

I am determined—I know that the Secretary of State is too, because we have had this conversation many a time—to ensure that staff in our NHS feel supported and that the NHS works to ensure that staff feel valued, both by individual organisations and across the system. We are working closely with NHS England—and indeed, through NHS England, with individual trusts—to ensure that that is happening. We regularly meet staff to get a better understanding of how they could better feel valued and supported in their workplace.

The actions of the NHS people plan and the NHS people promise are helping us to build the kind of culture that will go a long way towards helping to support and hold on to dedicated and hard-working colleagues. That very much includes a stronger focus on health and wellbeing and, importantly, on strengthening leadership. People often say that they do not leave trusts or organisations but their managers, so we must make sure that management culture is right. We also know from speaking to staff that it is vital to increase opportunities for flexible working.

One of the right hon. Gentleman's other asks was on the long-term workforce plan. He is absolutely right. To help us ensure that we have the right numbers of staff with the right skills to transform services and deliver high-quality services that are fit for the future, we have commissioned NHS England to develop a long-term workforce plan for the NHS for the next five, 10 and 15 years.

That high-level workforce plan will look at the mix and number of staff required across the country and will set out a number of actions and reforms that are

needed to reduce those supply gaps and, importantly, improve retention. We have committed to publishing that plan shortly—and it will be shortly; I know it is soon. I am very keen to ensure that it is published, because I know how much work NHS England has put into it. In addition, the Chancellor committed that it will be independently verified. We have to make sure that we get it right.

The plan will also include projections for the number of professionals that will be needed, which goes directly to the right hon. Gentleman's point—it will include podiatrists—and will take full account of improvements in retention and productivity that we plan and hope to see. I thank the right hon. Gentleman for securing this important debate. Through long-term planning, we are ensuring that the NHS has the robust and resilient podiatry workforce that it needs for the future.

The third and final question the right hon. Gentleman posed was on integrated care system guidance relating to allied health professionals. As tempting as it is to make policy on the hoof, that does not sit within my portfolio. I will commit to raise that with the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Harborough (Neil O'Brien), who is the Minister with responsibility for primary care. I will ask him to write to or meet the right hon. Gentleman.

We are working to ensure that we have the right people with the right skills in the right places and are working to ensure that they are well supported and looked after, so that they in turn can look after those who need our great NHS services and can keep delivering the great standard of care that people need now, but also in the future.

Question put and agreed to.

Heritage Sites: Sustainability

4.38 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I beg to move,

That this House has considered the sustainability of heritage sites across the UK.

It is a pleasure to serve under your chairmanship, Mr Dowd. I am grateful to have been granted this time to shed light on the important contributions that independent heritage sites make to the UK.

The current climate emergency demands that we act fast to mitigate the fatal consequences for our natural world, and one way we should do that is by making man-made environments energy-efficient. There are also concerns about the fragility of heritage sites and doubts about their long-term existence.

I put on the record my thanks to Historic Houses, which has taken the time to educate me and my staff about this issue, and to come and watch this debate. I particularly want to name-check my assistant, Olivia Sharma, for her work on this issue. I also want to thank the custodians and caretakers of listed buildings—especially those in my constituency—who work tirelessly to preserve our heritage. In 2022 alone, Historic Houses' members welcomed over 20 million visits, generating over £1.3 billion in expenditure for the UK economy. They supported over 32,000 jobs across the UK, over 4,000 of which were in Scotland. I believe the figures speak for themselves.

In my constituency, in the far north, I have seen at first hand how heritage sites, such as Dunrobin castle in Sutherland, ignite pride in the locals and provide fascination for tourists. That was evident in 2019, when the attraction welcomed—can you believe this?—100,000 visitors to a remote part of the UK. Attracting tourists from within and outside the UK to visit rural communities is imperative for the survival of those communities, as independent businesses are boosted considerably by visitors each year. The popularity of heritage sites as tourist attractions speaks to their unique ability to put rural communities in the highlands on the global map.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman for bringing this issue forward. Heritage sites help not only his constituency but mine. An example is the abbey at Greyabbey, which dates back to 1193 AD. It is worthy of protection not simply to preserve the history and the beautiful building, but so that it can act as a tourist attraction for cruises and coach tours, including the Disney Cruise Line tours. Does the hon. Gentleman agree that we must recognise the beauty of wonderful buildings, that funding needs to be put in place to ensure that moneys are ringfenced for historic sites, and that each and every pound must ensure that tourist money comes in, that tourists visit and that we all benefit, including the shops and the economy?

Jamie Stone: The hon. Gentleman makes his point eloquently. As he knows, my wife hails from the Province of Northern Ireland, and I know Greyabbey. He makes his point very well indeed.

Historic buildings are pieces of our history in the far north, and keeping them standing protects our heritage in the highlands, Scotland and the rest of the UK. In 2022, Historic Houses properties hosted over 26,000 events,

such as festivals, theatrical performances and recitals. Listed buildings and their custodians make history, art and culture more accessible to people in communities right across the UK. It would be wrong to underestimate the value of listed buildings as sources of education as well as entertainment.

However, as I said at the outset, the climate emergency poses a challenge to the survival of estates and calls into question their long-term existence. Despite being sustainable partners who view decarbonisation as crucial to the preservation of heritage for future generations, custodians of listed buildings face practical barriers, which I am afraid to say include current planning permission and listed building consent, both of which inhibit the pursuit of net zero targets. For example, energy performance certificates use a metric of cost, as opposed to carbon. That often encourages the installation of new fossil-fuel boilers, rather than green alternatives such as solar panels, in listed buildings.

Furthermore, listed building consent adds delay, expertise and, indeed, hassle to the process of installing any energy-efficiency measures in listed buildings—even those with minimal impact on their historic fabric. I would suggest that the regulations are flawed and that they lead to the slow and difficult uptake of energy-efficiency measures. These houses were built to last, but the Government must allow them to adapt and change as necessary. Planning frameworks need to provide support for the implementation of sensitive energy-efficiency measures in a way that reflects the climate emergency.

