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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES
(HANSARD)

Monday 26 June 2023

HIS MAJESTY'S GOVERNMENT

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

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

FIRST YEAR OF THE REIGN OF
HIS MAJESTY KING CHARLES III

SIXTH SERIES

VOLUME 735

TWENTY SECOND VOLUME OF SESSION 2022-2023

House of Commons

Monday 26 June 2023

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Armed Forces: Cost of Living

1. **Marion Fellows** (Motherwell and Wishaw) (SNP): What recent assessment his Department has made of the potential impact of increases in the cost of living on the armed forces' (a) morale and (b) recruitment.

[905596]

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): We have introduced a range of measures to support personnel and mitigate the cost of living, including capping subsidised accommodation charges, freezing food charges, increasing travel allowances, rebating contributions in lieu of council tax and introducing wraparound childcare, saving £3,000 per child a year. Additionally, over the past five years, the armed forces have received a cumulative pay award of 11%, with 2022 being the biggest percentage uplift in 20 years.

Marion Fellows: According to the House of Commons Library, this Westminster Government plan to spend £3 billion on renewing nuclear weapons for this financial year 2023-24. The UK Government are making a political choice on weapons of mass destruction. When we have seen reports of service people and their families using food banks, does the Minister think that is a wise use of public funds?

Dr Murrison: I have to differ with the hon. Lady. I fully support the continuous at-sea nuclear deterrent. It has kept us safe all these years, and so long as we have a Conservative Government, there will be a continuous at-sea nuclear deterrent. It is a pity that her party cannot line up behind the men and women of our armed forces, who are committed to that deterrent.

Veterans Support

2. **Janet Daby** (Lewisham East) (Lab): What recent steps Veterans UK has taken to support veterans and their families.

[905597]

18. **Stephen Morgan** (Portsmouth South) (Lab): What recent steps Veterans UK has taken to support veterans and their families.

[905613]

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): We will shortly be publishing the quinquennial review into the armed forces compensation scheme and the independent review of Government provision of welfare services for veterans. Between them, they will ensure that the scheme remains fit for purpose and that we identify areas for improvement and better align support services. Crucially, we will continue to press ahead with the £40 million digital transformation of paper-based processes.

Janet Daby: At the last Defence orals, I stated that claims to the Veterans UK compensation scheme have dropped and rejections have risen compared with a decade ago. The Minister for Armed Forces, the right hon. Member for Wells (James Heapey) said that the

Department's digital programme would address that. Is the Minister for Defence People, Veterans and Service Families concerned about the structural issues with the scheme? I say that because even the independent reviewer has said that the scheme's process is

"overly burdensome and even distressing for the claimant due to unreasonable timeframes and a lack of transparency."

I look forward to hearing the Minister's response.

Dr Murrison: I am glad that the hon. Lady has asked that question, because two reviews are under way: the quinquennial review and the review being launched jointly by the Ministry of Defence and the Office for Veterans' Affairs. I suspect strongly that those reviews will bring forward recommendations to improve processes, but all institutions have to change with time, and this is no different. I am pleased to note that fewer claims are now going to appeal or tribunal, and that is our measure of success. I pay tribute to those who administer such things; they work very hard.

Stephen Morgan: Over the past year, the number of veterans claiming universal credit has increased by 50%. How does the Minister plan to help veterans in receipt of universal credit to acquire the skills they need to access well-paid employment?

Dr Murrison: Universal credit is an in-work benefit that will affect a small number of service people. The hon. Gentleman will know that we have done everything we can to mitigate cost of living rises. I said in response to the previous question that we have a freeze on accommodation costs, a freeze on food and a contribution to offset increases in council tax. All those things are helping our service personnel at this difficult time. We will continue to do what we can to mitigate those cost of living increases.

James Gray (North Wiltshire) (Con): One group of veterans to whom a gross injustice was done many years ago is the LGBT community, who until 2001 were court-martialled, shamed and dismissed. That shame is still with them today and has not yet been corrected. The Government perfectly properly commissioned a report by Lord Etherton to look into the whole matter, and I understand it was provided last week. Will the Government undertake to produce that report and make an oral statement to this House to discuss it? Above all, will they give the apology it calls for and accept the need for financial compensation that those veterans deserve?

Dr Murrison: I suspect I will be asked the same question on Saturday, when I attend London Pride. The Etherton report has been delivered. It is pretty magisterial, as we would expect from Terence Etherton, with a number of recommendations that we are working through. When we respond, it will be a proper response, and I hope it will satisfy my hon. Friend.

Mr Speaker: I call the shadow Minister.

Rachel Hopkins (Luton South) (Lab): We are going—

Mr Speaker: We will have to wait until Saturday, I think.

Rachel Hopkins: The Minister will be pressed again for his response—he will not have to wait until Saturday—because until 2000 it was illegal to be gay in the UK armed forces. The loss of livelihoods and long-term suffering endured by LGBT+ veterans as a result of that cruel and unjust policy has been immense. I am pleased that there is such cross-party agreement about the publication of the report being so important to those who have experienced such injustice, but 18 months on there is still no report and no Government apology. Will the Minister confirm specifically when the report will be published in full, with all testimony, and when we can expect an apology from the Prime Minister for this historic injustice?

Dr Murrison: It was this Government who set up the review. This situation was going on from 1967 to 2000, and it was an appalling stain on all of us, so I am really pleased that, at long last, the Government have gripped it. I am afraid that the hon. Lady will have to be a little bit more patient, but I suspect that we will publish the report and a response very soon indeed.

Size of Armed Forces

3. **Mrs Emma Lewell-Buck** (South Shields) (Lab): What steps he is taking to end the hollowing out of the armed forces. [905598]

The Secretary of State for Defence (Mr Ben Wallace): The Government have injected more than £29 billion of additional funding into defence since 2020, investing in Army modernisation, major platforms such as Type 26, Type 31, Challenger 3 and F-35, and restocking of ammunition to ensure that we reversed the hollowing out of our armed forces that has occurred under successive Governments for the past 30 years.

Mrs Lewell-Buck: I thank the Secretary of State for that response, but only recently the Deputy Supreme Allied Commander Europe said that Britain is "just holding on" to its status as one of NATO's leading members and that our Army is "too small". A former Chief of the Defence Staff said that all of our armed forces are too small, with the Army having "significant capability deficiencies". The Government are failing our forces, are they not?

Mr Wallace: It is interesting, because of course it was Labour that cut 19 battalions from the Army when I was serving under the hon. Member's Government. What is important is not just that the Army is the right size but that it is an Army that is properly equipped and able to do its job. Having just numbers and non-equipment leads to the place where we had Snatch Land Rovers in Afghanistan under her Government.

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

Mr Tobias Ellwood (Bournemouth East) (Con): I endorse the words of my Defence Committee colleague, the hon. Member for South Shields (Mrs Lewell-Buck). The Secretary of State himself has used the words "the hollowing out of our Armed Forces".

Today, the Head of the Army said at the Royal United Services Institute's land warfare conference that our world is heading back into the 1930s with growing

threats. Does the Secretary of State agree that the Treasury's argument for increasing Defence spending to 2.5% of GDP when the economics improve is not only naive but illogical, because our economy and our national security are one and the same thing? We need to invest in our Army, Air Force and Navy now, not when Britain's economy improves.

Mr Wallace: My right hon. Friend makes an important point about levels of Defence spending. First, spend on the Army is 20% higher since I started as Defence Secretary, and I have made sure that a greater proportion of that spend is on catching up and modernising the armed forces, which had been neglected all the way back to Afghanistan and Iraq, where we were spending money on urgent operational requirements rather than the core budget to modernise that equipment.

On my right hon. Friend's point about the Treasury, it has accepted—the Chancellor did so at the Dispatch Box—that Defence will require a greater share of public spending. Part of the big challenge is recognition across Government and in Whitehall that the culture has changed, with Defence requiring a greater proportion of spend if it is to defend these shores and indeed our people. That is how it used to be. I am confident that the Prime Minister's support for 2.5% and the Chancellor's position puts us on the right path, and of course that could not be needed quicker.

Mr Speaker: I call the shadow Secretary of State.

John Healey (Wentworth and Dearne) (Lab): In January, the Defence Secretary admitted that his Government have “hollowed out and underfunded” our armed forces and, in the past week, a string of senior military figures have agreed. NATO's second-in-command said that the British Army is “too small”, a former Chief of the Defence Staff said

“The Army is now too weak”, and another ex-CDS said:

“The hollowing out of warfighting resilience within the Armed Forces has been the single most obvious shortfall...since 2010”.

Will the Defence Secretary halt this hollowing out in his new Defence Command Paper? Will it be published this month, as he has promised?

Mr Wallace: Time and again the right hon. Gentleman comes to this House knowing full well that my statements on hollowing out are not about this Government but about successive Governments for the past 30 years. Mr Speaker, I ask you to look at that statement, because it verges on misleading the House. The right hon. Gentleman knows that is a fact; I have consistently pointed out that that is not the case, but he continues to use it in this House.

We have started to reverse through an increase of £29 billion in the core funding of the armed forces. Whatever I have done with that new money, I have made sure that it is there to properly equip and support all the people of the armed forces. There is no point playing a numbers game when men and women could be sent to the frontline without the right equipment. All we see from the Opposition is a numbers game with no money attached.

John Healey: I have the Secretary of State's exact words here. After inviting me to get Labour's shortcomings off my chest, he said:

“I am happy to say that we have hollowed out and underfunded.”—[*Official Report*, 30 January 2023; Vol. 727, c. 18.]

He boasts about being the longest serving Tory Defence Secretary, but in four years he has failed to halt that hollowing out; he has failed to fix the broken procurement system; he has failed to win fresh funding this year, even to cover inflation; and he has failed to stop service morale reaching record lows. Does he not find it a national embarrassment for Britain to go to next month's NATO summit as one of only five NATO nations that has not rebooted defence plans since President Putin invaded Ukraine?

Mr Wallace: On that quote, I asked if he would admit that Labour had hollowed out during its term of office. How convenient it is to forget that the whole point is that, in the 30 years following the cold war, successive Governments pushed defence to the side and not to the centre. He talks about my defence record; let us look at defence procurement, since he is fond of coming to the Dispatch Box about that. In 2009 under Labour, 15% of armed forces projects were over cost and the average delay was 28%. Now, 4% are over cost and 15% of each project is delayed. We cut the bureaucracy in Defence Equipment and Support from over 27,000 to 11,400. That is value for money. At the same time, we have a real increase in the defence budget and we have injected £29 billion of additional funding.

Nuclear Test Medals

4. **Rebecca Long Bailey (Salford and Eccles) (Lab):** What steps he is taking to issue nuclear test medals to veterans before Remembrance Sunday 2023. [905599]

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): The hon. Lady will welcome the commemorative nuclear test medal announced by the Prime Minister in November last year to recognise service veterans and civilian personnel who participated in the UK's atmospheric nuclear test programme between 1952 and 1967. The first nuclear test medals are expected to be available this autumn—I hope in time for Remembrance Sunday.

Rebecca Long Bailey: A nuclear testing veteran has said:

“We have heard it all before, governments come and go, but the Nuclear Veterans keep fighting, that's exactly what we did for our country all them years ago, so please, no more false promises just action...award us our medal”.

He speaks for the thousands who were promised medallic recognition by the Prime Minister on 22 November last year. Sadly, they are now informed that the medal has been delayed again by the Government. What is the delay? Why is it happening? Will the Minister categorically promise the House today that those veterans, whose average age is now 85, will finally be awarded their medals before Remembrance Sunday so that they and their descendants can proudly wear them?

Dr Murrison: Once again I remind the hon. Lady that it is this Government who got on and made the announcement on 22 November last year. I very much

hope that by 22 November the veterans will get their medals. It is my sincere hope that by Remembrance Sunday they will be able to wear proudly what is due to them.

Ukraine: Military Support

5. **Jason McCartney** (Colne Valley) (Con): What recent steps his Department has taken to provide military support to Ukraine. [905600]

8. **Vicky Ford** (Chelmsford) (Con): What recent steps his Department has taken to provide military support to Ukraine. [905603]

The Secretary of State for Defence (Mr Ben Wallace): The UK continues to be recognised as a leading nation providing military support to Ukraine, training more than 17,000 recruits and providing £2.3 billion-worth of support last year and this year. We have sent hundreds of thousands of rounds of artillery ammunition, thousands of missiles and hundreds of armoured vehicles. We have led the world on gifting vital capabilities such as multiple launch rocket systems, Challenger 2 and Storm Shadow missiles.

Jason McCartney: As well as contributing through the international fund for Ukraine and the Ukraine defence contact group, I really welcome that the UK has contributed an additional £60 million to NATO's comprehensive assistance package for Ukraine, which focuses on capacity building in key areas such as cyber and logistics. What is my right hon. Friend's assessment of whether Ukraine is receiving the right kind of assistance from NATO to support its longer-term ambitions for NATO membership?

Mr Wallace: NATO's comprehensive assistance package for Ukraine is providing urgent non-lethal assistance to enable the defence of Ukraine. The CAP also focuses on meeting Ukraine's longer-term needs, including reconstruction and transition to NATO standards, which are essential for countries wishing to join the alliance. Since February 2022, the UK has contributed £82 million to the CAP.

Vicky Ford: In the past few days there have been deeply alarming reports in our press that Russian forces may have placed highly destructive mines at the Zaporizhzhia nuclear power plant. What assessment has the Secretary of State made of the risk of a major nuclear incident?

Mr Wallace: My right hon. Friend asks a very important question about the risk posed by Russian activity not only within its own borders, but in Ukraine and at the nuclear power station of Zaporizhzhia. Sadly, Russia has shown no restraint in using munitions against civilian structures, critical national infrastructure, hospitals, surgeries and so on, which add to the long list of war crimes that it has clearly been engaged in. We monitor it very closely. We work with the international community to ensure that everything that can be done is done to protect the nuclear power station, and to remind Russia, not only through us but through third countries, of its obligations to protect the civilian population.

Sir Chris Bryant (Rhondda) (Lab): I fully support the provision of all the munitions that we have been able to give to Ukraine. I hope we will be able to continue to do that for the foreseeable future, and certainly until Putin loses. It seems that quite often different allies of Ukraine are giving different kinds of bits and pieces of armament and munitions, and that that does not necessarily add up to more than the sum of its parts. Would it not be better if we now looked to the future by commissioning jointly, so that we get more matériel at cost directly through to Ukraine?

Mr Wallace: The hon. Gentleman makes a really important point. To better co-ordinate the gifting, at the beginning we set up the International Donor Co-ordination Centre, with about 80 British personnel in the lead, alongside the United States, to ensure that what Ukraine is asking for is what it gets and that it is co-ordinated across the international community, because we all have different armouries. In recognition of his very important point about how we develop and encourage a sustainable supply chain to Ukraine, Britain alongside Denmark set up the international fund for Ukraine. We committed £250 million last year and another £250 million this year, and it is topping up towards €1 billion-plus of funding. One specific task is to commission effectively from supply chains and manufacturing plants, so that there is a long-term solution to the need and munition is rolling off production lines. We all have finite stocks, which is why we will use the cash in the fund to start commissioning, which we have already done.

Richard Foord (Tiverton and Honiton) (LD): The Liberal Democrats support the Secretary of State on the supply of arms and equipment to Ukraine for its sovereign defence. Has he assessed what effect the Storm Shadow missile has had on operations? Will he tell us whether other allies, such as the United States, also intend to provide long-range precision guided missiles?

Mr Wallace: I am grateful to the hon. Gentleman. My understanding is that the Storm Shadow missile has had a significant impact on the battlefield. Its accuracy and ability to deliver successfully the payload, as sent and designed by the Ukrainians, has been almost without fault. That is an extraordinary achievement in terms of both the engineering that went into it, and the Ukrainians deploying it and using it as it needs to. It has had an effect on the Russian army, mainly around its logistics and command and control. That shows the importance of deep fires. We absolutely urge other international partners to come forward with their deep fires that are required. When HIMARS was put in on the M270s, which have a range of 80 km, that had a similar effect and the Russians moved many of its C2 nodes out of range, which is why deep fires became important. The key is to recognise that if the Russians move out of range, we must work together internationally to provide the equipment to ensure they are back in range.

Armed Forces: Skills

6. **Mary Robinson** (Cheadle) (Con): What steps his Department is taking to ensure that the armed forces have the skills required for the future. [905601]

13. **Selaine Saxby** (North Devon) (Con): What steps his Department is taking to ensure that the armed forces have the skills required for the future. [905608]

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): Last week, the Ministry of Defence published the Haythornthwaite review of armed forces incentivisation. Rick Haythornthwaite and his team have done an absolutely brilliant job. The MOD is now working out how to implement the recommendations, but I think it true to say that Haythornthwaite addresses our pressing need to build a firm foundation for an increasingly skills-based future in which the MOD will have to compete extremely hard if it is to continue to recruit and retain the very best.

Mary Robinson: In February of last year, we were informed that the Ministry of Defence was “actively considering recruiting people with neurodiversity”.

That will have given hope to many, including a constituent of mine who does not believe that his autism diagnosis should be a barrier to service. Can my right hon. Friend tell me what the status is of those considerations, and will the MOD consider running a pilot scheme so that neurodiverse individuals can be encouraged to give their skills to the armed forces?

Dr Murrison: We are very proud of the wide-ranging make-up of our armed forces, which includes many neurodiverse people. The Haythornthwaite review recognises that tomorrow's defence will be very different from today's, and that its people will be as well. I agree with the thrust of my hon. Friend's perceptive question, and anticipate that the skills and attributes that we will need in the future will mean our casting the net much more widely than before.

Selaine Saxby: In North Devon, our two military bases, Chivenor and Arromanches, have units specialising in logistics, engineering and unmanned marine technologies. What steps is my right hon. Friend taking to encourage more budding young engineers to fulfil their technical education and work prospects in our armed forces?

Dr Murrison: The Ministry of Defence is deeply committed to supporting future engineers both inside and outside the armed forces, and is one of the largest deliverers of UK apprenticeships: we have 22,000 personnel on 100 different apprenticeships at any one time. Furthermore, the Haythornthwaite review and the pan-defence skills framework will take the skilling of our defence people to the next level.

Jim Shannon (Strangford) (DUP): I thank the Minister for his response. Northern Ireland is one of the leading regions of the United Kingdom that are pushing cyber-security very hard. Has the Minister given any consideration to ensuring that companies that are involved in cyber-security, of which there are many not only in Northern Ireland but in the south-east of England, could work in partnership with the MOD to ensure that the skills to be found in private companies can be used in the Army?

Dr Murrison: I entirely agree with the hon. Gentleman. I think that in future we will see much more zig-zagging between the armed forces and the industry and back again,

and, indeed, Haythornthwaite touches on the subject of so-called zig-zag careers. I expect to see a much closer working relationship between the armed forces and industry in the future: we are all in it together.

Mr Speaker: I call the shadow Minister.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): On Armed Forces Day last week, as a nation we thanked our armed forces for their service, and as a nation we rightly invest in the skills of those who serve, but year after year we are seeing more people with essential skills leaving the forces. Satisfaction with service life has plummeted from a recorded high of 61% under Labour in 2009 to 42% today, and among junior ranks it is even lower, at 39%. What is the Minister's plan to restore morale in order to help to retain the skills that we need in our armed forces, and does he expect armed forces morale to be higher or lower than it is today by the time of the next general election?

Dr Murrison: It was a great pleasure to see the hon. Gentleman in Falmouth for Armed Forces Day at the weekend.

The armed forces continuous attitude survey was established in 2007 by the last Labour Government. It is interesting to look back at what the figures were then. There was no Labour nirvana. We find from the 2007 figures that the percentage saying that morale is high or higher is about the same now as in 2007. *[Interruption.]* The hon. Gentleman may chunter, but these are the facts. The percentage feeling valued has risen significantly, as has the percentage who would recommend their career to a friend. It is hardly surprising that satisfaction with kit, for example, is much better now than it was then. We remember 2007 and the Snatch Land Rovers—coffins on wheels—and we remember, do we not, the appalling kit with which the then Labour Government provided our armed forces in Iraq and then Afghanistan. I think that Labour's record is nothing to be proud of.

NATO

7. **Tom Randall** (Gedling) (Con): What recent steps his Department has taken to strengthen NATO unity. [905602]

The Secretary of State for Defence (Mr Ben Wallace): I regularly engage with NATO allies, including most recently at the NATO Defence Ministers' meeting on 15 and 16 June, at which we demonstrated our continued solidarity with Ukraine and preparations for the upcoming Vilnius leaders' summit. We lobbied hard and successfully for Finnish NATO membership, resulting in Finland's historic accession, and we hope to achieve the same for Sweden before long.

Tom Randall: I welcome the announcement at the NATO Defence Ministers' conference that NATO has agreed a new UK-based maritime centre to support the security of undersea infrastructure. Can my right hon. Friend assure me that this new centre is part of a long-term plan for the alliance to secure better critical undersea infrastructure? Can he provide any further details on the role of this new unit?

Mr Wallace: I am delighted that NATO will host its new Maritime Centre for the Security of Critical Undersea Infrastructure in the UK. The centre is part of NATO's long-term plan to better secure our undersea infrastructure. Bringing together allies and industry, the centre will result in greater situational awareness and sharing of intelligence, expertise and innovation. It will also complement the latest Royal Navy ship, RFA Proteus, whose job is to go out and monitor critical supply lines and cyber cables.

Mr Kevan Jones (North Durham) (Lab): NATO was created to protect democracy and safeguard the values that underpin it. A year ago, the NATO Parliamentary Assembly passed a resolution, under the presidency of Congressman Gerry Connolly, to create a democracy resilience centre within NATO. I understand that this has been agreed by all nations bar one. I wonder whether at the upcoming summit the Secretary of State can put some effort behind persuading that one member to agree to this initiative.

Mr Wallace: I think it is best if I write to the right hon. Member about the details of that. I will look at it and am happy to discuss with him what he thinks needs to progress. We will get to the bottom of it.

War Widow Pensions

9. **Sir Julian Lewis** (New Forest East) (Con): What assessment he has made of the adequacy of his Department's implementation of the lump-sum payments for war widows who previously lost their pensions after remarrying or cohabiting with another partner. [905604]

The Minister for Defence People, Veterans and Service Families (Dr Andrew Morrison): I was delighted to announce the war widows ex gratia payment scheme last month. A specialist team is being stood up to deal with applications and assist and advise widows when the process opens. This will ensure that people are treated with the care they deserve and that their individual needs are met. The scheme will start as soon as possible, and in any event by this autumn, and will be open for two years. It will not erase their loss, but I hope that this payment will offer some comfort to those affected. I again pay tribute to the staunch, dignified campaigning of the War Widows Association, which has brought us to this point; I also pay tribute to my right hon. Friend, who has been absolutely four-square behind the campaign.

Sir Julian Lewis: In return, I would like to thank Ministers for persevering with the matter in the face of many obstacles erected by the Treasury. There is just one last hurdle to surmount: the question of taxation of the ex gratia payment. As war widows' pensions are a recognition of sacrifice and not a benefit, they are not taxed. If this ex gratia payment is taxed, some war widows will get only slightly more than half the lump sum concerned. Will my right hon. Friend use his very best endeavours to avoid that unintended and unfortunate result of an otherwise successful initiative?

Dr Morrison: I fully understand the point that my right hon. Friend is making. He will know that the payment was uplifted to take tax into account. I appreciate that it may not be taking care of all tax in many, if not most,

circumstances. What I will say to him, without setting any hares running, is that I am having a conversation with colleagues, but I emphasise that it is around how we deal with tax on this payment. I cannot really give him any more comfort than that.

Innovative Defence Technology

10. **Theresa Villiers** (Chipping Barnet) (Con): What steps his Department is taking to support the development of innovative defence technologies. [905605]

The Minister for Defence Procurement (James Cartlidge): The Ministry of Defence works closely with UK industry and academia, including small and medium-sized enterprises, to identify and invest in innovative technologies that address our most pressing capability challenges, as well as publishing our future priorities to incentivise investment. We are transforming processes to drive this at pace, and we are already testing and deploying these technologies.

Theresa Villiers: The integrated review said that artificial intelligence would be used to strengthen defence capabilities. So in what ways are the armed forces using AI and does the Minister agree that weapon systems should always be subject to direct human control and never be allowed to operate autonomously?

James Cartlidge: My right hon. Friend asks an excellent question and I know there is huge public interest in AI. I make it clear that last year's defence AI strategy set out our intent to develop and use artificial intelligence ambitiously, safely and responsibly. We do not rule out incorporating AI within weapon systems, but we are clear that there must be context-appropriate human involvement in weapons that identify, select and attack targets. The UK does not possess fully autonomous weapon systems and has no intention of developing them. Finally, any weapon system used by UK military would be governed by the MOD's robust framework of legal, safety and regulatory compliance regimes, irrespective of the technology involved.

Nick Smith (Blaenau Gwent) (Lab): Morpheus is a £3 billion next-generation defence communication programme. It is meant to replace the Bowman kit on Ajax vehicles and was originally set for introduction in 2025, but Ministers have recently said that a revised initial operating capability is "to be determined." When can we please have a statement on the state of play and the delivery of Morpheus?

James Cartlidge: The hon. Gentleman asks an important question on an important programme. We are still committed to Morpheus, but there is a limit to what I can say at the moment because we are having contractual discussions with the supplier. I hope I can say more in due course. On Ajax, I make it absolutely clear that the intention is to upgrade the Bowman operating system within Ajax as the next step.

Defence Procurement

11. **Bill Esterson** (Sefton Central) (Lab): What recent assessment he has made of the effectiveness of the defence procurement system. [905606]

16. John Spellar (Warley) (Lab): What recent assessment he has made of the effectiveness of the defence procurement system. [905611]

The Minister for Defence Procurement (James Cartlidge): We are driving the delivery of capability to the frontline. Over a two-year period to December 2022, we have seen a one-year reduction in the average programme duration, but we can do more to improve and are committed to learning the lessons of the Sheldon review.

Bill Esterson: On 13 March, the Defence Secretary told me that UK steel was not specified in defence procurement because

“we do not manufacture the type of steel”—[*Official Report*, 13 March 2023; Vol. 729, c. 529]

required. But according to UK steel producers, this is not true as they adjust production lines to match the needs of each contract. Now he knows our steel producers can deliver, will he do what all other major countries do, for reasons of national security, and guarantee to use domestically produced steel in defence procurement?

James Cartlidge: I do not accept that. I am happy to write to the hon. Member with the details. Our position is that, obviously, we want to use UK steel and we recognise its quality, but there will be cases where the appropriate steel has to be sourced from elsewhere. Ultimately, we have to deliver the equipment required for our capability.

John Spellar: It is probably a bit of a shame but, after missing out on the job of Secretary-General of NATO, the Secretary of State seems to have reverted to “no more Mr Nice Guy” mode today, although it may improve as the day goes on.

I ask the Minister, in an amicable way, why, when every major military-industrial power is relentlessly focused on building domestic industrial capacity following Russia’s invasion of Ukraine, he is stubbornly refusing to do the same. His previous answer on steel shows again that the mindset has not changed. Why will he not back British industry and British military resilience?

James Cartlidge: I am happy to be Mr Nice Guy when it comes to British industry. A central tenet of the defence and security industrial strategy is that industrial capacity is part of our defence capability. I am absolutely clear about that. Of course we want to have a strong domestic industry. There are occasions when acquisition has to be undertaken at pace and, as we have seen in getting equipment out to Ukraine, we have had to be flexible in how we source that equipment. But we are absolutely committed to a strong industrial base for defence, both at SME level and with our primes.

Jack Lopresti (Filton and Bradley Stoke) (Con): Will my hon. Friend look at how the MOD can support the UK’s domestic supply chain by requiring prime contractors to adhere to a 30-day payment code for all defence suppliers, regardless of where they sit in the supply chain?

James Cartlidge: My hon. Friend is a champion of SMEs and makes an excellent point about prompt payment. I can assure him that the MOD has a standard contract term that requires primes to pay suppliers within

30 days. I am informed this is called DEFCON 534. Obviously, it is not to be confused with other uses of the word “DEFCON”, but it is a very important point. Like him, I want to see our SMEs supported.

Mr Speaker: I call the shadow Minister.

Chris Evans (Islwyn) (Lab/Co-op): When I asked the Minister for Defence Procurement to give a statement on the Sheldon review two weeks ago, he recognised the importance of workers to the defence industry. We have already heard from my hon. Friend the Member for Blaenau Gwent (Nick Smith) about the problems of Morpheus, which I understand is now rated red by the MOD; the problems we had on Ajax are emerging on Morpheus. One of the issues that came out of the Sheldon review was that the company was not listening to the voices of workers on the shop floor. What guarantee is the Minister putting in place to ensure workers have a system for reporting back, so that, when things go wrong, as with Ajax or, potentially, Morpheus, they are reported, listened to and acted upon?

James Cartlidge: As I said in the statement, I recognise the unique angle the hon. Gentleman has on this issue, because the factory in question is in his constituency. I stress that the employment of those employees is the legal responsibility of the company. We engage closely with them. One of the lessons learned is about that close engagement at SRO level through Defence Equipment and Support. Andy Start, CEO of DE&S, has led huge change in improving the way we work together. I suspect we will continue to build on the significant improvement the Secretary of State just highlighted, in terms of both cost and timing, between when the Opposition was last in power and now.

Mr Speaker: I call the SNP spokesperson.

Dave Doogan (Angus) (SNP): The previous Minister for Defence Procurement impressed many by hitting the ground running. He developed a forensic grip on the manifold issues within this dysfunctional area of defence and he worked up a plan to try to deal with that. Sadly, he moved on before he could implement that plan, so can I ask this latest Minister for Defence Procurement, does he have a plan? What will be the first evidence of that plan that our weary service personnel and taxpayers might see?

James Cartlidge: I am grateful to the hon. Gentleman for his praise for my brilliant colleague, my right hon. and learned Friend the Member for Cheltenham (Alex Chalk), who is now Secretary of State for Justice and the Lord Chancellor, no less. Absolutely, we have a plan, and that plan must take into account the lessons from the Sheldon review. In taking on this job, I recognise that there has been huge focus on Ajax, but I hope the fact that Ajax is now with the Household Cavalry for regular field training is a symbolic moment that shows we are turning the corner. We are going to engage right across defence to develop a better procurement system, and I want to ensure that delivers better outcomes. As I said at the Defence Committee, that is why we have tasked the permanent secretary to undertake an end-to-end review of the whole defence operating model.

Dave Doogan: That response could be loosely regarded as a stab at the previous question, but it was certainly not an attempt to answer my question. Let me try to probe a little further and give the Minister some examples that he may wish to bombast us with about the progress he is making. How has he challenged the pedestrian progress towards the next phase of the new medium-lift helicopter tender? What is the delay with the Type 32 or Type 31 successor announcements? Why does his element of defence not procure ground-based anti-aircraft missile systems to protect these islands in a more responsible way?

James Cartlidge: The hon. Gentleman has ranged a long way, from air to ground. The key element is to strengthen our speed and agility, whatever the platform in question. Some of the platforms he refers to are at a conceptual phase. I am committed to driving pace because, although times are improving overall, ultimately we do not want to have the delays we have had in some notable programmes. We need pace because that is how we maintain our competitive edge against our international adversaries.

Mr Speaker: Pacy answers would be helpful as well.

Service Accommodation

12. **Matt Western** (Warwick and Leamington) (Lab): What recent assessment he has made of the adequacy of service accommodation for the armed forces. [905607]

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): The Ministry of Defence fully recognises the importance of safe, good-quality and well-maintained homes. In the last seven years, the MOD has invested more than £936 million in service family accommodation. That includes £185 million last year on modernising homes, tackling damp and mould and improving thermal efficiency. Currently, 97% of MOD SFA meet or exceed the Government's decent homes standard. Only those properties are allocated to service families. We strive to do better but, for context, the figure for social housing is 91%.

Matt Western: When he has been around various sites, I am sure the Minister will have noticed the substandard quality of accommodation, and indeed squalor in certain cases. He will also know that some 800 armed forces families are living in potentially unsafe homes that have not yet had gas safety checks. Will he confirm what action he and his Government are taking to make those homes safe?

Dr Murrison: I am grateful to the hon. Gentleman for his question. On gas and electric safety, my hon. Friend the Minister of State for Defence Procurement was made aware of the issue on 2 May and he worked exceptionally quickly to remedy it. Currently, there are some 555 gas safety certificates outstanding. That number is plummeting dramatically, and almost all of them will be cleared by the end of June, which is a measure of some success.

Mr Mark Francois (Rayleigh and Wickford) (Con): If a private or a professional landlord did not properly complete these safety checks, they would be sued. It is completely unacceptable that we put armed forces personnel and their loved ones at risk for months because the

Future Defence Infrastructure Services contract that is meant to do that is completely broken. If the head of the Defence Infrastructure Organisation, who is meant to oversee this, is completely out of his depth, which some of us believe he is, after this, should he not consider his position?

Dr Murrison: I am grateful to my right hon. Friend for his comments. The important thing is that when my hon. Friend the Minister of State got to know about this, he acted immediately to put the matter right. I am not really interested in getting people's scalps; I am interested in putting the matter right, and that is exactly what is happening.

EU Permanent Structured Cooperation

14. **Andrew Bridgen** (North West Leicestershire) (Reclaim): What recent progress he has made on UK participation in the EU permanent structured co-operation project. [905609]

The Minister for Armed Forces (James Heappey): The UK applied to join the permanent structured co-operation military mobility project to help shape EU military transport procedures and infrastructure, addressing impediments to moving military personnel and assets across Europe at pace.

We are negotiating the technical terms of our participation in the form of an administrative arrangement and have reached agreement on the majority of the text.

Andrew Bridgen: Sir Richard Dearlove, former head of MI6, has given evidence to House Committees on this issue and he questioned why we were joining this and who had authorised it. He also stated that membership of these European Union defence structures are not an à la carte menu where the UK can choose what it wants and reject what it does not. It is very much a take it or leave it, all or nothing, situation. Does the Minister agree with Sir Richard's assessment?

James Heappey: Conspiracy is not as rife as the hon. Gentleman seems to think. We can indeed choose which parts of the permanent structured co-operation we wish to be in, and the mobility projects, which co-ordinate the development of infrastructure for the movements of NATO weapons and platforms across Europe, seem to be a pretty good thing on which the UK should seek to co-operate with the EU.

Mr David Jones (Clwyd West) (Con): As my right hon. Friend has mentioned, the UK at the moment is considering acceding only to the military mobility element of PESCO. There are, however, more than 60 separate elements. Can my right hon. Friend indicate whether the Government are considering joining any of those other elements?

James Heappey: We will consider those elements on a case-by-case basis. Where there is merit and where it is in the UK interests to work with the European Union to the advantage of NATO and our own national interest, we will, of course, do so. However, we will do so not blindly out of habit, but only where it is in our interests.

Topical Questions

T1. [905622] **Scott Benton** (Blackpool South) (Ind): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr Ben Wallace): As part of its summer campaign to reclaim illegally occupied territory, Ukraine has already recaptured approximately 300 sq km. That is more territory than Russia has seized in its whole winter offensive. Ukraine continues to make gradual but steady tactical progress, undertaking major offensive operations on three main axes in the south and eastern Ukraine. In Rohan, Russian forces have made their own significant effort to launch an attack on the Serebrianka forest near Kreminna. Russia has had some small gains, but Ukrainian forces have prevented a breakthrough. In Donetsk oblast, Ukraine has gained impetus in its assaults around Bakhmut. In multiple brigade operations, Ukrainian forces have made progress on both the north and southern flanks of the town. Russia does not appear to have the uncommitted ground forces needed to counter the multiple threats that it is now facing from Ukraine, which extends over 200 km from the Bakhmut to the eastern bank of the Dnieper river.

Scott Benton: What discussions are the Government having with other NATO members to ensure that every member of the alliance meets the 2% spending targets?

Mr Wallace: As the Vilnius summit approaches, it is very important that we recommit, and get other nations to recommit, to the targets and to make sure that 2% is viewed as a floor, not a ceiling. It is regrettable that only seven to eight nations in NATO are reaching that target. Britain is, of course, above the 2%. This is very important, because freedom is not free; we have to pay for it in the end.

Mr Speaker: I call the shadow Secretary of State.

John Healey (Wentworth and Dearne) (Lab): The Prime Minister told last week's Ukraine recovery conference that

"we will maintain our support for Ukraine's defence and for the counter offensive".

With the developments in recent days, surely now is the time to accelerate, not just maintain, our military support for Ukraine?

Mr Wallace: Our support for Ukraine is made up of £2.3 billion, not all of which is committed. We continue to make sure that whatever Ukraine needs, we can try to give it or, if we do not have it, to use our network around the world to access it on their behalf. It is also important to ensure that we all focus on this offensive and give Ukraine what it needs for the offensive. The key test will be getting through all those defensive lines and ensuring that Russia is pushed back and is challenged from going into effectively a frozen conflict, which of course Russia would like. While it is easy for us to say that from the comfort of London, it is important to note that there are Ukrainian men and women going through minefields and horrendous obstacle crossings and facing an army that commits war crimes every single day.

T2. [905623] **Mr Philip Hollobone** (Kettering) (Con): Is the Secretary of State confident that Sweden's NATO membership application will be approved this year?

Mr Wallace: I would say that I am optimistic. In my phone call with my new Turkish counterpart last week, that was one of the first subjects I raised. I have also spoken consistently and on many occasions with Türkiye and its leadership. I am confident that we will get there in the end. Sweden has made significant strides in its counter-terrorism legislation to deal with some of the issues that Türkiye has raised, and I think Türkiye now recognises that as a strong effort.

T3. [905624] **John Spellar** (Warley) (Lab): Can the Minister give us a progress report on the contract for the fleet solid support ships? Given that three of those are equivalent to two aircraft carriers in size, can he confirm where the steel is coming from?

The Minister for Defence Procurement (James Cartlidge): The right hon. Gentleman is very persistent. I will have to check that point for him.

T5. [905626] **Tom Randall** (Gedling) (Con): I was recently invited to visit the Army cadets in Arnold in my constituency, to see the work they are doing and the skills they are learning, from drill instruction to cardiopulmonary resuscitation. I was never a cadet myself, but will my right hon. Friend join me in congratulating Ben Mickle in Arnold and others across Nottinghamshire on the work they are doing in running cadet services, and will he encourage children and young people to take part?

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): I congratulate staff sergeant Mickle and his fellow instructors. Many of us were out and about for National Armed Forces Day on Saturday and saw some of our wonderful cadets. I pay tribute to all those instructors who put in so many hours to make it all possible.

T4. [905625] **Bell Ribeiro-Addy** (Streatham) (Lab): I have been asking the Prime Minister and other Ministers about Government bodies spying on the activities of British citizens, including politicians, activists and journalists. In a statement issued in 2020 the Ministry of Defence said that the British Army's information warfare unit, the 77th Brigade,

"do not, and have never, conducted any kind of action against British citizens."

However, the Secretary of State said on 30 January that the 77th Brigade scours Twitter "to assess UK disinformation". Can the Minister clarify whether the 77th Brigade conducts any surveillance actions against British citizens, for what purpose, and whether that is really the best use of its time?

Mr Wallace: A whole range of agencies, including the 77th Brigade, will study media platforms that deliver social media to our citizens in this country. If that comes from a foreign state trying to manipulate our young people, it is obviously a concern. As a former Security Minister I saw the radicalisation, exploitation and sexual exploitation of people through those platforms, and we should all be grateful that those systems are monitored.

T8. [905629] **Wendy Morton** (Aldridge-Brownhills) (Con): Questions today have highlighted the importance of strong deterrence. Accordingly, people across the UK, including my constituents, will be taking a keen interest in the outcome of the NATO leaders summit in Vilnius in a couple of weeks. Will my right hon. Friend outline what he would consider positive outcomes for UK defence at that summit?

Mr Wallace: My right hon. Friend asks an important question about the Vilnius summit, which comes at an important moment for NATO and on the heels of war in Europe and the invasion of Ukraine. The summit will also be an important transition where NATO allies build on the commitments they made at the Madrid summit and go further and faster to bolster Euro-Atlantic security. The UK remains committed to supporting Ukraine for as long as it takes. The most powerful deterrent is our commitment to article 5 of the North Atlantic treaty, backed up by modern, credible forces, and that continues to hold firm.

T6. [905627] **Alex Sobel** (Leeds North West) (Lab/Co-op): With the conclusion of events in Russia on Saturday being that Prigozhin has been relocated to Belarus, and Russian tactical nuclear weapons have also been relocated to Belarus, has the Secretary of State undertaken an assessment of the threat to Belarus, which is on the eastern flank of NATO and across much of the northern border of Ukraine? Will it form part of the discussions at the NATO summit in Vilnius?

Mr Wallace: The hon. Gentleman raises an important point about the role of Belarus. First, we should recognise that, so far in this illegal invasion of Ukraine by Russia, Belarus has simply supported through the use of its bases, but has itself committed no forces, and the international community would very clearly warn Belarus that it should not do so and join Russia in the folly it is engaged in. It is, of course, a deep concern when we see Russia trying to use Belarus as a sort of satellite state or, indeed, a place to put its nuclear weapons. We keep that under constant review, and we make sure, in the strongest possible terms, that Belarus is aware of the international concerns about its behaviour.