Greater investment in renewable energy in off-grid rural communities is imperative, particularly in my constituency and other rural constituencies, because it would lower renewable fuel costs and increase self-sufficiency. That way, green energy projects in the heritage sector could be integrated into their surrounding communities. Reviewed planning frameworks must ensure that buildings are repaired and adapted in energy-efficient ways, not demolished. In short, heritage protections must be maintained and prioritised in future reviews of planning policies. We must put sustainability at the forefront of our thinking.

I am fully aware that housing is devolved to the Scottish Government, but perhaps—with the best will in the world—the two Governments could work together to ensure best practice. After all, having a chain of historic attractions all around the UK can only benefit the four nations of the United Kingdom. The United Kingdom has the oldest building stock in Europe. It would be shameful and reckless to let it succumb to insolvency when we have the tools to ensure its survival.

The point I want to make is simply this: the climate crisis is growing ever more urgent and we need to start taking tourism and heritage more seriously. We can do that by recognising this historic environment as part of the solution to achieving net zero. I suggest that tourism has for too long been treated as second rate—an afterthought to bigger, more important issues. We are talking about people's livelihoods, the preservation of our national identity and, indeed, the very existence of our planet as somewhere we can live and work for many years to come—these are no small feats.

That is why I join the voices that have been calling on the Government to support heritage sites that are committed to net zero targets by publishing a review of the planning and regulatory reforms that face listed buildings. The

survival of our country's heritage requires a supportive regulatory framework, and we need it as soon as is humanly possible. I look forward to hearing the contributions of other Members present, and I thank them for attending the debate.

Peter Dowd (in the Chair): I remind Members that they should bob if they wish to be called in the debate.

4.47 pm

Matt Rodda (Reading East) (Lab): It is a pleasure to serve under your chairmanship, Mr Dowd. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for his excellent opening speech and his commitment to the important matter of heritage and its connection with sustainability and the wider environment.

I would like to address my remarks to the question of the future of Reading gaol, which is a grade II listed building. It is famous for being the place where Oscar Wilde was incarcerated, and it was designed by the famous Victorian architect George Gilbert Scott, who was responsible for a number of well-known Victorian buildings in London, including the Albert memorial and St Pancras station. Sadly, the gaol has been mothballed since 2013 and faces an uncertain future. Locally, we would like to see this historic building reused as an arts and heritage hub and preserved for the community, possibly with some support from outside benefactors. We have had interest from Banksy and, indeed, members of the arts community.

When the Minister responds, I hope he will indicate that he has passed on my concerns to the Ministry of Justice, which owns the site. Sadly, the Ministry mothballed the gaol in 2013. It spent a large amount on maintaining the building's integrity, but it has not sold it, and has not wished to sell it, to a community-led bid, despite an offer of interest from Reading Borough Council. The council and I are waiting to hear from the Ministry what the future of the gaol might be. We would very much like the Government to reconsider the community interest in the future of the gaol and to look at an arts and heritage hub as a possible future use for the building, so I hope the Minister will be able to address that. I thank you, Mr Dowd, for allowing me to briefly speak about this matter.

4.49 pm

Jonathan Gullis (Stoke-on-Trent North) (Con): It is a pleasure to serve under your chairmanship, Mr Dowd. I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this important debate, because heritage sites and tourism mean so much to people in places like Stoke-on-Trent, Kidsgrove and Talke. I will start with a success story that shows what can be done to sustain important icons in our communities. The shadow Minister, the hon. Member for Manchester, Withington (Jeff Smith), visited Middleport pottery. I was delighted that he was able to see it; it is just a shame that he did not visit with a much sounder group of individuals like me, but I understand he was there in a party political capacity. Anyway, I am glad that he was able to see that fantastic work.

All thanks to His Majesty King Charles III: his charities came in and turned Middleport pottery around. It is a great icon of our history and heritage that was on

the verge of crumbling and falling down. Today, it is a continuously working factory—the only factory in the world where pottery is still handmade and hand-printed. Every piece of Burleigh is unique to its owner.

Middleport pottery is opening up and giving tourists the opportunity to see a working factory in action, and to be involved in arts and crafts. It has developed the Harper Street project, which has an excellent veterans support network; it creates artwork for local veterans to sell. That gives them skills and ambition for the future, and helps them to tackle their physical and mental health ailments. There are fantastic organisations, such as Middleport Matters Community Trust, led by Vicki Gwynne, who does tremendous work. It ensures that young people and mothers get the support that they need all year round, through holiday activities and food programmes. It is linked to the Hubb Foundation, and gives important community support.

Channel 4 has used Middleport pottery for “The Great Pottery Throwdown”. Canal scenes in “Peaky Blinders” were filmed there. The site has been used diversely to bring in a sustainable income. The factory produces an awful lot of heat, so that is shared around the complex to drive down energy costs. Also, many volunteers kindly give up their time to support that success.

The greatest honour I have had as a Member of Parliament was seeing those at the heart of this Government—the Cabinet—have a regional away day in the Middleport pottery building. Hosting a Cabinet meeting, and knowing that those decision makers were in the community, was iconic for the people of Stoke-on-Trent. These local charities and organisations would maybe never otherwise be able to access Ministers at first hand; having them on their doorstep sent a real signal of intent and seriousness. I congratulate Boris Johnson, the former Member for Uxbridge and South Ruislip, on doing that. It was a big decision, and it meant a lot to the people of Stoke-on-Trent. I am delighted that Middleport pottery also recently received £249,962 from the National Lottery Heritage Fund.

Middleport pottery is a success story, but there are many challenges. Stoke-on-Trent is littered with beautiful buildings and historic heritage. The mother town of Burslem has many of those buildings. The Queen's Theatre, the Victorian Burslem indoor market and the Wedgwood Institute are three iconic buildings. The city council recently found that it would cost between £30 million and £40 million to bring them back to life. Through feasibility studies, the council has been looking at what could be done with those spaces.

The indoor market—a fantastic building—had the Office for Place visit it; being the cheapest of the three, I think it is a real goer. It could be not only a great venue for meetings and conferences, but a performing arts space. Street food stalls could be set up there. An iconic building could be brought back into use. It was recently listed, which is important, because it gave us access to funds that were unavailable before. Stoke-on-Trent City Council took the risk of bringing the building back under the public purse. The council wants to see it future-proofed and used, so that Burslem can continue to thrive.

I welcome the Minister to come and see at first hand that iconic sight, and to stop off at the mighty Port Vale football club. There is another football team in the south of the city, but we do not need to worry about

[Jonathan Gullis]

them quite as much. Port Vale are a great football team, and the Minister would be more than welcome there. Port Vale's promotion from league 2 to league 1 has helped bring an awful lot of extra footfall into the mother town of Burslem. That supports pubs and independent restaurants, such as Agie and Katie, an award-winning west midlands food provider, as well as The Bull's Head in Burslem, near the fantastic Titanic Brewery; it is a great epicentre.

There is one building that is iconic to the history of not just the city but the country: the Leopard pub. Sadly, arsonists attacked this important building and caused tremendous damage. It is where Josiah Wedgwood and James Brindley met to discuss and plan the Trent and Mersey canal, which fuelled so much of the industrial revolution across the city. Now, potentially just the frontage can be kept. The new owners are talking about turning the building into housing. I hope that can be done, but Government support is required to move those plans forward.

Price and Kensington teapot works is another important site. I am grateful to the Government for supporting my ten-minute rule Bill and including it in the Levelling-up and Regeneration Bill. It means that the current capped fine of £1,000 for someone found guilty under section 215 of the Town and Country Planning Act 1990 will be unlimited for the first offence, and will go up from £100 to £500 a day for a second offence. That will help us hold to account rogue and absent landlords, such as Charles Lewis and Co, which owns that great heritage site and was today fined up to £72,000 for its misuse. I hope that people such as Simon Davies of Kids Grove, a local businessman, will come forward with plans to take over the site and deliver a new arts and cultural centre. It will be a corridor into Stoke-on-Trent north, off the A500. That would be really powerful, and would support the tourism industry. It would go into Middleport pottery, using the canal network.

Finally, there is a great sleeping giant that I have been proud to bang on about time and again: Chatterley Whitfield colliery, which is the largest complete deep coal mine site in Europe. It was the first colliery in the country to dig up 1 million tonnes of coal, and it did so not just once but twice. I congratulate Nigel Bowers, who in the recent honours list was recognised for his public service, and for standing up for such fantastic local charitable organisations. Stoke-on-Trent City Council, Historic England, the Chatterley Whitfield Friends and I have come up with a plan to make the colliery a really exciting centre for geothermal exploration; it can be used as a trial. The Coal Authority has revealed that there is pre-existing infrastructure that could help develop a mine energy project with a heat pump that can bring heat from the ground to the surface and power homes. The Coal Authority estimates that the site could generate about 1 MW of energy—enough to power 500 homes. I hope the Minister will take that back, feed it into Government and make the most of the opportunity to bring to that important site the investment that we need if we are to turn around that sleeping giant, which I want to see flourish.

Peter Dowd (in the Chair): Just a bit of housekeeping: I expect to call the Opposition spokespeople at 5.16 pm, and I will give the mover of the motion a couple of

minutes to wind up, so hon. Members have no more than five minutes each. Try to keep it under five minutes, please.

4.57 pm

Dame Nia Griffith (Llanelli) (Lab): It is a real pleasure to take part in this debate. I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing a debate on the sustainability of heritage sites across the UK.

I should like to discuss the Llanelli railway goods shed in my constituency. When the local planning authority conservation officer deals with the application for solar panels, the matter will of course come under Welsh Government guidance, which has much in common with the guidelines elsewhere; the same issues are raised. It is a huge challenge to finance the renovation of a large, grade II listed building. The building has featured in TV programmes by Michael Portillo and Huw Edwards. The dedication of volunteers, and the desire of local residents to see it restored to its former glory, is immense.

If a building is commercially viable, it will be snapped up, and there will be plenty of options—it can be done up for flats or whatever—but so many of these buildings are not in that category. The costs of renovation far outweigh any easy profit for commercial investors, so the buildings remain there until local volunteers get together, start raising money, including through grant funding, and make a business plan that stacks up. It is very important that they can show that the building is sustainable. In our case, we have gone for a mixture of commercial and business start-ups, plus community and educational use. We are already bringing in schools and showing the children material about Llanelli's industrial heritage. For us, putting on solar panels is extremely important, because we want to tackle climate change. Every level of Government—the UK Government, the Welsh Government and the local county council, which is the local planning authority—has professed its commitment to getting to net zero. We have a huge south-facing roof, which is not visible from the front of the building—from the road, where people go in. The building backs on to the railway; somebody has to be right over the other side of the railway to see that part of the roof.

We were concerned not only to tackle climate change, but to make the building more viable and save on running costs, all the more so given that energy costs have soared recently. However, our local planning authority conservation officer has been adamant that the guidance will not permit solar panels. It was strange; they would not contemplate the modern solar panels that we liked, which look so much like slates that it is hardly possible to tell the difference. We were told that we had to have the ones that stand proud. I can understand the theory, which is that restoration to the original would be required; that might be the reasoning. Anyway, neither option is apparently acceptable, and we have been flatly refused permission to put solar panels on the roof.

This is a listed building that we want to be preserved and to look as it has looked. It is an industrial building, and we want to move with the times. We want to use technologies that are up to date, as the hon. Member for Caithness, Sutherland and Easter Ross mentioned, just as the builders used the technologies of their day. We

want to conserve the building and preserve the planet. We want to contribute to tackling climate change, and make the building more viable.

Even well known buildings with high footfall do not necessarily find it easy to make ends meet, because running costs can be so high. With a building in a less well-off part of the country, which probably will not attract such high footfall and is wanted principally for community use, it matters even more that we should have the opportunity to put on solar panels, out of sight, and in a way that helps the sustainability of the building, and ensures its preservation for the future.

5.2 pm

Mr Jonathan Lord (Woking) (Con): Brookwood cemetery in my constituency is a beautiful grade I listed historic park and garden. It has a fascinating history, which I would recommend to everyone. In brief, London ran out of space in its churchyards and cemeteries in the Victorian age, in the late 1840s. Given the potential for cholera outbreaks and so on, Brookwood cemetery in the heart of Surrey was designated to take all of London's deceased, and a special train line was set up. Its other name was the London necropolis.