Michael Fabricant (Lichfield) (Con): The war in Ukraine will have given us some insight into Russia's war tactics. The defence Command Paper will soon be published, and it will look at investment decisions for the British Army and the armed forces in general from the 2030s and beyond. What lessons have been learned from the war in Ukraine? Can the Secretary of State give us some insight into what sort of investment will be undertaken?

Mr Wallace: The defence Command Paper will be published before recess—I hope that it will be published sooner rather than later; it is currently in the write-round process with the rest of Government—and we will make sure that we recognise what has happened in Ukraine. One of the biggest lessons of Ukraine is that, whatever army we commit, we must make sure that it is protected 360° with air defence, electronic warfare, signals intelligence and the ability to reach at range.

T7. [905628] **Matt Western** (Warwick and Leamington) (Lab): In terms of aircraft carriers, it seems that the Prince of Wales is the spare. Why are Ministers struggling to manage the repairs of that vital NATO flagship?

James Cartledge: That is an amusing way of putting the question but it is a serious point. Our plans have not been affected in operational terms because it was always planned that the Prince of Wales would return to flight trials this autumn, and that remains on schedule.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): Forty years ago, Sir Galahad was struck during the Falklands crisis, and many Welsh Guardsmen lost their lives and burned to death. I have just attended a meeting of the widows and children, and some of the veterans, who have been desperate to get to the bottom of exactly why that happened but have been blocked through “no releases”. I beg my right hon. Friend to allow colleagues from across the House to come and see him about the release of that information.

Mr Wallace: My right hon. Friend might like to know that former colleagues of mine from the Household Division—from the Welsh Guards and others—have also been in contact with me. I have asked to see the papers that have not been released. I am not sure what powers I have to overrule decisions that were made earlier, but I think that that is important for closure and for relatives to get to the bottom of their questions.

T9. [905630] **Chris Stephens** (Glasgow South West) (SNP): ACVC Hub, Community Veterans Support and Helping Heroes are three wonderful charities helping veterans in Glasgow South West. Veterans' mental health is still an emerging field, so will Ministers consider providing a costed research and development plan to find innovative approaches to that vital research?

Dr Murrison: The hon. Gentleman will be aware of the range of mental health support services that are open to our veterans, particularly Op Courage and, he will be interested to note, Op Fortitude. Of course, there is always more we can do, particularly for those who have suffered as a result of their service, but I think it important to say that, in general, service in our armed forces is a positive for mental health, not a negative.

James Sunderland (Bracknell) (Con): I accept that we will hear a Foreign, Commonwealth and Development Office statement in due course, but given the events over the weekend, what assessment has the MOD made of Ukraine's ability to win in Ukraine?

Mr Wallace: The United Kingdom has always been confident that, given the right international support, leadership and investment, Ukraine can defend its nation and see off this aggressive, illegal Russian invasion.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The armed forces continuous attitude survey results have just been published. They show that less than a third of personnel believe that their basic pay is adequate, and nearly a quarter are looking to leave the forces. Will the Secretary of State admit that it is high time that he increased basic pay across the public service, but especially for those in uniform?

Dr Murrison: The hon. Gentleman will be aware that the Armed Forces Pay Review Body has reported, and that will be released shortly. Pay is part of a wider remuneration package, which includes an excellent

non-contributory pension, subsidised accommodation, wraparound childcare, incremental pay, and a range of allowances. The non-financial aspects of the offer are also highly valued. What is not highly valued, frankly, are the tax increases that the SNP introduced in February, which make servicemen in Scotland much worse off than those in the rest of the United Kingdom.

Mr Speaker: Robert Courts has gone, so let us have Simon Jupp—he is a man on his feet.

Simon Jupp (East Devon) (Con): The Royal Marines Charity, based in East Devon, helps to provide support to former servicemen and women in Devon, who we celebrated on Saturday as part of Armed Forces Day. What assessment has my right hon. Friend made of the welfare provision for veterans in Devon?

Dr Morrison: I am sorry that I was not in Devon on Saturday; I was next door in Cornwall, commemorating our armed forces, as my hon. Friend was.

There is a range of welfare support services in Devon. My hon. Friend will be aware of the regional welfare support operation there, which has expert welfare officers who can look after the needs of our wonderful veterans. Of course we can always do more, but I would cite, as I just have, Op Courage and, now, Op Fortitude, which I think will be of great assistance.

Owen Thompson (Midlothian) (SNP): While we wait for the upcoming pay review, may I ask what assessment the Minister's Department has made of relative poverty rates among our service personnel and, while they await a significant pay rise, what work it is doing with the Department for Work and Pensions to signpost colleagues to the benefits that they are eligible for?

Dr Morrison: The hon. Gentleman will be aware that, in addition to pay, things such as wraparound childcare and subsidised healthcare and dental care are available to members of our armed forces, as well as subsidised accommodation, the freezing of food charges and help with council tax—things that we have done in these difficult times to take the edge off the cost of living crisis. I hope he will welcome that.

Damien Moore (Southport) (Con): Nowhere does events as well as my Southport constituency. This weekend's Armed Forces Day was truly testament to that fact, so would my right hon. Friend welcome and support an application from Southport to host the national Armed Forces Day in 2025?

Mr Wallace: May I place on record our gratitude to Cornwall Council and Falmouth, and all the organisers of the national Armed Forces Day this year—the town laid on an extraordinary event, which was a great tribute to the men and women of the armed forces—as well as all the other local authorities that laid on events up and down the country? Of course I would welcome a bid from Southport; I will also welcome bids from all

over the country, and I look forward to this becoming a growing competition to recognise the men and women of our armed forces.

Helen Morgan (North Shropshire) (LD): On 24 October 2021, the former Defence Minister, the right hon. Member for Horsham (Jeremy Quin), wrote to my predecessor and confirmed that a badly injured veteran in my constituency would receive adaptations to his home. Delays ensued, and last week I had a meeting with someone from the Defence Infrastructure Organisation, in which he declined to turn his camera on and said that the work had not been signed off by a person with the right authority. Will the Minister confirm whether the former Minister had the authority, and will he honour that commitment?

James Cartlidge: The hon. Lady is more than welcome to write to me with the details, and I will look into this as soon as possible.

Cherilyn Mackrory (Truro and Falmouth) (Con): As we have already heard, we were lucky enough to welcome the national armed forces family to Falmouth on Saturday for the national Armed Forces Day. From cadets to veterans, and those involved in their air display and all the national armed forces personnel, will the Secretary of State join me in thanking everybody for their efforts, and does he agree that this was the best Armed Forces Day we have ever experienced?

Mr Wallace: My hon. Friend is certainly the best MP for Falmouth. She has been very good at lobbying and making the case for Falmouth, which put on an excellent event, although I am not going to risk insulting all the previous locations, which all did a fantastic job as well.

Rachael Maskell (York Central) (Lab/Co-op): With the MOD estate an outlier in allowing trail hunting on its land, and with the memorandum of understanding to allow hunt monitoring access having been torn up—something determined personally by the Defence Secretary—will the right hon. Gentleman confirm that his delayed statutory response in terminating the MOU will be answered, and will he instruct an independent review of hunting on the MOD estate and the activities of the Royal Artillery Hunt? Or has he something to hide?

Mr Wallace: Nothing to hide. To hunt on my Department's land, an organisation must have a recognised governing body. All persons participating in a hunt must be members of such an organisation, and that organisation must also hold an MOD-issued licence, the terms of which clearly state that only trail hunting carried out in accordance with the provisions of the Hunting Act 2004 are permitted. I withdrew the MOU—which had never been announced to Parliament under the hon. Lady's party's previous Government—because the only people who should be masked and camouflaged on MOD land are soldiers in training, not hunt saboteurs.

Mortgage Charter

3.35 pm

The Chancellor of the Exchequer (Jeremy Hunt): Mr Speaker, last week the Bank of England increased interest rates to 5% as the UK, like other countries, grapples with high inflation. We are steadfast in our support for the independent Monetary Policy Committee as it takes whatever action is necessary to return inflation to the 2% target in the medium term.

None the less, I know that higher inflation and interest rates cause anxiety and concern for many families. That is why the Government are already supporting families with one of the largest support packages in Europe, worth £94 billion, or £3,300 per household on average. As interest rates rise, I will not take action that undermines the Bank of England's monetary objectives, but where we can take non-inflationary measures to relieve the anxiety faced by families, we will do so. That is why on Friday, I met the UK's principal mortgage lenders, alongside senior representatives from the Financial Conduct Authority and UK Finance, to agree new support for people struggling with their mortgage payments. At that meeting, I secured agreement from lenders to a new mortgage charter that sets out what support customers will receive, which we are publishing today. The charter has been signed by lenders covering 85% of the UK market, and provides support for two groups of people in particular.

The first group is those who are worried about their mortgage repayments. If they want to switch to an interest-only mortgage or extend their mortgage term to reduce their monthly payments, they will be able to do so, with the option of switching back to their original mortgage deal within six months without any affordability check or credit score impact. For most people, the right course of action will be to continue to make payments on their current mortgage. That will always be the best option, and will always mean that they pay less interest overall. However, this new measure means that people will be able to opt for a lower-cost approach for six months with full reversibility, giving them the peace of mind of knowing they can try out a new approach and still change their mind later.

The measure will take effect in the next few weeks. It means that a homeowner with a £200,000 property with £100,000 outstanding on their mortgage over 15 years can change their payments—with no immediate impact on their credit rating—by extending the mortgage term by 10 years, which could save over £200 a month, or moving to interest-only payments, which could save over £350 a month.

A further measure for this group of customers means that if they are approaching the end of a fixed-rate deal, they will be offered the chance to lock in a new deal with the same lender up to six months ahead. However, they will still be able to apply for a better like-for-like deal with the same lender, with no penalty if they find one, until their current deal ends. That will provide people with more flexibility and optionality to find the best deal for their circumstances.

The second group of people we are supporting is those who are at real risk of losing their home because they fall behind in their mortgage payments. Mortgage arrears and defaults remain at historically low levels,

with under 1% of residential mortgages in arrears in 2023, and are at a level lower than just before the pandemic. None the less, for the families involved it is extraordinarily distressing to lose their house, so we will do all we can to support people who find themselves in such a challenging financial position.

As part of our strong regulatory framework for mortgage holders, banks and lenders already provide tailored support for anyone who is struggling and deploy highly trained staff to help such customers. Support offered includes temporary payment deferrals and part-interest part-repayment, as well as extending mortgage terms or switching to interest-only payments. To supplement that, we have agreed as part of the mortgage charter that in the extreme situation in which a lender is seeking to repossess a home, there will be a minimum 12-month period from the first missed payment before there is a repossession without consent. Anyone at all who is worried that they could be in this situation should know they can call their lender for advice without any impact whatsoever on their credit score. Lenders will also provide support to customers who are up to date with payments to switch to a new mortgage deal at the end of their existing fixed rate deal without another affordability test, and provide well-timed information when their current rate is coming to an end.

Taken together, these measures should offer comfort to those who are anxious about the impact of higher interest rates on their mortgages, and provide support to those who do get into any extreme financial difficulties. The mortgage market itself remains robust, and the average homeowner remortgaging over the last year had close to 50% loan to value, indicating that most people have considerable equity in their homes.

Tackling inflation is the Prime Minister's and my No 1 priority. We said we would halve inflation not because it was an easy thing to do, but because it is the right thing to do, and we will not flinch in our resolve, because we know getting rid of high inflation from our economy is the only way that we can ultimately relieve pressure on family finances and on businesses. That is why we will seek to remove inflationary pressures in our economy, not stoke them. That is what the measures I have set out today will help to do, and I commend this statement to the House.

Mr Speaker: I call the shadow Chancellor of the Exchequer.

3.41 pm

Rachel Reeves (Leeds West) (Lab): Thank you, Mr Speaker. I would like to thank the Chancellor for advance sight of his statement this afternoon.

Families are worried sick to their stomach about what is happening at the moment, but the Prime Minister says, "Don't worry—it will all be okay". However, it is not going to be okay for the millions of homeowners who face an average increase in mortgage costs of £2,900 this year—all of this during a wider cost of living crisis. The Prime Minister told the country yesterday to hold its nerve, but where are people meant to find the money in the meantime to pay for the Tory mortgage bombshell? The Chancellor and the Prime Minister have not yet said.

For many, the Tory mortgage bombshell will mean holidays cancelled, family savings draining away and missing out on days spent with family and friends, but for others it could be much worse—not moving up the housing ladder, but heading down it through no fault of their own. The Chancellor does not need to take my word about how many people will be facing the Tory mortgage bombshell. He could speak to any of the 11,600 families in his own constituency who will be paying £450 more every month in mortgage costs alone as a result of this Conservative Government.

The Resolution Foundation estimates that millions of households will have to pay a combined total of £15.8 billion more in mortgage payments a year by 2026. That is just devastating. The Tories gambled last autumn with people's livelihoods, and since then things have got worse, not better, yet Ministers take no responsibility for the damage that they have caused, and blame anything and everyone else. Again today, the Government claim that this is all due to global factors, yet the latest data show that a typical household in Britain are now paying over £2,000 more per year for their mortgage than in France, over £1,000 more per year than in Ireland or Belgium, and over £800 per year more than in Germany. The Chancellor is going to need a better scapegoat.

Labour set out our plans last week. Our measures were a requirement—yes, a requirement—because all lenders need to play their part when people are struggling. Our plan would have provided real help, but the Government have provided just a bad cover version. While many banks and building societies are doing the right thing by their customers, a voluntary set of measures is just not good enough. The Chancellor said today that the voluntary measures would cover 85% of the mortgage market, but what is his answer for the more than 1 million families who are missing out because their lender has not signed up to this scheme—tough luck? Just how bad does it have to get before the Chancellor recognises that mandatory action is needed to provide meaningful assistance?

I would like to ask the Chancellor the following questions. Can he confirm what consequences there are for firms who have not signed up to this scheme? Where is the plan for renters? The Chancellor did not even mention them in his statement, but many of them are paying higher rents because the mortgage costs of their landlords have gone up? Why does the Chancellor think that savers are not enjoying the full benefits from rising interest rates in the same way that mortgage holders are feeling the full pain? Why does the Chancellor think that the UK has the highest inflation in the G7, and does he still think the Government are on track with their target of halving inflation by the end of the year? How does the Chancellor think getting rid of house building targets will help increase home ownership? Finally, six days ago the Chancellor said that he was “proud” of this Government's economic record. With energy bills twice as high as last year, food inflation close to 20% and millions hit by the Tory mortgage bombshell, is he seriously saying he is proud of that record?

People work hard to get on to the housing ladder, yet there is now a risk that dreams will become nightmares due to the decisions of this Conservative Government. The Chancellor today has come to the House with a watered-down package that does not meet the task of dealing with the Tory mortgage bombshell.

Jeremy Hunt: I will deal with the right hon. Lady's specific points first. She says these measures should be mandatory, so why did Labour oppose the intervention power in the Financial Services and Markets Bill that would have made that possible? She said she wants action for savers, and I have indeed been talking to banks about action for savers and will keep the House updated. What she carefully did not mention is that we secured on Friday more than Labour committed to, because our measures provide protection for people who miss payments not for six months, but for 12 months.

The main point is that the right hon. Lady wants people to think she is fiscally responsible and will not take risks with inflation, so why on earth is she committed to borrowing £28 billion more a year when, as a former Bank of England economist, she should know that that will be inflationary and push up the cost of mortgages? Members need not listen to me; they should listen to people such as Paul Johnson of the Institute for Fiscal Studies, who said about Labour's plans that

“additional borrowing both pumps more money into the economy, potentially”—[*Interruption.*]

The right hon. Lady might not want to hear this but this is what Paul Johnson says about Labour's plans:

“additional borrowing both pumps more money into the economy, potentially increasing inflation, and also drives up interest rates.”

It is Labour's mortgage bombshell, hidden in plain sight.

The right hon. Lady does not want people to notice the real comparison here, which is that her party faced an economic crisis in 2008, just as this Government did last year, but we are taking the difficult decisions to restore sound money and the public finances while they ducked each and every one of those decisions, ran out of money and left it to others to clear up the mess.

John Redwood (Wokingham) (Con): Given that we do not want too much pressure on mortgage holders, who will be struggling, will the Government launch a series of supply-side measures to increase the supply of things that are short, to promote more home-grown food and home-produced energy, and above all to work with public sector employees and managers to have a productivity revolution in the public services where there has been a collapse in output?

Jeremy Hunt: As so often, my right hon. Friend is absolutely right and it is in supply-side measures that we see the long-term solution to the inflation problem that we and many other countries face. That is why the Budget was focused on labour supply measures such as a massive reduction in the cost of childcare—a reduction of up to 60% for families with young children—and it is why my right hon. Friend the Chief Secretary to the Treasury is launching the very productivity review my right hon. Friend the Member for Wokingham (John Redwood) has called for many times, to make sure we are getting better value for public money spent.

Mr Speaker: I call Scottish National party spokesperson.

Stewart Hosie (Dundee East) (SNP): With a debt to GDP ratio of 100%, the Chancellor was rather brave to talk about sound money. However, I welcome the statement and early sight of it. Notwithstanding the fact that it was described by Reuters as a package of limited relief

[*Stewart Hosie*]

measures, it is none the less necessary and welcome, with support from lenders, no repossession within 12 months of a missed payment, the chance to lock in a deal six months early, a temporary move to interest-only, and no impact on customer credit scores. The Chancellor's words about anxiety and concern struck the right tone, unlike his Prime Minister yesterday.

However, that that does not begin to answer some of the fundamental questions. Given that the base rate drives the mortgage rate, and the base rate, as the Chancellor knows, is the primary tool that the Bank has to tackle rising inflation, is this now not the time to review the Bank of England's targets and tools? Secondly, are the Government genuinely convinced that using a rising base rate to tackle input inflation caused by external shocks is the best approach we have, other than to tip the economy into recession, as some people are suggesting? I hope the Chancellor would agree that that would be an idiotic and catastrophic thing to do. Thirdly and finally, should we now not revert to forward guidance on base rates from the Bank of England, as we had under Mark Carney during the financial crisis? It may not affect the trajectory of interest rates and mortgage rates initially, although it might, but it would certainly provide certainty to business, retail and mortgage borrowers.

Jeremy Hunt: I often do not agree with what the right hon. Gentleman says, but I thank him for the constructive tone of his comments this afternoon, because he is absolutely right to talk about external shocks. He will know, as we do, that interest rates have gone up by similar amounts in the United States, Canada, Australia and New Zealand and that core inflation is higher in 14 EU countries. We need to look at all the tools at our disposal. Whether the Bank of England Governor issues forward guidance is a matter for the Governor, but I am sure he will have heard the right hon. Gentleman's comments. It is important, because we respect and support the independence of the Bank of England, that I allow the Governor to make those judgments. I disagree with the right hon. Gentleman's suggestion of reviewing the target for inflation. That target is the right target, and it is important that we give everyone confidence of our total commitment to hitting that target, which we will.

Sir Desmond Swayne (New Forest West) (Con): Given the significant tightening in the measures of monetary growth, is the Chancellor absolutely sure that the Bank of England has got it right?

Jeremy Hunt: The Bank of England Governor himself has been very open about the fact that the Bank's inflation forecasting has not been accurate, and it is conducting an independent review to see how it can do that better. It is clear that there have been some issues with how that process has worked, but what I would say to my right hon. Friend—

Mr Speaker: Order. The Chancellor should be making his remarks to the Chair.

Jeremy Hunt: Mr Speaker, you are absolutely right to correct me on that point. What I would say to you about the point raised is simply that in my dealings with the Bank of England, I have never once had any reason to question its resolve to hit the target, but we need to ensure that the forecasting is better.

Dame Angela Eagle (Wallasey) (Lab): Some 8,600 families in Wallasey are facing increases in their mortgage bills of up to £1,800 in a year. That is a huge extra chunk of worry. I welcome the Chancellor's statement, but does he not worry that the banks are being very slow to pass on interest rate rises to those who are saving, while almost immediately passing interest rate rises on to those who borrow? That makes the interest rate mechanism much less effective in dealing with the inflation situation. Did he notice, as I did, that the banks this autumn made more than £4 billion extra on the differential between those interest rates? Should he not have been much tougher on the banks? What will he do to stop this profiteering?

Jeremy Hunt: The right hon. Lady is absolutely right. It is taking too long for the increases in interest rates to be passed on to savers, particularly with instant access accounts. The rates are more frequently being passed on to those with fixed-term and notice accounts. She is right that there is an issue there, which I raised in no uncertain terms with the banks when I met them. I am working on a solution, because it is an issue that needs resolving.

Sir Bill Wigg (North Herefordshire) (Con): My right hon. Friend will know that increasing liquidity in the housing market will give homeowners more options and choices. Will he look at reducing the burden of stamp duty to help both current and future homeowners?

Jeremy Hunt: I thank my hon. Friend for his comment. The level of stamp duty is, as with all taxation measures, kept under review. We make decisions at the time of fiscal events, whether autumn statements or spring Budgets, and we will continue to do that.

Sarah Olney (Richmond Park) (LD): The root cause of soaring interest rates—other than the shambles of the mini-Budget—is the Government's failure to control inflation. The Prime Minister took personal responsibility for halving inflation this year. Will the Chancellor explain why the Government are refusing to take obvious steps to tackle inflation such as reinstating energy support for farmers and businesses, cutting import costs for small businesses and bringing down the NHS waiting list to alleviate the squeeze on our workforce?

Jeremy Hunt: I find it strange that the hon. Member should be criticising the Government's failure to tackle inflation when her party is suggesting a multi-billion-pound package of mortgage support that would increase inflation. I must say that the Liberal Democrats are positioning themselves brilliantly as the pro-inflation party.

Mark Pritchard (The Wrekin) (Con): I welcome the new mortgage charter, but may I say, along with all Members across the House, that constituents are suffering and that they are very concerned? Many are having to choose between food, clothes and shoes and paying the mortgage or the rent, and decisions that we make here, either as the governing party or cross-party, are having a direct impact on individuals' lives every single day. I join cross-party with the hon. Member for Wallasey (Dame Angela Eagle), who is absolutely right that, so often, when the base rate rises, lenders are quick to raise those interest rates on our constituents. Will my right

hon. Friend ensure that when interest rates fall, as they surely will—hopefully they will soon; possibly in the autumn, but we will see—those reductions are passed on to our constituents as quickly as possible?

Jeremy Hunt: My right hon. Friend is right to draw attention to the human consequences of any economic shock. I am extremely proud that, under the Government since 2010, 1.7 million people have been lifted out of absolute poverty, including 400,000 children. That is why in the autumn statement we prioritised those facing the biggest challenges with a £94 billion package of support to help people through the cost of living crisis. But one thing that can definitely happen better than it is now is passing on increases in the base rate to savers.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): One reason nearly 10,000 of my constituents will be hit by the Tory mortgage bombshell is that many deals ending in this 12-month period were taken out when interest rates were below 2%; they are now at 5%. Will the Chancellor set out clearly his private analysis of the likely rises in arrears and repossessions over the next few months?

Jeremy Hunt: I do not have any private forecasts that I have not shared with the House. What I can say is that about 0.9% of families with mortgages are currently in arrears, and that is nearly four times fewer than in 2009.

Anna Firth (Southend West) (Con): I thank the Chancellor for his statement. A third of my constituents have mortgages and will welcome this range of measures. Now that the majority of the mortgage market is fixed, not floating, does he agree that rising short-term interest rates will not necessarily result in falling inflation and that we need to look at other measures such as making sure that interest rate increases are passed on to savers so that they keep their money in the bank?

Jeremy Hunt: My hon. Friend is absolutely right. Notwithstanding the fact that 85% of mortgages are now fixed to some degree, an extra 1.2 million families will feel the increase in interest rates over the months between now and the end of the year. That will be felt by many families, but we should do everything in our power to tackle inflation, because in the end that is the only way to end the misery for so many people.

Richard Burgon (Leeds East) (Lab): Many of the banks that the Chancellor has been talking about are raking in bumper profits by refusing to pass on higher interest rates to their savers. Surely, a windfall tax on those additional profits would allow the Government to provide mortgage holders with the kind of support they really need at this time. Before the Chancellor dismisses that idea, may I gently remind him that even Margaret Thatcher imposed such a windfall tax on banks' excess profits?

Jeremy Hunt: I hear what the hon. Gentleman says, but he will be pleased to know that banks already pay a 3% surcharge on their corporation tax—they pay 3% more than everyone else—as well as a levy on their balance sheets.

Mr Philip Hollobone (Kettering) (Con): I welcome the action that the Chancellor has taken on this issue. Increasing the flexibility of mortgage terms and conditions will provide welcome relief to homeowners who are struggling with anxiety at the present time. The mortgage charter sounds great. What obligations has he insisted on with the mortgage companies to get that information out to mortgage holders to inform them of the extra flexibility available?

Jeremy Hunt: My hon. Friend makes a good point. All lenders had some of those measures to a lesser or greater extent. What is significant about Friday is that they aligned their offer so that it is much easier to communicate to all families with mortgages. The charter has been agreed by 85% of the market, so a very large majority of mortgage lenders are agreeing to a simple set of terms that they will all follow so that it is easy for people to understand their rights.

Stella Creasy (Walthamstow) (Lab/Co-op): The people watching this who have too much month at the end of their money need better and straight answers from the Chancellor. He has ducked the question about whether he thinks the Government will reach their own target to halve inflation, and he needs to be honest about what he thinks the consequences will be of only reaching an inflation target of 5%.

I join colleagues across the House who have raised concerns about the fact that the vast majority of mortgages are fixed. People facing the possibility of eviction even in a year's time will be sick with worry. What assessment has he made of the impact if inflation only gets down to 5%? When will he learn the lessons from the energy companies, and not wait to hold the banks responsible for their role in all this?

Jeremy Hunt: I have a lot of respect for the hon. Lady, but she is being a little churlish about what the Government have done. I have not waited; I called in the banks and the lenders on Friday, and I got them to commit to a set of terms that will make life easier for 85% of families with mortgages if their mortgage comes up for renewal. On the Government's target to halve inflation, both the Bank of England and the International Monetary Fund have said that we are on track.

David Simmonds (Ruislip, Northwood and Pinner) (Con): I have never forgotten the anxiety caused to my parents in the late 1980s, after they bought their current home and interest rates soared. Does my right hon. Friend agree that the package of measures that he has announced will help enormously to alleviate the anxiety that many households are feeling, without allowing rampant inflation to put my constituents' dreams of home ownership even further out of reach?

Jeremy Hunt: I thank my hon. Friend for a thoughtful question. The measures agreed by the banks and principal lenders on Friday will make a big difference, particularly for people who are genuinely in arrears, who now know that their house will not be forcibly repossessed for 12 months. That is an important reassurance, and gives people longer to get their finances in order. It also encourages people who are worried about the impact on their credit score that the simple fact of having a conversation if they are in distress will not have any impact on it. For people in a similar situation to his parents, this is an important set of measures.

Brendan O'Hara (Argyll and Bute) (SNP): In his statement, the Chancellor said that there will be a minimum 12-month period from the first missed payment before a repossession without consent. Does that come into effect from today, or will it apply retrospectively? What will that mean for hard-pressed families who, because of soaring costs, missed August but managed to pay September, October, November and December, and missed January? At what point does the clock start ticking on their repossession?

Jeremy Hunt: The agreement will take effect in the next few weeks, but the context of the agreement with the banks and lenders is one where they are agreeing to do everything they possibly can to give people longer to get their affairs in order so that repossessions are reduced or eliminated altogether. I think it will be a positive step forward.

Siobhan Baillie (Stroud) (Con): I listened very carefully to the shadow Chancellor, because I want to hear serious ideas. The public are not daft; they can see there are incredible pressures across the world. But not only is Labour not coming up with ideas, it is breaking its own economic pledges. It made me think of the latest Labour councillor to step down, who said recently that she watched Keir Starmer's leadership with increasing concern and frustration because of a "lack of policy" to help those most affected by the cost of living. Does my right hon. Friend agree with me? Will he say more about how we can keep working with lenders—so it is not just a one-off conversation—to create solutions to help with some of the problems ahead of us?

Jeremy Hunt: I am happy to give my hon. Friend that reassurance. I will continue to talk not only to the lenders but the regulators, who I am meeting later this week, to see if there are any areas at all where price reductions that should be passed on to consumers are not being passed on. I hope to update the House further.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I will put aside the fact that the Chancellor did not answer my right hon. Friend the Member for Leeds West (Rachel Reeves) on what happens to the 1 million people who are outside the 85% of mortgage providers, or why we have higher borrowing costs than France, Germany and Ireland. Some 9,200 families are affected by the increase in interest rates and the mortgages they are paying. We know, for example from the prompt payment codes, that voluntary codes have a limited impact, so who will monitor the compliance of the code? How many people will have to be disappointed by their lender before the Chancellor puts it in statutory form?

Jeremy Hunt: It is generous of the hon. Lady to put aside so many things. I will also put aside the fact that Labour opposed the powers that would have meant the mandatory imposition of the charter on the banks and lenders would have been possible. What I will say to her is that the charter will be monitored by the Financial Conduct Authority. It will take appropriate action if it thinks that banks and lenders are in breach of their statutory duties.

Jane Hunt (Loughborough) (Con): I recently met constituents in The Wolds villages who have shared ownership arrangements for their properties with a

housing association. They have never missed a payment. Please will my right hon. Friend confirm that the mortgage charter will assist those across the country with shared ownership schemes?

Jeremy Hunt: I am absolutely delighted to give that confirmation.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): During the 2008 credit crunch, Plaid Cymru, as part of the One Wales Government, developed a mortgage rescue scheme. Through the co-operation agreement, we have now secured £40 million to support Welsh mortgage holders in difficulty. People look to Government to help them to keep their homes in a crisis. Will the Chancellor follow where Plaid Cymru led and implement direct protections for those hardest hit by interest rate increases?

Jeremy Hunt: We will do everything we possibly can to help people in difficulties, except measures that are themselves inflationary.

Mr Robin Walker (Worcester) (Con): I welcome the fact that my right hon. Friend, in tackling this huge challenge, is determined not to increase inflation. Does he recognise, however, that with so many people owning their properties outright and not having a mortgage on them today, increasing the payment for people who save is a very important element in tackling inflation? I wish him every success in his further conversations to encourage the banks to pass on interest rates to savers.

Jeremy Hunt: My hon. Friend is absolutely right. If more people are encouraged to save, that is technically counter-inflationary and something to be encouraged.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Due to the disastrous policies of Conservative Governments, including eventually crashing the economy, hard-working Brits, including people in my Slough constituency, are having to pay the price via painful premiums on their mortgage or rent. Why does the Chancellor think that the latest data shows that someone with a £200,000 loan is paying over £800 more annually in the UK than in Germany and over £2,000 more than somebody in France?

Jeremy Hunt: If the hon. Gentleman wants to look further at Europe, he will see that 14 EU countries have higher core inflation than we do. As for interest rate rises, they have been at similar levels in Australia, New Zealand, Canada and the United States.

Simon Fell (Barrow and Furness) (Con): I thank my right hon. Friend for his statement and for his hard work in securing the new mortgage charter, which will give people certainty and comfort in globally uncertain times. The simplification of the terms and the coverage of 85% of the market are welcome, but what are my right hon. Friend's views on the 15% who are not currently round the table, and what message does he think he should be sending to their customers?

Jeremy Hunt: We will be making big efforts to sign up any remaining lenders who have not subscribed to the charter. To reach a level of 85% over a period of four days is a good start, but we would love to get the other

15% on board. I should add that if they are not on board, that will make their mortgage offer less competitive from the viewpoint of the many thousands of families who will want to arrange their new mortgage with a lender who makes an effort to reduce the anxiety they may feel.

Justin Madders (Ellesmere Port and Neston) (Lab): My constituents who are facing eye-watering increases in their mortgage repayments are asking—as have other Members—how they can square those increases with the increased profits that the banks and building societies are making, and are also asking whether this pain is for any gain. Inflation has not fallen in the way that the Government hoped. Is the current mortgage market not fundamentally different from that of the early 1990s, when we last had spiralling interest rates, and is this tool not merely hammering a group of people rather than tackling the core problem? Does the Chancellor believe there is an element of truth in that, and does he believe that there are other tools at his disposal to get inflation down?

Jeremy Hunt: The hon. Gentleman is entirely right to say that the mortgage market has changed, given that 85% of deals now involve a fixed-rate element, but I still think that interest rates are the most effective tool. Other countries that have used them are seeing their inflation starting to fall, and I would expect it to do so here.

Alison Thewliss (Glasgow Central) (SNP): The mortgage crisis is not the only crisis over which this Government are presiding. According to StepChange Debt Charity, 45% of mortgage holders—some 7 million—are now struggling to keep up with all their other bills following the rise in interest rates. What conversations is the Chancellor having with companies providing other forms of consumer credit, and with debt advice charities which are giving support on the frontline to many people who have never had to call on their services before?

Jeremy Hunt: We continue to have conversations with everyone who is involved in relieving families who are in distress because of debt arrears, whatever they may be, but I think the most important help we can give people is cost of living support. The extension of the energy price guarantee has reduced people's electricity bills, and means overall that we have paid about half people's electricity bills over the last year.

Paula Barker (Liverpool, Wavertree) (Lab): Last week the Bank of England confirmed that the rise in interest rates has been worst here in the UK, with overnight swaps—the key driver of mortgage rates—rising by twice as much in the UK as in the United States. What assessment have the Chancellor and his Department made of the reasons why the UK has been so much worse hit than other countries, and will he finally admit that that is the case? Will he also indulge me by explaining the difference between poverty and his new catchphrase, “absolute poverty”?

Jeremy Hunt: The hon. Lady may want to belittle the fact that 400,000 more children and 200,000 more pensioners have been taken out of absolute poverty, but I think that that is an important achievement, and I am proud of it. I also think the hon. Lady should recognise

that the primary causes of the inflation we are seeing are international factors that are affecting many other countries, which is why we are also seeing interest rates rise across the world.

Mr Toby Perkins (Chesterfield) (Lab): The 8,600 mortgage holders in Chesterfield whose mortgages have increased by an average of £1,900 a year will be very conscious that in the Chancellor's responses he has been very happy to blame global factors, but that when he is asked about specific countries such as France and Germany—the major European nations where outcomes are not as bad as in the UK—he quickly deflects and says, “Let's talk about Australia or Canada.” Will he answer the question that my right hon. Friend the Member for Leeds West (Rachel Reeves) asked? Will he explain why it is worse for my constituents in Chesterfield than it is in France, in Germany and in other countries he has been asked about?

Jeremy Hunt: The truth is that Members can pick countries in Europe where things have not been as severe as they have here, but they can also pick countries in Europe where things have been more severe, such as the 14 EU countries that have higher core inflation.

Bill Esterson (Sefton Central) (Lab): The Chancellor is not going to get off with not answering that question. We are going to keep asking him again and again until he answers. Why is it that people are paying £800 less in Germany, £1,000 less in Ireland and Belgium, and £2,000 less in France than they are paying here? What is it that their Governments and their economies are doing differently—or is it just that they do not have the problem of 13 years of this Tory Government? What is behind it?

Jeremy Hunt: Let me give the same answer that I gave to the hon. Member for Chesterfield (Mr Perkins). Core inflation is higher in more than half the EU countries, so it is not just about us.

Beth Winter (Cynon Valley) (Lab): We have had 13 interest rate rises in a row, yet little help for those in housing need, and 13 years of public sector pay cuts. All the Tory Government have done is double down on more real-terms pay cuts. When will this Government take action to tackle the cost of living crisis by raising incomes? Having bailed out the banks in 2008 and 2009 to the tune of hundreds of billions of pounds, should the Government not now deal with the causes of inflation by controlling bank profiteering and redistributing the extreme wealth that exists to the millions of people, including people in my constituency of Cynon Valley, who are suffering and at serious risk? They are petrified of losing their home through no fault of their own.

Jeremy Hunt: The hon. Lady is absolutely right to be concerned, as we all are, about families in her constituency who are worried about the impact of rising interest rates on their mortgage repayments. She is wrong to suggest that this Government have not been extremely generous in our cost of living payments, which at £94 billion are more, actually, than her party was calling for. If she wants to talk about the last 13 years, maybe she should reflect on why a Conservative-led Government were elected in 2010: it was to pick up the pieces of the terrible economic mess that her party left behind.

Chris Stephens (Glasgow South West) (SNP): Citizens Advice Scotland has reported that requests for advice from people who are homeless or at risk of homelessness reached their highest ever level in May this year and were up 30% from May 2022. What additional measures is the Chancellor planning to protect the most vulnerable households from the impact of soaring interest rates on their mortgage repayments?

Jeremy Hunt: Let me tell the hon. Gentleman what we have done for those families. This year, families on means-tested payments will get a payment of £900, pensioner families will get a payment of £300 and families with someone who is disabled will get an extra payment of £150, alongside a lot of other measures.

Alex Cunningham (Stockton North) (Lab): Two of my constituents face a near tripling of their mortgage payments to over £2,600 a month. It is easy for me to talk about the Tory mortgage bombshell and rightly blame the Government for crashing the economy, but what does the Chancellor have to say to my constituents? Why do they have to pick up the bill for Government incompetence?

Jeremy Hunt: What I would say to the hon. Gentleman's constituents is that we are taking the difficult decisions to deal with inflation in this country, as other countries are doing. We will do what it takes, because dealing with inflation is the only way in the long run that we can stop more families going through what is happening to the constituents he mentions.

Helen Morgan (North Shropshire) (LD): I have constituents whose mortgages were with Northern Rock when it collapsed back in 2008. They have been moved against their will to inactive lenders that have not allowed them to remortgage on fixed rates. They are now, and will continue to be, trapped paying variable rates for a long time. Is there any help for mortgage prisoners in the measures that the Chancellor has announced today?

Jeremy Hunt: The hon. Lady raises a very fair point. I will write to her with some details of what we are thinking in that area.

Rachael Maskell (York Central) (Lab/Co-op): Private rents go up when mortgages go up, yet local housing allowance disparity is growing faster in places like York than anywhere else in the country. What process has the Chancellor set in train to review local housing allowance and the broader rental market, which is out of kilter in places like York compared with surrounding areas?

Jeremy Hunt: The hon. Lady is absolutely right to talk about the impact on renters because of the high prevalence of buy-to-let landlords and the pass-through effect. That is an area we are looking at in great detail, and I will write to her with some of the things we are looking at and planning to do.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The Chancellor said in his statement that

“this new measure means that people will be able to opt for a lower-cost approach for six months with full reversibility, giving them the peace of mind of knowing they can try out a new approach and still change their mind later.”

Going back to mortgage prisoners, why does he not know about the assistance he is able to give them as Chancellor of the Exchequer? Why does he not have an answer to that question, given the statement he has just given?

Jeremy Hunt: It is a very complicated issue. I have said I will write to the hon. Member for North Shropshire (Helen Morgan), and I am also happy to write to the hon. Gentleman. If he is saying that we are doing nothing to help people who are struggling or worrying about mortgage repayments, I urge him to read the statement in full.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): The so-called mortgage time bomb will hit younger generations in particular, so what fiscal measures is the Chancellor considering to help younger generations and to address the intergenerational financial unfairness that exists in the UK?

Jeremy Hunt: The hon. Gentleman is right to draw attention to that issue, and I simply say that the biggest measure in the spring Budget was the childcare measure that will mean families with young children can get up to £6,500 of help with their childcare costs to help them go back to work. That will help those families and help to tackle inflation.

Jim Shannon (Strangford) (DUP): I thank the Chancellor for his statement and for the clear help he is trying to provide. I very much welcome the move to ensure that, in the extreme situation of a repossession, there will be a minimum of 12 months from the first missed payment. Can he confirm whether it will be 12 months from any first missed payment or 12 months from a specific time? Some people may have missed a payment, say, five months ago and missed none since. If they lose their job or become ill, will this extension and compassion be shown if more than one payment is missed within a year? How will the Chancellor ensure that his goal of giving people time in exceptional circumstances is not circumvented by the banks and others?

Jeremy Hunt: The hon. Gentleman is right to raise this issue. I reassure him that banks are required by the FCA to offer a tailored solution to people who get into arrears, specific to their circumstances, to make sure that precisely the kind of thing he worries about does not happen.

Situation in Russia

4.22 pm

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): With permission, Mr Speaker, I will update the House on the situation in Russia.

The long-running feud, played out in public, between Yevgeny Prigozhin, with his Wagner Group, and the leaders of the Russian armed forces reached a peak over the weekend. On 10 June, Russia's deputy Defence Minister said that "volunteers" fighting for Russia must sign contracts with the Russian Ministry of Defence by 1 July. Prigozhin announced immediately that his personnel would refuse to do so.