Today, 170 years later, it is still a beautiful place. Originally, the London Necropolis Company bought more than 2,000 acres. The site is still very large, at 220 acres. It holds the remains of more than 265,000 deceased, from the great and the good through to paupers. Recently, about 15,000 sets of remains from the route of the HS2 line have been reinterred at the cemetery. It is still used as an active cemetery, and still has that historic job of taking in remains when the need arises.

Brookwood has had a slightly chequered history in more recent times. It has always been in private ownership. Some of the private owners looked after the cemetery well; others not so much. Woking Borough Council stepped in a few years ago to buy the cemetery, and has done an amazing job of restoring it. The buildings, walls and memorials were in great need of love, attention and restoration. There are also some wonderful flora and fauna, but the area had become overrun with rhododendrons and all sorts of other things. Some of the trees are 170 years old; they are an absolutely magnificent sight, all set out in serried lines, particularly next to the old railway line. As Members can hear, this is a very special place, but it needs further restoration. It is the largest cemetery in the United Kingdom and one of the largest, if not the largest, in Europe. As I say, it has an amazing amount of history.

Going forward, Woking Borough Council will not be able to spend the sort of money on the cemetery that it has done in recent times. As I say, the council has done a great restoration job, but we are talking about a site of national importance. The Minister will forgive me if I engage with the Government and with his Department on this magnificent place, along with other heritage bodies and lottery organisations, because it really deserves the public's support. As I have said, I recommend that everyone becomes acquainted with this most amazing place, but national support will be needed for this very special and important national monument.

5.6 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure, Mr Dowd, to serve under you today. I congratulate my hon. Friend the Member for Caithness,

Sutherland and Easter Ross (Jamie Stone) on securing this debate, and on the way in which he put the case for what he charmingly termed "the far north", or the start of the south, as we in the northern isles call it.

I flatter myself that we know a thing or two about heritage sustainability in the northern isles; we have been doing it for 5,000 years, after all. Since 1969, Orkney has been home to a UNESCO world heritage site—the heart of neolithic Orkney, incorporating Skara Brae, the stones of Stenness, Maeshowe and the Ring of Brodgar. However, that is just the start of it, because there is so much more archaeology peppered around the northern isles, and of course we have in Kirkwall St Magnus Cathedral, which is a relatively late addition to our portfolio, being a mere 12th-century construction. Most recently, we have had a very important addition in the Scapa Flow Museum in Hoy, which does a tremendous job in retaining historic artefacts that take us back to the first and second world wars—a time when Orkney and Scapa Flow were at the heart of the nation's defence.

Of course, for some time now, Shetland has been designated a UNESCO global geopark. Earlier this year, the Government gave their support to the Zenith of Iron Age Shetland, which is also acquiring UNESCO status as a world heritage site. There are also Mousa, Old Scatness and Jarlshof. Jarlshof is a 4,000-year-old settlement. Can the Minister give us any update on support for the Zenith of Iron Age Shetland? Obviously, it was never going to be a fast process; we know that. However, if he can give us an indication of what his Department is doing to sustain that process, it would be most appreciated.

In many ways, heritage defines what we are about in Orkney and Shetland. It is one of the things that marks us out as being very different from the rest of the country, and we are enormously proud of it. It now brings in a huge amount of business, and a huge number of people from right across the world for tourism. That is both an opportunity and, if we are not careful, something of a threat. It has developed in Orkney and Shetland a tremendous visitor economy, all made up of small and medium-sized enterprises; in particular, there is now an army of well qualified and well trained tourism guides who are able to offer a great visitor experience to people coming to the northern isles.

In recent years, however, we have seen an enormous growth in cruise ship traffic. That has been enormously valuable, especially financially, to the community, but there are challenges given the sheer number of people who come to visit sites such as Skara Brae, Maeshowe and the Ring of Brodgar. I commend everybody who has been involved in the management of that influx of tourists, because they have balanced the needs of maintaining the integrity of our world heritage site while making sure it is open and accessible to those who visit our islands.

The other threat to all built heritage, of whatever age, is climate change. We see that manifesting itself in so many different ways. Skara Brae on Orkney has been listed as a site that, because of its sheer location, is particularly vulnerable to the threat of climate change. It would be an absolute tragedy for our country if we were to lose such a site. I would like to see our Government in Scotland and the UK Government in Westminster

[Mr Alistair Carmichael]

come up with a more strategic and co-ordinated approach to ensure that these very important sites are maintained for future generations.

5.10 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your guidance this afternoon, Mr Dowd. I pay tribute to my right hon. Friend the Member for Orkney and Shetland (Mr Carmichael), who I am delighted to follow, and my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone), who secured this debate and made a wonderful opening speech. I commend the other speeches made in this debate.

UNESCO granted world heritage site status to the 1,000 square mile English Lake District in 2017. The document that UNESCO released on that proud announcement gave as much credit to the farmers and land managers as to the glaciers that first shaped its environment. World heritage site status was hard won by the Lake District National Park Authority and the many communities within it. The status is richly deserved and precious, but it is not without being at some risk.

I will identify a handful of the risks to the world heritage site status that we enjoy in the Lake district, starting with the environmental risks. The great risk we face at the moment relates to the transition from the old farm payments scheme we had under the European Union, the common agriculture policy, to the new environmental land management scheme being designed by this Government. In theory and principle, I am fully in favour of the scheme; in practice, the Government are botching the transition and risking our landscape.

Why is that the case? This year, all my farmers will lose at least a third of their basic payments. Last time I checked, not very long ago, a grand total of 27 of the 1,000 farmers in my constituency alone—there are many more in the broader Lake district—had signed up to the new sustainable farming incentive. What will the farmers outside the new environmental schemes do? I suggest they will either go broke or go backwards. Many will go out of farming altogether, which means our landscape will rapidly change, damaging both the environment and our tourism economy, or they will go backwards. I have talked to many farmers who are desperate to work out how on earth they will make ends meet. What are they going to do? They are already increasing their livestock numbers, over-intensifying their farming and undoing the good environmental work they have done over the past few decades.