We—along with many Members of this House, no doubt—had been following closely the open escalation of rhetoric from Prigozhin. Last Friday, he denounced Russia's military leadership, accusing them of bringing "evil" on the country and of invading Ukraine for their own personal benefit. He drove a coach and horses through President Putin's case for war, saying:

"The war was needed for Shoigu to receive a hero star... The oligarchic clan that rules Russia needed the war."

Prigozhin added, and I stress that I quote him directly:

"The mentally ill scumbags decided: 'It's OK, we'll throw in a few thousand more Russian men as cannon fodder. They'll die under artillery fire, but we'll get what we want.'"

In the early hours of Saturday, Wagner forces entered the city of Rostov-on-Don in southern Russia and Prigozhin announced that he would march on Moscow. This finally drew a response from Putin, who accused Prigozhin of an "armed rebellion" and promised "tough" action and punishment. Wagner troops promptly advanced more than 500 miles northwards towards Moscow, before Prigozhin abruptly called off his operation and announced that Wagner would return to its bases. Having condemned him as a traitor in the morning, Putin pardoned Prigozhin in the afternoon, when a Kremlin spokesman announced that no charges would be brought.

The Government, of course, consider that this is an internal Russian affair and that the leadership of Russia is a matter exclusively for the Russian people, but everybody should note that one of Putin's protégés has publicly destroyed his case for the war in Ukraine. Prigozhin said on Friday that

"there was nothing out of the ordinary before 24 February 2022, the situation was frozen with exchanges of military action and vicious looting"

by the Russian side. He also said that Russia's Defence Ministry is

"trying to deceive both the President and the nation...that there was incredible aggression from the Ukrainian side with NATO support ready to attack Russia".

The Russian Government's lies have been exposed by one of President Putin's own henchmen.

The full story of this weekend's events and their long-term effects will take some time to become clear, and it is not helpful to speculate. However, Prigozhin's rebellion is an unprecedented challenge to President Putin's authority and it is clear that cracks are emerging in Russian support for the war. I, of course, hold no candle for Prigozhin or his forces; they have committed atrocities in Ukraine and elsewhere. But he has said out

loud what we have believed since the start of Russia's full-scale invasion: that this invasion was both unjustified and unprovoked. The events of this weekend are an unprecedented challenge to Putin's authority, with an armoured column approaching his own capital city.

As the situation unfolded, the Government monitored and responded to developments carefully. I was briefed on Friday evening and again regularly throughout the weekend by my officials. On Saturday, I chaired a Cobra meeting on the situation. We have also been in close touch with our allies. On Saturday, I spoke to Secretary Blinken and my G7 colleagues, and I have been in touch with other regional partners. My right hon. Friend the Prime Minister spoke to President Biden, President Macron and Chancellor Scholz on Saturday afternoon.

Despite these internal developments in Russia, Putin's bloody war in Ukraine continues. The Ukrainians fight for their survival, and our Ukrainian friends are mounting a determined counter-offensive and steadily clawing back their territory. We will not be distracted from our work to support Ukraine's self-defence and subsequent recovery. This weekend's events show that it is Ukraine and its partners, not Russia, that have the strategic patience and resolve to prevail. At last week's Ukraine recovery conference, we sent a clear message that we will stand with our Ukrainian friends not only as they resist Putin's onslaught, but in the subsequent peace. Now that Russia's leadership cannot justify this war even to each other, the only rightful course is for Putin to withdraw his troops and end this bloodshed now. Mr Speaker, I commend this statement to the House.

Mr Speaker: I call the shadow Foreign Secretary.

4.28 pm

Mr David Lammy (Tottenham) (Lab): May I start by thanking the Foreign Secretary for being in touch over the weekend and the Government for providing briefings on Privy Council terms to His Majesty's official Opposition? Our greatest strength in support of Ukraine and against Putin's invasion is our unity. With that in mind, we are reassured to hear that the Government have been working closely with our allies and partners around the world. May I ask whether the Prime Minister and the Foreign Secretary have spoken to their counterparts in Ukraine today, or over the weekend, to reiterate to Ukraine that those on all sides of this House are in for the long haul and that the UK will always support them in their fight for democracy over tyranny?

The events that unfolded shone a light on serious problems in Russia. Prigozhin has been a long-time close ally of Putin. His military company, the Wagner Group, started becoming involved in eastern Ukraine in 2014. Not only is he the owner of Wagner, but he has a media empire that has been involved in hybrid campaigns around the world.

It is staggering that Prigozhin publicly challenged not only Putin's leadership but the false narrative Putin used to justify his full-scale invasion, challenging the lie that Ukraine or NATO posed a threat to Russia and stating clearly what we all know: Putin's full-scale invasion is failing on its own terms. It showed that the reality and costs of the war, which Putin is trying to suppress, are coming back to haunt him. The Opposition agree that it is not helpful to speculate about where this will end up

[Mr David Lammy]

in the long term, because this is a puzzle that is constantly shifting in size and shape, but it raises many questions about the here and now.

As well as in Ukraine, the Wagner Group has been responsible for atrocities in Syria and across the continent of Africa. We in the Opposition have long called for its proscription as a terrorist organisation. We may have seen the end of the Wagner Group in its first iteration, but what does the Foreign Secretary know about where this leaves its future? What was Prigozhin offered that led him to run back, just 200 km from Moscow? Will Prigozhin now disappear into obscurity following his denunciation of the lies behind and conduct of Russian aggression in Ukraine, or could this pose a new threat to Ukraine from Belarus? And will Wagner troops continue to sow the seeds of violence and discord around the world as a private militia or as part of the regular Russian military?

The most important effects of this weekend of chaos will be on the bloody conflict on our continent. As Secretary Blinken has said, last February, Russian forces were approaching Kyiv, thinking they would be able to capture the capital in just a few days. One year and four months on, Russia has had to defend Moscow from an internal rebellion. What happens in Russia is a matter for Russia, of course, but one thing remains completely certain: the security of our continent depends on Ukraine winning this war.

I commend the Foreign Secretary for hosting the Ukraine recovery conference in London last week. Following discussions with Foreign Ministers, is he confident that Ukraine will get the military, economic, diplomatic and humanitarian support it needs in the months ahead? When are we going to get on with not just freezing, but seizing Russian state assets, as our Opposition day debate calls for tomorrow? How do the Government plan to use diplomacy to galvanise support for Ukraine among a wider global coalition of countries, including those in the global south, many of which have maintained a neutral stance?

We must maintain the depth of support Ukraine has from UK, and from our allies and partners. We must also grow its breadth, so that Putin has no choice but to withdraw his troops, so that Ukraine wins and the Ukrainian people get the freedom and justice they deserve.

James Cleverly: The right hon. Gentleman raises a number of important points, and asks questions that we and our allies are asking about what situations may evolve as a direct repercussion of this very public attack on Putin's authority, by one of his protégées and closest allies. I am not comfortable with speculating, as I am sure the right hon. Gentleman will understand, but analysts within my Department and others will look at potential scenarios and ensure that we have mitigations in place, if appropriate. He makes the important point that the Wagner Group is operating not only in Ukraine, but in many other parts of the world, including Syria and Africa. We will look at the potential implications and destabilising impacts in those parts of the world.

I thank the right hon. Gentleman for the points he raised about the Ukraine recovery conference. I put on record the fact that he and the leadership of his party

have made clear their enduring support for Ukraine. A number of Members from the shadow Front Bench made themselves available to attend the Ukraine recovery conference.

I have been in contact with my interlocutors in Ukraine, predominantly through digital means, through the unfolding events in Russia and we will, of course, continue to be in contact with them.

On diplomacy in the global south, with Prigozhin's words—as I have said, I hold no candle for that man or his organisation—the mask slipped. He made it clear that there was no legitimacy for the invasion. There was no risk at all to Russia's territorial integrity from NATO or others. He has made it clear that this war of aggression was driven by the egos of President Putin and the immediate cohort around him. They wanted to recreate an imperial Russia, and the lives of thousands of Ukrainians and others have been lost in pursuit of one man's ego.

It is telling that President Putin and his military thought it appropriate to bomb the city while President Ramaphosa was there. The almost performative rudeness that Putin displayed towards President Ramaphosa and those African leaders proved the lie that Russia is in any way their friend. They should recognise that what is happening here is an assault on the UN charter, which keeps those countries safe. They should now recognise that Vladimir Putin's actions should be denounced.

Elizabeth Truss (South West Norfolk) (Con): It is clear that Putin has been significantly weakened in Russia. We must not use this time to let up in our support for Ukraine. First, we need to make sure that Ukrainian membership of NATO is fast-tracked at the Vilnius NATO summit. Secondly, we need to make sure that there is no talk of deals, concessions or lifting of sanctions on Russia in any circumstances until the war criminals are held to account. Finally, we and our allies, including the Ukrainians, the Poles and the Baltic states, need to make sure that we have a plan in case Russia implodes. Does my right hon. Friend agree?

James Cleverly: My right hon. Friend makes incredibly important points. I have said regularly that Ukraine's transformation on the battlefield proves how serious it is about the reform programme that will see it ultimately become a member of NATO, and that action should mean that, however long that NATO membership would otherwise have taken, it should now be truncated. I have made that point clear and I know that that is a view echoed by a number of NATO allies.

My right hon. Friend is absolutely right that we should recognise that some of the talk about cutting a deal—Ukraine sacrificing some of its sovereign land in the pursuit of what would only be an artificial and perhaps even temporary peace—is completely inappropriate. Putin will not stop until he has been ejected from Ukraine by the Ukrainian people. To that end, we will continue to support them until they have achieved that end.

Ultimately, we do need to make sure that the people responsible for initiating and facilitating this conflict pay for the reconstruction. That is why we brought through legislation to make sure that assets remain frozen until meaningful and significant reparations have been made to help Ukraine to rebuild itself after this conflict.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Prigozhin's attempted coup failed, but this shows that Putin is in a much weaker position than portrayed. He has had to pardon Prigozhin as he has withdrawn to Belarus and, of course, the Russian troops should now withdraw from Ukraine. Until they do, the SNP sits squarely behind the words of the NATO Secretary General this morning:

"As Russia continues its assault, it is even more important to continue our support to Ukraine."

It is also the case that the Wagner Group should be proscribed for the crimes that it has committed. However, nothing from Russia can now be taken for granted, as we have seen. Fears that Prigozhin, now in Belarus, with Wagnerite forces could be used to attack Kyiv are real. What assessment have the UK Government made of that threat and what co-ordinated plans are there, with allies, to bolster Kyiv's defences in such a scenario?

I am pleased the Secretary of State convened Cobra and it has been reported that UK diplomats are preparing for the collapse of Putin's Government. How likely does the Secretary of State think that is in the short to medium term, and will the Government be better prepared for this collapsing regime than they were in Afghanistan?

Finally, this morning, Ukraine reiterated its calls for a simplified accession to NATO at the upcoming NATO summit, asking international partners to support this move. Will the Secretary of State put on the record his support for that accession and can he detail any steps his Government are taking to facilitate it?

James Cleverly: Our support for Ukraine in its self-defence is unwavering. The Ukrainians have earned our support and have shown that the equipment we donated and the training we provided have been put to good use. That is why I have no doubt that ultimately they will endure.

On Belarus, we have made it clear since the start of the full-scale invasion that any action by Belarus to get involved in this conflict would be met with severe repercussions from the United Kingdom. The sanctions package we put in place for Russia is in large part also transposed to Belarus and we will keep a close watch on the actions that it has taken.

When I became Foreign Secretary, I ensured that the Foreign, Commonwealth and Development Office looked at a range of future scenarios, including instability in Russia. We have always said, and for the sake of clarity I will repeat, that the leadership of Russia is for the Russian people. We do not speculate or attempt to predict; what we do is plan and put in place contingency arrangements. Therefore, whatever the outcome of the conflict, we shall be prepared. However, I have no doubt that, with our international support, and in the light of the visible lack of discipline on the Russian side, the Ukrainians will prevail. We will continue to work side by side with our international partners in supporting them until they do.

Madam Deputy Speaker (Dame Eleanor Laing): I call the Chair of the Foreign Affairs Committee.

Alicia Kearns (Rutland and Melton) (Con): I thank my right hon. Friend for his statement and for prior sight of it. What we learned over the weekend is how deep the rot sits within the Russian military and security

services. We have also seen that the social contract between Putin and the people of Russia, whereby they are forced to give up their rights in return for security and stability, is utterly broken. We have also learned that the internal security apparatus is as broken as Putin's offensive military foreign capabilities.

However, this is not over yet and there is too much that frankly does not add up. Can my right hon. Friend update us on how many British nationals remain in Russia? Will he now launch a register for British nationals so we know how many are there, should we need to get them out? Can he update us on how the Ukrainians have capitalised on this chaos? We now hear that they may have taken back villages held since 2014 by Russian troops and crossed the Dnipro river, which would be an enormous turning point, because it would allow them to establish a bridgehead to push Russia out of southern Ukraine.

James Cleverly: My hon. Friend makes an incredibly important point. There is a quote—I will paraphrase it, because I do not have the precise words in front of me—that says, "If you trade freedom for security, you end up with neither." I think the Russian people are now recognising that. With regards to what may happen in Russia, as I have said, we look at scenario planning to make sure we are able to respond to whatever happens.

On British nationals within Russia, my hon. Friend will know we do not force British nationals to register with the embassy and therefore it is not possible for us to give an accurate figure. The UK travel advice has for some years made it clear that we advise against all travel to any part of Russia and we make it clear that, unless someone's presence in Russia is essential, they should consider leaving by commercial routes. The House should recognise that, because of the situation in Russia and the conflict, the UK's ability to conduct an extraction operation as we did in Sudan would be severely limited, probably to the point of impossibility. I reiterate our travel advice: British nationals should consider leaving the country by commercial routes unless their presence is absolutely essential.

On my hon. Friend's final point, the fractures and cracks we have seen running through the Russian system will of course have had an impact on the Russian troops and Wagner mercenaries on the frontline, who will now be looking over their shoulders as much as they will be looking forward out of their trenches. We will continue to support Ukraine in its steady and methodical recapturing of the ground stolen from it by the Russian forces.

Sir Chris Bryant (Rhondda) (Lab): It was always a phenomenal demonstration of weakness by Putin that he chose to subcontract part of his criminal invasion of Ukraine last year to a bunch of fascists, murderers, rapists and criminals who are mercenaries in the Wagner Group. Is it not time for us to press home the advantage? Should we not be saying "Get out now" to every British business that has any presence in Russia, including Unilever, Mantrac, Infosys and all the rest of them? Is it not time that we seized Russian state assets presently sitting in British banks to give them to the reconstruction of Ukraine? Can the Foreign Secretary explain to me why we have still not handed over the money taken from the sale of Abramovich's Chelsea FC to the charity that has been set up to reconstruct Ukraine?

James Cleverly: The hon. Gentleman sadly displays a lack of knowledge about international law. Governments cannot simply seize the assets of individuals; to do so would be in complete violation of the normative standards of international law. We have passed legislation making it very clear that frozen assets will remain frozen until significant and appropriate reparations are made by those individuals and entities that have facilitated the conflict. With regard to the frozen Chelsea FC assets, I refer him to the answer that I gave him when he asked his factually incorrect question at the Foreign Affairs Committee session.

Ms Lyn Brown (West Ham) (Lab): That is really not very clever.

Madam Deputy Speaker (Dame Eleanor Laing): Order. I say to those on the Opposition Front Bench that they should not be heard while they are sitting down.

Mr Tobias Ellwood (Bournemouth East) (Con): Russian leaders have a reputation for eliminating or locking up those who show public dissent, so it is a sign of Putin's weakness that the leader of a full-scale mutiny is offered exile. Does the Foreign Secretary agree that, although it is also expected of any dictator to blame the international community and outside interference for domestic woes, Putin cannot do that this time because he is directly responsible for the Wagner Group, which is his creation and his private army? He is also responsible for the Ukraine war. Does the Foreign Secretary also agree that although Putin may be wounded and his days numbered, he is likely to stoop low to stay in power and justify his invasion of Ukraine?

James Cleverly: My right hon. Friend makes a number of important points. Prior to this invasion, Vladimir Putin's desire was to limit other countries joining NATO, but because of his attack, we have had direct applications from Sweden and Finland. Finland has now joined NATO, and Sweden is well on the way towards doing so. His desire was to prevent Ukraine from further integrating with western structures, but his invasion has driven Ukraine to do that very thing. His invasion was meant to fracture NATO, fracture the transatlantic alliance, but it has strengthened it. He created the Wagner Group to bolster his power in Russia, but his creation has undermined his authority. Everything that Vladimir Putin has done has been counterproductive to his own explicit aims. That is why I have no doubt that, with our continued support and that of the international community, the Ukrainians will prevail and return their country to its sovereignty.

Valerie Vaz (Walsall South) (Lab): May I start by wishing the Foreign Secretary and his family well?

At the NATO Parliamentary Assembly in Luxembourg, we unanimously passed a declaration with a clause that specifically recognises the Wagner Group as a criminal and terrorist organisation. Could the Foreign Secretary ensure that the Prime Minister also supports that at the Vilnius summit?

James Cleverly: The right hon. Lady makes an important point about the nature of the Wagner Group. I know that there are variations in the definitions used to describe it. The UK sanctions the Wagner Group in its entirety and

also certain key members of it. We will continue to ensure that we undermine the ability of that mercenary organisation to create conflict, not just in Ukraine but around the world.

James Sunderland (Bracknell) (Con): My instinct is that there is an awful lot more to this than meets the eye; no doubt we will know more as military and foreign intelligence bears fruit. Given, however, that NATO's imperative must be to eject Russian forces from Ukraine and not to interfere in domestic Russian affairs, does the Foreign Secretary feel that this now makes a Ukrainian victory in Ukraine more or less likely?

James Cleverly: My hon. and gallant Friend will know how important the moral component is in the success of a military operation. Those Russian troops and Wagner mercenaries will now be less confident about their logistics supply to the frontline, the integrity of their military leaders and the strength of their military planning. That will inevitably make them less effective as a fighting force. However, we should recognise that wars are inherently unpredictable. The Ukrainians have always had the stronger morale, their willingness to endure is legendary, and Putin's expectation that the west or the Ukrainians would run out of resolve first has been shown to be a fundamentally flawed hypothesis. We are seeing the cracks emerging within the Russian system rather than in the west.

Stewart Malcolm McDonald (Glasgow South) (SNP): The global evil that is the Wagner Group has finally come home to cause problems for the President in the Kremlin. The Foreign Secretary is absolutely correct that we should not speculate on regime change, which would not be helpful. With that in mind, we should focus on what he can do. As has been mentioned a number of times, the Wagner Group has been an evil in Syria and Ukraine, and right across the continent of Africa. Will he outline how he intends to formulate a plan, along with other allied countries, to start degrading the Wagner Group's capabilities—its logistics and finances? Will he also give consideration to the Foreign Office funding the collection of evidence of Wagner war crimes across the world, which many universities in this country alone would be well placed to help with?

James Cleverly: The hon. Gentleman makes an important and valid point. We have worked closely with our international partners on the collection of evidence of war crimes in Ukraine. He makes a very good point, and I will need to look at the logistical and practical implications of doing that on a wider scale. A big part of the Wagner Group's sales pitch to the vulnerable countries that employ it, in lieu of having credible armed forces, is the idea of its invulnerability and inevitable success, which has been massively undermined by its own actions. We will continue to highlight the inappropriateness of Wagner's activity around the world, including in Africa. We will continue to impose and enforce sanctions to undermine the evil that that organisation does around the world.

Vicky Ford (Chelmsford) (Con): Many commentators have pointed out that this weekend's activity may have wounded Putin, and we know that wounded animals can be very dangerous. With that in mind, how concerned

is my right hon. Friend about reports that Russian forces may have placed mines at the nuclear power plant? Are we facing the potential risk of a major nuclear incident, perhaps as part of a scorched earth policy?

James Cleverly: My right hon. Friend makes a very important point. I had a meeting with Rafael Grossi, the director general of the International Atomic Energy Agency, at which we discussed the safety of the Zaporizhzhia nuclear power plant, in terms of its being the centre point of a military conflict and also, in the light of the damage to the dam, the low water levels in the Dnieper, which is used for cooling. I assure my right hon. Friend that we assess all potential credible scenarios and look to mitigate wherever we can.

Dan Jarvis (Barnsley Central) (Lab): Back in May, it was widely reported that the UK Government were actively considering proscribing the Wagner Group as a terrorist organisation. Accepting that it is early days, may I ask the Foreign Secretary whether an assessment has yet been made of what the ramifications would be for Putin if he sought to amalgamate the Wagner Group into the Russian conventional armed forces?

James Cleverly: I thank the hon. and gallant Gentleman for the point he has made. As always, we keep decisions about proscription of organisations open across Government Departments, but as he will know, we do not typically comment on future proscriptions or designations. Back in June, when the announcement came out that volunteers would be contracted to the Russian Ministry of Defence, we looked at the implications of that for the sanctions structure and others. I am not at liberty to discuss the outcome of those deliberations, but I can reassure the hon. and gallant Gentleman and the House that we have had those things under consideration.

Sir Bernard Jenkin (Harwich and North Essex) (Con): Many in the House and elsewhere are commenting on the opportunity provided to the Ukrainian armed forces to press home their advantage while the Russian command chain is in a shambles, but is it not a truism that the more help we can deliver to the Ukrainians now, and the quicker we can do it, the more likely it is that we will end the war quickly with a favourable outcome? What are we doing to press home the advantage by galvanising ourselves and our allies to give more support to the Ukrainian armed forces?

James Cleverly: My hon. Friend is absolutely right that the situation over the weekend makes the command and control of the Russian forces less effective. I assure him and the House that we have never been distracted from our primary goal, which is to support the Ukrainians financially and militarily so that they can press home their counter-offensive, and we will continue to do exactly that.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Media reports over the weekend suggested that President Putin decided to flee Moscow and relocate to St Petersburg when he learned of Prigozhin's and Wagner's advance towards Moscow. That, of course, is in stark contrast to President Zelensky, who bravely remained in Kyiv when faced with a full-scale Russian invasion. What assessment has the Foreign Secretary made of those reports and their veracity?

James Cleverly: The hon. Gentleman makes an incredibly important point about the personal courage that President Zelensky demonstrated at a point in time when Russian tanks were advancing on Kyiv. I have had the pleasure of meeting him on a couple of occasions, and it is a genuine privilege to do so.

We of course look at a wide range of open-source reporting. Much of that reporting is speculative, and much turns out to be inaccurate; we attempt to sift as much as we can, but it is difficult to get a clear picture of the events on the ground. As such, what we tend to do—as the hon. Gentleman will understand—is work on a range of potential scenarios and plan around the most credible and likely of them.

Bob Seely (Isle of Wight) (Con): The latest news, if it is to be believed, is that 8,000 Wagner mercenaries will be joining Yevgeny Prigozhin in Belarus, in a small town called Asipovichy where I understand some bases are being built at the dictator Lukashenko's request. Without wishing to speculate on whether that brigade-sized force will be a greater threat to Lukashenko or to Putin in the short to medium term, may I ask the Foreign Secretary to assure us that that base will be very closely monitored, given its proximity not only to Russian nuclear weapons—we have seen the dual loyalties that the Russian army has towards Wagner—but to NATO borders?

James Cleverly: My hon. and gallant Friend makes an incredibly important point: I am not at all sure that I would be comfortable with 8,000 Wagner fighters being my friends any time soon. We have made it absolutely clear to the Belarusian Government that we expect them not to be involved in or to facilitate attacks into Ukraine. We will of course keep a very close eye on reporting about the locations and activity of those Wagner fighters in Belarus.

Hywel Williams (Arfon) (PC): The United Nations High Commissioner for Human Rights says that, from the start of the war up to this May, there have been 15,000 civilian casualties. What support are this Government giving in situ to those civilian victims of Russia's illegal war?

James Cleverly: The hon. Gentleman makes an incredibly important point. What we have seen, horrifically, is the specific targeting of civilians and civilian infrastructure by Russian forces in Putin's war of aggression. The UK has, in addition to our military support, supported the work to rebuild Ukraine, and particularly the energy infrastructure that was so essential during the winter. The Ukraine recovery conference, which we hosted in the UK last week, saw the commitment of \$60 billion—including a €50 billion promise from the European Union, which was hugely valued—for Ukraine's recovery, reconstruction and reform, and we will keep working to support the rebuilding of civilian infrastructure. I have witnessed that on my visits to Ukraine, and that will remain part of the UK's support to the Ukrainians in their self-defence.

Mr Jonathan Djanogly (Huntingdon) (Con): With the increased threat of the disintegration of the Russian Federation, does my right hon. Friend agree that it will become even more important to monitor and protect Russia's future leaders and influencers, such as Free

[Mr Jonathan Djanogly]

Russia's Vladimir Kara-Murza—already twice poisoned and now sentenced to 25 years in prison for promoting democratic values? Will he look to extend the sanctions on his tormentors from only five people to more of the 38 Russian state gangsters who have been identified so far?

James Cleverly: The work that has been done by Vladimir Kara-Murza and others like him who have stood up publicly to criticise the brutality of the Putin regime is admirable, and we continue to call for his immediate release. My hon. Friend is of course right that we have sanctioned a number of the individuals involved with his completely inappropriate and unjustified detention. He will know that we do not speculate about future designations, but I and my Department have heard what he has said.

Sir Mark Hendrick (Preston) (Lab/Co-op): Have the Foreign Secretary and his Department managed to ascertain the rationale behind Prigozhin's move towards Moscow? Was it because Russian forces were shelling the Wagner Group in Ukraine, was he not being paid enough or not being paid at all, or was it because he was critical of Shoigu and Gerasimov and the effectiveness of Russian forces' actions in Ukraine? Indeed, why did he stop short of going as far he could towards Moscow?

James Cleverly: It is hard to know with any certainty what the trigger event for this advance on Moscow was. Over a number of weeks, we have seen increasingly escalating rhetoric from Prigozhin. He has complained about his troops being starved of supplies, complained about ineptitude in the Russian military leadership and made all kinds of claims. It is not possible for us to assess which one of those is the trigger point, but we have of course been watching as his comments have become increasingly critical and increasingly intense. I think that, for me, the main thing I take away from this is the fact that he makes it absolutely clear this is a war of aggression and a war driven by Vladimir Putin's ego, rather than by any threat to Russia itself. While there is much that we do not know and much that we do not believe, I think I am willing to believe that that is very much the case.

Sir James Duddridge (Rochford and Southend East) (Con): The Wagner Group has a nefarious interest in a whole raft of African countries below the Sahel and across central Africa. I am particularly concerned about places such as Mali, which takes direct instructions from the Wagner Group as if it were the Russian Government; Niger, where the French get all their uranium; and the Democratic Republic of the Congo, where there are many critical minerals. In these countries, we have small but excellent representation. Can I urge the Foreign Secretary to consult them to see what is happening with the Wagner Group on the ground, and whether we can fill the vacuum left by the Wagner Group in a more productive way for both their economies and ours?

James Cleverly: My hon. Friend makes an important point about the nature of Wagner Group activities in Africa. I speak with African leaders, including those who have Wagner mercenaries in their country or near their borders, and I have highlighted that these are not

people who can be trusted and that any country that relies on them for its defence is, as the Russians have now discovered, inherently vulnerable. Of course I will talk with our representatives in Africa to look at the impact of the Wagner Group activities and what we can do, in close co-ordination with our international friends and allies, to ensure those African countries are safe without the need for mercenary forces.

Richard Foord (Tiverton and Honiton) (LD): Many of us can accept the Secretary of State's point that this is an internal matter in Russia and is for the Russian people, but it does of course have a bearing on Ukraine's self-defence. The UK MOD estimates that about 60,000 Russians have been killed in the adventure in Ukraine and the BBC and its local partners have verified and confirmed a figure of about 25,000, yet the Russian state is suggesting only 6,000 have been killed. What can the Secretary of State's Department do to improve awareness in Russia of the toll this is taking on conscripts, soldiers and their families?

James Cleverly: The hon. and gallant Gentleman makes the important point that Vladimir Putin has not only been lying to the world about his motivations for this war of aggression but lying to the Russian people about the implications. Maintaining that lie became increasingly difficult because of the events of this weekend. Of course our primary sympathy is with the people of Ukraine—their country is being brutalised, their people are being murdered, their women and children are being raped or stolen—but it is also the case, as Prigozhin said in his comments, that Russian soldiers are being used as cannon fodder by a Russian leader who does not care for them or their families. The more Russians see this, the more they will realise that they are just as much victims of Putin's ego as anyone else in the world. The hon. and gallant Gentleman is absolutely right that the leadership of Russia is exclusively for the Russian people, but I think the Russian people will now see how very badly they have been led.

Mr David Jones (Clwyd West) (Con): Russian Foreign Minister Lavrov announced today that he is content for the Wagner mercenary group to continue its activities in Africa notwithstanding Prigozhin's role in the attempted coup over the weekend. Does my right hon. Friend agree that that statement simply serves to underline the increasing weakness of the Russian regime, but does he also agree that a leaderless Wagner is potentially even more dangerous and demands the most careful scrutiny by the United Kingdom and its allies?

James Cleverly: My right hon. Friend makes an important point. It is not possible for us to predict and I do not intend to speculate, but he is absolutely right that the events over this weekend have made things potentially more dangerous and more predictable in all the places where Wagner is active, which is why we must and will keep a very close eye on Wagner Group activities not just in Ukraine but around the world. We will seek to show leaders who are relying on Wagner that their reliance on that mercenary group is wholly ill placed.

Derek Twigg (Halton) (Lab): There is no doubt that the events of this weekend show again why we need to ramp up our support for Ukraine, but I have a question

about the intelligence. We have heard various scenarios and views about what went on and the consequences of this weekend, but is the Secretary of State concerned that we are having trouble in getting decent intelligence of what is going on in the Russian leadership and the support group and powerbrokers around Putin, and what are we doing about that? His answer to my hon. Friend the Member for Preston (Sir Mark Hendrick) served to underline that point, and I have a concern that we are struggling to get any real intelligence about what is going on inside Russia.

James Cleverly: The hon. Gentleman will understand that it is a long-standing convention in the House that we do not discuss intelligence matters at the Dispatch Box.

Mr Philip Hollobone (Kettering) (Con): What is the Foreign Secretary's estimate of the number of Wagner troops deployed in the Ukrainian theatre, and what is his estimate of the proportion of those who will agree to come under Russian military command on 1 July?

James Cleverly: My hon. Friend asks an important question. The figures are of course now massively less predictable than they were just 72 hours ago. We will keep a close eye on which troops might transfer to the Russian Ministry of Defence and which troops might desire to remain independent, and Russia's reaction to them. This is a continually evolving situation. We will keep a close eye on it, and we will ensure that throughout, we remain committed to supporting Ukraine in its counter-offensive.

Dave Doogan (Angus) (SNP): The events this weekend shine a spotlight on the weakness of the Putin regime in Russia, although we knew the weakness was there anyway, because that was the whole reason for invading in the most aggressive and unprovoked manner: to deflect attention from the internal travails within Russia. Nevertheless, whatever this weekend's events, Prigozhin is not a catalyst for peace or an advocate for good governance, and he is no friend of anybody in the international rules-based system. Does the Foreign Secretary agree that the international community must maintain the utmost vigilance on how this dynamic between Prigozhin and Putin unwinds? Can he advise the House of what that vigilance will look like from a UK perspective?

James Cleverly: The hon. Gentleman makes an incredibly important point. Prigozhin and the Wagner Group have been responsible for truly appalling acts of violence, not just in Ukraine but in other parts of the world. He is absolutely right. The fact that Prigozhin turned into an enemy of Putin does not suddenly make him a friend of ours. We remain clear-eyed about the nature of that individual and that organisation, and while I cannot go into detail, I can assure him that we will keep a close eye on the Wagner Group's activities not just in the European theatre, but in other parts of the world.

Robin Millar (Aberconwy) (Con): It is wise that we are not drawn into speculation in this Chamber about what is happening or has happened in Russia, but it is equally important that we are not distracted and remain focused on supplying and supporting Ukraine as this bloody conflict that it is engaged in continues. Can my

right hon. Friend assure the House that that military support for Ukraine will continue? On a practical point, will the delivery of military equipment, as requested and agreed to here—in particular, vital air defence missiles—continue?

James Cleverly: I can assure my hon. Friend that throughout, including during the high-profile events of this weekend in the UK—I confirmed this in my phone call with G7 Foreign Ministers and our friends around the world—we remain relentlessly focused on proving Ukrainians with what they need, where they need it and when they need it, to give them the best chance of a successful counter-offensive this year.

Alison Thewliss (Glasgow Central) (SNP): It was reported in *The Wall Street Journal* that the US is considering delaying further sanctions on the Wagner Group after this weekend's events. Given all that the Foreign Secretary has said about the danger that the Wagner Group presents worldwide, can he comment further on where the UK stands on further sanctions against it?

James Cleverly: The UK has sanctioned the Wagner Group in its entirety and members within it. Obviously it would be inappropriate for me to comment on other countries' sanctions decisions, although I make the point that while we regularly do a compare and contrast between Governments' sanctions, different domestic legislation means that the nature of our sanctions does not always match exactly. However, the US, the UK and our friends around the world are relentlessly focused on the evil being perpetrated by this organisation, and we will continue to respond robustly.

Simon Fell (Barrow and Furness) (Con): My right hon. Friend is right not to speculate on the implications for the Russian state of the events of the past couple of days and to focus instead on the illegal invasion of Ukraine. Beyond that, the rebuilding of the state is also important, and one of the clearest routes to doing so is using the seized assets of kleptocrats and criminals. Does he agree?

James Cleverly: The UK Government's position is clear: those people who have funded, facilitated and supported the brutal invasion of Ukraine must be the people who bear the brunt of its rebuilding. A huge number of companies with a combined net value in excess of \$5 trillion from almost 60 countries were represented at the Ukraine recovery conference last week. All of us were committed to ensuring that we support Ukraine in its recovery, but while we may look to de-risk, to pump-prime and to give first line of support, ultimately the people responsible for this destruction should be responsible for rebuilding.

Jim Shannon (Strangford) (DUP): I thank the Foreign Secretary very much for his statement and for the encouragement that he gives the House and, more importantly, Ukraine. With the interesting developments in Russia over the last few days, will he outline the steps taken to send a message to Putin that while his alliances are on a shaky footing, the alliance of those in support of Ukraine has never been more solid and strong? Does he believe that now is the time to increase arms and aid support to Ukraine to underline that very point?

James Cleverly: We often wait for the hon. Gentleman's contribution because he is always thoughtful and has an unerring ability to hit the nail on the head when it comes to the main thrust of our debates. He is absolutely right in his assessment that Vladimir Putin invaded Ukraine believing that Ukraine was vulnerable and fragile and that the west was vulnerable and fragile—that somehow we were fickle and lacked resolve. What we have seen in the intervening 15 or 16 months is the Ukrainians standing firm and their alliance of friends getting larger and stronger by the day. The commitment that we saw at the Ukraine recovery conference underlines that. Indeed, it is Russia, Putin and the mercenaries he has contracted to do his brutality who have shown fragility and fracture. The hon. Gentleman is right that now is the time to enhance our support for Ukraine and give it not just encouragement and political support but practical financial and military support to get the job done. I assure him and the House that that is exactly what we are going to do.

Madam Deputy Speaker (Dame Eleanor Laing): That concludes proceedings on the Foreign Secretary's statement. It always concludes proceedings when the hon. Member for Strangford (Jim Shannon) asks the last question.

Lung Cancer Screening

Madam Deputy Speaker (Dame Eleanor Laing): Before we come to the statement, I am required to put on record Mr Speaker's disappointment that an important policy has not been announced first to the House. Not only have Ministers been on the airwaves trailing the policy on lung cancer, but a detailed press notice appeared on the Department's website well before the start of this statement. Mr Speaker has repeatedly made it clear that such announcements should be made first to the House, that to do otherwise is discourteous to the House, and that this practice must not continue.

5.18 pm

The Secretary of State for Health and Social Care (Steve Barclay): Thank you, Madam Deputy Speaker. May I first address the remarks you made on behalf of Mr Speaker? Of course, any disappointment expressed by Mr Speaker is a matter of concern. No discourtesy was wished on the part of the Government. It may be helpful to clarify that no change of policy is being announced in the statement; it is an expansion of an existing policy, which I hope the House will regard as good news. However, we very much take on board any concerns that Mr Speaker has expressed.

With permission, Madam Deputy Speaker, I would like to make a statement on our national lung cancer screening programme for England. About a quarter of patients who develop lung cancer are non-smokers. We all remember our much-missed friend and colleague, the former Member for Old Bexley and Sidcup, James Brokenshire. He campaigned tirelessly to promote lung cancer screening and was the first MP to raise a debate on that in Parliament. His wife Cathy is continuing the brilliant work that he started in partnership with the Roy Castle Lung Cancer Foundation.

In 2018, after returning to work following his initial diagnosis and treatment, James told this House that the Government should commit to a national screening programme and use the pilot to support its implementation. I am sure many colleagues in the Chamber will recall him saying:

"If we want to see a step change in survival rates—to see people living through rather than dying from lung cancer—now is the time to be bold."—[*Official Report*, 26 April 2018; Vol. 639, c. 1136.]

Despite being a non-smoker, James knew that the biggest cause of lung cancer was smoking and that the most deprived communities had the highest number of smokers. That is why I am delighted that today the Prime Minister and I have announced a national lung cancer screening programme, building on our pilot programme, which will target those who smoke or have smoked in the past.

Lung cancer takes almost 35,000 lives across the UK every year—more than any other cancer. Often, patients do not have any discernible symptoms of lung cancer until it is well advanced; in fact, 40% of cases present at A&E. Since its launch in 2019, and even with the pandemic making screening more difficult, our pilot programme has already given 2,000 lung cancer patients in deprived English areas an earlier diagnosis. That matters because NHS England states that when cancer

is caught at an early stage, patients are nearly 20 times more likely to get at least five years to spend with their families.

We all know that smoking is the leading cause of lung cancer. It is responsible for almost three quarters of cases, and in deprived areas people are four times more likely to have smoked. We have deployed mobile lung trucks equipped with scanners to busy car parks in 43 deprived areas across England. Before the pandemic, patients from those areas had poor early diagnosis rates, with only a third of cases caught at stage one or two. To put that in context, while a majority of patients diagnosed at stage one and two get to spend at least five more years with their children and grandchildren, less than one in 20 of those diagnosed at stage four are as fortunate. Thanks to our targeted programme, three quarters of lung cancer cases in those communities are now caught at stage one and two.

Targeted lung cancer checks work. They provide a lifeline for thousands of families. We need to build on that progress, which is why we will expand the programme so that anyone in England between the ages of 55 and 74 who is at high risk of developing lung cancer will be eligible for free screening, following the UK National Screening Committee's recommendation that it will save lives. It will be the UK's first and Europe's second national lung cancer screening programme. If results match our existing screening—there is no reason to think that they will not—when fully implemented the programme will catch 8,000 to 9,000 people's lung cancer at an earlier stage each year. That means that each and every year around 16 people in every English constituency will be alive five years after their diagnosis who would not have been without the steps we are taking today. That means more Christmases or religious festivals with the whole family sitting around the table.

Alongside screening to detect conditions earlier, we are investing in technology to speed up diagnosis. We are investing £123 million in artificial intelligence tools such as Veye Chest, which allows radiologists to review lung X-rays 40% faster. That means that suspicious X-rays are followed up sooner and patients begin treatment more quickly.

How will our lung cancer screening programme work? It will use GP records to identify current or ex-smokers between the ages of 55 and 74 at a high risk of developing lung cancer, assessed through telephone interviews. Anyone deemed high risk will be referred for a scan, and will be invited for further scans every two years until they are 75.

Even if they are not deemed at high risk of lung cancer, every smoker who is assessed will be directed towards support for quitting because, despite smoking in England being at its lowest rate on record, tobacco remains the single largest cause of preventable death. By 2030, we want fewer than 5% of the population to smoke. That is why in April we announced a robust set of measures to help people ditch smoking for good, with 1 million smokers being encouraged to swap cigarettes for vapes in a world-first national scheme. All pregnant women will be offered financial incentives to stop smoking, and HMRC is cracking down on criminals who profit from selling counterfeit cigarettes on the black market.

The lung cancer screening programme has been a game changer for many patients: delivering earlier diagnoses, tackling health inequalities and saving lives. We are

taking a similar approach to tackle obesity, the second biggest cause of cancer across the UK. The pilot we announced earlier this month will ensure that patients in England are at the front of the queue for innovative treatments by delivering them away from hospital in community settings. Together, this shows our direction of travel on prevention, which is focused on early detection of conditions through screening and better use of technology to speed up diagnosis and then treatment, because identifying and treating conditions early is best for patient outcomes and for ensuring a more sustainable NHS for the future, for the next 75 years. I commend this statement to the House.

Madam Deputy Speaker (Dame Eleanor Laing): I call the shadow Secretary of State.