Meanwhile, badly put-together schemes are effectively giving landlords vast sums of money. What are they being compensated for? For evicting their tenants and creating valleys that are completely lost to farming and wildlife protection, which many of us have termed a Lakeland clearance. The landscape will look very different in a few years' time if the Government continue on this trajectory. We have a tourism economy worth £3.5 billion a year in places like Bo'ness, Windermere, Ambleside, Grasmere, Grizedale, Langdale, Conistone, Hawkshead, Staveley, Glenridding, Patterdale and all the lakes and fells that people come to visit.

The tourism economy from which we hugely benefit will be damaged if we do not have the protection for which I am calling. We have 20 million visitors to our community, underpinning 60,000 jobs. It is important that we recognise how precious it is to the life of our community that we protect our world heritage site status. The national parks were originally founded on the Sandford principle, the idea that, all other things being the same, priority must be given to the conservation of the national parks.

We need to conserve our landscape, as I have already set out, but we also need to conserve our communities. The massive unrestricted growth of second home ownership in many of our communities means that I can name many villages where almost 90% of the housing stock is not lived in all year round. So you lose your school, you lose your bus service, you lose your pub. You lose everything there is that held the community together. We also see a growth in the ownership of the landscape falling into private hands. I trudged my way around Windermere lake a few weeks ago, when I ran the Windermere marathon. Apart from the fact that it was very uncomfortable and quite hot, it struck me how much of the frontage of the lake is privately owned. At the moment we are campaigning to stop YMCA Lakeside North Camp being sold off to a private owner who would permit no direct public access to the lake. I want the Lake district to be available to everybody, not just those of us who live there—I am so lucky to do so—but the country as a whole.

Our environment, our tourism economy and the communities that make up our national park—these things are hugely important. World heritage site status was tragically and sadly lost by Liverpool just two years ago, a reminder that all of us can lose this precious status. I ask the Government to take the action needed to protect world heritage site status for our wonderful communities in the Lake district.

5.15 pm

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Mr Dowd.

I warmly congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing the debate. I share with him a heritage in the highlands. I grew up in Inverness and I recognise much of what he describes. Everyone has spoken today with passion about the heritage sites in their area, whether they are world heritage sites, scheduled monuments, listed buildings or community assets of local value, and whether they are in the far north, Reading, Stoke, Llanelli, Woking, Orkney or the Lake district. I am sure I will be able to mention a couple in Glasgow. All such assets have a value in their own right as tangible and sometimes intangible connections to our past, our culture and the role they played in shaping our society.

In Glasgow North, we have a portion of the world heritage site of the Antonine wall, which was part of the frontier of the Roman empire. Much can be learned from the wall and associated sites about the Roman presence on these islands. Apparently, the first Romans who came here were chased away from the white cliffs of Dover, and people threw rocks and stones at them. These days the Government might call them illegal migrants and try to deport them to Rwanda. Nevertheless,

the legacy is there to see in all the assets we are talking about. That important economic and social value remains in the here and now. These places bring people together and attract interested visitors who spend money on site and in the local economy. That in turn provides further benefit for the local community.

In Glasgow North we have the Maryhill Burgh Halls and in the east of the city Provan Hall. They are fantastic examples not just because my younger sister has worked on their heritage and regeneration, but because the projects to save and restore those facilities have themselves supported the local economy. They will be developed into functioning buildings that provide a place for people to make new memories, as well as to share their memories of them in times past.

The development and redevelopment of such sites is rarely, at least in the first instance, a purely commercial endeavour. Many heritage sites rely on charitable giving or funding from grant-making organisations, not least the National Lottery Heritage Fund, and from statutory bodies. The Charles Rennie Mackintosh Society, which marks its 50th anniversary this year, has received support from Historic Environment Scotland and has maintained and developed Mackintosh church at Queen's Cross in Glasgow North as an attraction in its own right and as a venue for performances, weddings and other events. Currently, it is hosting Luke Jerram's famous Gaia installation, last seen in Glasgow at COP26, where of course we were all encouraged, as the hon. Member for Caithness, Sutherland and Easter Ross rightly said at the start, to think about how we tackle climate change and work towards reaching net zero targets.

In Glasgow's west end, the Arlington Baths Club, of which I am a member, benefited from lottery heritage funding in the past. This recognised its value not only to the club's members, but to the wider public. The facility is used by schools and is open throughout the year to those who wish to learn more about the building's architecture and history. It is also a good example of how sites can adapt to a changing climate while becoming more sustainable at the same time. It recently produced a very ambitious plan to reach net zero. It will reduce carbon emissions, which is good for all of us, but also save money through energy efficiency and local generation. Supporting such projects should not just be seen as some sort of nice to have or luxury extra by Governments. Investing in heritage sites pays dividends for both the economy and wider society, and failure to invest results in either long-term maintenance costs or costs associated with the loss or even the destruction of assets.

The hon. Gentleman touched on a range of devolved areas. The Scottish Government invest what they can from the resources available to them. That includes the £278 million for the culture and heritage sector in the current year's budget. We would, of course, welcome further investment at a UK level, because that would result in Barnett consequentials. I hope the Government will keep up with EU regulations in this area despite their insistence on a hard Brexit. There has been consensus on the value that these heritage sites bring to our culture, economy and society, but preserving them for future generations will not happen by magic. I hope the Government are prepared to step up to meet the challenges ahead.

5.20 pm

Jeff Smith (Manchester, Withington) (Lab): It is a pleasure to see you in the Chair, Mr Dowd. I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing the debate and on his opening remarks, most of which I agree with. We have heard contributions from a lot of right hon. and hon. Members across the Chamber, demonstrating the pride and passion that people feel in their local heritage sites. I greatly enjoyed my trip to Middleport Pottery. It is an excellent project and I also saw in Burslem the potential for wider regeneration of a heritage area.

Heritage sites tell the story of our country. They educate visitors from home and abroad, boost our visitor economy, and provide jobs and opportunities across the nation. Historic Houses has 1,450 sites, more than 900 of which are open to the public. They received 21 million visits last year, supported 32,000 jobs and generated over £1 billion for the UK economy. It is not just about money; living close to historic buildings and places associated with heritage is associated with higher levels of self-reported health, happiness and life satisfaction. Some 93% of people agree that local heritage improves their quality of life, and civil pride decreases when that heritage is in poor condition. For all those reasons, we need to preserve our heritage sites for the future so they can continue to enhance our local communities.