5.25 pm

Wes Streeting (Ilford North) (Lab): Before I begin, I would like to take this opportunity to pay tribute to the life of Margaret McDonagh, Baroness McDonagh of Mitcham and Morden. Margaret was the first women general secretary of the Labour party and the best: a political organiser second to none; kind, compassionate and made of steel. I am one of so many people throughout the Labour party and the Labour movement who benefited from Margaret's kindness, generosity and wisdom. She was a friend, a mentor and a political hero. It breaks my heart that so many glioblastoma victims like Margaret have no hope of treatment and that a diagnosis means a death sentence. So, in sending, I am sure, condolences from across the House to Margaret's sister, my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), the best tribute we could make to Margaret and the best condolences we could offer her sister and family, is to unite across the House and resolve to do everything we can to make the breakthrough discoveries we need so that other people like Margaret do not receive this devastating death sentence.

I also join the Secretary of State in paying tribute to the late James Brokenshire, who was unbelievably kind to me when I went through my own cancer diagnosis—even more generous given what he was going through, which was so much worse.

I thank the Secretary of State for advance sight of the statement.

Lung cancer patients in this country are less likely to survive than patients in most European countries. Why? Because patients today find it impossible to get a GP appointment. On receiving an urgent referral, they wait too long for a scan. On receiving a cancer diagnosis, they wait months for treatment. And before the Government blame covid, the target for patients to start treatment within 62 days of referral has not been hit since 2015.

The Secretary of State was not joking when he said that he is not announcing anything new today. The programme announced today will not be fully rolled out until 2030. So, after 13 years in Government, they are not announcing action today and not even for the next Parliament, but for the one after that. I thank the Health Secretary for making commitments for a second-term Starmer Government to deliver.

On the workforce, the problem with the plan is that the NHS simply does not have the staff to deliver it. The Prime Minister and the Health Secretary have been all

[Wes Streeting]

over the media setting out the upcoming workforce plan, although they have not yet said a word to the House. Is this why it will take seven years to roll out the screening programme, because they have no plan to bring down NHS waiting lists today? We have been waiting almost as long as we have been waiting for the right hon. Member for Mid Bedfordshire (Ms Dorries) to hand in her resignation and call a by-election.

While the Health Secretary writes the Labour party's 2028 manifesto, junior doctors who treat lung cancer patients are due to walk out on strike for five days. More than 650,000 operations and appointments have already been cancelled due to NHS strike action. Is it not time for the Health Secretary to accept he has failed, step aside and call in the Prime Minister to finally meet junior doctors? If the Prime Minister has time to negotiate gongs for Conservative cronies with Boris Johnson, he has time to meet junior doctors.

Today we learnt that the National Cancer Research Institute announced it will be closing after 22 years, due to

"uncertainty in the wider economic and research environment."

There is still so much we do not know about cancers and so many treatments still to be discovered and developed, yet clinical trials have fallen off a cliff in recent years.

What impact does the Health Secretary expect the closure to have on cancer clinical trials?

After 13 years of Conservative rule, the verdict is in. A report published today by the King's Fund reveals that the NHS has fewer CT and MRI scanners than other advanced countries, and

"strikingly low numbers of...clinical staff".

That explains why the King's Fund also found that the NHS was hit harder during the pandemic than other healthcare systems. It is not just that the Government did not fix the roof when the sun was shining; they dismantled the roof and ripped up the floorboards. It also helps to explain why patients in this country are less likely to survive treatable conditions, such as breast cancer and stroke, than those in comparable nations, and why we have one of the lowest levels of life expectancy. The King's Fund summed it up with something of an understatement, saying that the NHS had "seen better days." Is it not the case that the longer the Conservatives are in office, the longer patients will wait?

Madam Deputy Speaker (Dame Eleanor Laing): Order. Before I call the Secretary of State, let me say to the hon. Member for Ilford North (Wes Streeting) that I think the whole House will join him, and me, in sending condolences to the hon. Member for Mitcham and Morden (Siobhain McDonagh).

Steve Barclay: On behalf of His Majesty's Government, Madam Deputy Speaker, I echo your sentiments and those of the shadow Health Secretary in sending the House's condolences to the hon. Member for Mitcham and Morden (Siobhain McDonagh), and also our fond remembrances of Margaret McDonagh. She played a pivotal role in the 1997 landmark election for the Labour party, and her loss will be keenly felt on the Labour Benches, but also much more widely across the political spectrum.

The hon. Gentleman raised a number of issues relating to screening, on which there is much consensus in the House, but one issue that he did not particularly note is the importance of this programme in closing the health inequality gap. The detection of stage 1 and stage 2 cancers, which has had such a remarkable impact on survival rates, has been targeted at the areas with the highest smoking rates and, therefore, the most deprived communities. I hope there will be a fairly wide consensus across the House that that is a real benefit of the programme. We aim to take the proportion of lung cancer survivors from 15% to 40% over the next 18 months, and to 100% in the years ahead, and we are talking today about a series of measures that have proved to be effective: there is remarkable evidence of the survival rates that they generate.

The hon. Gentleman raised a number of wider issues related to the Government's record on cancer. The NHS has seen and treated record numbers of cancer patients over the last two years, with cancer being diagnosed at an earlier stage more often and survival rates improving across almost all types of cancer. Indeed, the expansion of the screening programme is a good illustration of the clear progress that the Government are making.

The hon. Gentleman raised the issue of junior doctors—an issue that we have debated a number of times across the House. He says that he does not support the junior doctors in their demand for a 35% pay rise. They have, of course, offered to spread it over an extra year to take 2024-25 into account, but for that they want a 49% pay rise. This is slightly esoteric: the hon. Gentleman says he does not support their demands, but he also criticises the Government for not meeting those demands.

The hon. Gentleman raised the subject of research funding, and I was grateful to him for doing so, because the Government are spending more than £1 billion on research through the National Institute for Health and Care Research. I have met the president of Moderna, with which the Government have signed up to one of our landmark partnerships with the life sciences sector. There is huge potential for us to work with life science partners as part of our health commitment. It is clear that those within the industry see the Government's commitment and are responding to it, even if Labour Members fail to do so.

We are expanding our programme because it demonstrably works. It is tackling health inequalities and significantly increasing survival rates. It is part of our wider commitment, through our work with Genomics England and our work on the national screening programmes to screen 100,000 babies. The programmes cover not just lung cancer but, for instance, breast cancer. My hon. Friend the Member for Winchester (Steve Brine), the Chair of the Health and Social Care Committee, raised the issue of HIV screening with me last week. That is one of the areas in which early detection is having clear results. We are diagnosing more cases, which is why survival rates are improving in almost all types of cancer.

Madam Deputy Speaker (Dame Eleanor Laing): I call the Chairman of the Health and Social Care Committee.

Steve Brine (Winchester) (Con): I remember dear James Brokenshire saying the words that the Secretary of State repeated today in the House. James made this happen—this is a fantastic prevention announcement.

Although this nationally expanded programme cannot prevent lung cancer, will the Secretary of State confirm that we will stick by the principle of making every contact count? When people come forward for a lung risk assessment, we can offer emotional support where a problem has been detected, provide smoking cessation services to those who are still smoking, or just put our arms around people where there are comorbidities. When people come into contact with the health service, will we make every contact count for them?

Steve Barclay: I know that my hon. Friend was a Health Minister at the time that James was raising these points, and that he takes a close personal interest in the issue. He is right about the importance of the point at which people come forward. I was having a discussion this morning about the fact that when most patients come forward for screening, they will not be diagnosed with cancer, but it is still an opportunity for smoking cessation services, for example, to work with them on reducing the risk that continued smoking poses. My hon. Friend is right about using the opportunity of screening to pick up other conditions and to work constructively to better empower patients on the prevention agenda.

Rachael Maskell (York Central) (Lab/Co-op): Of course those most at risk must be fast-tracked into diagnostic services, but when we are 2,000 radiologists short, 4,000 radiographers short and 5,000 other health staff short in those diagnostic services, how can people get the diagnostic services they need? When will we have the workforce in place to service this policy?

Steve Barclay: Clearly, the earlier we detect cancer, the less pressure it puts on the workforce. There is much more work involved in the treatment of a later cancer than of an earlier cancer. That is why we are investing in our community diagnostic programme, with 108 community diagnostic centres already open and delivering 4 million additional tests and scans. As part of the wider £8 billion investment in our electives recovery, over £5 billion is going into that capital programme. Yes, the workforce plan is a key part of that, but so is getting the CT scanners and the other equipment in place. That is exactly what our community diagnostic programme is doing, and it is being furthered by our screening programme through announcements such as this.

Maggie Throup (Erewash) (Con): Alongside the new lung screening programme, which I welcome, will my right hon. Friend now commit to implementing in full the recommendations made by Dr Javed Khan in his review, so that we can finally stub out the No. 1 cause of preventable cancer and end the suffering for smokers who develop cancer and for their loved ones? Our late colleague requested that we be bold. In taking forward the Khan review in full, I am sure we would be fulfilling his wishes.

Steve Barclay: My hon. Friend is quite right to highlight the significance of smoking as a cause of cancer. We have a number of measures, including the programme to move 1 million smokers on to vaping, the financial incentives to encourage pregnant women not to smoke, the tougher enforcement and the consideration of inserts for packaging. The Government are taking a range of measures to address the very important issue that my hon. Friend rightly raises.

Dan Jarvis (Barnsley Central) (Lab): The Secretary of State may be aware that, following work that I have been doing with Cancer Research UK, I have written to him and to the Minister for Social Care to outline my specific concerns about the lack of a cancer strategy. I would be very grateful if he or the Minister came back to me.

As the Secretary of State will know, cancer does not affect everyone equally. When it comes to health outcomes—the Secretary of State made this point—it is often more economically deprived areas, such as coalfield communities like Barnsley, that continue to lag behind. I completely agree and accept his important point about smoking, but studies have also shown that those who worked in the coal industry have a higher risk of lung cancer. I ask the Secretary of State to ensure that ex-miners are considered in the roll-out of the new targeted programme.

Steve Barclay: The hon. Gentleman raises a valid and important point on the targeting of mining communities. Of course, the roll-out will be shaped by clinical advice, but I will flag that point as we consider the targeting of the programme as it expands.

On the hon. Gentleman's first point, the major conditions paper will look at these issues in the round. That matters because one in four adults has two or more conditions, so it is important that we look at conditions. A moment ago, I touched on the fact that obesity is the second biggest cause of cancer after smoking, so it is right that we look at multiple conditions in the round. His point about targeting is well made, and I will make sure the clinical advisers respond.

Tracey Crouch (Chatham and Aylesford) (Con): In Medway, which is an area with high levels of deprivation, mortality rates for lung cancer and chronic obstructive pulmonary disease are significantly higher than the average in England, as is smoking-attributed mortality. Due to the towns' shipbuilding and heavy industry heritage, to follow on from the point made by the hon. Member for Barnsley Central (Dan Jarvis), we also have one of the highest rates of mesothelioma, which is a type of lung cancer.

Although today's announcement of the national roll-out is welcome, what plans do the Government have to bring vital lifesaving early detection to the doorstep of the Medway towns, as those most affected by lung disease are probably the least able to afford the 47-mile journey to Dover, where Kent's screening pilot will be based?

Steve Barclay: My hon. Friend speaks with great authority on this issue, and she is right to highlight the importance of mesothelioma. A key theme of the pilots is the importance of convenience of access to screening, and a key part of the programme's expansion is enabling it to be targeted at those communities that are at highest risk, as we heard a moment ago. I take on board her concerns about some of Medway's challenges, and I know that she has called for this direction of travel more widely in the past—for the targeting of early detection in the community, because early detection brings far better patient outcomes.

Sir Chris Bryant (Rhondda) (Lab): Screening is obviously important, and early detection is a good thing, but I wish the Secretary of State had not made this

[*Sir Chris Bryant*]

announcement today, because it is only a tenth of what we need to do to change things. There is a danger that we will make things worse.

My melanoma was diagnosed late, at stage 3, but my treatment started very quickly, within five days. My anxiety is that if we do not have enough radiographers and radiologists, as my hon. Friend the Member for York Central (Rachael Maskell) said, we will be shifting people from doing one set of tests—those for people who may have a later-stage cancer—to other sets of tests, unless we significantly increase the workforce.

Secondly, as the Secretary of State knows well, the statistics for people starting their treatment when we know they have cancer, because they have been diagnosed, are going in the wrong direction. I wish he had been able to stand at the Dispatch Box today and say, “We are going to have more radiographers and radiologists—I can guarantee that—and we are going to make sure that every single person who gets a diagnosis starts their treatment earlier and on time, otherwise we are failing them.”

Steve Barclay: Such is the nature of cancer that it has touched many Members, and I know the hon. Gentleman has taken a long, close interest in this issue. Of course, more than nine in 10 cancer patients get treatment within a month. He is right that it is also about diagnosis, which is why, through the community diagnostic centres, we are rolling out 4 million additional tests and scans, about which I spoke a moment ago. It is also why we have invested over £5 billion through our elective recovery programme, including over £1 billion for the 43 new and expanded surgical hubs. There is additional capacity going in, both on the diagnostic side and on the surgical hub side. We need to do both, and we are making significant progress.

Miriam Cates (Penistone and Stocksbridge) (Con): My constituents in Penistone and Stocksbridge will warmly welcome this initiative to diagnose cancer earlier but, as many hon. Members have said, we also need to reduce the waiting times for cancer treatment after diagnosis. Will my right hon. Friend consider using some of the new community diagnostic centres, such as our amazing flagship centre in the constituency of the hon. Member for Barnsley Central (Dan Jarvis), as radiotherapy treatment centres too, to reduce treatment waiting times?

Steve Barclay: As part of expanding our capacity, we are doing both: we are expanding the diagnostic capacity—my hon. Friend is right to highlight that investment in Barnsley, as elsewhere—and boosting the surgical capacity through the expansion of our surgical hubs. In addition, we are looking at the patient pathway and identifying bottlenecks and how we design them out, given the additional capacity that is going into the system. So she is right to highlight the investment that is going in, alongside which we need to look at the patient journey and how we expedite that. The bottom line is that we are treating far more patients, the vast majority of whom—more than nine in 10—are getting treatment within a month.

Richard Foord (Tiverton and Honiton) (LD): We know that 28% of victims of lung cancer have not smoked and do not smoke. My mum was one such victim.

She died having contracted lung cancer and having not smoked before. But we were lucky in my family that she was diagnosed early. So, on behalf of the Liberal Democrats, I really welcome today’s announcement. However, on behalf of people in Devon whom I represent, I ask why only 40% of the people who are diagnosed will be subject to screening by 2025? Why do we have to wait until 2030 for the screening to be widespread and available to all?

Steve Barclay: First, may I express regret about the hon. Gentleman’s own family experience of this condition? On the roll-out programme, we need to build that capacity and to do so in a sustainable way—that point has been raised by Members across the House. We are following the science in targeting those communities that are most deprived; they have the highest prevalence of smoking. Of course we will look at evidence of other risk factors, which colleagues across the House have highlighted, but it is important that we roll this programme out in a sustainable way. What is clear, however, is that it is making progress and it is welcome that so many communities want the programme to be rolled out to their area as soon as possible.

Mr Philip Hollobone (Kettering) (Con): I welcome the Health Secretary’s announcement. If I heard him correctly, it means that up to 9,000 cases will be caught early, which is equivalent to about a quarter of the 35,000 who sadly die every year from lung cancer. How much will the national lung cancer screening programme cost? Why can it not be paid for in its entirety from the profits of the cigarette companies?

Steve Barclay: My hon. Friend, an experienced parliamentarian, opens two different issues there. As he well knows, one is a question of tax, which, rightly, I say as a former Treasury Minister, is a matter for the Treasury. As for the roll-out of the programme, the additional cost of the programme will be £1 billion over the seven years. That is the additional cost of that expansion, but how it is funded will be an issue for the Treasury.

Derek Twigg (Halton) (Lab): Anybody who has lost a loved one through lung cancer will know what a horrible and cruel disease it is. Obviously, we welcome any move to improve screening and get more people screened. But I would be interested to know two things from the Secretary of State. First, in one of my local hospitals—recently, I asked a parliamentary question about this—only 77.8% of patients got an urgent referral within 62 days, so quite a lot of people did not. Secondly, how much of the £1 billion will be used to bring in the extra clinicians and staff who will be needed to do the screening?

Steve Barclay: I am sorry, but I missed the second part of the question. On the speed of treatment, that is why significant work is going into the faster diagnosis standard, which was hit for the first time in February. Part of the additional capacity going in—the extra 108 diagnostic centres—is to boost that capacity and speed up that treatment. There has been a surge in demand; a significant uptick in the nature of demand. That is the backlog we have been working through as a consequence of the pandemic, but the additional capacity is to address that exact point.

Edward Timpson (Eddisbury) (Con): I welcome today's announcement and acknowledge the important contribution made by many charities and organisations that work in the world of cancer, including Cancer Research UK and the Roy Castle Lung Cancer Foundation. The pilot has proved that a national screening programme will make a huge and significant difference to many lives, particularly in places that were not in the pilot areas, such as Eddisbury in Cheshire. One aspect of the pilot programme that enabled a diagnosis to be made more quickly was the screening trucks that went out into the community. Will that continue in the national programme, particularly in rural areas such as the one I represent, where there are health inequalities that need to be addressed?

Steve Barclay: My hon. and learned Friend is absolutely right. A key feature of the programme is the use of screening trucks to offer checks within the community. When I was talking to patients this morning, a theme that came through was that the prospect of going to hospital for such a check would have been seen as a more daunting experience. The fact that the check was available, using high-quality equipment, in a vehicle in a supermarket car park made it more accessible to people and, as a result, the uptake was higher than it might have been. He is absolutely right to highlight the proven importance of that in the pilot and that delivering checks through community schemes increases participation; that is a key feature of the programme.

Nick Smith (Blaenau Gwent) (Lab): Will the Secretary of State ask the Treasury if the tobacco companies can stump up for the delivery of the programme?

Steve Barclay: All Health Secretaries have regular conversations with the Treasury in terms of wider financing. The departmental budget for Health and Social Care is over £180 billion, which is already a significant investment. Through the long-term plan, we have significantly increased our budget and there are many calls on that, including, as we heard from the Opposition Front Bench, in terms of junior doctors' pay and other issues. Of course these things need to be looked at in the round, but I am always keen to discuss with Treasury colleagues what more can be done.

Suzanne Webb (Stourbridge) (Con): I thank the Secretary of State for the excellent news about the national targeted lung cancer screening programme. As an ex-smoker, I welcome any intervention and the focus on prevention. When I gave up smoking, it was chewing gum and fizzy drinks that got me through. Today, it is vapes. My concern is that young children are using vapes in the first instance, without having smoked, which can lead them to go on to smoke. Will my right hon. Friend join me in welcoming the recent crackdown on marketing vapes to children and the new illicit vapes enforcement squad, which will clamp down on online shops selling illicit vapes to under-18s?

Steve Barclay: My hon. Friend raises an important and topical point. The chief medical officer estimates 50,000 to 60,000 smokers a year may potentially give up through vaping, which is something the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Harborough (Neil O'Brien), is particularly focused on. However, there is a marked distinction between vaping as a smoking cessation tool and vaping products that are targeted at children, which is why we have both toughened the approach and closed some loopholes. A call for evidence closed a couple of weeks ago and we are looking at what further measures we can take.

Sir Simon Clarke (Middlesbrough South and East Cleveland) (Con): I warmly welcome today's announcement, and know people across Middlesbrough South and East Cleveland will do likewise. Across Teesside, a targeted lung health check programme has been running for over a year, led by the extraordinary Jonathan Ferguson, who is the clinical lead at the outstanding James Cook University Hospital in my constituency. The programme identified a curable cancer every two days, through scanners operating 12 hours a day, 7 days a week, from mobile units in supermarket car parks. As the new programme is established and proves its value to millions of people across the country, will my right hon. Friend commit to speaking to Mr Ferguson, who has valuable practical lessons about how the pilot has worked on Teesside, which could benefit many other communities?

Steve Barclay: I welcome the work that Mr Ferguson and those at James Cook University Hospital have been doing on the programme. We would be very keen to learn from any experience that they have to share. My right hon. Friend also draws attention to the innovative ways of working that are being piloted, including using scanners for 12 hours a day and looking at how they can operate in different ways. That is what this programme is about: delivering far better patient outcomes, much earlier detection and, as a result, far longer survival for those who otherwise may not have realised they have lung cancer and would have been diagnosed at too late a stage.

BILL PRESENTED

RELATIONSHIPS AND SEX EDUCATION (TRANSPARENCY) BILL

Presentation and First Reading (Standing Order No. 57)

Miriam Cates presented a Bill to make provision to require the sharing with parents and guardians of copies of materials used in relationships and sex education lessons in schools in England; to prohibit schools in England from using externally produced teaching resources for relationships and sex education that have not been published; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 24 November, and to be printed (Bill 334).

Points of Order

5.55 pm

Sir William Cash (Stone) (Con): On a point of order, Madam Deputy Speaker. Is it possible, as I believe it is, for a Bill of the importance of the Relationships and Sex Education (Transparency) Bill to be printed after it has been drafted by the Public Bill Office? That sometimes happens. As it is such an important Bill, I thought I would draw the House's attention to that fact.

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Gentleman for his point of order. It might come as a surprise to any casual observers of our proceedings that a Bill, when formally presented, as the Bill has just been, might not be printed. There is probably a general assumption that, when a Bill is presented, it will be printed. The hon. Gentleman is suggesting that not all Bills that are formally presented are in fact printed, so I say to him that I will look into the matter.

Mr David Davis (Haltemprice and Howden) (Con): On a point of order, Madam Deputy Speaker. I apologise for raising the question of the accountability of the Home Office yet again. Like many colleagues, there are two locations in my constituency where there are 100 or so illegal migrants. So be it—we all have to carry our burden—but I have just heard that one of them will be doubled in size. When I attempted to find out from the Home Office what is planned, officials told me that they could not let me know for a week. When I went back and said that that was not good enough, they said that they would let me know as soon as possible, but it would be days. Can you give me guidance, Madam

Deputy Speaker, as to what I can do to accelerate the response time of officials at the Home Office, so that they are doing their jobs?

Madam Deputy Speaker: I thank the right hon. Gentleman for his point of order. As a constituency MP, I find myself in precisely the same position as him—almost exactly as he has just related. I wish I had an answer to his question that I could give him from the Chair, but I do not. He has raised a very important point. I fully appreciate it, as do my constituents, and I will endeavour to find an answer for him.

FINANCIAL SERVICES AND MARKETS BILL: PROGRAMME (NO. 3)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Financial Services and Markets Bill for the purpose of supplementing the Order of 7 September 2022 (Financial Services and Markets Bill: (Programme)) as varied by the Order of 22 September 2022 (Financial Services and Markets Bill: (Programme) (No.2)):

Consideration of Lords Amendments

(1) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion three hours after their commencement.

(2) The Lords Amendments shall be considered in the following order: Lords Amendments 7, 10, 36, 1 to 6, 8, 9, 11 to 35 and 37 to 86.

Subsequent stages

(3) Any further Message from the Lords may be considered forthwith without any Question being put.

(4) The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—(*Ruth Edwards.*)

Question agreed to.

Financial Services and Markets Bill

Consideration of Lords amendments.

Madam Deputy Speaker (Dame Eleanor Laing): I must draw the House's attention to the fact that financial privilege is engaged by Lords amendment 35. If Lords amendment 35 is agreed to, I will cause the customary entry waiving Commons financial privilege to be entered in the *Journal*.

Clause 25

REGULATORY PRINCIPLES: NET ZERO EMISSIONS TARGET

5.58 pm

The Economic Secretary to the Treasury (Andrew Griffith): I beg to move, That this House disagrees with Lords amendment 7.

Madam Deputy Speaker (Dame Eleanor Laing): With this it will be convenient to discuss:

Government amendments (a) to (c) in lieu of Lords amendment 7.

Lords amendment 10, and Government motion to disagree.

Lords amendment 36, Government motion to disagree, and Government amendment (a) in lieu of Lords amendment 36.

Lords amendments 1 to 6, 8, 9, 11 to 35 and 37 to 86.

Andrew Griffith: I am delighted to speak again to the Bill, following its passage through the other place. I thank my colleagues, Baroness Penn and Lord Harlech, for their expert stewardship of the Bill, as well as the Opposition spokespeople for their generally constructive tone.

Hon. and right hon. Members will be aware that the Bill is a crucial next step in delivering the Government's vision of an open, sustainable and technologically advanced financial services sector. Members will also recall that this sector is one of the crown jewels of our economy, generating 12% of the UK's economic activity and employing 2.5 million people in financial and related professional services. Few constituencies will be untouched by those jobs and economic benefits. For example, Scotland benefits from £13.9 billion of gross value added and an estimated 136,000 jobs.

The Bill seizes the opportunities of Brexit, tailoring financial services regulation to UK markets to bolster the competitiveness of the UK as a global financial centre and deliver better outcomes for consumers and businesses.

The Bill repeals hundreds of pieces of retained EU law relating to financial services and gives the regulators significant new rule-making responsibilities. These increased responsibilities must be balanced with clear accountability, appropriate democratic input, and transparent oversight. There has been much debate in this House and in the other place about how to get that balance right. As a result of the considered scrutiny, the Government introduced a number of amendments in the Lords that improved the Bill in this regard.

Lords amendments 32 to 34 require the regulators to set out how they have considered representations from Parliament when publishing their final rules. Lords amendments introduced by the Government require the regulators to report annually on their recruitment to the statutory panels, including the new cost-benefit analysis

panels created by the Bill. The amendments also require the Financial Conduct Authority and the Prudential Regulation Authority to appoint at least two members of authorised firms to their CBA panels. This will ensure that their work is informed by practical experience of how regulatory requirements impact on firms. My hon. Friends the Members for North East Bedfordshire (Richard Fuller), for North Warwickshire (Craig Tracey) and for Wimbledon (Stephen Hammond) may recognise that amendment and I thank them for their efforts to ensure that the Bill delivers proper accountability.

Amendments from the Government also provide a power from the Treasury to require statutory panels to produce annual reports. The Treasury intends to use this power in the first instance to direct the publication of annual reports by the CBA panels and the FCA consumer panel. I hope the hon. Member for Blaenau Gwent (Nick Smith) will welcome this as he tabled a similar amendment on Report.

Lords amendment 37 will enhance the role of the Financial Regulators Complaints Commission, which is an important mechanism for raising concerns about how the FCA, the PRA and the Bank of England carry out their functions. The amendment requires the Treasury, rather than the regulators themselves, to appoint the complaints commissioner, significantly strengthening the independence of the role.

In response to a debate in this House, the Government amended the Bill to introduce a power in clause 37 for the Treasury to direct the regulators to report on various performance metrics. On 9 May, I published a call for proposals, seeking views on what additional metrics the regulators should publish to support scrutiny of their work, focused on embedding their new secondary growth and competitiveness objectives. We have already had a number of helpful responses and we will come forward with proposals at pace following the expiry of the deadline next week. To further support that, Lords amendment 6 requires the FCA and the PRA to publish two reports on how they have embedded those new objectives within 12 and 24 months of the objectives coming into force. Taken together, these are a significant package of improvements to hold the regulators to account.

I know that access to cash is an issue of huge importance to many Members on both sides of the House. Representing the rural constituency of Arundel and South Downs, where the constituents are older than the UK average, this has always been at the forefront of my mind during the passage of the Bill. I also pay tribute to the campaigning work done by the *Daily Mail* and the *Daily Telegraph* on behalf of their readers as well as by groups such as Age UK and the Royal National Institute of Blind People.

Let me be clear: the Government's position is that cash is here to stay for the long term. It provides a reliable back-up to digital payments, can be more convenient in some circumstances, and many, particularly the vulnerable, rely on cash as a means to manage their finances. The Bill already takes significant steps forward in protecting the ability of people and businesses across the UK to access cash deposit and withdrawal facilities for the first time in UK law. I am pleased to report that we have gone even further and introduced Lords amendments 72 to 77, which will protect people's ability to withdraw and deposit cash for free. The amendments will require the FCA to seek to ensure reasonable provision of free cash access services for current accounts

[*Andrew Griffith*]

of personal customers. This will be informed by regard to a Government policy statement, which I expect to publish no later than the end of September.

Many Members are concerned about the separate issue of face-to-face banking. The FCA already has guidance to firms around the closure of bank branches and I hope that they and the industry will listen to the concerns of Members on behalf of their constituents on that issue.

Many Members across the House will have experienced the disproportionate application of rules requiring enhanced due diligence for politically exposed persons—PEPs. They and their families should not face some of the challenges and behaviours by banks that I have heard about. The Government are taking action to ensure that PEPs are treated in a proportionate manner. Lords amendment 38 requires the Treasury to amend the money laundering regulations to explicitly distinguish between domestic and foreign PEPs in law.

Peter Grant (Glenrothes) (SNP): Will the Minister be more explicit as to what the close associates of domestic PEPs might include? Will it include, for example, somebody who has been elevated to the Lords by a former Prime Minister against the advice of the security services?

Andrew Griffith: In the interests of making progress on this substantial Bill, I shall not be tempted to comment on this further other than to say that I undertake, as I have to many other Members, to look very closely at that issue. For example, if by “associates” we mean either the adult children of people who have no real connection to the business that happens in this House, or family businesses that, again, are not directly connected to those who have put themselves forward for public service, I shall look closely at that. That is why we have tabled the amendments.

Lords amendment 39 requires the FCA to conduct a review into whether financial institutions are adhering to its guidance on the treatment of PEPs, and to assess the appropriateness of its guidance in light of its findings. Together, the amendments will lead to a change in how parliamentarians and their families experience the regime, and I am confident that they will be welcomed by all.

I will now set out the Government’s response to the non-Government amendments made in the Lords. The Bill introduces a new regulatory principle requiring the regulators to have regard to the Government’s net zero emissions target. Lords amendment 7 seeks to add conservation and the enhancement of the natural environment and other targets to this regulatory principle. The Government cannot accept the amendment as drafted, which is very broad and open to interpretation. The regulators must balance their objectives carefully, and they have a very important job to do. At a time when the Bank of England is rightly occupied by getting a grip on inflation, and the FCA is dealing with a range of challenges including working with lenders to ensure that there is support in place for those experiencing increases in mortgage interest rates, we must not overburden them with other considerations, particularly when they are vague or of uncertain relevance.

Philip Dunne (Ludlow) (Con): My hon. Friend is making a very clear exposition of the Government’s position on the Lords amendments. On replacing Lords amendment 7 with a Government amendment, will he make it clear, for the benefit of the House and the other place, that his proposal is both effective in law and will give effect to the substance of what their lordships were seeking, which is that nature should be a key responsibility under the Bill?

Andrew Griffith: I give my right hon. Friend that assurance. This is not about a different destination; the Government have a proud record of action on net zero, on nature and, as we will come on to talk about, on deforestation. This is simply the best mechanism by which we can get from here to there. It builds upon the well-defined targets set in the groundbreaking Environment Act 2021, and in so doing produces something that we think regulators can advance while giving the right clarity to those objectives.

Lords amendment 36 seeks, laudably, to require financial services firms to introduce a due diligence regime to ensure that they do not support illegal deforestation in their activities. I see no fundamental conflict between having a vibrant, competitive, world-leading financial services sector and taking the very toughest approach on deforestation. The House considered a similar amendment from my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) on Report. As I set out then, the Government fully support the intention behind the amendment, but further work is needed to ensure that a practical regulatory framework can adequately address this important topic.

I am grateful for the work of the Global Resource Initiative and in particular for its May 2022 finance report, which directly addresses these issues. The GRI talked about the need to take a staged approach and said that further work would be needed to come forward with a set of detailed standards and due diligence requirements to prevent the financing of forest risk commodities. Any intervention must therefore be scoped in detail and ensure that the UK moves in lockstep with international partners to ensure the true effectiveness of the regime in tackling the scourge of financing illegal deforestation.

The GRI report acknowledged that the well-developed work of the task force for nature-related financial disclosures, TNFD, will be increasingly important, especially as it has now included recommendations on deforestation in its draft standards. That is an organisation that the UK Government support and have provided finance to, and it is supported by the finance leaders of both the G7 and G20.

Philip Dunne: My hon. Friend is being very generous with his time. Without wanting to pre-empt the work of the Environmental Audit Committee, which is doing an inquiry into the whole subject of financing deforestation and what this country can do, I congratulate him on the amendment he has tabled in lieu of the Lords amendment. I think his amendment will do precisely what our Committee is likely to call for when we report in a few weeks’ time.

Andrew Griffith: I thank my right hon. Friend for his work and the work of his Committee, and for being so kind as to suggest that we may be anticipating his conclusions—not that I had prior knowledge of them.

The important thing, a point made well by my right hon. Friend the Member for Epsom and Ewell, is that we get on and do this from a practical perspective. We have committed to convening a series of roundtables during the remainder of 2023, which will form the basis of a taskforce to drive forward the work of that important review and support the development of clear due diligence standards.

Chris Grayling (Epsom and Ewell) (Con): I am grateful for how my hon. Friend the Minister has picked up the agenda and moved forward, following pressure both in this House and in the other place. The key to the taskforce that he is establishing is that it delivers not just a direction of travel but tangible recommendations on monitoring a system of due diligence, in a form that is actionable by the Government and by Parliament. Will he give that mandate to those he puts in to the taskforce for the job that he expects them to do?

Andrew Griffiths: I would love if it “Action” were my middle name. Certainly, my right hon. Friend has that commitment from me and from Baroness Penn, who leads on green finance. The whole purpose of the taskforce is to drive forward action and support the development of clear due diligence standards. That is the important unlocking that we seek. We commit to doing that against a genuinely ambitious timeframe of just nine months following the first relevant regulations under the Environment Act 2021 being made. Those are important, as they are the starting point, but we will not sit idly by; once the Bill receives Royal Assent, that work can happen quickly. I pay tribute to him for his consistent work in this area and for raising the matter throughout these debates, and I hope he recognises the Government’s dedication to tackling illegal deforestation through our amendment.

6.15 pm

Finally, I will speak to Lords amendment 10. The Government of course support targeted action on financial inclusion, such as the unprecedented action we have taken in this Bill to protect free access to cash. However, we do not feel we can support this amendment. It would not be appropriate to change the regulators’ objectives, which are central to the way financial services operate in the UK, at short notice—this amendment came late in the stages of the Bill—and without the appropriate consultation. Doing so would expose the firms regulated by the FCA to uncertainty.

Financial inclusion is a much broader social policy issue, and the FCA confirmed in its evidence to the Bill Committee, on which I and the hon. Member for Hampstead and Kilburn (Tulip Siddiq) sat, that it feels it is already able to take action to promote financial inclusion, where appropriate, within its existing remit. Furthermore, the FCA’s new consumer duty comes into force in just a few weeks’ time, on 31 July. The duty seeks to set a higher and clearer standard of care that firms owe their customers, and includes a new principle requiring firms to act to deliver good outcomes for customers. It is important that the sector is given the opportunity to embed those profound new requirements and that time is taken to consider their effectiveness. I therefore ask the Opposition to join me in giving the sector that time, and I hope that the House will accept the Government’s motion to overturn Lords amendment 10.

This Bill and the Government’s amendments made in the Lords make important changes to ensure that the legislation delivers the Government’s ambitious vision for the future of the UK’s financial services sector and reflects the comprehensive scrutiny of the Bill in both Houses. I hope the House will approve the Government’s motions.

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thank the Lords for their work in considering this important Bill. In particular, I thank Lord Tunncliffe, Lord Livermore and Baroness Chapman, who led for the Opposition in the relevant debates. I also put on record my thanks to the Minister and his office for briefing me and my office in good time on the Government amendments.

The Labour Party supports the various amendments tabled by the Government in the other place; they represent an important step in supporting the City to take advantage of opportunities outside the EU, whether that is creating a welcoming environment for fintech or unlocking capital in the insurance industry for investment in infrastructure through the reform of Solvency II. In particular, we welcome Lords amendments 6, 11 and 16 to 25, which strengthen the accountability of the FCA and the PRA.

This Bill facilitates an unprecedented transfer of responsibilities and powers from retained EU law to the regulators. We recognise that in this new context it has never been more important that the FCA and the PRA are appropriately held to account by democratically elected politicians. That is why Lords amendments 16 to 23 are so important to ensure that Parliament can take full advantage of the expertise in the other place when assessing the effectiveness of regulators.

However, accountability cannot be left to Parliament alone. That is why we support the principle behind Lords amendment 11, which will require the regulators to set out the process for how consumer groups and industry can make representation to review a rule that they believe is not working. We must ensure that regulation works for both consumers and the financial services sector. We also support Lords amendment 6, which will require the FCA and the PRA to report after 12 and 24 months on how they have complied with their duty to advance the secondary competitiveness and growth objective. However, as I am sure the Minister will agree, that new requirement must not detract from the regulator’s primary duties of promoting financial stability and consumer protection. As the banking turbulence of recent months has reminded us all, the success of the City depends on the UK’s reputation for strong regulatory standards.

I turn now to Lords amendments 72 to 77. I am delighted that, after months of voting against Labour’s amendments to protect free access to cash, the Government have finally U-turned. I congratulate in particular my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on all her tireless campaigning on that topic. It was her determination that got us over the line.

If you will indulge me for a minute, Madam Deputy Speaker, I wish to send my condolences to my hon. Friend. I pay tribute to her sister, who was the first female secretary-general of the Labour party and an inspiration to many young women across the party.

[Tulip Siddiq]

Lords amendments 72 to 77 are especially important because they will ensure that millions of people across the country who rely on free access to cash will not be cut off from the goods and services that they need. However—the Minister will have anticipated this—I am disappointed that the amendments will do nothing to protect essential face-to-face services. Analysis published by consumer group Which? found that over half of the UK's bank and building society branches have closed since January 2015—a shocking rate of about 54 closures each month—which risks excluding millions of people who rely on in-person services for help with opening new accounts, applying for loans, making or receiving payments, and standing orders.

Alison Thewliss (Glasgow Central) (SNP): The hon. Lady is making an excellent point on bank closures. Even in urban constituencies such as mine, banking closures are forcing people into the city centre to get their cash. The Albert Drive branch in Pollokshields is the latest closure proposed by the Bank of Scotland. Does she agree that such closures are very difficult for many communities to bear?

Tulip Siddiq: It is a similar story across my constituency. A Labour Government would give the FCA the powers it needs to protect essential in-person banking services, which would help a lot of the constituents the hon. Lady is talking about.

To be clear to the Minister, Labour is not calling for banks to be prevented from closing branches that are no longer needed. We recognise that access to face-to-face services could and should be provided increasingly through banking hubs, be they delivered at the post office, in shared bank branches or by other models of community provision. But so far, only four hubs—I repeat: only four—have been delivered. [Interruption.] The Minister is indicating that there are six, which I do not think is a massive improvement, but I will take it. Six banking hubs have been delivered, about which he seems very proud. Figures from LINK reveal that only a further 52 hubs are in the pipeline. On top of that, many of those planned banking hubs will not even provide the essential in-person services that I am speaking about, so although we welcome the progress made in Lords amendments 72 to 77, there is a lot more to do to ensure that no one is left behind.

I am disappointed that the Government have decided not to back Lords amendment 10 on financial inclusion, for which my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) has been a powerful advocate. The amendment is an important opportunity to rethink fundamentally how financial resilience, inclusion and wellbeing issues are tackled in the UK, and to empower the FCA to confront issues such as the poverty premium—the extra costs that poorer people pay for essential services such as insurance, loans or credit cards.

Although I agree with the Minister that financial inclusion is a broader social policy issue, I do not believe that that is a legitimate argument for rejecting the Lords amendment fully. As the Treasury Committee found in its report last year:

“The regulations made by the FCA, and the manner in which it supervises and enforces those regulations, could have a significant impact on financial inclusion”.

such as restricting the practice of charging the poorest in society more for paying insurance in monthly instalments. That is why the Labour party will vote for Lords amendment 10.

Finally, I will address Lords amendment 5 on sustainability disclosure requirements, and the Government amendments tabled in lieu of Lords amendment 7 on expanding the regulatory principle on net zero emissions, and in lieu of Lords amendment 36 on forest risk commodities. We welcome once again that the Government have finally U-turned and acknowledged concerns that our regulatory system must play a role in protecting nature and ending deforestation. However, as I am sure the Minister will agree, that can only be the first step in ensuring that the transition to net zero and the protection of nature are primary considerations across the financial system. The Treasury's review of deforestation must be meaningful and put forward concrete proposals. The Government cannot continue to kick the can down the road.

Similarly, although we welcome the new requirements in Lords amendment 5 for the FCA and PRA to have regard to the Treasury's sustainability and disclosure requirements policy statement, we have been calling on the Government to move on that for months. Even now, the Government have yet to confirm the date on which the sustainability disclosure requirements will be introduced. We need clear timing and direction so that we give businesses the confidence to invest and do not undermine their certainty.

The Labour party will support the amendments. As I am sure the Minister knows, I will continue to hold him to account on his actions regarding green finance, financial inclusion and in-person banking services.

Dame Andrea Leadsom (South Northamptonshire) (Con): May I start by sending my condolences to my fellow Treasury Committee member, the hon. Member for Mitcham and Morden (Siobhain McDonagh)? Her sister will be greatly missed by Members across all parties.

I am delighted at the Bill's progress. I congratulate my hon. Friend the Minister on all his work in taking into account the views expressed across the House. Of course, the existence of the Bill is a huge Brexit dividend in itself, enabling us to deregulate while strengthening financial services in the UK, which is in the top two financial services sectors in the world and creates up to 2 million jobs right across the UK.

So far, the Treasury Committee has proven to be a good overview body for the financial services and markets regulation that is coming back to the UK. That Committee has done a great job, and I can say that without appearing to boast because I was not on the Committee when it did that scrutiny. We have done a good job, and the Treasury Committee will continue to be the right place to provide the scrutiny and checks and balances that will always be needed in the financial services sector.

I point out, however, that their lordships need carefully to consider their approach to the Bill. Far from enabling us to seize the opportunity and recapture the initiative, they seem to be trying to over-burden the regulators, pinning them down with reports and further obligations and duties that would militate against the UK continuing to be one of the most successful places on earth for financial services.

Peter Grant: As a counter to that point, is the right hon. Lady as concerned as I am about the fact that, as well as being a successful breeding ground for financial services businesses, the United Kingdom is now seen worldwide as one of the best places to commit financial fraud?

Dame Andrea Leadsom: The hon. Gentleman raises an extremely important issue. He will know that huge efforts are being made to clamp down on financial fraud. It has been an insoluble issue over many decades, and of course, with advances with technology and so on, scammers and financial fraud continue to be a big problem, but that does not detract from the fact that the UK is hugely successful in financial services. I predict that the UK will also be hugely successful in green financial services around the world, enabling the net zero transition to take place using UK expertise and exports in that crucial area.

I was delighted to see the new competitiveness and growth objective, and that the PRA and FCA will be required to provide reports on how well it is being addressed. The Treasury Committee has taken evidence from both organisations, which welcome the opportunity to focus not just on stability but on how it affects our competitiveness around the world. That is important and represents a big opportunity for UK plc.

The complaints function is a great initiative that will definitely address the absolutely valid concerns of so many constituents across the UK about the poor behaviour in some of the responses to inquiries led by the FCA or the PRA. That independent, Treasury-led complaints function will be very important.

It is vital that my constituents in South Northamptonshire can have access to cash, so I am delighted that an obligation to ensure that that remains the case will be enshrined in this legislation. I share the concerns of the hon. Member for Hampstead and Kilburn (Tulip Siddiq) about the closure of banks. The Government initiative to create a new arrangement for post offices to provide “the last bank in town” services was a good one. I wonder whether over time we can expand that, because the loss of banks continues to be a big issue.

6.30 pm

Finally, I want to raise the issue of politically exposed persons, which I am glad the Bill is addressing. There are enough drawbacks to taking on a life of public service without them being added to by finding that our adult children—as is the case with my kids—struggle to open a bank account on the grounds of having a mother who is in politics. That really is not fair. The Government need to do everything possible to ensure that the very real need to protect politically exposed persons does not extend to their offspring, who have got absolutely nothing to do with it. Overall, I think this is an excellent Bill, and I look forward to supporting the Government.

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

Peter Grant: As has been said throughout the passage of the Bill, our chief concern has always been that too many provisions in it do not go far enough. I am pleased to say that the other place has tightened up

some aspects of the Bill. It is disappointing that this evening the Government seem determined to oppose some amendments that could have addressed more of our concerns and, in at least one case, seem determined to make an amendment that makes things even worse.

In the interests of brevity, I will not go through all the Lords amendments that the Government are happy to accept; I ask Members to take those as read. The first Government proposal that I have some concern about is their motion to disagree with Lords amendment 7. I appreciate that they have tabled alternative amendments, which they might think say pretty much the same thing or better, but Lords amendment 7 explicitly refers to targets set by any of the UK’s national Parliaments. They are not mentioned anywhere in the Government’s amendment (a) in lieu. I hope the Minister can explain why the Government are opposed to giving targets set by the devolved nations of this Union of equals the same status as those set in this place, because some of those targets and activities will relate to responsibilities that are explicitly devolved to one or more of the other nations of the United Kingdom. It does not seem very equal that some Parliaments can have their targets effectively regulated and others cannot.

I do not have any issue with Government amendments (b) and (c) in lieu of Lords amendment 7, although it seems strange that they have been tabled as alternatives, because they are entirely compatible with it. In fact, the Government could quite easily have tabled them in the Lords at the time.

As was said by the Opposition spokesperson, the hon. Member for Hampstead and Kilburn (Tulip Siddiq), Lords amendment 10 is a good amendment. I do not understand why the Government want to take it out. Are they against financial inclusion? If they think that financial inclusion is a good idea but that this amendment is not best way to pursue it, I would remind them that they have had months to come up with a better amendment. “Take it back, don’t agree it just now, and we promise to bring something back in the near future.” However, we have been promised effective measures on financial inclusion since before I was a Member of this place, but it has not happened yet, and the problem is getting worse all the time.

To answer the right hon. Member for South Northamptonshire (Dame Andrea Leadsom), it is all very well for the Government to find ways to make post offices the last bank in town, but they are being shut left, right and centre as well, so there is no long-term protection for access to cash, especially in our poorest and most deprived communities, of which I represent more than my fair share. It is no comfort to them to be told, “The bank has closed, but you can use the post office,” if, as I have seen happen literally at the same time, the Post Office is saying, “We’re going shut the post office, but you can still use the bank.” That does not give any protection or comfort whatsoever.

Lords Amendment 36, on illegal deforestation and so on, is also a good amendment that we would have supported. We are willing to accept the Government alternative as an improvement in some regards. The biggest concern we have—it is one on which we would very much want the opportunity to give the House the chance to express its will this evening—is about one of the crazy ways in which this place deals with things, especially once legislation has been back and forth

[Peter Grant]

between here and the Lords. If this House wanted to disagree with Lords amendment 38, as I think quite a few of us will, we will not be allowed to do that unless the debate finishes within three hours. The ability of the democratically elected House of Commons to scrutinise and perhaps overturn a decision taken by the undemocratic, unelected House of Lords along the corridor therefore depends on how many people want to speak, how long they want to speak for, and how fast they want to talk.

Lords amendment 38 is about politically exposed persons and the way they are risk-assessed in relation to money laundering. It makes a very broad assumption about the amount of due diligence that needs to be exercised to prevent money laundering in the case of a politically exposed person from the UK—someone who, in the words of the amendment, is

“entrusted with prominent public functions by the United Kingdom”.

The assumption is that they are always less of a potential money laundering risk, as are their family and “close associates”, whatever that means. That is far too broad and sweeping an assumption.

I do not have an issue with any regulation being worded in a way that is proportionate to the risk, and I can understand the attraction of being able to designate some individuals as less of a risk than others, but this exemption is far too sweeping. What do we mean by “entrusted with prominent public functions”? As we all know, we have had very recent examples of people who were entrusted with the most prominent public function of all—the office of Prime Minister—turning out to be totally untrustworthy. How do we define a “close associate”? Would, for example, Evgeny Lebedev have been regarded as low risk simply because he could accurately have been described as a close associate of the then Prime Minister, who himself has turned out, as the House now agrees, to have been untrustworthy? When is a close associate not a close associate?

Chris Grayling: I want to probe a little on this. Would the hon. Gentleman classify somebody who, for example, gave a parking space to a camper van as a close associate?

Hon. Members: Aah!

Peter Grant: I think that both that intervention and the muttering from a sedentary position on the Treasury Bench give an indication of just how seriously this Government take money laundering. Perhaps we can all speculate as to the reasons why.

We are not against the idea that any regulation should be applied proportionately, but it is too sweeping a generalisation to say that, because of someone’s job or who they know, they somehow become less of a risk. Let me give just one example. Would Baroness Mone of PPE Medpro have been regarded as being at low risk of anything because she was a Member of the House of Lords and a one-time Government envoy?

Mr Deputy Speaker (Mr Nigel Evans): Order. I gently remind the hon. Member that we are not allowed to directly criticise Members of the House of Lords by name.

Peter Grant: I stand corrected, Mr Deputy Speaker. Unless I said more than I intended to, I think I was asking a question; I was not expressing an opinion.

Let us not forget that over the last 10 to 15 years a huge amount of dirty money from Russia and other former Soviet republics has been laundered into the United Kingdom by people who, at least financially and in terms of their donations, were very closely associated indeed with leading politicians. It has to be said that, had Putin not carried out a second invasion of Ukraine last year—if he had been satisfied with the original illegal activity in Ukraine 2014—that money would probably still be coming in, because the Government only moved in a big way on dirty Russian money after the second invasion of Ukraine. They did not do anything, or anything like enough, in 2014 or afterwards, so we have to ask whether they are really serious about cutting off this dirty Russian money at source and handing it back to the people that it was originally stolen from.

I thought it was quite interesting that the Minister said that it was a bad idea to agree Lords amendment 10, to improve financial inclusion, at such a late stage, when the Government are happy to accept Lords amendment 38, to weaken our defences against money laundering, at the same late stage. That may give an indication of what the priorities might be of people who wield a lot of influence over the Government—maybe not the Minister’s own priorities.

As I have said, we in the SNP continue to support the Bill. Our concerns on almost all counts have been in areas that did not go far enough, such as the accountability of the regulators—the Financial Conduct Authority, for example. My issue is that the regulators have not been held properly to account for the myriad times they have failed to regulate and have simply not protected the public and investors. Other authorities have not protected pensioners. We can look at Blackmore Bond, London Capital and Finance, Premier FX, the British Steel pension scheme, the AEA Technology pension scheme, and hundreds of other financial scandals that were allowed to happen—or certainly allowed to happen as badly as they did—because the regulators did not do the job they were set up to do. They should be held accountable to this place and to the public for their failures to regulate. I am concerned that if we tie them up with too much regulation about how they regulate, and if they are worried about being dragged into Parliament or politically overruled when they do regulate, there is a danger that they will start to lose their independence from political interference, without which no regulator on these islands can ever be effective.

It is disappointing that the Government seem determined to reject some Lords amendments that would have made the Bill better, and to push through at least one that will significantly weaken it. It would be sad indeed if this elected Chamber were not allowed to express its will on whether amendment 38 makes the Bill better or worse. I for one believe that it makes it worse, and I hope we will be able to divide the House on it tonight.

Chris Grayling: I find it slightly ironic that I am following an SNP spokesman demanding more action on financial fraud, but there is always a place for a bit of amusement in the House. I will focus my remarks on the issue of deforestation.

Peter Grant: I am absolutely confident that the Scottish National party Westminster group will submit clean audited accounts to the Electoral Commission before the deadline. Is the right hon. Gentleman aware that the Conservative party parliamentary group will not?

Chris Grayling: I think I may have touched a slightly raw nerve there, Mr Deputy Speaker.

First, I am personally grateful to the Minister, who has been extremely responsive on an issue that is crucially important, not just to the future of this country but the future of our planet. The loss of forest cover around the world—cleared for the growing of soy, the planting of palm oil plantations and beef cattle ranching—has been ecologically disastrous for the planet. Of course, in many of those areas, it has not created sustained agricultural land, but land that has been used for a few years and is now lying semi-derelict.

One of the great challenges for us as a planet is to restore some of the land that has been lost and replant some of the forest that has been lost, but we cannot tackle this problem unless we bring it to a halt now, and in many parts of the world, there are still real issues with illegal deforestation to produce those products. As a Government, we have already taken steps that I think are pathfinders: the introduction of the Environment Act 2021 has set a path for dealing with forest risk products, particularly in the supply chain and our retailers. That was a positive step that I think will make a real difference, and I look forward to seeing that process completed through the secondary legislation that identifies the individual products we are tackling. Through his amendments, the Minister has clearly set that as a starting point for financial services as well.

However, there is now a broadening consensus about the need to extend the due diligence provisions that we have introduced for the retail sector to financial services. The financial sector is lending money to, investing in, and doing bond issues for international businesses that have sometimes done a good job of monitoring their supply chains, but other times simply do not do enough to protect the products they are sourcing from the risk of illegal deforestation. The Minister may reference the Global Resource Initiative work led by Sir Ian Cheshire, who has been a great champion of this issue, and the Minister was very right to have been willing to pick up the initiatives set out in that report.

It is also something that is increasingly backed by the financial sector itself. I do not believe there is any contradiction between a successful financial services sector and proper responsibility in key areas such as deforestation, and we now see that the GRI report and the direction of travel set out in Lords amendment 7 is attracting support from institutions, including well-known ones such as Aviva, that amount to nearly £3 trillion of funds under management. The support is there, and I am grateful to the Minister for picking up that initiative and being willing to run with it. My request of him is not simply that we get on with it; we need to ensure that what he has announced today does not end up as just another review. Governments have review after review—not all lead to action. I take the Minister at his word that he will make this a process of action, rather than simply a further stage of looking at the issues again.

6.45 pm

In particular, we need two things. The first is a framework for that due diligence: what do we expect the companies to actually do? My view is that they already do due diligence when they make investments. They check the solvency of the people they are lending to and all the different issues around the terms of the loan. This due diligence is an extra part of something they already do, rather than a completely new departure, but we need to set out in detail for the institutions that will be using the rules exactly what is expected in that due diligence.

We also need to establish exactly how those institutions will be held to account. I do not want a vast extra layer of bureaucracy; I want simple mechanisms that do not penalise the good guys who are doing the right thing, but that drive institutions to identify and deal with those who are not. Often, rules and regulations simply make life more complicated for the people who are doing the right thing, rather than tackle the people who do not do the right thing.

I very much welcome the amendments that are before the House tonight. I would have been pleased to see Lords amendment 7, which I tabled in the Commons on Report, included in the Bill as well, but the Minister has responded very promptly, very well and very thoughtfully on that issue. Taking all the steps that we can to prevent illegal deforestation is something that should unite us across the House. If we can create a financial services sector in London and across the UK that is an exemplar for the world, I think others will follow and we will make a real difference to the planet. As such, I am grateful to the Minister, and I am delighted to see these amendments before the House tonight.

Nick Smith (Blaenau Gwent) (Lab): I rise in support of Lords amendment 27. First, I thank the Ministers in this House and the other place for this important concession. I also express gratitude to those Members from all parties in this House and the other place who supported my campaign on this matter. We are all glad that there will be a mechanism for greater parliamentary oversight of our financial services regulators. The specialist insight from statutory panels on the performance of regulators will be invaluable, particularly on the Financial Conduct Authority's fulfilment of its all-important consumer protection objective.

To help take things further, I hope to meet the chair of the FCA consumer panel shortly. I will explain why the FCA's handling of the British Steel pension scheme in 2017 was so very disappointing. It is simple: the FCA faced the City of London, not the homes of vulnerable steelworkers in Ebbw Vale, Port Talbot and Scunthorpe. As parliamentarians, we found it hard to influence the dilatory regulator in support of our steelworker constituents, who deserved much better protection against the financial sharks.

Having said that, amendment 27—in addition to the FCA's new consumer duty—makes me a little bit hopeful that we will encourage the FCA to become more outward looking and capable of adapting to the changing needs of Britain's consumers. I am more optimistic that there will be a different way of working; that oversight and scrutiny will be embraced; and that scandals such as the British Steel pension scheme will not happen so easily again.

[Nick Smith]

However, our fight for the proper protection of consumers does not stop there. I declare an interest: the Labour Treasury spokesperson in the other place is my wife, Baroness Chapman. I will speak in support of Lords amendment 10, which she moved in the other place. Financial inclusion is crucial to the regulation of financial services, so I urge the Government to reconsider their opposition to that amendment. The design, marketing and administration of financial products and the quality of financial advice have a direct impact on whether vulnerable groups are properly included in our financial system.

Just last week, I met steelworkers who, once bitten, were twice shy about what to do next with their pension pots. They are smart and highly skilled, yet understandably they do not have the financial knowledge nor the right impartial support on their investment needs. Across our country, there is still the danger of millions like them being at risk of exploitation by bad actors in the financial sector. Financial inclusion should therefore be at the forefront of our regulatory framework. After all, consumers are our financial services sector. They need to have confidence in a regulatory framework that prioritises them and faith in our financial sector.

Duncan Baker (North Norfolk) (Con): I rise to support the Bill, and primarily to speak about access to cash and, therefore, my support for Lords amendments 72 to 77.

I have spoken many times in this place about banking provisions. I brought in a ten-minute rule Bill, the Banking Services (Post Offices) Bill, which the Government did not in the end take up. I have said time and again in this place that the UK is not ready to go cashless. That is why I am particularly pleased with the provisions in this Bill. The reasons for that are manifold. The elderly, the vulnerable and particularly those living in rural locations such as mine of North Norfolk simply rely on cash, and I think I can speak for many Members in the Chamber on that. If Members do not believe me, they have only to look at what the access to cash group said in its research, which is that 5 million adults would struggle without access to cash, and those are often the people on the lowest incomes and the tightest budgets.

Robin Millar (Aberconwy) (Con): My hon. Friend can add to that list residents in my constituency of Aberconwy who have seen the banks withdraw, first from the market towns and towards the coast, and then from coastal towns along the coast—a withdrawal only matched by their move online. Does he agree that this is a good move by the Government, and that it will be welcomed by many people specifically because it retains access to cash for those in societies, communities and demographics for whom cash is a crucial part of their everyday lives?

Duncan Baker: I am very happy to agree with my hon. Friend, but I want to go even further. Particularly in the rural and coastal areas he mentions, which is indeed the case with North Norfolk, access to cash is just not good enough. Yes, there are the provisions in the Bill, but we have to go even further. That is why I want to talk about the disgraceful attitude of the banks and what we can do about this through the advent of banking hubs.

Since 1988, some 14,000 bank branches have shut across the United Kingdom. There are only approximately 6,000 left, and what is even more worrying is the acceleration with which they are being shut. We heard the shadow Minister, the hon. Member for Hampstead and Kilburn (Tulip Siddiq), say that 54 branches continue to be closed every single month, and that accelerating trend is a particular worry. In my view, there is an absolute lack of corporate social responsibility from the big banks. Given that the UK taxpayer bailed them out in 2008 with such a high number that it is extremely difficult to ascertain what it is—in some cases, it was up to £1 trillion—I think it is particularly poor not to give a hoot about the people affected in these communities.

In my constituency, Lloyds bank, which announced about a month ago that it was going to embark on another wave of closures, is going to close not just one bank branch, but two. I cannot even begin to put into words how upset my constituents are about that, and I have had countless emails. Both at Cromer, which is on the north Norfolk coast and is visited by many thousands of tourists, and further inland at North Walsham, people will suffer a Lloyds bank closure and be left with one bank in the town.

Sara Britcliffe (Hyndburn) (Con): Does my hon. Friend agree that when we question why the banks are closing and ask them for evidence, some banks supply evidence from during the pandemic, when obviously banks were closed and not many people were able to access them?

Duncan Baker: My hon. Friend makes an extremely important point. So much of this research has been conducted during a window when, of course, footfall was incredibly low because the pandemic meant we were not able to go out and use our high streets in the same way. I think they have used that data to help extrapolate the views and opinions they want, and they then go on and close branches. That goes to the root of what they are doing.

These branches are simply saying, “Don’t worry. You can go online. Oh, there’ll be a community banker to help you. Of course, you can then go and use your local post office.” We know that, in so many communities up and down the land, that just is not appropriate. To take my constituency, I have the oldest cohort of individuals in the entire country: one third of people are over the age of 65. In some coastal towns, the vast majority of my constituents cannot go online, because in many cases they are in their 70s or older and such suggestions are just not appropriate. How can communities of 8,000 people in Cromer and of 13,000 people in North Walsham be left with one bank? The other point not taken into consideration is the expansion of these towns. Under the local plan, North Walsham will see at least another 2,500 homes built over the next decade. The banks take no account whatsoever of the increase in population, and therefore do not factor that into their numbers.

Banking hubs are often given as one answer. Of course, there are others. There is a notable case in Frome in Somerset, which is a similar scheme to a banking hub but is slightly different, and that was also reasonably successful. The big issue with all of this is the regulations on how to get a banking hub. I think we can already see that this is not working as well as it should if only six have opened so far. The criteria include that people

have to wait until the last bank in town shuts before they are eligible to have a hub. To me, the rigidity of that structure does not work. We have different sized towns, different sized populations, different age cohorts and towns that are miles away from the nearest bank, so how on earth can certain towns be using that rigid structure? It does not seem right to me. I ask the Minister to keep under review how the banking hub solution, which is being run in conjunction with Link, is being operated. It seems that it is not working well.

The Minister is a really good man. He has met me many times to talk about this issue, and he is certainly in listening mode. He could do a lot worse than dusting off my old Banking Services (Post Offices) Bill and having a look at it. The principle in that Bill was to look at the post office network—it has an 11,500-strong footprint—which I do not think we invest in enough. Instead of having a sweetheart deal between the Government and the banking institutions, let us regulate this with proper legislation saying that we will use our post office network and invest in it as the real future for banking. So many post offices could be banking hubs. It would give real solidity to the market and help many hard-working postmasters know what their future will be.

Finally, the Department for Levelling Up, Housing and Communities is sitting on £150 million in the community ownership fund. Why can we not have a special provision as part of that to give planning permission to buildings that can be used as banking hubs? Again, we could further accelerate the roll-out of these hubs. There is a bit of food for thought there, but I now want to close my remarks. I thank the Minister for listening, but please will he look at our banking hubs and the way they are working? I think we can do a much better job of it.

Sara Britcliffe: I agree with everything my hon. Friend the Member for North Norfolk (Duncan Baker) said.

I rise to speak in favour of amendments 72 to 77 on provision for access to cash. I, like many of my colleagues in this Chamber, understand the need of my constituents to have continued access to cash. This demand is concentrated in, although not exclusively restricted to, more disadvantaged groups who may still use cash for budgeting reasons or because they are not technologically literate.

That is why I have campaigned on this. In my constituency of Hyndburn and Haslingden, the number of free-to-use ATMs has fallen by nearly 40% since January 2021. Also, some towns in my constituency, including Great Harwood, have seen all their high street banks close, severely limiting access to cash compared with even a few years ago.

7 pm

We all understand the challenges. I have met with banks in my constituency and companies like LINK, and I am well aware that the long-term trends in digital payments and card payments are only going one way. But I strongly believe that even in the face of that evidence, we need to protect those individuals and businesses that still use cash.

I was a local business owner in Oswaldtwistle and we had to run between local businesses just to make sure we had the change we needed to run them. This is therefore very important, especially when the post offices close,

which happened in Oswaldtwistle. We must make sure that provision is still in place and is easily accessible, especially for the older residents who live in all our constituencies.

Recently, I have been talking to businesses in Great Harwood, where all the high street banks have closed and the impact of the lack of ATMs is severe, especially if a business is cash-only or its card facilities are down. I am speaking to LINK and trying to get a banking hub in Great Harwood, and I am feeding in the issues facing local businesses, some of whom must travel out of the constituency to Blackburn or to Mr Deputy Speaker's patch of wonderful Ribbles Valley.

That is why I welcome the Chancellor accepting the Lords amendments on free access to cash. Having spoken to people across my constituency, I know how important that is. It is great to see the Government standing up for those who would struggle were the stark decline in cash access to continue.

I thank the Minister for his engagement throughout the process. I warmly welcome Lords amendments 72 to 77.

Alun Cairns (Vale of Glamorgan) (Con): It is a privilege to have an opportunity to contribute on the amendments made in the other place. I want to speak briefly about the accountability and scrutiny of the regulators, and the crypto and digital assets recognition in the Bill.

Chapter 3 refers in general to the accountability of the regulators and amendments 6 to 9 refer to the obligation to promote growth. The amendments are extremely important and I welcome the Government's response to them and their setting the tone in accepting and working with such changes early on. International competitiveness is important for all our constituents. As Members have said, it is inevitable that consumer-focused elements in social media drive campaigns that rightly receive attention in the broader media, forcing change from regulators and established institutions, but the regulator must also strike a balance to ensure that businesses and the industry itself are internationally competitive. This is an important sector to the UK economy. As the Minister said in his introductory remarks, all constituencies will be affected by the Bill. There will be hardly a constituency that does not have someone employed in the sector, so amendments 6 to 9 on international competitiveness are important in striking the right balance between consumer demands for cash and ensuring that the sector is competitive so as to be sustainable over the long term.

Scrutiny and accountability of the regulators are also important. My right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom) complimented the Treasury Committee, and it is important to do so, but Select Committees have limited capacity to scrutinise the role of all regulators on all occasions. I should probably declare an interest as a member of the regulatory reform group that is working to reform the approach that regulators take, hence my comments on the international competitiveness of sectors in general. The regulatory reform group has highlighted that there could be a role within Parliament for a Joint Committee to scrutinise the activities of regulators, to ensure that measures such as the clauses on international competitiveness are lived up to and met.

[*Alun Cairns*]

Has the Minister formed a view about how the scrutiny referred to in the Bill can best be achieved, because clearly that will be not in the Bill but in regulations thereafter? It is up to the House to decide on how best to scrutinise this, but the Joint Committee as suggested by the regulatory reform group is a good starting point for the debate. Does the Minister recognise that there is a strong need for additional parliamentary scrutiny of the regulators, and not only in financial services, although this Bill enables him to comment on that sector? It is good to see that my hon. Friend the Member for Wimbledon (Stephen Hammond), who also sits on the regulatory reform group, is present. Brexit has provided a great opportunity to deliver for many of our constituents, but it can only do so if the regulators take a different, more proactive and positive approach to supporting industries, rather than, as some might say, restricting them, in addition to the excellent work done by the Treasury Committee and other Select Committees thereafter.

I turn to chapter 2 generally and clauses 21 and 22 and clause 65 referring to cryptoassets and digital assets and distributed ledger technology, or stablecoins as others would refer to them. The Minister will be aware that I have raised cryptoassets and digital assets on a number of occasions and called for strong direction. I pay tribute to the Government, as the Bill gives the framework for a clear policy direction so that regulators can rightly support and offer confidence to those getting involved in the sector. This is also an opportunity to start delivering on some of the calls made in the Kalifa review and to provide the certainty that many seek as they research cryptoassets, digital assets and distributed ledger technology. When can we look forward to the strong policy direction that we need to ensure that the UK is ahead of the curve in this sector and repeats the fantastic success that the fintech sector has had as a result of the clear policy direction and framework given in the past?

Stephen Hammond (Wimbledon) (Con): As many colleagues across the House have said, the Bill addresses one of our most important industries and therefore is one of the most important Bills we will be considering in this Session. At the outset the Government said their aim with the Bill was to make UK regulation appropriate and proportionate, to be internationally competitive, to boost growth and to enable better outcomes for consumers and business, and those themes come through strongly in the Lords amendments. I should have said at the outset that I refer the House to my entry in the Register of Members' Financial Interests.

It was a pleasure to serve on the Bill Committee, which the Minister conducted in a constructive way, listening to a number of comments about accountability and transparency, which I shall come on to later. In Committee we spent a lot of time discussing financial inclusion, and the hon. Member for Glenrothes (Peter Grant) was critical of the Minister and rejected the proposal for having arrived late. Actually, that guard for financial inclusion is already in the substance of the consumer duty being digested and implemented by the FCA. Much as I am sometimes cautious about what a regulator says, the fact of the matter is that the regulator says that it has those powers already.

I will not detain the House on the work that the Minister has done on deforestation, because my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) has spoken about that more eloquently. I ask the House to think carefully and to support the Government's amendments in lieu on the net zero objective, because the amendments in lieu sensibly ensure not only that the Bill builds on the Climate Change Act 2008 and the Environment Act 2021, but that regulators consider the exercise of their functions "relevant" to the making of such contributions. At I said at the outset, the Government intended the Bill to be both appropriate and proportionate, and for regulators conducting functions in this area, "relevant" seems to be a key point.

The Minister will know that throughout Committee, I was keen to discuss the secondary competitive objective and ensuring transparency and accountability. Throughout Committee, my hon. Friend the Member for North Warwickshire (Craig Tracey) and I raised issues about membership of panels, metrics and the need for reports, and I congratulate the Minister on listening, because, with some of the amendments that he proposed on Report and the tranche of Government amendments coming from the Lords, the Bill has a lot of good. Much as I agree with my right hon. Friend the Member for Vale of Glamorgan (Alun Cairns) that a Joint Committee of the House to scrutinise and hold the regulator transparent would be the perfect solution, I do not think we should let perfect get in the way of good, and there is a lot of good in this Bill, particularly with a number of the amendments that create a need for a report. I also congratulate the Minister on looking at the membership of panels. Far too often, there is a temptation of regulators to mark their own homework, and we must ensure that does not happen if the regulator is to be accountable and, therefore, regarded as effective.

It is clear that the secondary objective is a secondary objective, but if we are to have a thriving financial services industry in the future, this jurisdiction must enjoy international confidence and be internationally competitive. It has been said any number of times, but the costs of becoming a new entrant—with new applications, in some cases—are 14 times more than in other jurisdictions. That cannot be right. The movement in this Bill to sort that out and place a burden on the regulator for international competitiveness is key.

My final point, the Minister will not be surprised to hear, is that I am pleased to see what amendments 37 and 38 do. They seem utterly sensible and in line with the need, first, to be transparent, as in amendment 37, and secondly, to be appropriate and proportionate, as in amendment 38. When the Government produce the secondary legislation, I am keen that they define carefully the metrics for how the reports that the regulator produces are judged, to consist of operational effectiveness, the health of the market and the regulatory burden, as well as international comparisons, because that will be the key test of the Bill. I know he will take those things on board in future discussions. I look forward to supporting the Government this evening.

Anna Firth (Southend West) (Con): I rise to speak in support of Lords amendments 72 to 77, which seek to protect the right to free cash access services for customers. I thank the Minister very much for his hard work in

preserving this valuable resource and also for listening to and engaging with Back Benchers from all parts of the House.

7.15 pm

The amendments will be welcomed by my constituents in Southend West, where more than a fifth of the people I represent are over 65—that is well over 10,000 people—and more than 6% are over 80, which is significantly higher than the national average. I have a huge number of old people in my constituency who are heavily reliant on cash, which is why I have spoken up repeatedly on this issue. They are not unusual, however. We have heard other evidence, but if I may add some more, the FCA found in its 2022 “Financial Lives” survey that 6% of all adults in the UK used cash to pay for everything or most things over the 12 months from May 2021. That figure increases to 9% for the most vulnerable.

The most telling thing is that more than a fifth of over-65s used cash for almost all their payments, and 40% of over-65s did not bank online. It is vital that we protect this resource, which is fundamental to their daily lives. Cash is also important for businesses and charities across Southend West. Only this weekend I was at the brilliant Leigh folk festival—Glastonbury, eat your heart out; Members are all welcome next year—where people were brandishing their buckets for many charities and stalls, and people were putting cash in them.

My second and final point is on the loss of banking services, which underpins the need for Lords amendments 72 to 77. As the Minister knows, I have spoken many times about the loss of banking services and bank closures in Southend West. We have now lost every single one of our high street banks over the past four years. We are now left with just a Nationwide. There are none in Westcliff, none in Belfairs and none in Eastwood. People have to go five miles to the Metro in Southend. That is why we need access to cash, but we must recognise that banks are taking advantage of customers.

The interbank rate now is 5%. According to the Bank of England, instant access accounts, which are the ones that old people tend to use the most, are at 1.4%. That is a huge spread, and that is money that the banks are making and putting in their pockets when they could be returning it to their customers. The last time rates went to 5%, banks were paying 3%—double what they are paying now. Estimates for what banks are stealing from customers who, through the Government, supported them during the financial crisis range from £15 billion up to £23 billion. That is an absolute outrage that I have spoken about many times. I hope the banks are listening and doing something about it. They should pass the rates through to savers. It is because of these developments in banking that it is so vital we put these Lords amendments on to the statute book to enshrine the right to deposit and withdraw cash for free. That must be protected.

The cash system is an essential piece of infrastructure, like utilities such as the post and broadband. These Lords amendments will help not only millions of citizens of all ages who risk otherwise being excluded if cash is allowed to die, but businesses, charities and many residents in Southend West.

Andrew Griffith: I am grateful to all hon. and right hon. Members who have contributed to this debate. I welcome my hon. Friend the Member for North East

Bedfordshire (Richard Fuller), who together with my right hon. Friend the Member for Salisbury (John Glen) started this Bill’s progress through the House. I spoke at length and tried to cover as many topics as possible in my opening remarks, so I will be brief.

I extend my thoughts to the hon. Member for Mitcham and Morden (Siobhain McDonagh). I have never actually made it to the cash machine promised in her constituency, but her words echo whenever we talk about access to cash. I did make it to the constituency of the hon. Member for Ealing Central and Acton (Dr Huq), one of the lucky constituencies to have one of the six hubs, of which we seek to see many more.

I welcome hon. Members’ acknowledgement of the substantial steps that the Government have taken to further enhance regulatory accountability through the passage of the Bill. The hon. Members for Blaenau Gwent (Nick Smith) and for Glenrothes (Peter Grant), my hon. Friend the Member for Wimbledon (Stephen Hammond) and my right hon. Friends the Members for South Northamptonshire (Dame Andrea Leadsom) and for Vale of Glamorgan (Alun Cairns) all talked about that.

The largest part of the debate was about the importance of access to cash, and the Government have introduced Lords amendments for precisely that. I wish my hon. Friend the Member for Hyndburn (Sara Britcliffe) good luck with procuring a hub for Great Harwood. My hon. Friend the Member for Aberconwy (Robin Millar) spoke about access to cash, as did the Member with the most formidable knowledge of the important role played by the Post Office, my hon. Friend the Member for North Norfolk (Duncan Baker), and my hon. Friend the Member for Southend West (Anna Firth). I and, I hope, the banks have heard the debate. It is important that they have been listening to the strong points made about not just access to cash but access to face-to-face branch facilities.

We heard from the hon. Member for Glenrothes about why Lords amendment 7 does not cover the devolved Administrations. I understand that this is not necessarily his desired outcome, but financial services legislation is a reserved matter. As an outcome, I hope to deliver a Brexit dividend—he may not particularly welcome that—for citizens in all parts of the country to protect those 140,000 jobs that, as we heard, Scotland relies on.

Peter Grant: Just to be clear, the Minister is saying that if the Scottish Government set a higher target for something than the UK Government do on behalf of England, the regulators will go with the UK Government’s low target, and if the UK Government set a higher target than the Scottish Government feel comfortable with, the regulator will go with the UK Government’s higher target, even in areas where an activity is devolved.

Andrew Griffith: We are always happy to listen to the hon. Member, but we are in danger of repeating ourselves.

Let me briefly give my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) the assurance he seeks that we will not just have another review. We seek action. We will be looking for a framework for due diligence and for how we can hold the financial sector to account. Both he and my right hon. Friend the Member for South Northamptonshire talked about how we can make the UK financial sector an exemplar on

[Andrew Griffith]

deforestation and support for nature. That is my aspiration, and I believe that it is shared across the House. The Government's amendment in lieu of Lords amendment 36 will do that.

Government amendments made throughout the passage of the Bill reflect the comprehensive scrutiny and engagement of both sides of the House, just as we have heard tonight, and the Bill is the better for it as a result. I hope that their lordships will listen to the voice of this House. It is now time to pass the Bill and begin the really important work of tailoring our financial services regulation to serve the interests of the UK, bolster our competitiveness as a global financial centre, power growth in every part of the country and every part of the economy and, above all else, deliver better outcomes for the consumers and residents we represent.

Question put, That this House disagrees with Lords amendment 7.

The House divided: Ayes 301, Noes 48.

Division No. 268]

[7.23 pm

AYES

Afolami, Bim	Cartlidge, James
Aiken, Nickie	Cash, Sir William
Aldous, Peter	Cates, Miriam
Allan, Lucy (<i>Proxy vote cast by Mr Marcus Jones</i>)	Caulfield, Maria
Anderson, Lee	Chalk, rh Alex
Andrew, rh Stuart	Chishti, Rehman
Ansell, Caroline	Chope, Sir Christopher
Argar, rh Edward	Churchill, Jo
Atkins, Victoria	Clarke, rh Sir Simon
Bacon, Gareth	Clarke, Theo (<i>Proxy vote cast by Mr Marcus Jones</i>)
Bacon, Mr Richard	Clarke-Smith, Brendan
Badenoch, rh Kemi	Clarkson, Chris
Bailey, Shaun	Coffey, rh Dr Thérèse
Baillie, Siobhan	Colburn, Elliot
Baker, Duncan	Collins, Damian
Baker, Mr Steve	Costa, Alberto
Barclay, rh Steve	Courts, Robert
Baynes, Simon	Coutinho, Claire
Bell, Aaron	Cox, rh Sir Geoffrey
Benton, Scott	Crabb, rh Stephen
Beresford, Sir Paul	Crosbie, Virginia
Bhatti, Saqib (<i>Proxy vote cast by Mr Marcus Jones</i>)	Crouch, Tracey
Blackman, Bob	Daly, James
Blunt, Crispin	Davies, rh David T. C.
Bone, Mr Peter (<i>Proxy vote cast by Mr Marcus Jones</i>)	Davies, Gareth
Bottomley, Sir Peter	Davies, Dr James
Bowie, Andrew	Davies, Mims
Brady, Sir Graham	Davis, rh Mr David
Brereton, Jack	Davison, Dehenna
Bridgen, Andrew	Dines, Miss Sarah
Brine, Steve	Djanogly, Mr Jonathan
Bristow, Paul	Docherty, Leo
Britcliffe, Sara	Donelan, rh Michelle (<i>Proxy vote cast by Mr Marcus Jones</i>)
Browne, Anthony	Double, Steve
Bruce, Fiona	Doyle-Price, Jackie
Buchan, Felicity	Drax, Richard
Buckland, rh Sir Robert	Drummond, Mrs Flick
Burghart, Alex	Duddridge, Sir James
Butler, Rob	Duguid, David
Cairns, rh Alun	Duncan Smith, rh Sir Iain
Campbell, Mr Gregory	Dunne, rh Philip
Carter, Andy	Eastwood, Mark

Edwards, Ruth	Johnston, David
Ellis, rh Sir Michael	Jones, Andrew
Elphicke, Mrs Natalie	Jones, rh Mr David
Eustice, rh George	Jones, rh Mr Marcus
Evans, Dr Luke	Jupp, Simon
Evennett, rh Sir David	Kawczynski, Daniel
Everitt, Ben	Kearns, Alicia
Fabricant, Michael	Keegan, rh Gillian
Farris, Laura	Knight, rh Sir Greg
Fell, Simon	Kniveton, Kate
Firth, Anna	Lamont, John
Fletcher, Katherine	Largan, Robert
Fletcher, Mark	Latham, Mrs Pauline
Fletcher, Nick	Leadsom, rh Dame Andrea
Ford, rh Vicky	Leigh, rh Sir Edward
Foster, Kevin	Levy, Ian
Francois, rh Mr Mark	Lewer, Andrew
Frazer, rh Lucy	Lewis, rh Sir Julian
Freeman, George	Liddell-Grainger, Mr Ian
Freer, Mike	Loder, Chris
French, Mr Louie	Logan, Mark (<i>Proxy vote cast by Mr Marcus Jones</i>)
Fuller, Richard	Longhi, Marco
Fysh, Mr Marcus	Lopez, Julia (<i>Proxy vote cast by Mr Marcus Jones</i>)
Garnier, Mark	Lopresti, Jack
Ghani, Ms Nusrat	Lord, Mr Jonathan
Gibb, rh Nick	Loughton, Tim
Gibson, Peter	Mackinlay, Craig
Gideon, Jo	Mackrory, Cherilyn
Glen, rh John	Maclean, Rachel
Goodwill, rh Sir Robert	Mak, Alan
Gove, rh Michael	Mangnall, Anthony
Graham, Richard	Marson, Julie
Gray, James	Mayhew, Jerome
Grayling, rh Chris	Maynard, Paul
Green, Chris	McCartney, Karl
Green, rh Damian	Menzies, Mark
Griffith, Andrew	Merriman, Huw
Grundy, James	Metcalfe, Stephen
Gullis, Jonathan	Millar, Robin
Halfon, rh Robert	Mills, Nigel
Hall, Luke	Mohindra, Mr Gagan
Hammond, Stephen	Moore, Damien
Harper, rh Mr Mark	Moore, Robbie
Harris, Rebecca	Mordaunt, rh Penny
Harrison, Trudy	Morris, Anne Marie
Hart, Sally-Ann	Morris, David
Hart, rh Simon	Morris, James
Hayes, rh Sir John	Morrissey, Joy
Heald, rh Sir Oliver	Morton, rh Wendy
Heapey, rh James	Mullan, Dr Kieran
Heaton-Harris, rh Chris	Mumby-Croft, Holly
Henderson, Gordon	Mundell, rh David
Henry, Darren	Murray, Mrs Sheryll
Higginbotham, Antony	Murrison, rh Dr Andrew
Hinds, rh Damian	Neill, Sir Robert
Holden, Mr Richard	Nici, Lia
Hollinrake, Kevin	Nokes, rh Caroline
Hollobone, Mr Philip	O'Brien, Neil
Holloway, Adam	Offord, Dr Matthew
Holmes, Paul	Paisley, Ian
Howell, John	Patel, rh Priti
Howell, Paul	Pawsey, Mark
Huddleston, Nigel	Penning, rh Sir Mike
Hughes, Eddie	Penrose, John
Hunt, Jane	Percy, Andrew
Javid, rh Sajid	Philp, rh Chris
Jayawardena, rh Mr Ranil	Poulter, Dr Dan
Jenkin, Sir Bernard	Prentis, rh Victoria
Jenkinson, Mark	Pritchard, rh Mark
Jenrick, rh Robert	Pursglove, Tom
Johnson, Dr Caroline	
Johnson, Gareth	

Quince, Will
 Randall, Tom
 Redwood, rh John
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Saxby, Selaine
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, Royston
 Solloway, Amanda
 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
 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
 Trott, Laura
 Truss, rh Elizabeth
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig
 Whittingdale, rh Sir John
 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 Ayes:
 Fay Jones and
 Stuart Anderson

NOES

Bardell, Hannah
 Black, Mhairi
 Blackford, rh Ian
 Bonnar, Steven
 Brock, Deidre
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)
 Cameron, Dr Lisa
 Carmichael, rh Mr Alistair
 Cooper, Daisy
 Day, Martyn
 Docherty-Hughes, Martin
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
 Eastwood, Colum
 Edwards, Jonathan
 Farron, Tim
 Farry, Stephen
 Flynn, Stephen
 Foord, Richard
 Grant, Peter
 Green, Sarah
 Hanvey, Neale
 Hendry, Drew
 Hobhouse, Wera
 Hosie, rh Stewart
 Jardine, Christine
 Lake, Ben

Law, Chris
 Linden, David
 Mc Nally, John
 McDonald, Stewart Malcolm
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 Monaghan, Carol
 Morgan, Helen
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 O'Hara, Brendan
 Olney, Sarah
 Qaisar, Ms Anum
 Saville Roberts, rh Liz
 Sheppard, Tommy
 Stephens, Chris
 Stone, Jamie
 Thewliss, Alison
 Thompson, Owen
 Thomson, Richard
 Whitford, Dr Philippa
 Williams, Hywel
 Wilson, Munira
 Wishart, Pete

Tellers for the Noes:
 Marion Fellows and
 Dave Doogan

Government amendments (a) to (c) made in lieu of Lords amendment 7. Question put, That this House disagrees with Lords amendment 10.