Like all sectors, there is a need to reduce carbon emissions as we transition to net zero. By their nature, heritage buildings are often old and inefficient. According to Historic England, improving the energy efficiency of historic properties could reduce emissions from the UK's buildings by 5% a year and generate £35 billion for the economy, while making those buildings warmer and cheaper to run. Grosvenor's recent research shows that retrofitting just half of pre-1919 homes in the next decade could lead to a saving of around £3.4 billion worth of CO₂ reductions by 2050. Keeping historic buildings in use—adapting instead of demolishing them—is one of the most impactful things that can be done to lower carbon emissions and reduce waste.

These sites are vulnerable to risks beyond the climate crisis. During the pandemic, without a steady income stream from visitors and events, they immediately fell into difficulty, with repairs and maintenance projects cancelled. The backlog of repairs and maintenance projects will now cost around £2 billion. I would like to flag that work on historic buildings is currently subject to 20% VAT, but no VAT at all is charged on work on new buildings. Does the Minister agree that that creates a perverse incentive to pursue the most carbon intensive option, which is to demolish and rebuild rather than to repair?

Then there is the cost of living, inflation and energy costs for both operators and visitors. In January, a survey found that nine in 10 heritage sites feared for their future because of energy costs. I welcome the fact that historic sites were included in list of energy intensive industries eligible for sustained support from the energy bill relief scheme, but costs remain a problem.

As my hon. Friend the Member for Llanelli (Dame Nia Griffith) said, our under-resourced and often painfully slow planning system does not help either. Trying to upgrade listed buildings or buildings in conservation areas with things such as solar panels, window efficiency

[Jeff Smith]

works and heat pumps is difficult. Some 87% of respondents to a Historic Houses survey believed that the planning system was a block to their efforts to decarbonise the buildings in their care.

In their energy security strategy, the Government said they would review

“planning barriers that households can face when installing energy efficiency measures...including in conservation areas and listed buildings.”

That review has been under way for some time but, halfway through 2023, it still has not been published. Recent responses from the Department for Levelling Up, Housing and Communities give no clear indication of a timeline for publication, which is frustrating those in the sector. Delaying the energy efficiency review is holding up the review of the national planning policy framework, which is in turn holding up Historic England's new climate guidance. I urge the Government to publish that review as soon as possible. Will the Minister provide us with a timeline, or at least engage with the Department for Levelling Up, Housing and Communities and put some pressure on it to provide us with a timeline?

The hollowing out of local government and the loss of expertise under this Government and the coalition Government make these issues particularly difficult, but I presume that the work and thinking has already been done on the specific challenge of barriers to sustainability in the planning system. It is time that the Government brought those proposals forward and gave the heritage sector the information and support it needs to get on with safeguarding our heritage sites for the future.

5.25 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stuart Andrew): It is a pleasure to serve under your chairmanship, Mr Dowd. I offer my congratulations and thanks to the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this important debate and for all the contributions from hon. and right hon. Members today. My noble Friend Lord Parkinson, the Minister for heritage, is keen on hearing the contributions from the debate today. I am delighted to respond to the debate, and will certainly feed back many of the points that have been made.

I want to give thanks to the custodians who look after our heritage in this country. Members rightly raised the importance of their contribution to our economy, with the role of heritage sites as tourist attractions. I recognise the high importance of tourism to this country as an industry. I also put on record my thanks to the volunteers and charities who do so much and give up so much of their time in this area. Members have listed a whole raft of heritage sites in their constituencies. I could commit my noble Friend to visit them all, but I will not. I am sure, however, that he would be keen to hear more about them.

It is important to recognise that in 2019 the sector provided 206,000 jobs directly. We can all agree that the nation's rich heritage touches us all and is a vital part of life in this country. It has a crucial part to play, not only in our cultural lives, but in the wider economic and

social fabric of society. That is true now more than ever, as we rebuild following the pandemic. Ensuring that we protect and future-proof our historic sites is a matter of utmost importance and something we must continue to do. Their value is clear. The protection and preservation of our historic sites, by making them more sustainable, plays an important role in generating economic growth as well as pride in our local village, town or city.

The Government-funded high street heritage action zones programme shows the positive return from heritage-focused investment, with over 171,000 square metres of public realm improved in 65 high streets. By ensuring that historic sites remain at the heart of our communities, we create great places to live, work and visit, making an area more attractive to visitors and locals alike. Heritage can also bring joy to people's lives. It improves quality of life and brings a sense of wellbeing, helping to meet major challenges of ill health and social care and our wider environmental and climate goals. It is therefore imperative to ensure that the sector remains sustainable and able to deliver these positive effects.

A number of Members have mentioned financial sustainability. It goes without saying that the heritage sector, like many others, is still feeling the impact of the period of upheaval and disruption. The pandemic, and more recently cost of living pressures, have contributed to a challenging time for many organisations, which are still rebuilding their financial sustainability and finding ways to make ends meet. Our precious heritage sites continue to need routine but vital conservation work, as the hon. Member for Manchester, Withington (Jeff Smith) mentioned, and financial sustainability is needed not just in the wake of the pandemic and the cost of living pressures but so that they can adapt to a changing digital world and meet the challenges of a net zero carbon agenda. We need to look to the future and at financial resilience. There is much that needs to be done.

The Government have been working very closely with the sector on those immediate pressures, including the unprecedented investment we gave the sector as part of the £1.5 billion culture recovery fund. I thank the sector for its engagement and the delivery of that fund. It certainly helped to deal with some essential capital restoration, as well as protecting the jobs of skilled specialists, and to make sure that historic buildings survived, workforces were retained, and most reopened to the public rather than being lost. The sector has been financially strained by the cost of living. I am delighted that we have been able to give more support through the energy bills support scheme, which was mentioned, to mitigate those costs.

Climate change was rightly raised by a number of Members. Heritage has a unique role to play in wider environmental sustainability. Our natural and historic environments are inextricably interlinked and by protecting one we can benefit the other. We need to maximise the potential of heritage to drive wider environmental goals around biodiversity, protecting habitat and sustainably managing our rural environment.