The House divided: Ayes 303, Noes 201.

Division No. 269]

[7.38 pm

AYES

Afolami, Bim
 Aiken, Nickie
 Aldous, Peter
 Allan, Lucy (*Proxy vote cast by Mr Marcus Jones*)
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 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
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 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
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Sir Michael
 Elphicke, Mrs Natalie
 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
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew

Question accordingly agreed to.

Lords amendment 7 disagreed to.

Grundy, James
 Gullis, Jonathan
 Hall, Luke
 Hammond, Stephen
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 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, John
 Howell, Paul
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, Jane
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, rh Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Sir Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherylyn
 Maclean, Rachel
 Mak, Alan
 Mangnall, Anthony
 Marson, Julie
 Mayhew, Jerome

Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 O'Brien, Neil
 Offord, Dr Matthew
 Paisley, Ian
 Patel, rh Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, Royston
 Solloway, Amanda
 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
 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
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin

Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig
 Whittingdale, rh Sir John
 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 Ayes:

Fay Jones and
 Stuart Anderson

NOES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
 Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Anderson, Fleur
 Ashworth, rh Jonathan
 Bardell, Hannah
 Barker, Paula
 Begum, Apsana
 Benn, rh Hilary
 Black, Mhairi
 Blackford, rh Ian
 Blake, Olivia
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Sir Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)
 Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)
 Cooper, Daisy
 Cooper, rh Yvette
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cunningham, Alex
 Daby, Janet
 Dalton, Ashley
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 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
 Fletcher, Colleen
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gill, Preet Kaur
 Grant, Peter
 Green, Sarah
 Greenwood, Margaret
 Griffith, Dame Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Mrs Paulette
 Hanvey, Neale
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendrick, Sir Mark

Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Kinnock, Stephen
 Lake, Ben
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Linden, David
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lynch, Holly
 Madders, Justin
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Mishra, Navendu
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Osamor, Kate
 Pennycook, Matthew

Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reeves, Ellie
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheppard, Tommy
 Siddiq, Tulip
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Taiwo Owatemi and
Mary Glindon

Question accordingly agreed to.

Lords amendment 10 disagreed to.

Lords amendment 36 disagreed to.

Government amendment (a) made in lieu of Lords amendment 36.

Lords amendment 1 to 6, 8, 9, 11 to 35, and 37 agreed to, with Commons financial privileges waived in respect of Lords amendment 35.

After Clause 71

POLITICALLY EXPOSED PERSONS: MONEY LAUNDERING
 AND TERRORIST FINANCING

Question put, That this House agrees with Lords amendment 38.

The House divided: Ayes 303, Noes 36.

Division No. 270]

[7.50 pm

AYES

Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Allan, Lucy (*Proxy vote cast by Mr Marcus Jones*)
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 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
 Brady, Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buchanan, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 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
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Sir Michael
 Elphicke, Mrs Natalie
 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
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John

Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Hall, Luke
 Hammond, Stephen
 Harper, rh Mr Mark
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heappey, 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, John
 Howell, Paul
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, Jane
 Javid, rh Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, rh Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Sir Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim

Mackinlay, Craig
 Mackrory, Cherilyn
 Maclean, Rachel
 Mak, Alan
 Mangnall, Anthony
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 O'Brien, Neil
 Offord, Dr Matthew
 Patel, rh Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 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
 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
 Trott, Laura
 Truss, rh Elizabeth
 Tugendhat, rh Tom
 Vara, rh Shailesh

Vickers, Martin
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig
 Whittingdale, rh Sir John
 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 Ayes:

**Fay Jones and
 Stuart Anderson**

NOES

Bardell, Hannah
 Black, Mhairi
 Blackford, rh Ian
 Bonnar, Steven
 Brock, Deidre
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)
 Cameron, Dr Lisa
 Day, Martyn
 Docherty-Hughes, Martin
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
 Eastwood, Colum
 Edwards, Jonathan
 Flynn, Stephen
 Grant, Peter
 Hanvey, Neale
 Hendry, Drew
 Hosie, rh Stewart
 Lake, Ben
 Law, Chris
 Linden, David

Mc Nally, John
 McDonald, Stewart Malcolm
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 Monaghan, Carol
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 O'Hara, Brendan
 Qaisar, Ms Anum
 Saville Roberts, rh Liz
 Sheppard, Tommy
 Stephens, Chris
 Thewliss, Alison
 Thompson, Owen
 Thomson, Richard
 Whitford, Dr Philippa
 Williams, Hywel
 Wishart, Pete

Tellers for the Noes:

**Marion Fellows and
 Dave Doogan**

Question accordingly agreed to.

Lords amendment 38 agreed to.

Lords amendments 39 to 86 agreed to.

Ordered, That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing with their amendment 10;

That Andrew Griffith, Andrew Stephenson, Mark Fletcher, Duncan Baker, Tulip Siddiq, Liz Twist and Peter Grant be members of the Committee;

That Andrew Griffith be the Chair of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately.—
(Andrew Stephenson.)

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

National Security Bill

Consideration of Lords message

After Clause 14

FOREIGN INTERFERENCE IN ELECTIONS: DUTIES ON POLITICAL PARTIES

8.4 pm

The Minister for Security (Tom Tugendhat): I beg to move, That this House disagrees with Lords amendment 22B.

Madam Deputy Speaker (Dame Rosie Winterton): With this it will be convenient to discuss Lords amendment 122B, Government motion to disagree, and Government amendment (a) in lieu of Lords amendment 122B.

Tom Tugendhat: It is a pleasure to bring the National Security Bill back to this House. I must once again highlight the importance of the Bill's achieving Royal Assent in a timely manner. Our police and intelligence services need the tools and powers that it contains; the longer they go without, the greater the risk to national security.

Maria Eagle (Garston and Halewood) (Lab): Why doesn't the Minister just accept the Lords amendments, then, so that we can move straight to getting the Bill on the statute book?

Tom Tugendhat: The right hon. Lady will be delighted to hear the rest of my speech, in which I answer her wonderful questions.

As this House will be aware, the Intelligence and Security Committee memorandum of understanding can already be revised by agreement, which is one of the points that the right hon. Lady is raising. We do not believe that primary legislation is an appropriate mechanism for making amendments to the MOU. However, we recognise the strength of feeling on the issue, and in a spirit of compromise we have tabled amendment (a) in lieu of Lords amendment 122B. The Government's amendment will achieve a similar result and will create a duty on the Prime Minister and the Intelligence and Security Committee to progress a review of the MOU within six months of the provision's coming into force.

Mr Kevan Jones (North Durham) (Lab): That is fine, but the ISC has been raising this issue for the past two years. It takes two to tango. Unfortunately, the only reason we have this Lords amendment is a sense of frustration—certainly among members of the ISC, but also among a lot of Members of this House.

Tom Tugendhat: I assure the right hon. Gentleman that I have heard him. I hope that the amendment will now satisfy the ISC with respect to its concerns. I am sure that hon. Members across the House will support Government amendment (a) in lieu.

I turn to Lords amendment 22B, which would require political parties to make an annual return to the Electoral Commission, setting out the details of donations from foreign powers. It would also create a duty on political parties to write an annual policy statement to ensure the identification of donations from foreign powers. I understand the intention behind the amendment, and I share the strength of feeling behind it.

The Government are very much alive to the risk that foreign interference presents. I am pleased that we have already taken action to address it, and I am pleased with the support that we have received on both sides of the House for our reforms to Companies House, which will deliver more reliably accurate information on the companies register, providing greater powers for Companies House to query and challenge the information it receives. The Government are also legislating, via the Economic Crime and Corporate Transparency Bill, to enhance data sharing between Companies House and public authorities, including the Electoral Commission. This will help the enforcement of the rules on donations by providing greater confidence in the accuracy of the data held at Companies House.

Liam Byrne (Birmingham, Hodge Hill) (Lab): The Minister is one of the House's experts on the malign influence of foreign money in this country and the creation of Londonrad, so he knows all too well that money from foreign powers is coming into the bank accounts of UK citizens and then moving almost immediately—sometimes even overnight—into the coffers of political parties in this country. That creates a risk to the integrity of our political system. He must surely accept that the drafting of the Bill does not yet provide sufficient safeguards against that risk.

Tom Tugendhat: The right hon. Gentleman flatters me, which is always a way to succeed in this place, but he will forgive me if I carry on, because I will address some of those points. He will see that I have considered them, and that there are some areas in which there may be some conversation.

Our reforms build on the updates to electoral law in the Elections Act 2022, which have closed loopholes on foreign third-party campaign spending. They also include other measures to ensure that our democracy will remain secure. The National Security Bill will give our agencies more tools to tackle foreign interference. The new offence of foreign interference includes manipulating whether or how any person participates in political processes. The Bill also provides for substantially higher maximum penalties where a foreign power is involved in the commission of existing electoral offences of the nature that the right hon. Gentleman describes. That includes those relating to making political donations, including via third parties.

In addition, the Bill's foreign influence registration scheme, which the right hon. Gentleman and I both championed on the Foreign Affairs Committee, will increase the transparency of foreign political influence activities. The enhanced tier of FIRS, as we are calling it, allows us to list foreign powers that act against the safety and interests of the United Kingdom. A designation would require a person acting within the United Kingdom at the direction of a specified power or entity to register with the scheme.

Although I understand the aims of Lords amendment 22B, I do not follow its approach. The legal framework in this area is exceptionally clear: any person accepting a donation from a foreign power, whether made directly or indirectly, is already breaking the law. As such, the result of this amendment would be for political parties to submit a blank return to the Electoral

[Tom Tugendhat]

Commission once a year. As I am sure colleagues would agree, this would do little to improve transparency or enhance our electoral security.

Secondly, as the Government have set out previously, Lords amendment 22B does nothing to enhance the ability of political parties to investigate donations of the nature that the right hon. Gentleman describes. Political parties do not have the financial investigative capabilities of the banks or security services. They rightly cannot access people's personal financial records and do not have the means to trace layers of financial transactions. They cannot themselves undertake sophisticated forensic accounting. There is little to be gained by increasing pressure on political parties to identify impermissible donations without improving their ability to do so.

Thirdly, political parties are not global corporations. There are more than 380 registered political parties, many of which are predominantly made up of volunteers. Lords amendment 22B could be disproportionately burdensome for smaller political parties, disincentivising them from accepting donations and, in turn, harming grassroots democracy.

Finally, the requirement to publish an annual policy statement lacks utility. In previous debates on this matter, hon. and right hon. Members highlighted concerns that parties do not have to evaluate a donation and its perceived risk. This is not true. I reiterate that political parties are already required by law to take all reasonable steps to verify the identity of a donor and whether they are permissible. Failure to ensure that permissibility requirements are met is an offence under existing law. As such, parties are already required to have systems in place to mitigate the acceptance of such funds.

As to the political point: just because you can, does not mean you should. Political judgment should always apply to donations.

Liam Byrne: I thank the Minister for giving way once again. He is being characteristically generous.

We may as well test the argument he is rehearsing against facts that are now known. Mr Mohamed Amersi, for example, has given something like £775,000 to political causes in this country. The *Financial Times* has reported that a considerable fraction of Mr Amersi's profits are made from trade in Russia. How does this Bill safeguard against profits made in a country such as Russia finding their way into this country's political system and infecting it?

Tom Tugendhat: The right hon. Gentleman, as he will understand, raises an individual about whom I will not comment. The Government will not take a position of that nature on an individual based on such comments. I will not address him specifically.

What I will say is that there have been reports of foreign donations getting into political parties—that is true. What is also true is that political parties have a responsibility to check the sources of their donations, and all British citizens have the right to donate. If a specific accusation has not been reported to the Electoral Commission and investigated, and if a person has not been found guilty, the right hon. Gentleman will understand that I cannot make any further comment.

Holly Lynch (Halifax) (Lab): I thank the Minister for his opening contribution as these two additions to the National Security Bill return to the Commons once again.

The Minister has made the case for Government amendment (a) in lieu of Lords amendment 122B. I have a great deal of respect for him, as he knows, but this amendment in lieu, tabled in the name of the Home Secretary, essentially says that this House and the other House have a point, that the Government want to give themselves maximum wiggle room to be able to avoid doing anything about addressing the point by tabling an amendment in lieu that is much wishier and much washier than the clarity of our Lords amendment.

Lords amendment 122B, tabled by my noble Friend Lord Coaker, would have introduced a duty to update the Intelligence and Security Committee's memorandum of understanding, rather than a requirement to consider whether the MOU needs updating. What does that actually mean? Is there a proposed framework or a timetable for deliberations? The Lords amendment was not tabled for fun; it was tabled because the Intelligence and Security Committee performs a vital function, but its ability to perform that function is being eroded. The Lords amendment followed a recommendation made by the ISC in its 2021-22 annual report, which looked back to the Committee's origins, when the then Security Minister told Parliament that it was

"the intention of the Government that the ISC should have oversight of substantively all of central Government's intelligence and security activities to be realised now and in the future."—[*Official Report, Justice and Security Public Bill Committee*, 31 March 2013; c. 98.]

8.15 pm

Maria Eagle: Does my hon. Friend agree that intelligence and security activities are now undertaken by a wider assortment of policy Departments, including those that generally do not carry out national security-related activities? Those teams are not listed in the ISC's memorandum of understanding, and therefore there is a scrutiny gap that cannot be fixed unless the memorandum of understanding is changed.

Holly Lynch: I am grateful to my right hon. Friend for making that important point. The annual report lists a number of policy Departments. Although the Select Committees do incredibly important work, they are not able to see the same information because their members do not have the same clearance as members of the ISC. It is quite right that such information and such scrutiny fall to the ISC, which alone can do that important work.

We have previously discussed that one of the starkest revelations from that annual report is that the ISC has not been able to secure a meeting with a Prime Minister since December 2014, nearly nine years ago. I welcomed the Chair of the ISC's intervention when we debated the merit of the previous amendment, saying that the right hon. Member for South West Norfolk (Elizabeth Truss) had pledged to meet the ISC. However, given her exceptionally short tenure in office, we will never know if that meeting would have taken place—her name is No. 4 on the list of five Prime Ministers who have been in office since 2014.

Such a meeting is just one of the considerations for an updated MOU, but knowing how often this issue has come up, both in this House and in the other place,

I wonder whether the current Prime Minister now has a date in the diary to meet the ISC. If we are to take Government amendment (a) at its word, arranging that meeting is the very least the Government could do to be able to point to some progress. Alas, it appears that they cannot point to that progress.

I am also interested to know whether the Government have spoken to the ISC about Government amendment (a). Given that the amendment seeks to assure us that the Government intend to do due diligence on engaging with the ISC, have they engaged the ISC about the amendment? Hopefully the Minister might be able to shed some light.

Jim Shannon (Strangford) (DUP): I commend the shadow Minister for her thoughts. I suppose the rationale for opposing Lords amendment 122B is the Justice and Security Act 2013. Does she have any idea why the Government are reluctant to concede to a review as the legislation evolves? That seems to be a simple way of doing it.

Holly Lynch: It would be unwise to speculate at the Dispatch Box, but I am grateful to the hon. Gentleman for making that point. In the absence of clarity, he is right to put that question to the Government. Why have we not seen progress on this? It would seem to be sensible and proportionate to expect that engagement happens between the Government and the Prime Minister and the Intelligence and Security Committee, and happens on a regular basis.

Lords amendment 22B, tabled by Lord Carlile—once again, let me thank him for his services to this legislation—has continued to enjoy broad support, both across the Benches inside Parliament and outside. We know, from examples that have been exposed and from the most recent annual threat assessment by the director general of MI5, Ken McCallum, that it deals with one of the ways hostile state actors and their proxies are seeking to gain influence within our democracy. When we debated the merit of the previous amendment on this matter, I shared the examples of those linked to so-called Chinese secret police stations who had been involved in organising Conservative fundraising dinners. I also cited the Good Law Project's research, which claims that the Conservatives have accepted at least £243,000 from Russian-associated donors, some of whom were linked to sanctioned businesses and organisations, since the start of Russia's invasion of Ukraine.

There is a comprehensive case for these proportionate changes. The Electoral Commission has said:

"Enhanced due diligence and risk assessment processes would help campaigners identify foreign money, identify potential proceeds of crime, and establish a culture of 'know your donor' within parties—similar to the 'know your customer' approach, encouraged through Anti-Money Laundering regulations for the financial sector."

I hope the Minister is persuaded by its argument that:

"These requirements could be introduced in a way that recognises the need for proportionality, with different requirements depending on the size of a regulated entity's financial infrastructure, or the size of a donation, to prevent the checks becoming a disproportionate burden on smaller parties and campaigners."

Similarly, Spotlight on Corruption has argued:

"The rules that are supposed to prohibit foreign donations are riddled with loopholes which enable foreign money to be channelled to political parties and MPs through lawful donors."

That point has just been made by my right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne). Furthermore, the Committee on Standards of Public Life, in its 2021 "Regulating Election Finance" report, recommended that laws should be updated and that

"parties and non-party campaigners should have appropriate procedures in place to determine the true source of donations. Parties and campaigners should develop a risk-based policy for managing donations, proportionate to the levels of risk to which they are exposed".

We know that the risk is there, and Lords amendment 22B is a rational and proportionate response to that risk. The Minister has said that the Lords amendment is unnecessary and that donations are covered by other provisions, but I ask him once again, can he truly assure us that dirty money, with a price attached, is not finding its way into our system and our democracy?

Liam Byrne: My hon. Friend is making a brilliant speech. Does she agree that the scale of this potential risk is now unprecedented, not least because in 2019 we saw the most expensive election year in British political history? More than £100 million flowed into British political parties then. Does that not underline the obligation on all of us to make sure that every penny of that money is clean?

Holly Lynch: I am grateful to my right hon. Friend for that, as he is absolutely right. I think we can all come together to recognise the responsibility that falls to all of us to clean up our democracy as much as we can. The world has changed, even since we started work on this legislation well over 12 months ago. The role of hostile state actors and their conduct in the world, and the interference that we are having to take every measure to protect ourselves from, means that these proposals are needed more than ever, so he is absolutely right to make that point.

If the Minister and the Government reject these proposals, the electorate will draw their own conclusions as to why. I will be listening carefully to the other contributions and to the Minister's closing remarks. I am pleased that the Government have recognised the need to have a look at the updated MOU for the ISC—I just wish there was some substance to their amendment.

Once again, in case we do not see the Bill back again in the Commons, may I take the opportunity to thank all those who have worked so hard on it, and the law enforcement officers and security services who work so hard, every day, to keep us safe?

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Before I call the next speaker, let me say that I am conscious that the debate has to finish at four minutes past 9. I know that the Minister will want five minutes at the end, and we also have to hear from the Scottish National party, so I ask people to take that into account.

I call the Chair of the Intelligence and Security Committee, Sir Julian Lewis.

Sir Julian Lewis (New Forest East) (Con): Thank you, Madam Deputy Speaker.

[Sir Julian Lewis]

Lords amendment 22B, accepted by the upper House last Wednesday, 21 June, requires a UK-registered political party to publish a policy statement ensuring the identification of foreign donations and providing the Electoral Commission with an annual statement showing the foreign donations received. This is the second time that the other place has amended the Bill to include such a clause. On behalf of the ISC, I spoke in favour of the previous version of the amendment when the Bill was last in the Commons, and, as Lord West stated on Wednesday, the ISC's position remains the same: we firmly support the introduction of this provision. It is deeply concerning that the Government continue to oppose it.

In 2020, the ISC's long-delayed Russia report highlighted the risk of foreign state-linked financial interference in UK politics. There is clearly a threat that needs to be tackled. The Committee on Standards in Public Life, in a major 2021 report on regulating electoral finance, concluded that

"the current rules are insufficient to guard against foreign interference in UK elections."

That committee also observed that, since 2018, the Electoral Commission has supported the introduction into electoral finance regulation of risk management principles that are used for anti-money laundering checks conducted by companies. This amendment falls into that same category.

Members from both sides of both Houses have previously spoken strongly in support of the Lords amendment and, together with the evidence provided by the ISC, the Committee on Standards in Public Life and the Electoral Commission, have clearly set out why it is needed and why the current safeguards in our law are insufficient. By refusing to accept the need to update the law, the Government are rejecting the non-partisan conclusions of both Parliament and the Electoral Commission. They are inexplicably rejecting the opportunity significantly to improve the transparency and accountability of our political system by requiring political parties to take modest but important steps to identify and disclose donations received from foreign sources and states.

The Government claim to oppose this Lords amendment on the basis that the existing protections within electoral law are sufficient; that the amendment would not work in practice; and that it would place an undue burden on grassroots political organisations. Almost everyone else disagrees. The Government rely on the fact that existing electoral financing law requires political parties to check that a donor is "permissible". Yet that misses the central point: the lack of any requirement for a political party to check the source of the funding.

There is currently no rule that political parties must conduct adequate due diligence on donors—not even donors operating in high-risk countries. Citizens domiciled abroad and companies based in the UK can donate to a political party with no questions asked about the source of the money. That applies even to companies that are making no operating profit. Why should a UK charity, or a UK company, have to undertake enhanced due diligence, under money laundering and terrorist financing law, where a donor is linked to a high-risk country, whereas a political party is exempt from that duty? Political parties surely require the highest level of protection.

Martin Docherty-Hughes (West Dunbartonshire) (SNP):

On that point, the hon. Gentleman is clear that even small and medium-sized registered charities, whether they are in Scotland, England, Wales or Northern Ireland, have to do as he says. I am absolutely perplexed as to why the Government cannot agree with him and his Committee on why that should not be extended to political parties.

Sir Julian Lewis: I hope he, like us, will persevere and maybe one day that mystery will be solved. In fact, the amendment does not even represent the highest level of protection. It is a very modest measure that would not place undue burdens on political parties. The Electoral Commission says that such rules could be introduced in a way that recognises the need for proportionality, as we have heard, with different requirements depending on the size of an entity's financial infrastructure and/or the size of the donation. Guidelines would prevent this amendment, which increases transparency and accountability, from becoming disproportionately onerous.

The fact that due diligence measures are used in the charity sector, and not just by commercial entities, demonstrates that it should be entirely possible for similar steps to be taken by political parties. We know that there is both a threat and a vulnerability. We know that current safeguards are inadequate. This is a modest, sensible and proportionate amendment: the Minister should seize the opportunity by accepting it or proposing his own alternative.

8.30 pm

Amendment 122B, also passed by the upper House last week, relates to repeated refusal by the Government to update the ISC's memorandum of understanding in order to ensure that we retain the power to scrutinise effectively all intelligence and security activity taking place across Government. The Minister for Security, my right hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat), accepted the need for action when the Bill was last in this House, acknowledging that an update to the ISC's memorandum of understanding "needs to be made". Why is such a process overdue? The reason is simple and has been explained, time and again, ever since the national security and investment legislation came before this House, as the right hon. Member for North Durham (Mr Jones) pointed out, over two years ago.

As a result of the so-called "fusion doctrine", intelligence and security-related activities are increasingly undertaken by units within a wider assortment of policy departments, including several that have not generally carried out such sensitive work previously. These new bodies, such as the Investment Security Unit and the Counter Disinformation Unit, are not currently listed in the ISC's MOU and therefore fall outside the ISC's remit. Yet, there is no way in which the classified aspects of their work can be scrutinised systematically or effectively by departmental Select Committees.

Effective oversight of intelligence and security matters can be undertaken only by the ISC, and that is precisely why Parliament established it. Intelligence and security activity by parts of Government falling outside the ISC's independent oversight means that such activity escapes Parliament's democratic oversight. That is why our memorandum of understanding with the Prime Minister must be promptly updated.

During the passage of the Justice and Security Act 2013, as we have heard, the Government gave the clearest possible undertaking to Parliament that the ISC should have oversight of all of central Government's intelligence and security activities, both now and in the future. It was clear that the ISC's MOU was designed to be a living document that could be updated easily to reflect any changes to the security and intelligence activities being undertaken by the Government. Yet, the Government have consistently refused to abide by that authoritative commitment made to this House by our late and much-missed colleague, James Brokenshire, the then Security Minister.

That failure is genuinely troubling. Statements by Ministers are critically important—Parliament, courts and the public rely on them. I am sure I speak on behalf of this House when I say that we expect the Government to meet the commitments that they make in Parliament. Their obstinate refusal to do that in the case of the MOU, which began under the premiership of Boris Johnson but which so far seems to have outlasted him, shows at best an apathetic approach to public accountability and, at worst, an intention to obstruct non-partisan oversight of intelligence and security matters.

At Lords' Report stage, in opposing a very similar amendment, the Government's position was that it was not necessary as the Prime Minister was already considering the changes to the ISC's remit that the ISC had itself proposed. It was stated that the PM would respond in due course and that it was not appropriate to mandate him to update the MOU in a specific timeframe "so soon" after a change had been proposed.

However, when that argument did not prevail, the line changed. Last Wednesday, their Lordships were told:

"His Majesty's Government consider the current MoU to be sufficient to allow the ISC to discharge its statutory oversight duties of the agencies and the wider intelligence community. The MoU is subject to continuous review and His Majesty's Government welcome the ISC proposing changes that it would like the PM to consider."—[*Official Report, House of Lords*, 21 June 2023; Vol. 831, c. 245.]

In his opening remarks, the Minister in the Lords threw in for good measure the extraordinary assertion that the "true driver" of this amendment was to compel the Prime Minister to attend a session of the Intelligence and Security Committee. The attribution of an ulterior motive of this sort is as discreditable as it is inaccurate. The Minister also told the Upper House that my right hon. Friend, the present Security Minister, had met me to find

"an agreeable resolution to the issue."—[*Official Report, House of Lords*, 21 June 2023; Vol. 831, c. 226.]

That was also incorrect. Although we had a typically amicable conversation, he will recall that he simply reiterated the Government's rigid opposition to the amendment, and no solutions were proposed to resolve the issue.

This morning, ISC members and staff discovered that, sadly without consulting or even notifying us, the Government were, after all, tabling their own version of the Lords amendment, despite having resisted any such thing in all previous debates and discussions with us. This is strange and inconsistent behaviour, and I intend to abstain in the absence of a satisfactory explanation.

Perhaps the Government hope that their amendment might supersede the existing provision in the Justice and Security Act 2013, which explicitly states that our MOU "may be altered...with the agreement of the Prime Minister and the ISC".

We believe that this was always intended to be a simple and straightforward process. Unfortunately, all our efforts from 2021 onwards to secure the necessary changes have relentlessly been blocked.

The issue ought not to be controversial, and the Committee has been baffled and exasperated by the Government's negative attitude. We do not know precisely who in Government are seeking to erode proper parliamentary oversight, nor what it is they are trying to hide, but behaviour of this sort only fuels conspiracy theories, and that is in no-one's interest. I ask my right hon. Friend explicitly to confirm that the Government support the existence and work of a fully independent ISC that can effectively scrutinise their work—as originally intended—in relation to all the intelligence and security matters undertaken across Government.

Each piece of new legislation devolving intelligence and security matters away from the bodies already overseen by the ISC must come with a commensurate expansion to the ISC's memorandum of understanding. The Government's last-minute amendment falls short of that and will not resolve the underlying recurrent problem.

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

8.37 pm

Alison Thewliss (Glasgow Central) (SNP): As the observant among you will know, I am not the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C McDonald), who is indisposed. I am sure that we all send him our best wishes for a speedy recovery.

I am very pleased to be in front of the Minister again. For those who were not paying close attention to the Home Affairs Committee last week, his delivery, rather than the content of what he was saying, was so soporific as to put my children to sleep in the Committee Room. So, for all parents who missed CBBC's Bedtimes Stories, I recommend the Minister's speech from this evening.

I rise to support these Lords amendments. I wish also to agree with the right hon. Member for New Forest East (Sir Julian Lewis) and what he has proposed this evening. I am disappointed to hear that he will not vote on this issue, but I understand his reasons for so doing.

In reading the Lords debates from last week, it really does seem quite odd to me that the Intelligence and Security Committee has to come to this House and beg for things that it should have by right and by prior agreement. The Committee should not have to come to the Chamber to lay amendments to try to get the information that it ought to have. In recognition of the widening landscape across different Departments and the need for accountability, it seems very sensible that the Committee should have access to the information that it seeks.

I also find the Government's amendment a bit curious:

"The Prime Minister and the Intelligence and Security Committee of Parliament must consider whether the memorandum of understanding...should be altered (or replaced)".

[Alison Thewliss]

Well, the ISC has already considered that; it has done that work. It is for the Government to take that ball and to do something with it, rather than to table amendments for further consideration perhaps six months down the road. That does not seem to me something that the ISC should be waiting any longer for; it should have that information as soon as it requires it.

Let me move on to amendment 22B on political donations. Reading the Lords debate last week it seemed that there was very wide agreement on the need for this measure, with Lord Carlile, Lord Evans, Baroness Manningham-Buller and Lord West all agreeing that it was necessary, along with the Electoral Commission, the Committee on Standards in Public Life, the ISC itself and Spotlight on Corruption. The question is not the eligibility or permissibility of donors, but rather the source of those donations in the first place.

As others have said, charities and companies have to have “know your donor” and “know your customer”-type checks; “know your donor” checks for political parties ought already to happen automatically. Parties already carry out various checks, so there is no reason why that should pose an additional burden upon them. I note that a June article in *Politico* outlined the scale of the problem and the loopholes in the rules. The article mentioned that an unincorporated association has a threshold of £25,000 a year, after which it is subject to an additional Electoral Commission requirement: it has to report any gifts of £7,500 in a 12-month period, but only if the donations that make up that figure are of £500 or more.

Someone could have £24,999.99 and not have to report anything, but if they go over by one penny, suddenly they have to report it—and if they are a bit fly, they will know exactly what they are going to do in those circumstances. Furthermore, if someone gives £499.99, again it does not hit the threshold and it does not count. According to the *Politico* article, only one single group hit that £7,500 threshold, despite millions of pounds going through unincorporated associations. Some £14 million has gone through them in the past five years, and only one donation hit that threshold. That is indicative to me of a loophole, and if the Government will not do something about that just now, we have to ask why.

The Scottish Unionist Association Trust has been noted for some of the dark money funnelled through it; indeed, according to openDemocracy, it took a donation from another unincorporated association. We have layers upon layers of unincorporated associations and money sloshing through them. There needs to be a wee bit more curiosity about where that money is coming from, and a lot more accountability in accounting for that. Certainly, in the election campaigns I have been part of, none of the donations we have received have hit the £25,000 threshold. That is a lot of money for certain political parties in this country.

I note that Spotlight on Corruption has also provided a helpful briefing on those loopholes for this debate, pointing out how difficult things become in terms of the accountability and integrity of the whole system. I urge the Minister to explain why he thinks that that is not worth tackling, because it seems to me that that loophole

opens up certain political parties in this country to serious risk and that we should certainly know where that money is coming from and whether it is accountable.

I would like to thank the Lords for the amendments they made to this Bill. As a person who does not really believe in the House of Lords, it should not be the case that they are improving legislation in this place, but they have done so, and the Government should take account of that, rather than continuing to undermine the good and sensible amendments made in the other place.

Madam Deputy Speaker (Dame Rosie Winterton): We still have three more speakers, so I would urge brevity.

Sir John Hayes (South Holland and The Deepings) (Con): Brevity is my middle name, Madam Deputy Speaker, as I shall illustrate in this short, pithy but powerful address.

I have only three points to make. The first is that, as members of the ISC know and as the Security Minister knows, the threats to this country are dynamic. They change rapidly and the means of countering them must change accordingly. It is critically important therefore that we understand, as the shadow Minister said, that there are foreign powers—many of them state powers, though not exclusively so—who are determined to effect things in this House through contacts with political parties, with the institution itself and with politicians. Being aware of that, we need to counter it using all the necessary methods, including legislation.

The second point is that, in order to exercise the power to protect us, those missions to do so must act in a way that is secret. Their work cannot be transparent. They need to protect their sources, their methods and, most of all, information. To legitimise that kind of power, which is by its nature extreme, it must be accountable and it must be scrutinised. A body that does so must, by definition, have a very particular kind of constitution, in that it has to have a means and method of doing so that is itself secret.

8.45 pm

That is why the Intelligence and Security Committee was born, why it deals with matters that would otherwise not be considered because they would not be available beyond its confines, and why those appointed to it are Privy Counsellors and security cleared. We hold our security services to account and, in so doing, empower them to do what is necessary to protect us all. That is not a permissive function. It is not something to be spread around the Committees of this House, nor is it something that we can deal with in such detail on the Floor of the House. To reinforce the role of the Intelligence and Security Committee through its memorandum, responding to the very dynamism that I described at the beginning of my speech, is essential. It is essential to empower the Government to do what is right.

St Matthew's Gospel says:

“Blessed are the merciful, for they shall be shown mercy.”

I am grateful for the Government's small mercy in respect of their amendment in lieu, which is a recognition of much of what has been said. I, like others, preferred the West version, but then I am a great friend of Lord West, so perhaps I am a little prejudiced in that respect. It would have been simpler to deal with it in

that way, but I understand that the Security Minister has responded. We now need him to be as good as the amendment he has put forward by dealing with this matter promptly. The amendment says it will happen within six months, so let us deal with it well within six months—that might mean within six weeks; within six days would perhaps be asking a little too much. None the less, let us deal with it promptly and so have a pertinent and sensible amendment of the MOU to give the ISC the powers it needs.

Finally, I said at the outset that the threats to us are profound and dynamic. It is in recognition of that fact that members of the ISC go about their work. We should thank those in the intelligence and security services for all they do. They are remarkable people who do a remarkable job. All we seek is the power to help them do that job by holding them to account.

Mr Kevan Jones: In a democracy, the ability of Parliament or others to scrutinise the activities of our security services is not a “nice to have” but a vital part of the confidence that our citizens have in them. We have the Investigatory Powers Commissioner and the Investigatory Powers Tribunal, and then we have the ISC, which is the parliamentary arm that ensures that there is full accountability.

The Justice and Security Act 2013 extended the powers of our security services and, in return, increased the powers of the ISC. The important thing is that it has to be independent. I have been on the Committee the longest—six years now—and what has happened over the past three years has been an attack on the Committee’s independence and our ability to scrutinise. It started with Boris Johnson’s attempt to rig the Committee by giving the Conservative party a majority on it and the chairmanship of it. That failed. We also had the delay of the Russia report for no apparent reason other than to avoid his own embarrassment.

The Minister asks, “Why have we got this amendment to the legislation?”. The reason is a sense of frustration. Our Committee has been trying for the last two or three years to get the MOU changed, as my right hon. Friend the Member for Garston and Halewood (Maria Eagle) said, because the remit for considering departmental policy has grown, but at every turn we have been refused. It is not about a lack of willingness on the part of our Committee.

There are other aspects in which the Committee’s work has been frustrated. I mentioned the unnecessary delay of the Russia report, but it is still happening. We have just done a major report on China. It has gone to the Prime Minister and been through security clearance. He had 10 days to publish it; a month later, we are still waiting for a date for it. The report we completed on international partnerships was sent to the Prime Minister on 6 September last year, and we are still waiting for it to be published, so the Government have form when it comes to trying to frustrate the work of the Committee.

We on the Committee get frustrated, but the important thing is that Parliament is being frustrated. For some reason, the arrogance that was around when Boris Johnson was there seems to have continued. The Minister can say all those nice warm words—as he does in his nice, flannelly sort of way—but frankly it does not wash with us. The Prime Minister or whoever in Government is trying to stop this needs to recognise that it is not about

whether the Committee gets access; it is about proper scrutiny, as laid down in an Act of Parliament. This is serious for our democracy.

I want to add a few final points about the passage of the Bill, during which I think we have had four Ministers. The Committee approached the Bill in a constructive way and worked with the security services to come up with amendments. However, that was not helped by the Minister’s Department, which frankly did everything it could to stop the positive amendments that we had agreed and that were put forward by the security services. They valued that, but were amused, frankly, that the Home Office was so incompetent, or for some reason did not want to give the Committee any credit for coming up with anything.

All I say to the Minister is that I can agree to this proposal, but frankly it means nothing unless there is a change of attitude among the higher echelons of this Government. The point that needs to be remembered is that democracy is important and our constituents need to have that confidence. Our security services, who work day in, day out in very challenging situations on our behalf, need the security and support of knowing that there is independent oversight and that the public can be satisfied with it. Unfortunately, the way that the Government are carrying on in this area is damaging that oversight.

Sir Jeremy Wright (Kenilworth and Southam) (Con): I want to make a few brief comments about both the amendments before us. Let me start with Lords amendment 22B and the Government motion to disagree with it. I find it very difficult to disagree with this amendment. I was a member of the Committee on Standards in Public Life when the 2021 report that has been referred to was produced, and I am a member of the Intelligence and Security Committee now. Both those Committees, as the House has heard this evening, take the view that further measures are required to protect our democracy from the influx of inappropriate foreign money, and I think both would say that the amendment is the bare minimum of what needs to happen.

Lords amendment 22B does two things. It says, first, that a political party should be able to identify donations from a foreign power and, secondly, that it should be transparent with the Electoral Commission about such donations. It is worth stressing that the donations we are talking about are those from a foreign power—not necessarily from an individual, but from a state, perhaps funnelled through an individual. It is surely important to recognise the significance of such donations—potentially, at least—on our democratic process. It seems to me that there are two scenarios here. Either there are hardly any such donations in British politics, in which case the work involved to identify and deal with them appropriately is hardly likely to be onerous, even for smaller parties; or there are substantial numbers of such donations, in which case the case for greater transparency is overwhelming.

Let me turn to Lords amendment 122B and Government amendment (a) in lieu. It is worth being honest: there is very little difference between the Government amendment in lieu and the amendment from the other place, but both, as others have said, are operating on the margins of the real issue. The real issue is that there needs to be

[Sir Jeremy Wright]

the capacity for the Intelligence and Security Committee's remit, and the memorandum of understanding that relates to it, to adapt as the processes and structures of Government adapt. If that is not the case, all the consequences flow that have been described so well by my Committee colleagues, which I do not need and have not got time to repeat.

My last point relates to a deficiency in both Lords amendment 122B and the Government's amendment in lieu. Both say that the consideration or the review—depending on which version we choose—of the memorandum of understanding must begin within six months of the passage of the Bill. The problem with that, it seems to me, is that it is far from inconceivable that the Government may make a machinery of government change or a process change beyond that six-month point. It does not seem sensible to artificially limit the capacity for having that review or consideration of the memorandum beyond that point. For that reason, I am afraid, I do not think that either the Lords amendment that we have received or the Government's amendment in lieu are sensible responses to the challenge we face. In my view, both are flawed.

Tom Tugendhat: I thank all Members of the House for their comments this evening—there have been some important contributions. I pay particular tribute to the hon. Member for Halifax (Holly Lynch), who has been not only a powerful critic, but a very able debater and participant in improving the Bill and getting it into a position where I think it is ready to be enacted. As she and the House are very well aware, this is a Bill that is somewhat overdue. It updates the powers that our fantastic intelligence services require in order to keep this whole nation safe. We have, sadly, seen various different efforts by nations and—as my right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) put it—some non-state actors to use our freedoms against us. It is very welcome that the House has worked so helpfully in bringing the Bill together to make sure that we are as protected as possible.

I now turn to some of the areas in which criticism has been raised, and I understand that criticism. As a former Committee Chair myself, I start by praising the Intelligence and Security Committee. My right hon. Friend the Member for New Forest East (Sir Julian Lewis) has regularly been in my office of late, and indeed in the past. We have worked extremely closely on many other areas, so I am delighted that he has raised his challenges. I will seek to answer them, because he understands as well as I do that parliamentary scrutiny is not just essential for the country, but for good government. The areas that he challenges us on are incredibly important.

It is also very good to see the hon. Member for Bristol North West (Darren Jones) in his place. There are other Committees that have responsibility for some of the areas we are discussing today, and as Chair of the Business and Trade Committee, he is charged with overseeing some of the areas that require some understanding of the nature of business in our society today. That, I am afraid, does include some classified information, so the Government are committed to finding ways in which we can make sure that not only the Intelligence and Security Committee, but relevant departmental Committees, can

have appropriate oversight. I repeat what I have said separately to him and to my right hon. Friend the Member for New Forest East: this issue is extremely important to me, and I know that the whole Government share my view.

I will now turn to the question of foreign donations, and the reason why I do not think that Lords amendment 22B quite works. As the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) has put it in the past, I do not resile from saying that the nature of foreign donations to this country is certainly not something to be taken lightly. When it is found, it is a crime, and a crime that must be punished. We should be very clear that interfering in our democracy is completely unacceptable, and I am very pleased that working with others in this House, we have made some progress in different areas through the defending democracy taskforce. I thank all Members of this House for that, and I particularly thank Mr Speaker for his assistance in making sure that we are in a better position today and will, I hope, be in an even better position in a few months' time as various elements come forward.

May I say that there are differences between charities or businesses and political parties? One of those important differences is that charities and businesses, quite correctly, do not have to make public their donations. They do not have the obligation that political parties have to state exactly who is funding them. Political parties do have that obligation, and that is one reason why there is a difference. Transparency is provided not only by the political parties checking who is permissible and therefore who is actually giving the money, but by their making that donation public so that the media, who scrutinise us all, scrutinise those who donate and seek to influence or promote ideas by supporting any of us. I think that is an important difference that we should recognise.

May I, however, add that there is clearly a question on scrutiny? I say again that this amendment does not address that question, because any lawful political party should give a nil return, according to the amendment. I do not think that quite answers the questions that right hon. and hon. Members are asking, but I do understand the question of scrutiny that has been raised across this House, and I can assure Members that I am listening.

Question put. That this House disagrees with Lords amendment 22B.

The House divided: Ayes 289, Noes 199.

Division No. 271]

[9 pm

AYES

Afolami, Bim	Baker, Duncan
Afriyie, Adam	Baker, Mr Steve
Aiken, Nickie	Baynes, Simon
Aldous, Peter	Bell, Aaron
Allan, Lucy (<i>Proxy vote cast by Mr Marcus Jones</i>)	Benton, Scott
Anderson, Lee	Beresford, Sir Paul
Andrew, rh Stuart	Bhatti, Saqib (<i>Proxy vote cast by Mr Marcus Jones</i>)
Ansell, Caroline	Blackman, Bob
Argar, rh Edward	Blunt, Crispin
Atkins, Victoria	Bone, Mr Peter (<i>Proxy vote cast by Mr Marcus Jones</i>)
Bacon, Gareth	Bottomley, Sir Peter
Bacon, Mr Richard	Bowie, Andrew
Badenoch, rh Kemi	Brady, Sir Graham
Bailey, Shaun	Brereton, Jack
Baillie, Siobhan	

Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 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
 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
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Sir Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 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, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, Jane
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, rh Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew

Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherylyn
 Maclean, Rachel
 Mak, Alan
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Karl
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 O'Brien, Neil
 Offord, Dr Matthew
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Philp, rh Chris
 Poulter, Dr Dan
 Prentis, rh Victoria
 Pursglove, Tom
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Reddall, rh John
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 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
 Trott, Laura
 Truss, rh Elizabeth
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wragg, Mr William
 Young, Jacob
Tellers for the Ayes:
Fay Jones and
Stuart Anderson

NOES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
 Abrahams, Debbie
 Ali, Tahir
 Anderson, Fleur
 Ashworth, rh Jonathan
 Bardell, Hannah
 Barker, Paula
 Begum, Apsana
 Benn, rh Hilary
 Black, Mhairi

Blackford, rh Ian
 Blake, Olivia
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Sir Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)
 Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)
 Cooper, Daisy
 Cooper, rh Yvette
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cunningham, Alex
 Daby, Janet
 Dalton, Ashley
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 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
 Fletcher, Colleen
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gill, Preet Kaur
 Glindon, Mary
 Grant, Peter
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret

Griffith, Dame Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Mrs Paulette
 Hanvey, Neale
 Hayes, Helen
 Hendrick, Sir Mark
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, rh Mr Kevan
 Jones, Ruth
 Kinnock, Stephen
 Lake, Ben
 Lavery, Ian
 Law, Chris
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, rh Sir Julian
 Linden, David
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lynch, Holly
 Madders, Justin
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Mishra, Navendu
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Osamor, Kate
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Qaisar, Ms Anum

Qureshi, Yasmin
 Rayner, rh Angela
 Reeves, Ellie
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheppard, Tommy
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thompson, Owen

Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Wishart, Pete
 Wright, rh Sir Jeremy
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:

**Gerald Jones and
 Taiwo Owatemi**

Question accordingly agreed to.

Lords amendment 22B disagreed to.

9.12 pm

One hour having elapsed since the commencement of proceedings on the Lords amendments, the proceedings were interrupted (Programme Order, 3 May).

The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F).

Lords amendment 122B disagreed to.

Government amendment (a) made in lieu of Lords amendment 122B.—(Tom Tugendhat.)

Motion made, and Question put forthwith (Standing Order No. 83H(2)), That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing with their amendment 22B;

That Tom Tugendhat, Fay Jones, David Johnston, Simon Jupp, Holly Lynch, Gerald Jones and Alison Thewliss be members of the Committee;

That Tom Tugendhat be the Chair of the Committee;
That three be the quorum of the Committee.

That the Committee do withdraw immediately.—(Steve Double.)

Question agreed to.

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

Business without Debate

DELEGATED LEGISLATION

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

DEFENCE

That the draft Armed Forces Act 2006 (Continuation) Order 2023, which was laid before this House on 22 May, be approved.—(Steve Double.)

Question agreed to.

ESTIMATES (LIAISON COMMITTEE RECOMMENDATION)

Motion made, and Question put forthwith (Standing Order No. 145(3)),

That this House agrees with the Report of the Liaison Committee of 22 June:

(1) That a day not later than 5 August be allotted for the consideration of the following Estimates for financial year 2023–24: Department for Work and Pensions; and Ministry of Justice, insofar as it relates to His Majesty's Prison and Probation Service; and

(2) That a further day not later than 5 August be allotted for consideration of the following Estimates for financial year 2023–24: Department for Energy Security and Net Zero, insofar as it relates to energy infrastructure; and Department for Education, insofar as it relates to adult education, post-16 education, further education and colleges.—(*Steve Double.*)

Question agreed to.

ADMINISTRATION

Ordered,

That Jessica Morden be discharged from the Administration Committee and Navendu Mishra be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

PUBLIC ACCOUNTS

Ordered,

That Mr Louie French be discharged from the Committee of Public Accounts and Ben Lake be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

TREASURY

Ordered,

That Anthony Browne be discharged from the Treasury Committee and Sir James Duddridge be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

East Birmingham Tram Line

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

9.16 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I am grateful for the opportunity to make a few brief remarks and look forward to what I hope will be some warm words of welcome from the Minister, who I know shares the ambition at the heart of my speech in favour of cracking on with the building of an east Birmingham tram. At the outset, let me declare my interest as chair of the east Birmingham board, which brings together 20 wards in east Birmingham.

This area is the land that my great friend and partner in this House Jack Dromey, now departed to a better place, used to call a place rich in talent but poor in wealth. East Birmingham has been the home to five generations of my family, who have lived and worked there since the days of Matthew Boulton. In these 20 wards, we now have 300,000 people. East Birmingham is now the size of Swansea, and twice the size of York. If it were a city in and of itself, it would be almost one of the top 20 cities in our country. It is home to the youngest population in our country—about a third of east Birmingham is under the age of 25—and therefore, over the years to come, there is a demographic dividend to be had by maximising their opportunities.

But today, the challenges for east Birmingham are profound. We are the place with the highest unemployment in the country, the highest youth unemployment in the country, the highest rate of poverty in the country and the highest fuel poverty in the country. We account for something like 30% to 40% of unemployment in the West Midlands Combined Authority area. So this great space, which is rich in history and rich in talent but poor in wealth, is of profound importance to Members in all parts of the House.

That is the challenge, but there is an opportunity at hand, which I why I rise to make this speech. That opportunity comes from the simple fact that the economic geography of our country is about to be transformed, for we in east Birmingham are the land between two high-speed stations, with one new station to be built around Birmingham International and the second at Curzon Street.

Madam Deputy Speaker, you may remember that when High Speed 2 came to Cabinet in 2009, I was Chief Secretary to the Treasury and had to work with the then Transport Secretary to ensure that there was money available to build High Speed 2. What immediately struck me at that time was not necessarily the journey times between Euston station and Curzon Street but the fact the High Speed 2 railway line would connect Birmingham International with Crossrail at Old Oak Common and therefore cut the journey time between Birmingham International and Canary Wharf down to about one hour and 10 minutes. That would transform the economic geography of our country, because our cost base is about a third lower than Canary Wharf and the great heart of financial services around it.

There is a huge opportunity for a relocation of business and economic opportunity to east Birmingham. Tens of thousands of jobs will be created around Birmingham

[Liam Byrne]

International and Curzon Street. Those new jobs could transform the wealth of east Birmingham—a great city that would be almost one of the 20 biggest in the country. But as we have such poor infrastructure, the risk is that those new jobs will be out of reach of the people in east Birmingham. The new jobs that could be created around the NEC, around Curzon Street in the centre of town and around the new hospital we all want to build at Arden Cross could be beyond reach of the residents of east Birmingham, because almost all of east Birmingham is rated either poor or very poor for connectivity.

We have very poor rates of car ownership. Over the last decade, 216,000 people have fallen more than one hour's journey time by bus from the city centre. So poor is the connectivity in east Birmingham that it is damaging the productivity of Birmingham and, as the Centre for Cities has revealed, it is thereby damaging the productivity of our country. By some technical definitions, Birmingham is not a city during peak-hour traffic because the journey times into the city centre are so slow.

Change is essential. That change is the creation of a rapid transit system called a tram, which should go through east Birmingham and connect up the new high-speed stations at Curzon Street and Birmingham International. We are not very quick at building trams in this country. In fact, at one point the tram that was being built down Broad Street in Birmingham went so slowly that I compared its pace to the journey time of a garden snail. The truth is that a garden snail would have crossed that distance three times faster than we built the tram.

It was back in 2015 that the Greater Birmingham and Solihull Local Enterprise Partnership endorsed the new route and noted that it would unlock an economic value added of £2.2 billion a year—the equivalent of 26,000 new jobs. However, since that report in 2015, almost nothing has happened. The outline business case concluded in 2017 that there was a good value for money case for building the tramline. In fact, the business cost ratio was something like 2:1. But we have done nothing with it—there has been almost no progress since that outline business case was done. In fact, because we left it on the table, we now have to update all the strategies because the numbers are out of date. Some money was made available late last year to do new studies to update the strategy that we did seven years ago, but all that was proposed were a few bus priority measures and some money to have a look at whether very light rail could be a possibility by 2026-27. We could have an outline business case for that 10 years on from the original economic study by the GBSLEP.

The first east Birmingham tramline was proposed in 1988. Since then, Manchester has gone on to build eight lines, with 99 stops and 64 miles of tramline. I want one sixth of that—a 15-mile line to go through the area of our country with the highest unemployment anywhere, to make sure that we are not an oasis of inequality amidst the great new wealth and jobs that will be created when High Speed 2 opens, I hope, in 2033.

I have only three big asks of the Minister this evening. First, I would be grateful if he would give me a statement of principle and policy for his Department that, like me

and Mayor Andy Street, it believes that there should be a rapid transit system through east Birmingham connecting up the two brand-new high-speed stations that are soon to open. If the Minister wants to check the cross-party agreement, he need look no further than page 62 of Mayor Andy Street's manifesto. It said that he plans to begin the construction of the north Solihull to Digbeth line through Chelmsley Wood and east Birmingham by 2024, so there is not long to get on with it.

Secondly, I hope the Minister will feel able to agree to meet me, as the chair of the east Birmingham board, and other east Birmingham MPs to discuss how we can put in place the pitch to the Treasury to unlock sufficient funds to agree and commence the Transport and Works Act 1992 order necessary to provide the powers to get on with building this tramline. City region sustainable transport settlement funding was made available to the region recently, but the truth is that it is insufficient to put through the requisite orders to begin work on the east Birmingham tram.

The final piece of the puzzle, however, and the way I hope the Minister can support me tonight, is by undertaking to lean in and support Birmingham and the West Midlands Combined Authority's bid for an ambitious levelling-up zone proposal agreed with Government. Thanks to the work of the east Birmingham board over the last 10 years, we developed detailed proposals for a levelling-up zone. I am proud to say that that became the centrepiece of the WMCA's deeper devolution deal announced in March, and that at its very core is a proposal for business rate retention. This is a tax increment finance model that I introduced in the Budget of March 2010 with east Birmingham in mind. I am glad to see that there is agreement from this Government that that is exactly the kind of financing model that would work well in the combined authority area. There is cross-party support for it, and through the partnership of Mayor Andy Street, Birmingham City Council and, I have to say, Solihull Council, that has allowed us to get the deal agreed with the Government. We must now make sure that there is maximum ambition in the deal that eventually gets settled. I ask the Minister to work with us to ensure that we are able to maximise business rate retention, because that would allow us in the combined authority to contribute hundreds of millions of pounds to ensuring that the tramline is built.

It was a privilege for me to go with my hon. Friend the Member for Birmingham, Erdington (Mrs Hamilton) to visit Water Orton on Friday to see the new tunnel beginning to be built underneath the great Bromford estate and on its way to the new Washwood Heath marshalling yard, which will be in my constituency. HS2 is an expensive engineering project, but it will transform the economic geography of our country. We have it within our grasp to ensure that the new wealth created by HS2 at the heart of our country, at the heart of Britain, transforms the livelihoods of the youngest population in Britain, who today live in a community that is scarred by the worst poverty in our country. We have not yet made the progress we need to make to get the east Birmingham tramline built, but the prize is obvious: it is the simplest way we can maximise the value of HS2 to one of the poorest parts of the country. I look forward to working with the Minister to turn that great dream into a reality.

9.28 pm

The Minister of State, Department for Transport (Huw Merriman): I thank the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) for securing this debate and for his representations regarding transport services and growth opportunities in his constituency and the wider region. I pay tribute to him for the words he used—he has set out a great case for how transport can be an enabler to transform and regenerate areas that really do need it. His knowledge and expertise in this area speaks for itself, and I thank him for being an enabler of the HS2 project, for which I am very proud to be the Minister. He referred to the time when he was Chief Secretary to the Treasury and the work he did at that point. I can assure him that the Government are steadfastly committed to levelling up and empowering communities in the west midlands, and I want to talk about some of the ways that we are delivering that.

Let me begin by talking about local funding and opportunities. As the right hon. Member knows, the Government recognise the importance of transport to the people and economy of the west midlands, as demonstrated by the commitments made through the recent Trailblazer devolution deal. Our significant wider funding commitments also mark a further step in ensuring that we empower local leadership and enhance transport connectivity across the region.

Through the west midlands city region sustainable transport settlement, an unprecedented sum—more than £1 billion in capital funding—has been allocated to deliver projects and priorities which have been decided locally. For instance, West Midlands Combined Authority has earmarked £25 million of those funds to make significant improvements in bus services on the key A45 corridor in east Birmingham as part of its Sprint programme. The scheme will deliver new bus priority and journey time savings for passengers, linking people with opportunities in the city centre and Solihull and providing connections to Birmingham airport. The Department will work closely with stakeholders across the region to help ensure that schemes of this kind deliver economic growth and better transport experiences for local communities.

I am aware that the right hon. Member, and others, have called for an extension of the west midlands metro through east Birmingham to Solihull and Birmingham airport. As he will know, the metro route is already being extended eastwards as far as Digbeth, with backing of more than £131 million through the Government's local growth fund programme. This scheme will serve the new Curzon Street station, helping to connect more of the region to the growth opportunities unlocked by HS2. I recognise the importance of the metro to the region, and I also recognise that light rail can be an attractive and environmentally friendly way of connecting people with jobs, education, healthcare and, indeed, each other in our largest towns and cities. While the Government are rightly investing in local transport networks across the country, local transport authorities retain responsibility for their delivery. The right hon. Member will appreciate that decisions on these proposals are devolved to the Mayor of the West Midlands, although I note his call for the Government to do the work that Governments can do to enable such proposals to reach their full potential.

It is crucial that local representatives, who know the challenges in their areas, are responsible for assessing the options available and ultimately deciding on the best way forward. I therefore encourage the right hon. Member—as well as pressing me, as he rightly does—to consult the Mayor about the proposals that he supports. He will know that Andy Street is a champion for transport throughout the west midlands, and frequently pushes me for more investment: he clearly shares the ambition to which the right hon. Member referred at the start of the debate. In his spring Budget statement, the Chancellor announced a second round of the city region sustainable transport settlements, providing areas across England with a further £8.8 billion over five years from 2027 to allow them to continue to develop transformational local transport improvements. That funding may represent an opportunity to develop the east Birmingham to Solihull metro proposals further, should the Mayor choose to do so.

Of course, I could not talk about transport in Birmingham without going into a little more detail about the opportunities for HS2. This new railway will change the economic geography of the whole country, bringing our biggest cities and economic regions closer together with reliable, low-carbon, high-capacity travel, and I take the right hon. Member's point about its linking Birmingham not just with London—west London, that is, through Old Oak Common—but, via the new Elizabeth line, with Canary Wharf. It will provide enormous opportunities for businesses that are currently in London to extend their reach to Birmingham, and that is very much part of our ambition.

The Government are developing an HS2 local growth action plan which will outline the way in which we will continue to work with host station places to support their local growth ambitions. As the right hon. Member mentioned, around Curzon Street, in central Birmingham, HS2 will support thousands of new jobs—19,600, according to the latest estimate—and 2,200 additional homes. At the interchange station in Solihull, HS2 Ltd is working with local stakeholders on a brand-new, mixed-use development that will capitalise on its well-connected location. At Washwood Heath, HS2's national control centre and maintenance depot, hundreds of new jobs in the railway sector will be created in east Birmingham. HS2 Ltd is committed to supporting further employment opportunities in the development area south of the depot through the release of land following its construction.

Mention has been made of surplus land at Washwood Heath and the question of when it will be released; I know that the right hon. Member has led the charge on that issue. I am advised that the design and extent of the environmental mitigation in the development area is still ongoing, but HS2 Ltd anticipates that the plan for the area will be submitted to Birmingham City Council for schedule 17 planning consent later this year.

I will conclude by addressing the right hon. Member's three points. First, he spoke about a statement of principle and policy; I will write to him and provide as much detail as I can, which I hope will answer that call. Secondly, he asked whether I would meet him and other east Birmingham MPs so that ideas could be pitched; I should be delighted to meet them and will seek to do so at the earliest opportunity. Thirdly, he asked about support for Birmingham's levelling-up bid and about matters relating to devolved taxation. He will know that it is not for Ministers in a

[Huw Merriman]

spending Department to speak about such matters; in fact, in his previous role he would probably have been the first to give them a good ticking off for it. However, I will discuss the matter with the Department for Levelling Up, Housing and Communities and the Treasury, and perhaps when I meet him I can provide him with any information that they give me.

Liam Byrne: I am grateful to the Minister for giving way, because I sense that he is about to conclude. The clear thing that we will need to discuss when we meet is how to ensure that the levelling-up zone maximises the opportunity of the High Speed 2 growth and opportunities plan. Between us, we must make sure that there is joined-up government.

Huw Merriman: I thank the right hon. Member for making that point. He is absolutely right. To continue to make the case for HS2—I will certainly do so, and I am grateful that he is doing likewise—we have to show that it really can maximise growth. We are very happy

to take all ideas from Members of this House, and indeed from wider stakeholders, for how that can occur. Matters that are in the domain of other Departments will need to be decided on by those Departments, but I am certainly happy to feed ideas through and see what can be done.

I thank the right hon. Member for his continued engagement with HS2 and for raising the other matters that he has listed in relation to regenerating his constituency and the city that I know he loves. Significant funding has been and continues to be invested in delivering transformative local transport projects. My Department will continue to work with regional stakeholders to make the most of this once-in-a-generation opportunity and identify ways to improve transport links, drive economic growth and improve access to jobs, education, healthcare and leisure. I look forward to working with the right hon. Member, and with his colleagues nearby, on these shared priorities.

Question put and agreed to.

9.37 pm

House adjourned.

Westminster Hall

Monday 26 June 2023

[GRAHAM STRINGER *in the Chair*]

Road User Charging Schemes

4.30 pm

Graham Stringer (in the Chair): Before I call the hon. Member for Don Valley (Nick Fletcher) to open the debate, I wish to make a short statement about the sub judice resolution. I have been advised that a petition being debated today indirectly relates to a case about the expansion of the ultra low emission zone; the case is ongoing, and therefore sub judice. Mr Speaker has agreed to exercise the discretion given to the Chair in respect of the resolution on matters sub judice to allow reference to the case, given the issues of national importance that it raises.

Nick Fletcher (Don Valley) (Con): I beg to move,

That this House has considered e-petitions 599985 and 633550, relating to local road user charging schemes.

It is a pleasure to serve under your chairmanship today, Mr Stringer. We are here today to discuss two petitions. The first seeks the revocation of local government powers to charge for clean air zones, low emission zones and ultra low emission zones, and the second seeks amendments to the Greater London Authority Act 1999 to remove the Mayor of London's power to impose road-user charges.

I often lead these petition debates, and I always look at the argument from both sides. For every petition, there is an opposing view; it is important to consider all aspects and that everyone's voice is heard. Cancel culture has no part to play in a healthy democracy. I have therefore taken the time to speak to not just the petitioners but, among others, Asthma + Lung UK and the Ella Roberta Foundation.

Let me start with the facts: who put the legislation forward, and who was in charge of putting the schemes in place? The then Labour Government gave local authorities the ability to charge road users in part 3 of the Transport Act 2000, and the Mayor of London was given powers by the GLA Act 1999 under the same Labour Government.

The Transport Act gave those powers to local authorities to reduce congestion and to help with air quality. Schemes have now been put in place in London, which has both a ULEZ and a congestion zone, and clean air zones are currently in place in Bath, Birmingham, Bradford, Bristol, Portsmouth, Sheffield and Tyneside—all Labour or Opposition-controlled authorities. I am pleased to announce that I have had reassurances from the Labour Mayor of Doncaster that my city will not be subject to one of these schemes. Pedestrianisation is already doing untold damage to the local economy, and one of these schemes in my city would surely be the final straw.

I will speak first on behalf of those who oppose the petitions—those who think that these schemes are not just necessary but vital for our country. I met Tim Dexter and Andrea Carey. Tim works at Asthma + Lung UK and understands that these schemes can cause controversy, but believes that they are not a big

issue with the wider electorate. He believes that pollution is too high and says that young people are growing up with decreased lung capacity. Tim also stated that having clean air in the city and avoiding losses to businesses does not need to be an either/or situation, as he believes that pedestrianisation, alongside ULEZ and clean air zones, can be shown to increase footfall. For the record, I have not seen any evidence that supports that to date.

Andrea is the chair of the Ella Roberta Foundation, which supports the Clean Air (Human Rights) Bill, also known as Ella's law. Ella is a young girl who died when she was nine. She lived close to the south circular and had been diagnosed with asthma. Her long walk to school meant that she was exposed to car fumes, and air pollution was stated on her death certificate to be a secondary cause. Andrea says that, each year, 38,000 deaths are attributable to illnesses related to air quality. She says that a lot of money is spent on treating people with lung conditions, and businesses would benefit from cleaner air as that would mean that employees took less time off due to ill health. Those are fair points.

I will now speak on behalf of the petitioners. I met Edward Green, who had much to say on this subject. Edward, who lives in London, said that these schemes are bad for business and families, and that they increase isolation. He described them as a tax on the poor, a cost to freedom, undemocratic and an abuse of power. He also stated that the scrappage schemes are ineffective.

In addition to my evidence-gathering sessions, I recently visited Sheffield and Doncaster and asked businesses there what they thought of the schemes. They all agreed with Edward. One contractor in Sheffield said that he had 20 vans on a construction site, so the scheme introduced in the city earlier this year is going to cost him close to £50,000 this year in extra fees. Every construction site in every city with such a scheme will now face similar costs, and as we all know, those costs will eventually be passed on to the public—to us, to me and you, Mr Stringer. Carers, tradespeople, health workers and others will be prevented from working by the punitive charges.

That will be catastrophic for the economy in London's suburbs, as workers from Essex, Kent, Surrey, Sussex, Buckinghamshire and Berkshire will simply not be able to work in the suburbs. Every county surrounding London will be significantly affected, and for the worse. I have spoken to shop workers who have said that if the charges are introduced where they work, they may have no choice but to find alternative employment. Not only will businesses suffer because of decreased footfall, but they will suffer when trying to find staff to help run their businesses.

These issues have been debated in the House before. My hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) stated:

"If we price people out of their vehicles, without potential alternatives available, we will not just be hitting people's pockets by charging them more to use private vehicles; we could be costing them their livelihoods."—[*Official Report*, 9 March 2022; Vol. 710, c. 137-138WH.]

He is correct. In the main Chamber, I have mentioned the concept of 15-minute cities. When I see all the cameras being installed, I ask whether that is the end goal for Labour-run authorities. The question needs to be asked.

[Nick Fletcher]

As Members can see, there is much opposition to road user charging schemes. Nobody disputes that we all want cleaner air; the question is whether clean air zones and ultra low emission zones are the way to achieve that. Personally, I think not. In tourist hotspots, where visitors come from all over the world to spend money, an American or Chinese tourist will not be put off central London because of the ULEZ, but even then, it still hurts everyone who works in the city who needs a vehicle. I know some people will still argue that the ULEZ is needed in the very centre of London, but what about Sheffield, Doncaster and thousands of other towns and villages? Is such a scheme needed there, where the economy is built on servicing the needs of local people? I think not.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): My hon. Friend is making an excellent speech. He has talked about road charging, and the problem right now in the outer boroughs of London, where the ULEZ charge is apparently to be applied, is that it is coming in under the idea that it will clean up the air, yet Transport for London made it very clear in a report that it would have a negligible effect. Does he agree that we should be honest and say that this is actually about raising revenue, and let the electorate decide on that?

Nick Fletcher: My right hon. Friend makes an important point, and a lot of Members in the room obviously agree.

Sadly, in South Yorkshire, we have lost an airport due to the lack of political support against an overzealous green agenda. We are losing our city's businesses due to pedestrianisation, we are losing footfall from terminating buses in one place, instead of allowing people to use stops across the city, and we are losing our market for the same reason—yet we have wonderful new council offices. The staff could bring much business to the town but, sadly, most of them seem to be working from home. Why? Because the elected leaders do so. That is the reason why: they set a poor example. That too is killing footfall.

At one point, Doncaster was a tourist attraction; hundreds of thousands of people used to come to our market. The market is still there, but under a new management company, and with a lack of footfall, tenants are struggling. My home city of Doncaster has so many assets that are not being used to create the business and footfall that they should. There are only three Mansion Houses in the country: in London, York and Doncaster. Why is our Mansion House in Doncaster not open all year round? Why has the Grand Theatre been left to rot? Why do we not have free parking to encourage people to come to town? Why do we not put weekly events on and advertise them to get people into our towns, or open business hubs and careers fairs, to give people a reason to come to our towns? That would get the markets thriving again and in turn get the shops reopening.

We could do all these things, and while we rejuvenate our towns and cities the capitalists—the wealth creators out there—will continue to develop the green technologies that will eventually increase the efficiency of our petrol cars and reduce the cost of electric vehicles. That is the

way to do this. The way forward to clean air can be—indeed, should be—win-win and not lose-lose. I emphasise win-win, but no, the Labour party will always go for the tax lever. Price everyone out of their towns and cities, and sit by and watch the demise from home, while they are on Zoom calls in their echo chambers and blame the internet and central Government for their business closures.

I have no doubt that these schemes will have respiratory health benefits for individuals, but not because the air is cleaner in the cities. No, it will simply be because people will be staying out of the cities and staying at home, often in isolation, while their mental health suffers and the economy struggles to survive.

There are many other ways to tackle this problem, but as usual the Labour party will go for the tax lever rather than the innovation lever, and as always, the working person will suffer. I want cleaner air; I agree with net zero.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Thirteen years.

Nick Fletcher: It is 55 years in Doncaster—55 years of a Labour council in Doncaster. Fifty-five long, long years.

I agree with net zero; I just think that it can be done in a better way than this. People want more power locally, but too often it is given to the wrong people. The cities that I mentioned are testimony to this statement. These schemes show how out of touch and disconnected politicians at local level are from the people and from businesses. The people and businesses do not want these schemes, but the politicians wilfully ignore their wishes, on purpose and with no care about the terrible impact the schemes have. This situation cannot be acceptable in a democracy.

I will close by simply asking the Minister to consider seriously the petitioners' requests. They make an awful lot of sense.

Graham Stringer (in the Chair): I ask hon. Members who wish to be called in the debate to stand. This is a three-hour debate, so I do not think there is any necessity for a time limit.

4.42 pm

Theresa Villiers (Chipping Barnet) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer.

I start by thanking my hon. Friend the Member for Don Valley (Nick Fletcher) for his very able introduction of this very important subject. I also thank everyone who has taken the trouble to sign the petitions that we are reflecting on today.

I will focus on the proposed extension of the ultra low emission zone to cover all London boroughs, including the whole of my Chipping Barnet constituency. I do not believe that this extension is either justified or acceptable. Although I can see that there is potentially a place for charging regimes in appropriate circumstances, ULEZ expansion is the wrong scheme at the wrong time.

Of course everyone in Westminster Hall today will agree that we need to reduce air pollution, and a range of Government policies are delivering progress towards that important goal. The Mayor of London published

an independent impact assessment of his ULEZ expansion proposal that concluded that it would have only a negligible impact on air quality. I emphasise that—only a negligible impact. Yet I am sure that many of us have had constituents attending our surgeries to explain the financial hardship that they will experience as a result of this charge being introduced at a time of major increases in the cost of living.

Mr Mark Francois (Rayleigh and Wickford) (Con): As an Essex MP, I wish to place firmly on the record my opposition to Mayor Khan's ULEZ scheme, but another thing that affects air quality is when people have to queue for ages to get through roadworks. One thing that I support is what is known as lane rental, which is the concept whereby utility companies have to pay per day for the privilege of digging up the road and creating inconvenience for everyone else. The Minister and I have discussed this issue before. Essex County Council now supports this idea, by the way. Does my right hon. Friend agree that a sensible measure to improve air quality would be not to bring in ULEZ but to crack down on roadworks?

Theresa Villiers: I think that cracking down on roadworks is a good idea, although I have to say that we have heard many times that lane rental is to be introduced, and somehow we all still seem to get caught in those traffic jams. My right hon. Friend makes some valid points.

Sir David Evennett (Bexleyheath and Crayford) (Con): I am listening with great interest to my right hon. Friend, who is making a powerful case. Of course, the reason for this ULEZ is tax raising, not air pollution control, for which it has been proved conclusively not to work. In places such as Bexley, where we have good air quality, it is just to get money into the Mayor of London's coffers.

Theresa Villiers: Many of my constituents agree with my right hon. Friend. It feels as if the suburbs are up in arms. They absolutely distrust the motivation behind the scheme. Other people who are concerned about ULEZ might be those with older vehicles, which they might have maintained carefully over many years, perhaps when Gordon Brown was telling us that we all ought to go to diesel to reduce emissions.

Gill Furniss: Does the right hon. Member recognise this quote?

"Poor air quality is the greatest environmental threat to public health. Every year, thousands of people have their health damaged or their lives shortened by air pollution. This problem is especially serious in London, with many of the country's worst pollution hotspots here in our capital city...and we need a concerted national effort to tackle this problem from Government, from councils, from mayors, from business, from individuals."—[*Official Report*, 3 February 2021; Vol. 688, c. 971.]

Those were her words in 2021.

Theresa Villiers: And if I thought that this ULEZ project would improve air quality, I might be saying a different thing this afternoon, but the Mayor's own impact assessment said that it will have a "negligible impact" on air pollution.

Think also about the sole traders or people running small businesses who are dependent on a van they cannot easily afford to replace, even if they fall into the limited category of those who qualify for the scrappage

scheme. Those people all face a charge of £12.50, or having to scale back radically their mobility and their freedom to see their friends and family or, in extreme cases, shutting down a business altogether.

The Mayor made no mention of ULEZ expansion in his manifesto; a majority who responded to the consultation opposed his plan; and he is giving people only a few months to get ready for its imposition. Other charging schemes were announced years in advance, giving reasonable time for everyone to adjust.

Munira Wilson (Twickenham) (LD): The right hon. Lady talks about the timing of the roll-out. My Liberal Democrat colleagues and I absolutely agree that, in the midst of a cost of living crisis, to roll out the expansion of ULEZ recklessly, at breakneck speed, is absolutely the wrong timing. Will she and other colleagues in this Chamber sign my early-day motion 1364? It was tabled today and calls for a delay to the roll-out, a doubling of the scrappage schemes—something that Conservatives in the London Assembly supported the Liberal Democrats on—and the Government to fund a scrappage scheme for those areas outside London where many of our key workers, who will be hit so hard, come in from.

Theresa Villiers: Everyone loves a convert, but I wish we had not seen Liberal Democrats in local government all across London welcoming the Mayor's scheme, which is what they appeared to do.

Munira Wilson: Will the right hon. Lady give way?

Theresa Villiers: No, the hon. Lady will get her turn in a moment.

Gareth Bacon (Orpington) (Con): Will my right hon. Friend give way?

Theresa Villiers: I am going to make some progress.

Constituents stop me in the street to tell me how much they oppose Mayor Khan's proposal. A protest I organised, which I was expecting to attract about 10 people and be rather low key, attracted a crowd of about 60. Outer London high streets in places such as Barnet are already suffering from the big switch to online retail, accelerated by the pandemic; losing their customers from outside London could be a killer blow.

Our public services in outer London depend heavily on workers who do not live in the capital. Schools, the NHS and the police already struggle to recruit the people they need. Setting up a ULEZ pay wall around London will make that task even harder and place even greater pressure on NHS waiting times.

Many people living in areas around London will find that they cannot avoid driving into the capital to work, to care for relatives or for hospital appointments. They will have to pay, despite never having a vote in an election for the Mayor of London. That is a shocking example of taxation without representation, as my hon. Friend the Member for Dartford (Gareth Johnson) pointed out in this Chamber only a few weeks ago.

The issue is made worse by Transport for London's unhelpful and negative approach to cross-border bus services, such as the 84 service in my constituency. The operator discontinued the route between Potters Bar and Barnet last year after concluding that it was not

[Theresa Villiers]

commercially viable. However, despite many appeals from me and others, TfL and the Mayor have not lifted a finger to get it reinstated. The Mayor promises that the ULEZ expansion will fund transport improvements, but there is no sign of them so far. The one orbital bus route that has been announced will be a wholly inadequate substitute for the millions of journeys that will be hit by the new charging scheme.

The ULEZ proposal comes on top of a host of anti-car measures. Too often, schemes such as low traffic neighbourhoods and segregated cycle lanes have worsened congestion, transferring traffic from leafier, more prosperous areas to main roads that are home to more disadvantaged communities, which may be hotspots for air pollution. When it comes to the radical schemes seen in London over recent years aimed at promoting cycling, we need to balance the interests of the small minority who cycle with those of the majority who do not, including the elderly and people with mobility impairments for whom getting on a bike is just not a viable option.

It is not acceptable that taxis are being caught up in Mayor Khan's war on the motorist. Nearly half the licensed taxi fleet is now zero-emission capable, and within a decade, all licensed taxis are expected to be electric. Licensed taxis are a crucial part of our public transport system, and the only form of fully accessible door-to-door transport in our city. There is no justification for excluding them from Bank, Bishopsgate or Tottenham Court Road, as is currently the case. That goes against years of cross-party consensus that meant that taxis could go wherever buses could.

Sir Iain Duncan Smith: I am grateful to my right hon. Friend; she is, as ever, making a powerful contribution. I want to push her on that point. The number of taxi drivers has now halved. Road blockages, lengthy queues and difficulties in getting around London have made their lives a living hell, and more and more of them are leaving the profession. One of the great shining examples of London transport is being killed off by the present Mayor.

Theresa Villiers: Many of my constituents who drive taxis will share my right hon. Friend's concerns. It would be a real tragedy if London lost its licensed taxi fleet, but it feels that Mayor Khan is turning the city into a hostile environment for car drivers, taxi drivers and people who depend on vans and lorries.

In conclusion, the expansion of the ultra low emission zone to outer London has no mandate. It will do virtually nothing for air quality, it will be economically damaging and it will hit the poorest harder than anyone else. The Mayor should dismantle Labour's hated ULEZ expansion. If he does not, I sincerely hope that Londoners will take the opportunity to vote him out next May and replace him with a Conservative Mayor of London.

4.53 pm

James Daly (Bury North) (Con): As a fellow Greater Manchester MP, Mr Stringer, it will be as much of a shock to you as it is to me that none of your Labour party colleagues are present to discuss this huge issue, which affects every single person in Greater Manchester.

I take a very straightforward view on this issue. It is inconceivable that any Government could allow the interests of the green lobby to trump those of hard-working people in my constituency. It comes down to a basic fact: my constituents should not be taxed in any way, shape or form to support an agenda that is utterly damaging to both them and the wider country. The net zero agenda is worthy of Marx—it is the opium of the middle-class liberal masses. They are determined to impose on the rest of us something that none of us wants, including a speciality of the Labour party: imposing taxation on people who cannot afford it.

I worked in the private sector for the whole of my professional career, and I am self-employed when I am not being a Member of Parliament. What about the guys who go out into the community to work hard—the plumbers, taxi drivers and electricians? When Andy Burnham first put forward the Greater Manchester clean air zone, it was astonishing in its scale—493 square miles: the world's largest clean air zone. No one has ever been able to give a reason why it was being imposed in the first place. There are no health benefits from it.

The situation is like many other things we see in politics—the generalisation and other people wanting my constituents to believe something without proving that any of it makes any difference. Every single person in this Chamber knows that we can look into the cameras, try to be liberal and nice, and say, "In these circumstances a clean air zone might work." But the zones never work because they do not achieve anything and they penalise the people who elect us.

How on earth can we come up with a policy that puts taxi drivers out of business? Andy Burnham spent £50 million on a scheme that he planned to introduce on 30 May 2022. Then, miraculously, with his mayoral election coming up, the scheme was stopped following a backlash against the scale of the proposals. It was political opportunism mixed with ideology, and we should fight it with every sinew of our bodies.

Bearing in mind that Greater Manchester MPs have always dealt with the Department for Environment, Food and Rural Affairs when it comes to the clean air charging zone, it is a surprise to see my great friend the Transport Minister here, especially given that we have had no interaction on this issue. He is a red wall Minister who believes in low taxation and supporting the self-employed. He believes in everything that makes most of the people in this room Conservatives. He certainly—he will challenge me if I am mischaracterising him—does not believe that there should be excess taxation on working people to please the liberal masses. That is fundamentally wrong. The Labour party are not here because they cannot show their faces. This policy has been put in place just to please *Guardian* readers. We have to get away from it, both as a Government and individuals.

Let me quote this. It has been reported to me—this has never been challenged by anybody—that the Greater Manchester clean air zone would cost those of my constituents who have the temerity to leave for work from their driveways anywhere between £3,285 and £36,500 a year, depending on the nature of their business and the individuals involved. Imagine inventing something that charges someone for leaving their driveway! That is what Andy Burnham did.