For example, in the constituency of the hon. Member for Caithness, Sutherland and Easter Ross, the National Lottery Heritage Fund, an arm's length body of the Department for Culture, Media and Sport, supported the “Flows to the Future” project, which restored more than seven square miles of blanket bog habitat. Restoring and supporting peat bogs has multiple benefits for our

environment by providing habitat for rare species and carbon capture, while also protecting unique archaeology and heritage that might otherwise not be preserved.

Jamie Stone: The Minister makes a very interesting point. People come from all over the UK and the world to see the blanket bog, and to look at the little animals and flowers that live there. They also come in the shoulder months—spring and the colder times. They are not fussed about the temperature; they want to see what it is like. That, in turn, boosts the local economy.

Stuart Andrew: The hon. Gentleman is absolutely right. That is a benefit that these places bring to our communities, and that is why preserving our heritage is so important.

On energy efficiency, the Government are fully committed to encouraging homeowners to incorporate energy-efficiency measures in their properties to reduce consumption and sustain our historic building stock. As part of that, we recognise the need to ensure that more historic buildings have the right energy-efficiency measures to support those objectives. In the strategy published last year, we committed to reviewing the practical planning barriers that households face when installing such measures, including glazing, or in conservation areas and listed buildings. We will be publishing the results of the review in due course and I will certainly speak to colleagues to find out when that might be.

The Government recently consulted on introducing a new national planning policy framework to support such energy-efficiency adaptations to existing buildings and historic homes. The consultation responses are currently being analysed and an announcement on the way forward will be made in due course.

I want to touch on a few specific points that were raised. The hon. Member for Reading East (Matt Rodda) mentioned Reading jail. I commit to speak to colleagues in the Ministry of Justice on those issues. I am always happy to visit Stoke, and look forward to combining that with a visit to the football.

The hon. Member for Llanelli (Dame Nia Griffith) mentioned the issue of confusing guidance. We recognise that, which is why the review will be looking at refining it to make it easier for homeowners. Historic England has already refreshed some guidance providing advice to homeowners, but I certainly take her point.

My hon. Friend the Member for Woking (Mr Lord) spoke about the cemetery. Again, I will raise this matter with my noble Friend the heritage Minister. As a Department, we are happy to engage with him and other stakeholders.

I will have to write to the right hon. Member for Orkney and Shetland (Mr Carmichael) with an update on the issue he raises. I have a very good friend, Tracey Thompson, who lives up there. I keep being asked to go and visit her, so I look forward to going along.

I will certainly speak to colleagues in the Department for Environment, Food and Rural Affairs about the points that the hon. Member for Westmorland and Lonsdale (Tim Farron) raised. In my time as Housing Minister, I heard the issue about second homes, and he will know that the Government are working on that as we speak.

Conscious of time, I shall conclude by thanking all Members for bringing this debate forward and to life and talking about the great assets that we have in this country and the issues we are facing in making them sustainable, because that is important for us as a Government. It is an issue that is recognised, and I thank all Members for their contributions.

5.35 pm

Jamie Stone: I will be very brief. I welcome the Minister's tone, and we all look forward to seeing what emerges from a new planning framework for listed building consent and seeing what comes out the other end. I will make a simple point: if we get this right, there is a great prize, because the more people who come to these attractions that are supported in a sustainable way, the more that boosts the local economy and, in turn, His Majesty's Government's tax take increases. It becomes a beneficial spiral. It is a great goal if we can achieve it; I am sure we can if we work together. Finally, I thank all right hon. and hon. Members for their thoughtful contributions. I am personally grateful to each and every one of these splendid people. Sometimes I think that these Westminster Hall debates are like the very best kind of tutorial at a higher education institution. It leads to good thought and constructive work together.

Question put and agreed to.

Resolved,

That this House has considered the sustainability of heritage sites across the UK.

5.36 pm

Sitting adjourned.

Written Statements

Tuesday 20 June 2023

BUSINESS AND TRADE

UK-India Free Trade Agreement Negotiations

The Minister of State, Department for Business and Trade (Nigel Huddleston): The 10th round of UK-India Free Trade Agreement (FTA) negotiations began on 5 June and concluded on 9 June. As with previous rounds, this was conducted in a hybrid fashion—UK officials travelled to New Delhi for negotiations and others attended virtually.

Technical discussions were held across 10 policy areas over 50 separate sessions. They included detailed draft treaty text discussions in these chapters.

The UK-India trade relationship was worth £36 billion in 2022. A balanced deal which respects the domestic sensitivities of both sides will strengthen the economic links between the UK and India, boosting the UK economy and bringing benefits to UK businesses, families and consumers. In this negotiation, as with all our FTA negotiations, the NHS and the services it provides are not on the table.

Both sides continue to work towards a modern and comprehensive agreement. We will only sign a deal that is fair, balanced, and ultimately in the best interests of the UK.

The 11th round of negotiations is due to take place in the coming months.

The Government will continue to keep Parliament updated as these negotiations progress.

[HCWS865]

DEFENCE

Military Accommodation: Safety Inspections

The Minister for Defence Procurement (James Cartlidge): The Ministry of Defence is responsible for some 47,800 military homes in the United Kingdom. Since 1 April 2022, the management and maintenance of the vast majority of that accommodation has been delivered by three contractors: Amey in the central and northern regions; VIVO in the south-east and south-west; and Pinnacle who run our national service centre.

There are 27 different statutory and mandatory housing safety inspections that apply to each property, which contractors are required to complete at different time intervals. These inspections are each undertaken by the contractor on a regime planner, with the schedule dates at least 12 weeks in advance of the expiry date of any certification.

By law, all occupied rented homes are required to undertake landlord gas safety inspections (LGSI) every 12 months. As part of the standard protocol, all personnel who move into Defence accommodation should have an LGSI, alongside an electrical installation condition report (EICR), completed within 28 days.

Since April 2022, more than 12,000 families have moved into military houses and been provided with valid statutory and mandatory certificates at the point they move in. However, it has become clear that progress to update gas certificates and electrical inspections for a number of existing residents which had already elapsed was not quick enough. Consequently, as of 20 June, there are 795 homes currently occupied by service families without valid gas certificates.

A number of factors have led to this situation. It appears that in many cases operatives were unable to gain access to properties due to miscommunication. On other occasions, contractors missed agreed appointments. Then there were supply chain resource problems, including sourcing suitably qualified gas and electrical tradespersons and a backlog of work inherited from the previous contract. Furthermore, legislation has reduced the currency of existing electrical safety certificates from 10 years to five, increasing this battery of checks.

The expiry of a certificate does not immediately render a house unsafe, but, clearly, the longer a home is left with expired certificates, the greater the risk that it could become so. During checks to date, no issues have been identified that would represent a serious safety concern for the families involved. That said, the safety of our personnel is paramount and it is unacceptable for any family to be living in a home without the necessary checks.

I was made aware of this issue in early May and immediately acted to address the problem, speaking with the FDIS contractors personally, making it clear to our industry partners that we expect this backlog to be cleared, less any exceptional cases, by the end of June at the latest and preferably sooner.

Although not a statutory requirement, the Ministry of Defence also requires its accommodation contractors to maintain current certificates on unoccupied homes—minimising the safety risk to neighbours or those required to visit for maintenance purposes. It is anticipated that all these unoccupied military homes will have up to date gas safety certificates by mid-July.

Finally, all electrical safety certificates should be up to date by the end of August.

One immediate lesson that has emerged is the need for improved communications. Until now contractors had relied on email to notify residents of upcoming checks. It appears that, for numerous reasons, these were not always seen in enough time to ensure that someone was available at the property.

That has now changed with contractors contacting families through letters, by telephone and through house calls. Instead of the usual individual house appointments, gas engineers have been attending military housing estates on nominated days and, supported by the military chain of command where necessary, have moved between homes to carry out the required inspections.

Service personnel have been notified in advance of these changes and are working closely with the military chain of command and our industry partners to ensure staff balance the need for availability with operational demands. If a service person living in SFA has not received a letter notifying them of this process, they can be assured their home is not in scope.

This is not the first time issues have been raised about military accommodation. Problems will always arise to some degree when you are dealing with an estate of this

size and scale and with residents whose job by its very nature is demanding and time constraining. Nonetheless, we must do better. Since Amey and VIVO have not met the acceptable level of performance in this case, the relevant performance credit for fixed and variable profit for the service period has been withheld.

There are signs of improvement, but we are closely monitoring the performance of our contractors over the coming weeks to see the deadlines are met and I receive regular updates on progress.

We are also putting in place a lessons learned process for the medium and long-term. Specifically, what can we learn from the failures here that we can apply to future contracts to avoid similar mistakes.

The safety of our personnel remains our top priority. We rely on them to keep us safe and they rely on us to provide them with safe homes.

[HCWS867]

HEALTH AND SOCIAL CARE

Volume Price Promotion Restrictions

The Parliamentary Under-Secretary of State for Health and Social Care (Neil O'Brien): The Government are announcing their intent to delay the implementation of restrictions on volume price promotions, such as “buy one get one free” or “3 for 2” offers, on less healthy products by 24 months. These restrictions will now come into force on 1 October 2025.

Given the current challenges caused by higher food prices, the Government do not want to take actions that may restrict consumer choice.

Therefore, we are delaying the restrictions until October 2025 in light of the unprecedented global economic situation.

The intention of the promotion restrictions is to shift the balance of promotions towards healthier options, encouraging people to make healthier choices. We will continue to work closely with food businesses to reformulate products to be healthier. We have already seen success in some categories of the sugar reduction programme including a 14.9% reduction in average sugar levels in retailer and manufacturer branded breakfast cereals and a 13.5% reduction in yogurts and fromage frais.

The delay to volume price promotions does not impact the location restrictions which are currently in force. Under these restrictions, less healthy products in scope can no longer be promoted in key locations, such as checkouts, store entrances, aisle ends and their online equivalents. The location restrictions are the single most impactful obesity policy at reducing children's calorie consumption and are expected to accrue health benefits of over £57 billion and provide NHS savings of over £4 billion, over the next 25 years.

We intend to consult in the coming weeks on the secondary legislation to implement the delay to the volume price restrictions.

The Government remain committed to halving childhood obesity by 2030 and delivering on these measures.

[HCWS868]

HOME DEPARTMENT

HMICFRS Inspection Report: National Crime Agency's Effectiveness at Dealing with Corruption

The Secretary of State for the Home Department (Suella Braverman): The National Crime Agency (NCA) leads and co-ordinates the overall law enforcement system response to Serious and Organised Crime (SOC) across the UK. It manages intelligence and information requiring the highest levels of security, with the power to task law enforcement and the capability to address the impact of SOC and counter corruption.

This is the 11th HMICFRS inspection of the NCA and examines how effective the NCA is at dealing with corruption, prejudicial and improper behaviour. This included the vetting of staff, its capability to prevent and counter corruption and insider threats, and its ability to tackle behaviours that discriminate.

I have asked HMICFRS to publish the report. It will be published today and will be available online at www.justiceinspectors.gov.uk. I will arrange for a copy to be placed in the Libraries of both Houses.

The inspection found that the NCA takes these matters seriously, with a robust vetting process in place and an enhanced apparatus established to tackle corruption and promote professional standards. The report also concludes that the NCA has a more diverse workforce than ever. However, the Agency must continue to promote diversity, particularly in its leadership, as well as its operational units, where a lack of diversity was found. The NCA also needs to strengthen its ability to tackle insider threats and address prejudicial and concerning behaviours.

The Inspectorate raised concerns that gender-based discrimination and casual sexism continue. A zero-tolerance approach must be instilled across the NCA to ensure such behaviours are tackled and misconduct appropriately managed. I expect the Agency to demonstrate leadership in putting an end to any form of discrimination, and to put the appropriate practices and approaches in place to robustly address the concerns raised by the Inspectorate.

The inspection also identified a need to consider possible changes to legislation to clarify and strengthen the Agency's professional standards, and to allow the NCA to have a Barred List established to ensure those staff who are dismissed for misconduct are prevented from working elsewhere in law enforcement. I am clear that the requisite changes should be made at the earliest opportunity.

The Inspectorate has made 19 separate recommendations which will help ensure that the NCA's approach to corruption, vetting and standards is more robust and will deliver a safe and secure environment and positive culture for all staff to work in, in turn, helping to increase public confidence in law enforcement agencies.

[HCWS866]

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