Thankfully, Andy Burnham admitted that the Government did not force him to come forward with the proposal. I ask the Minister, through his good offices, to take back to whoever is going to make the final decision on the Greater Manchester clean air zone that the Conservative party does not believe in excess taxation. We believe in evidence-based policy—there has to be a reason to do something. My constituents are not dropping down dead as a result of alleged dirty air. That just does not happen. I have been searching high and low for the evidence to show the excessive health consequences of dirty air in my area. There is none.

There is no evidence. The policy puts people out of business and allows Andy Burnham and other politicians to waste huge amounts of money; we have also given him £120 million to retrofit vehicles. A few months ago, in this building, I was talking to somebody from Transport for Greater Manchester—the active travel commissioner, they were called. “Active travel” seems to be the thing: encouraging people to jump on a bicycle, no matter their age—let us spend millions of pounds on encouraging 85-year-olds to jump on a bicycle and go to the local town centre.

Angouleme Way in my constituency, a ring road, has been reduced from two lanes to one. Given that the impact has been to cause monumental congestion, a not unreasonable question was put to the person from TfGM; I will not name them here. It was said that the plan—I am not making this up—was to deliberately create so much congestion for six to seven years that everyone would jump out of their cars, get on their bikes or walk about 15 miles from Ramsbottom in my constituency to the centre of Bury. That policy making is based on fantasy and hits the wealth creators and lifeblood of this country. Whether we are talking about the Greater Manchester clean air zone or ULEZ, it should be stopped by our Government. The policy does not work for anybody else, and we need to get away from just following the noise of the liberal media, which these policies are all about. The Labour party does not believe in supporting my constituents: it believes in policies that punish them. That is why none of its Members are here today.

5 pm

Gareth Bacon (Orpington) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I would like to thank my hon. Friend the Member for Don Valley (Nick Fletcher) for leading the debate.

At the outset, I have to say that I fully support the sentiment of both the petitions we are discussing today, but I will primarily speak to the petition that refers to a desire to amend the GLA Act 1999 to remove the Mayor of London’s power to impose road user charges. The issue has been brought into very sharp focus by the Mayor of London’s decision late last year to move forward with the expansion of the ultra low emission zone to the Greater London boundary, a policy that I have spoken about in the House a number of times.

My Orpington constituents are part of the London Borough of Bromley, which will be impacted by the decision. My constituents are overwhelmingly opposed to the expansion of ULEZ, which they see quite rightly as a tax-grabbing scheme to fill the holes in Transport for London’s finances. Moreover, it is a tax-grabbing scheme misleadingly dressed up as an environmental measure.

Despite a growing clamour and loud discontent, the Mayor is continuing with its implementation. Indeed, he has effectively made a mockery of the public consultation on his plans by ignoring the fact that it showed that over 60% of those consulted were against the scheme, including 70% of those living in outer London.

Documents obtained under the Freedom of Information Act have revealed that TfL began ordering hundreds of the number plate recognition systems required for the expanded ULEZ in April 2022, a full month before the public consultation even started. Documents obtained by the London Assembly Conservative group show that the Mayor’s office, having been briefed that the vast majority of consultation responses coming in were opposed to the expansion, then attempted to influence the outcome by targeting an advertising campaign at particular groups of people who were more likely to respond favourably. There also appears to be a strong indication that City Hall attempted to suppress responses from certain individuals in order to make the outcome appear closer than it was.

It is completely clear that the Mayor was never interested in any opinion that did not concur with his own, including that of my constituents. Time and again, he has shown himself to be entirely unrepentant in his determination to impose prohibitively high extra costs on Londoners. Orpington simply does not have the public transport alternatives that exist in central London. We do not have the tube. We do not have trams. We have a bus network that is far from comprehensive and is unreliable. We have country lanes, farms and hedgerows. It is a vast place, and people need their cars to get around.

My inbox and postbag have been full of messages from people who are desperately worried because they own a non-compliant vehicle and can afford neither the daily charge nor the cost of a replacement vehicle. For some, the expansion will simply mean that they are not able to drive any more. Indeed a TfL-commissioned report by the consultancy firm Jacobs, which was mentioned by my right hon. Friend the Member for Chipping Barnet (Theresa Villiers), was published in May 2022 and warned of a disproportionate impact on low-income households due to their lesser capacity to switch to a compliant vehicle and/or to change mode.

The Labour party likes to hector everybody about the cost of living, but this scheme is by one of their own Mayors and it will hit people on low incomes the most, because they are more likely to have an older vehicle. Elderly constituents have written to me distraught about how they may no longer be able to go out and do their weekly shop or see family and friends because they cannot afford to drive their cars. They are terrified of isolation. They have survived the pandemic, but they may not survive this.

Single traders have told me that they will no longer be able to operate. Social care workers have told me that they will have to leave the profession. My local higher education college has told me that the impact on large numbers of their staff will be devastating. I must agree with small business owners, who are rightfully complaining that after the pandemic the ULEZ charge is a crippling additional cost they do not need at this time. Restaurants and venues within the ULEZ will see a reduction in footfall. The Mayor clearly fails to grasp that a painter and decorator or a builder or tree surgeon cannot take their tools up and down escalators and compete for space on public transport.

[Gareth Bacon]

To add insult to injury, the scheme may close businesses in Orpington. One of my constituents recently told me that he will have to give up his business, because if he is forced to buy a new vehicle or pay £12.50 every day, it will no longer be viable. That is the reality of the situation—businesses closed, family visits severely restricted and workers worse off. All of that is about to be imposed by the Mayor of London at a time when the cost of living is increasing. That arrogance and total disregard for the great difficulties that will be imposed on less affluent people are driving my constituents to despair, and the scheme is entirely unnecessary.

Elliot Colburn: My hon. Friend is making an excellent speech. Does he share my surprise that, when challenged in the London Assembly on the issue, a Labour member responded to those worried about the cost of living by saying, “Go and buy a new car; it will only cost £3,000.”?

Gareth Bacon: I would like to say that I am surprised by that answer, but I am afraid that I am not. It comprehensively shows the lack of grip from some of the people making the decisions that we are talking about. I remind Members present that every single member of the Labour group on the London Assembly voted in favour of this when they had the opportunity to stop it, as did every member of the Liberal Democrats group and every member of the Green group.

The Mayor's own independently produced “London-wide ULEZ Integrated Impact Assessment” states:

“The Proposed Scheme is estimated to have a minor (NO₂) to negligible (PM_{2.5})...impact on exposure to air pollution”.

Asthma UK ranks Bromley and Havering as the second and first boroughs, respectively, in terms of the cleanest air quality in the capital, so why should my constituents have the ULEZ imposed on them in this way? Improving air quality sounds great on paper and might earn the Mayor of London brownie points from rich Labour donors who finance anti-democratic pressure groups such as Just Stop Oil, but the reality is that the scheme will change little in terms of air quality.

Devolution, as personified in the form of elected metro Mayors, has created a form of electoral dictatorship in certain regions of the country. Most metro Mayors have almost no elected scrutiny of their actions and no local checks on their power. The London Assembly has done valuable work in scrutinising the Mayor, but in practice it is a toothless tiger in terms of its ability to check his power. The expanded ULEZ will do little to improve air quality, but it is likely to go ahead because the Mayor and local authorities have the power to create clean air zones even if they are flawed. That power needs urgent review.

Section 143 of the GLA Act 1999 appears to offer hope to my constituents, because on the face of it the section gives the Secretary of State for Transport the power to direct the Mayor of London with regard to his transport strategy under certain conditions. However, I am aware that Department for Transport lawyers apparently see that as a grey area. So let us put the issue beyond doubt and do the right thing: let us agree with the petitioners and seek to remove the power of Mayors and local authorities to unilaterally impose these charges.

5.8 pm

Gareth Johnson (Dartford) (Con): I want to make a short speech about this issue, which has a profound impact on my Dartford constituency. In many ways, places outside London are in a very different situation compared with constituencies inside London. We do not vote the London Mayor in or out, so this is taxation without any accountability or representation, as my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) rightly said. Decisions are being imposed on people in Dartford without any say from the people of Dartford. That is not democracy, yet that is what is happening.

That is the case right across the doughnut area around London, where the Mayor's scrappage scheme does not apply. Nor should it apply, because where would we draw the line? Right up to Manchester or Rochester? We cannot have a situation in which the general taxpayer has to pick up the bill for the Mayor of London's financial incompetence. It is therefore right that we do not have the scrappage scheme outside London. Even in London, the scrappage scheme payments are up to £2,000. Show me a ULEZ-compliant car that can be bought for up to £2,000—there are hardly any out there.

Sir Iain Duncan Smith: Right now in Labour-controlled boroughs, such as my borough of Waltham Forest, they are trying to build tower blocks. They will not allow any car parking except for those with disability certificates. That means that even if someone does get the right car, they will not be allowed to park in London. It is an attack on the whole idea of the motor car, whether it is electric or using carbon fuel sources.

Gareth Johnson: My right hon. Friend is absolutely right. There is a lack of joined-up thinking about how we approach motor vehicles, and we all know that the Mayor of London has an anti-car mentality. The impact is going to be on people not just outside of London, in places such as Dartford, but in areas of outer London that fall within the zone. There will be an impact on businesses: people in my constituency are not going to travel to them, as it will cost them £12.50. One in seven of my constituents who own vehicles will be hit by the charge.

The charge will also affect public services in London. Something like 50% of all Metropolitan police officers live outside of London, and I am sure it is a similar figure for paramedics and firefighters. That group of people is going to have to pay £12.50 to come into London in order to work and keep running the services that Londoners rely on. It is not just £12.50; if they are doing a night shift, they will be hit twice. It will be 25 quid to do a night shift. We are talking about the people who Londoners rely on the most.

Kelly Tolhurst (Rochester and Strood) (Con): I thank my hon. Friend for the campaigning he has done against the expansion of ULEZ. Like him, I am Kent MP; he will know that *KentOnline* did a freedom of information request, and found that the last expansion of ULEZ saw 78,000 people in Kent fined within a year. Over 16,000 people in Medway were fined.

I am now being contacted by residents who are having to travel into Bexley, which years ago was in Kent, not Greater London. It is frustrating for my local residents to understand how the Labour London Mayor has an impact on an area that we used to believe to be Kent

and not London. Does my hon. Friend agree with me that we should do all we can in Kent to ensure we are supporting our London colleagues to stop this crazy money-grabbing scheme by the Mayor?

Gareth Johnson: My right hon. Friend is absolutely right. That is why it has been so good that Kentish MPs have been working with our distant cousins from across the border in the smoky town. These are hon. Friends who, over this issue, would quite like to be in Kent—but we will not let them.

It is important that we make the point about the penalty notices. Income from penalty notices has been factored in by the Mayor of London in the overall budgeting for this. The Mayor relies on people forgetting to pay, or not knowing that they have to pay. That is part of the impact that the Mayor is placing on us.

As has been said a few times in this debate, the charging scheme is not about air quality. That is the façade that has been used. In Dartford we have poor air quality. We suffer from the impacts of westerly winds and the Dartford crossing, and as a consequence we have poor air quality. Therefore, if it was about air quality, I would be one of the first people to be sympathetic, but it is not about that. If it was about air quality, Sadiq Khan would be banning vehicles from London. He does not want to ban them; he just wants to make money out of them—and he needs to make a certain amount.

We know that the London underground is far more polluted than the air on the streets, yet the policy will force more people to use the underground and so suffer a bigger impact because of the quality of the air they will be breathing. The scheme has absolutely nothing to do with air quality. At the moment, the Mayor of London is doing away with our daily travel cards, which again pushes more people on to the London underground, where the air quality is far worse.

Gareth Bacon: At recent public meetings, the Mayor of London equated the expansion of the ultra low emission zone to the banning of smoking in pubs. Would my hon. Friend agree that the banning of smoking in pubs was not subject to a £12.50 charge—as if someone paying £12.50 would not be polluting the air in the pub while smoking? The comparison between the two is completely and utterly bonkers.

Gareth Johnson: Absolutely. It is also fair to say that in any consultations that took place at the time, the majority of people were in favour of banning smoking in pubs. Even if we accept wholeheartedly what the Mayor of London has said about the consultation process, we know that a majority of people do not support the ULEZ expansion. It was a sham consultation. What is the point in having a consultation and totally ignoring its outcome? There are lots of rumours that the cameras were bought before it took place, and that therefore there was never any chance of Sadiq Khan rolling back on the policy. He was hellbent on expanding the ULEZ no matter what anybody said, and no matter what the outcome.

What we have not heard is Sadiq Khan saying that he will not move the goalposts. I firmly believe that he has in mind the fact that he has to earn a certain amount of money to pay for the infrastructure that he will put in—£250 million, for a start—and to fill the black hole in his finances. If too many people switch to compliant vehicles, he will move the goalposts, so the next category

of vehicles will no longer be ULEZ compliant, until all petrol and diesel cars are not compliant and are therefore charged. The Mayor of London has not ruled that out, and I firmly believe that it will happen. This is not the end, but the beginning.

Mr Francois: My hon. Friend said earlier that it is one thing when Kent MPs co-operate with London MPs; it is another when Essex MPs join in too. Does he agree that TfL has effectively been bankrupt for years and is kept going only with central Government subsidy? While the Mayor pays lip service to air quality, this is a tax grab, pure and simple. It is not about air quality; it is about money.

Gareth Johnson: My hon. Friend from across the river is absolutely right. I am delighted that Essex MPs and Kent MPs have been working together on this. All MPs who have an inch of fairness about them have been doing so. It speaks volumes that not a single Labour Back Bencher has turned up. They are intimidated. When I speak to Labour MPs privately about the policy, they despair. That is why they are not present. They have no comeback and no answer, and they do not want to be here, embarrassed by this policy, which is supported by the leadership of the Labour party.

I will make one final point. For a party that claims that it wants to look after the poorest in society, this policy will do exactly the opposite: it will hit the poorest the most. It will not hit the rich, powerful and wealthy; it will hit people who have vehicles that are quite old and that they cannot afford to upgrade, and small businesses that have two or three non-compliant vehicles and are therefore unable to upgrade them. The charge will hit people who cannot afford to pay it, and who will therefore despair and contact their Members of Parliament. Scores of them have done so on a weekly basis, desperately trying to work out what on earth they can do about a policy that they have no control over—no vote over, in the case of people Dartford—and simply cannot afford.

This is a cruel form of taxation on people in the south-east. It is something that the Labour party should be thoroughly ashamed of. They should be thoroughly ashamed of their London Mayor.

5.18 pm

Elliot Colburn (Carshalton and Wallington) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I, too, thank my hon. Friend the Member for Don Valley (Nick Fletcher) for the way he presented the petitions. I totally agree with everything that has been said by my Conservative colleagues, and I do not want to be too repetitive. I will emphasise some really important points, not least of which are that this ULEZ expansion was not in the manifesto of the Mayor of London, that the consultation showed overwhelming opposition to it, and that, according to his own integrated impact assessment, it will do nothing to tackle air quality.

Gill Furniss: In 2020, the hon. Member for Cities of London and Westminster (Nickie Aiken), a deputy chairman of the Conservative party, said:

“I fully support the Mayor’s Ultra Low Emission Zone (ULEZ) and its planned extension. The majority of car journeys in the Two Cities are not made by local people. They are travelling through, ruining our air quality.”

[Gill Furniss]

Why does the hon. Gentleman think she said that? How can he say that the Conservative party does not support ULEZ?

Elliot Colburn: I am very happy to help the hon. Lady figure out what London looks like. Its geography comes from the two cities. The Conservative party did support the inner London low emission zone, but it does not support the greater London low emission zone, which applies to my constituency.

Gill Furniss: She is the deputy chair of your party!

Graham Stringer (in the Chair): Order.

Elliot Colburn: I have long been opposed to ULEZ.

Gareth Bacon: Does my hon. Friend acknowledge that the inner London ultra low emission zone is contained in the congestion charging zone, which has a massive surplus of public transport alternatives and demonstrably worse and less clean air than outer London? That is why my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) was in favour of it while she was leader of Westminster City Council and why it was supported when it was initially consulted on under the mayoralty of Boris Johnson by the GLA Conservative group.

Outer London is completely different. It does not suffer from the same bad air or have the public transport alternatives. That may help the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss) to understand why there is a very big difference between the inner London ultra low emission zone and the outer London ultra low emission zone proposed by the Mayor.

Elliot Colburn: I am grateful to my hon. Friend. Characteristically, and as a former member of the London Assembly, he is absolutely right. Indeed, I imagine that our hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) may have been less supportive at the time if she had known that, only a few years later, the Mayor would be looking to cut the historic No. 11 bus route out of central London and her constituency.

The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden): I am sorry to intervene on my hon. Friend. I just thought it would be worth reflecting on the quote given by the Opposition Front-Bench spokesperson. Back in 2020, there was no proposal from the Mayor of London to expand ULEZ to the Greater London boundary, so whatever my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken), who is not present, was saying in 2020—I am sure the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss) let her know that she was going to mention her in Westminster Hall—was not in support of whatever Mayor Khan has put forward. It was not anything about what is being debated today because that was not the ULEZ proposal of Mayor Khan at the time. That is largely the point of some of the petitioners who have been in touch about today's debate.

Graham Stringer (in the Chair): Order. We are not under any real time pressure, but can I remind right hon. and hon. Members that interventions should be short and to the point? They are gradually getting longer and longer.

Elliot Colburn: Thank you, Mr Stringer. I will quickly move on then, and just say that the Minister is absolutely right.

Like other colleagues, I have seen at first hand in my postbag the local, organic opposition to ULEZ continue to grow—not just from my own petition, which is continuing to grow by hundreds of signatures every week, but from the very real stories that we are receiving from constituents about how expansion of ultra low emission zone will impact them. In Carshalton and Wallington alone, it is estimated that 30% of all vehicles will be deemed non-compliant; that means that roughly 30,000 cars will not be deemed compliant if the expansion goes ahead. How many people will be impacted by that? How many families? How many small businesses? How many pensioners? How many charities? These are real concerns voiced by real people, yet how are they portrayed? How are they dealt with? The Mayor of London, seemingly deaf to these concerns, labels them wackos, nutjobs and conspiracy theorists—and that is when he is not too busy trying to sell his book or going around the world advertising marijuana farms.

Where do my constituents go for help? The Mayor is not helping them—the Conservatives are the only party opposing the expansion—so what about their local council? Behind all the smoke and mirrors is the inescapable fact that the Liberal Democrats have been consistently pro-ULEZ. That dates back all the way to 2020 when it was actually a Lib Dem Assembly member who berated the Mayor for not introducing a whole-London ultra low emission zone. Then, closer to home, a Lib Dem Assembly member has welcomed the expansion of ultra low emission zone as “right and necessary” and Sutton's Lib Dem councillors have been voicing their support for the expansion of ULEZ to our roads for years. One went so far as to state boldly on social media that

“Yes we are in favour of ULEZ”

and voted down a motion moved by the Conservative group on Sutton Council to call on the Mayor to drop it. Even now, even when they are trying to claw back some kind of credibility, they can still only go as far as to say that they want a delay. Well, a delay is not good enough. The only acceptable thing to do with ULEZ is to scrap it. I am looking towards the Opposition Benches: it does not surprise me that it is not only the Labour party who are not here, but the Lib Dems, too.

It is incredibly heartening to see Conservative colleagues working together across London and outside of it, and I congratulate the five Conservative-run councils that have brought forward this proposal. However, having heard your warning about this matter being sub judice, Mr Stringer, I will not go any further than that.

We are not only dealing with constituents who are frustrated and worried—worried to their wits' end. There are also other groups and sectors who I fear have been left out of this conversation. One is charities—for many charities, buying a new ULEZ-compliant vehicle would be tantamount to financial ruin. I believe that speaks volumes about the weaknesses identified in the heavy-handed approach to ULEZ that has been adopted.

Tens of thousands of Londoners, including many people in Carshalton and Wallington, will receive no help from the Mayor of London's scrappage scheme and, as we have already heard, the scheme is not nearly enough even for those who do qualify. Many Government Members have long argued for a broader and more holistic approach, rather than the current scheme.

That goes back to the crux of the issue. The Mayor of London seeks to punish people for being unable to afford to upgrade their vehicle instead of encouraging people to have a greener lifestyle. Instead of spending millions of pounds on ULEZ enforcement cameras, he could have invested that money elsewhere—for example, on expanding London's green bus fleet; improving the connectivity of outer London boroughs; beefing up the scrappage scheme; fixing the massive failures in his solar panel roll-out; or bringing back the boiler scrappage scheme that the last Mayor had in place.

Take Carshalton and Wallington as an example. Like the borough of my hon. Friend the Member for Orpington (Gareth Bacon), we have a terrible public transport accessibility rating for a London borough: it is just 2. We do not have the tram, the London overground or the tube; we have bus networks and a limited number of national rail networks. As my hon. Friend said, those are often unreliable.

The expansion of the tram to Sutton was scrapped by this Mayor and yet he has the audacity to say that he will somehow improve the public transport network, which, in our case, is a super-loop bus that already exists and has a limited number of stops. How can my constituents get to work, visit friends and family, and go about their daily lives if they cannot afford the £12.50 daily charge and there is not a sufficient public transport network in place? The short answer is that they will not.

Rather than encouraging people to take action through proactive means, the Mayor has decided to go with the heavy-handed approach of slapping hardworking Londoners—the least well-off in our communities—with an arbitrary fee just to leave their driveways. That is not the way to do things, so I urge the Government to consider again the petitioners' asks. We cannot allow this ULEZ expansion to go ahead.

5.28 pm

Sir David Evennett (Bexleyheath and Crayford) (Con): It is a pleasure to serve under your chairmanship today, Mr Stringer. I will just make a brief speech on behalf of my constituents in Bexleyheath and Crayford.

I congratulate my hon. Friend the Member for Don Valley (Nick Fletcher) on securing this debate and on his comprehensive leadership of it. I also congratulate my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) on her comprehensive, passionate and interesting speech against the ULEZ scheme and what is happening with it. I do not want to waste everyone's time by repeating her comments, but I totally endorse them. My hon. Friend the Member for Orpington (Gareth Bacon) also made a passionate speech. He and I have been friends for a long time, we are in neighbouring boroughs and we have similar situations.

However, the most important thing that I would like to say is that people in Bexley in particular need their cars. We do not have an underground system. We have a very limited, east-west Network Rail and Southeastern

train service, which means that if people want to visit others, they need a car. I believe this Mayor is anti-car; he wants to stop cars everywhere.

I have a tremendous regard for the Minister. He knows how passionate I am about cars. Motorists are already taxed an awful lot—some would say far too much—and the ULEZ is an additional burden on people who can least afford to change their cars. In my part of south-east London, the borough of Bexley, businesses—particularly small businesses, as my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) highlighted—need their vehicles to carry out their work as plumbers and electricians. We have brilliant care homes in the London borough of Bexley, and care workers do a fantastic job. They are going to be clobbered. They are low paid, so the ULEZ is a charge that will be detrimental to them and their families.

It is a shame that the Mayor of London wants to take this approach, which was not in his manifesto. We do not expect outer London to be treated the same as inner London. My hon. Friend the Member for Dartford (Gareth Johnson) made a powerful speech about pollution on the underground. Bexley is one of the greenest boroughs, with more open spaces than nearly any other borough in Greater London, and our air quality is good. Of course we want to improve air quality everywhere, for health reasons, but to attack the outer London boroughs in the way that the Mayor wishes is a disaster, unfair and undemocratic.

We had an opportunity to have a consultation, but it was a sham consultation. It was not effective, it was not publicised and the results are highly suspect. My view is that the respondents in my borough and constituency are overwhelmingly against the ULEZ. Whatever people's political views are in Bexleyheath and Crayford, they are against the policy for practical and financial reasons, yet the Mayor is going to proceed with it. It is undemocratic, and I have huge disregard for his approach of not listening to facts and comments. In a democracy, we all have to listen—that is what it is all about—so I am really disappointed that he will not delay the implementation of the scheme so that we can have another look at it, because we in my part of London believe that it is the wrong policy at the wrong time, particularly given the cost of living situation and because we do not have the transport network that we need in outer London. People on low incomes who are doing fantastic caring jobs will be taxed disproportionately, because they need their car for the unsocial hours that they have to work—whether it is a night shift, late shift, early shift or whatever—and there is no public transport to get them back and forth between home and their workplace.

This has been a good debate, because it has been comprehensive on the Conservative side. Different views have been put together, with one conclusion: the ULEZ must be stopped, and it must be scrapped. The empty Labour Benches say it all, because a lot of Labour people in my constituency are fundamentally against the policy. Labour Members have not spoken up and joined us, which is a great pity. Of course we want to do all we possibly can to stop pollution, but this is the wrong policy at the wrong time, and it is attacking all the wrong people.

5.33 pm

Mr Louie French (Old Bexley and Sidcup) (Con): I thank my hon. Friend the Member for Don Valley (Nick Fletcher) for securing this important debate. I also

[Mr Louie French]

thank not only all those constituents of mine who have signed the petitions, but the 6,000 constituents who have signed my petition against the Mayor of London's ULEZ expansion to Bexley and all of Greater London.

The subject of this debate is of huge concern to my constituents. The planned ULEZ expansion—a tax raid on drivers in outer London and the neighbouring countries, as we have heard already—will hammer families, small businesses and emergency service workers with bills of £12.50 per day, or around £4,500 a year. As the petitions highlight, and as we have already heard from Conservative Members, the ULEZ expansion is overwhelmingly opposed by the public. The debate has also raised a number of serious issues and questions, including about the process and powers being used by the Mayor to push it through. I hope that the Minister will look closely at that again, given these petitions.

First, there are questions about whether the Mayor has the mandate to do this. As we have heard already, it was not in his manifesto, and the impact of the expansion will be felt far outside the Greater London boundaries. That is alongside the fact that local authorities also have a statutory duty over air quality, and, as we know, several boroughs are opposed to the policy.

Secondly, as highlighted already, the proposals were overwhelmingly rejected in the consultation by around 70% to 80% of people in outer London. Unsurprisingly, the number of black taxi drivers who reject them is even higher. Even Unite the union, one of the biggest funders of the Labour party, is against Labour's policy and has described ULEZ as “anti-worker”. Despite that, in a rare moment of consistency, the Labour leadership is supporting the policy and doubling down on its support for the Mayor of London.

It is clear why people are so furious about the decision, given the current cost of living challenges. In Bexley alone—the area that I am proud to serve—around 31,000 vehicles will be directly impacted. It is hammering us—businesses, families and key workers—with those bills. According to the RAC's own independent estimates—they are far different from those provided by TfL, which I think we have all started to question—851,000 vehicles will be impacted in outer London. That is just inside those Greater London boundaries.

By introducing the charge in August, with less than a year's notice, the Mayor has given people hardly any time to switch vehicles, which was one of the main points raised by objectors in these petitions and elsewhere. That may suit the Mayor, as he and Labour desperately hope that people will forget about ULEZ before May's election. However, I have some news for the Mayor: Londoners will not forget, and barely a day goes by without a constituent stopping me in the street and highlighting how ULEZ will impact them. That also goes for the upcoming by-election in Uxbridge and South Ruislip, where voters have the opportunity to send Labour a message when it comes to ULEZ.

Those constituents include pensioners who rarely drive but need their car to go shopping or to hospital appointments; families who need to drop off their kids, perhaps to different schools each morning; and, as we have heard, tradesmen who need their vans for their tools and to get to jobs. As my Friend the Member for Dartford (Gareth Johnson) has highlighted, shops on

the boundary of Bexley, in places such as Bexley village, face a particular issue. Many customers come from neighbouring Dartford or Rochester to use their services, and people are so scared that there will be a significant drop in customer footfall.

Alongside the clearly negative impact of the ULEZ expansion on businesses and hard-working families, it is also important to again highlight that over 50% of blue-light workers in London live outside the capital, and 90% of care workers nationally use their own cars for work. Those are not my figures but official figures. The expansion will create many knock-on issues for the emergency services in the likes of Bexley, including, as we have heard, the doubling of charges for those working nights. It will also negatively impact patients, with my local hospital in Sidcup, Queen Mary's Hospital, sharing a number of services and nurses with the likes of Dartford.

Those are all issues that I do not believe have been properly thought through as the Mayor of London desperately seeks to fill the black hole in Transport for London's finances, which he is responsible for. Bexley does not have the underground, and, like many other London boroughs, it does not have the same transport options and connectivity as central London, so it is extremely unfair that the Mayor of London is proposing plans for ULEZ expansion.

In recent years, as I have said, our bus and other services have been cut by the Mayor of London, and there is nothing in his so-called reinvestment plans that will help areas such as Bexley and the south-east. For example, when we last debated this subject in this very room—I believe it was back in December and that my hon. Friend the Member for Dartford secured it—the Mayor's office sent out a glossy press release just before the debate. It went to all Members of this House, highlighting that we should support ULEZ because he would expand the bus network in outer London. But what actually happened in reality? The very next morning, the B13 service in Bexley, which serves my elderly constituents and others, had its frequency cut.

Since then, we have heard what we call the super-flop announcement. Bus routes are getting rebranded in outer London but they are not helping anyone at all. We are expected to tell our constituents, “We're really sorry, but you should drop your opposition to ULEZ because the Mayor of London is rebranding an existing bus route in our area.” It is complete nonsense. Unfortunately, it is also a prime example of the problems that we have had with this disastrous Mayor of London. All we hear is press release after press release, but when it comes to substance and helping hard-working Londoners, he fails time and time again.

The scrappage scheme announced by the Mayor does not even come close to matching demand or addressing the costs and practical issues associated with buying a new vehicle. The fact that he is forecast to spend double the amount of taxpayers' money to install cameras to fine people highlights how this policy is aimed not at improving air quality, but at raising money. When Labour members of the Greater London Authority had the chance to vote to expand the scrappage scheme to help more people, they did not do so, despite the fact that ULEZ is forecast to raise over £1 billion in the first two years of expansion, as revealed by freedom of information requests in the last week or two. The Government have

also provided Transport for London with over £6 billion in taxpayer bail-outs in recent years—another figure that the Mayor frequently forgets to mention.

As we have heard, the Mayor's own independent impact report on the policy highlighted that it will have a negligible impact on improving air quality in outer London. Our areas are very different from central London. As my right hon. Friend the Member for Bexleyheath and Crayford (Sir David Evennett) said, we are already seeing improvements in air quality, but we need policies that actually improve it and encourage people to act more sustainably, not ones that are clearly greenwashed to raise money. If the Mayor of London actually wants to help tackle air pollution rather than raise money, further investment should be made to support people and encourage them to switch to electric vehicles where they can, including by installing electric vehicle charging points and leading by example with TfL's own bus fleet. We have also heard about underground air pollution.

With traffic having been highlighted as one of the main causes of air pollution, there needs to be an urgent review of the impact of the Mayor's road closures on increasing traffic and emissions across London. By pure coincidence, I am sure, those closures have also raised millions in fines for Labour councils in central London. Like ULEZ, they are clearly designed to penalise drivers rather than encourage improvements in emissions. I will highlight another unwanted statistic for the Mayor: London is now the slowest city in the world to drive in, despite the congestion charge and ULEZ. These schemes are not working. Traffic in the capital is getting worse.

While the Mayor of London is out trying to sell his new book, he is issuing more and more licences for private hire vehicles. The inconsistencies are stark wherever we look. The Mayor does not like to talk about it, but we have already heard about the last Labour Government's proposals for the purchase of diesel vehicles. When Sadiq Khan was the Transport Secretary at the end of their time in government, he was also in favour of Heathrow expansion. He does not like to talk about that either. One of his most fundamental policies and investments during his mayoralty is the Silvertown tunnel, which will encourage many more people to drive through east and south-east London and increase the number of vehicles on the road—something that the campaigners against Silvertown tunnel like to point out.

We will not take any lectures from Sadiq Khan on air quality. His days are numbered; we have figured him out. Next May, Londoners across the capital have the opportunity to kick out this failing son of a bus driver, and ensure that they have people in charge who can get our great city moving again and make it safe for us all to live.

5.44 pm

Mr Mark Francois (Rayleigh and Wickford) (Con): I confess that I had not originally planned to speak in this debate, but as not a single Labour or Lib Dem Back Bencher has put in to speak, I will make a few points in lieu of them.

The ULEZ zone affects outer London, stretching out towards the county of Essex, in some cases well past the M25. Many of my constituents and people who live in Essex will be affected by the imposition of the charge, and, because they do not live in Greater London, they

cannot vote Mayor Khan out of office or vote anyone else into office. For them it really is a case of taxation without representation, which is one reason I feel strongly about it, and even more so after having heard excellent speeches on the topic by my Conservative colleagues this afternoon.

The Mayor says the issue is about air quality, but it is not. As my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) made perfectly clear, the studies and detailed scientific analysis show that the effect of the ULEZ on air quality will be marginal at best. Everybody knows the truth. It is not about air quality. That is the fig leaf that Mayor Khan is using to justify it. It is about money, because TfL is effectively bankrupt and has been for some years. He is therefore trying to use the charge to fill a black hole. It is perfectly obvious what he is up to, and I think every Londoner in their heart of hearts knows that.

The charge will add to the other problems that the Mayor has introduced such as the road closures and road narrowing measures in London, which serve to create more pollution on an increasingly congested number of remaining roads, because the traffic has to go somewhere. Such measures make London one of the worst cities in which to drive.

As has already been made plain, not everyone can take public transport. If people need tools or equipment for work, they have no choice other than to drive. People in the public sector will be affected, including Met police officers and NHS workers who have to drive into London to work in hospitals. I declare an interest: my wife will be one of those affected. It will also affect people in the private sector such as tradespeople going about their work trying to get to and from their place of business. All of those people will have their lives made more difficult by Mayor Khan. Let us be honest: he does not like cars and he does not seem to like car drivers, either.

A black cabbie said to me a few weeks ago, "I've been doing this job for over 30 years and I have never known the traffic in London to be as bad as it is now. Between all the road closures and the roadworks it is virtually impossible to get anywhere and it is about time someone raised it in Parliament." Well, Bill—I think that was his name—now they have. Bill the cabbie was absolutely right. It is becoming incredibly difficult to drive across our capital city because there are so few arteries that we can take. If there is an accident or heavy roadworks on one of the arteries, that whole part of London and rapidly grind to a halt.

Theresa Villiers: Will my right hon. Friend give way?

Mr Francois: In return for earlier, I am glad to.

Theresa Villiers: Does my right hon. Friend agree that in an age when we are trying to become a more productive economy, it is madness to make it more difficult to get around our capital city, which generates so much of our GDP? That is crazy.

Mr Francois: Yes. Perhaps it is a function of my age, but I can remember a time when the fastest way to get across London was to hop in a cab. It is certainly not that way now. We have about half the number of black cab drivers that we had prior to the pandemic, which is

[Mr Francois]

a fantastic drop-off, bearing in mind that it takes an average of three or four years to do the knowledge and get a green badge. Many of them have given up. From talking to them or to friends of people who have given up, we find that many have done so partly because of their age—that was an effect of the pandemic—but that many others have given up because it is so difficult to get across London. It is just too stressful a way to earn a living. That is why sometimes people can wait quite a long while to get a black cab in London. There are far fewer around than there were. If anybody knows about the challenges of driving across London, I would suggest that black cab drivers are well-placed to comment.

One of the other great problems is roadworks, which have a great effect on air quality. One of the most frustrating things about modern life, is it not, is spending ages in a car crawling ever so slowly forward toward the lights to get through that contraflow, only to finally make it through the lights and drive past a perfectly coned-off big hole in the ground with absolutely no one in sight doing any work on it at all? How many people get wound up by that?

We have had a proliferation of roadworks in my county of Essex. We are the roadworks capital of the UK. In a recently recorded 12-month period, we had 77,000 roadworks of one kind or another. I cannot blame that on Mayor Khan. I could talk about the utility companies or Essex County Council's highways, but there is just too much to say. I have launched a "Can the Cones" campaign, which the Minister kindly agreed to meet me about in March. One thing he was looking at was lane rental—not ULEZ—which involves making contractors pay by the day to dig up roads. In the parts of the country where that has been brought in, contractors, funnily enough, tend to get the job done much quicker. Perhaps in the Minister's reply he could spare a moment to say where he has got to on that.

Essex County Council, I am pleased to say, has come around to the idea and is working on a joint scheme with Suffolk to introduce it. The reason why it is so important is that as communities have grown historically, we have tended to find that most of the utilities have been laid on a very limited number of roads, and those are the ones that get dug up again and again. They would be ideal candidates for which to bring in some form of lane rental.

I thank the House for its forbearance, and I would summarise the issue as follows: ULEZ is going to be, if it is introduced—I hope the Mayor might yet relent—a tax on ordinary, hard-working men and people of this country, who will be penalised £12.50 a day for having the temerity to want to go to work to earn money and put food on their family's plates. That is what Mayor Khan is doing. The whole bit about air quality is complete camouflage. It is not about that; it is about the money. For that reason, the petitioners are right: rather than the cars, it is ULEZ that should be scrapped.

5.53 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): It is a pleasure to serve under your chairpersonship, Mr Stringer. I thank the hon. Member for Don Valley (Nick Fletcher) for opening the debate on behalf of the

Petitions Committee, and I thank the other hon. Members who have contributed. It is unusual to see the Tory party all in solidarity with one another. Everyone agreed with one another, which is not something we often see in the House.

Mr Francois: We can't talk to the Labour party; they're not here.

Gill Furniss: Air pollution is a serious yet solvable problem. The Government's figures estimate that between 28,000 and 36,000 deaths are attributed to air pollution each year, or between 80 and 100 deaths each and every day. Three years ago, nine-year-old Ella Adoo-Kissi-Debrah became the first person to have air pollution listed as a cause of death by the coroner. That heartbreaking case demonstrates the urgency with which we must tackle air pollution.

Currently, the UK air quality limit stands at 20 micrograms of particulate matter per cubic metre of air, which is four times higher than the World Health Organisation's target of 5 micrograms. The Government are only committed to reducing the limit to 10 micrograms as late as 2040. Sadly, the World Health Organisation guidelines for air pollution continue to be missed across London.

Transport is a leading cause of air pollution, estimated to contribute 35% of nitrogen oxide pollution and 13% of PM_{2.5} pollution in 2021. Those stark figures must not be ignored, and we need action from the Government to address the problem. The fact is that many local authorities have had little choice but to implement clean air zones because of the years of inaction on air pollution at a national level. The Government require local authorities to take steps to improve air quality, but this Government's inaction on the main sources of air pollution means that local authorities are left with few options to clean up their air. Given the funding and powers available to local authorities, clean air zones are, in practice, one of the only viable mechanisms available to them to meet their legal requirements.

James Daly: Just to confirm, is it Labour party policy to support the imposition of a Greater Manchester clean air zone on my constituents in Bury North?

Gill Furniss: The position of the Labour party is that we acknowledge that we have to get this problem sorted out, and I will come to that later in my speech.

James Daly: So that is a yes.

Gill Furniss: I did not say that; I said that I will come to that later in my speech.

The Minister may not want to admit it, but a clear policy direction has been set by the Government, and local authorities are merely meeting their obligations at the behest of Government. Although Government Members like to kick up a fuss about clean air zones, their Government have approved those clean air zones where air pollution reductions have been legally required. Having essentially required councils to implement clean air zones, Ministers have failed to follow through with the support to help councils to meet their air quality targets.

To take just one example, let us look at the Government's record on the transition to electric vehicles. Electric vehicles do not produce any nitrogen oxide pollution and they produce significantly less PM_{2.5} pollution. Encouraging people to switch from petrol and diesel cars to EVs is therefore a vital step in improving air quality, but under the Conservatives, we are at risk of stalling the switch.

[MRS SHERYLL MURRAY *in the Chair*]

Ministers have slashed help to purchase electric vehicles, and we are set to miss the target for 300,000 EV charging points by almost two decades. That is why our world-class car manufacturers are losing confidence in investing in Britain.

Air pollution causes huge harm to human health, which is why Labour has made ambitious pledges to reduce it, and we plan to get there by helping the switch to cleaner transport. That is why we have a transition plan to enable people to switch affordably to low-emission vehicles. Labour's plan would make Britain a world leader in electric vehicles; our national wealth fund would invest in eight battery plants nationwide and win the global race for the future of the industry. With action to expand charging infrastructure, Labour's plan for green growth will drive jobs, tackle the cost of living crisis and help to clean up toxic air.

Theresa Villiers: Can the hon. Lady confirm whether the Labour candidate in the Uxbridge and South Ruislip by-election supports ULEZ expansion?

Gill Furniss: I thank the right hon. Lady for that question. She would perhaps would want to ask the candidate that; I am not here to put words in his mouth.

Mr French: May I ask the hon. Lady a question?

Gill Furniss: No, I will not give way.

We will accelerate the roll-out of charging points and give motorists the confidence to make the switch to non-polluting, CAZ-compliant vehicles. New targets will hold Government to account and provide long-term assurance for investors. We will rapidly scale up UK battery-making capacity by part-financing eight additional gigafactories, which will create 80,000 jobs and add £30 billion to the UK's economy, all while powering 2 million electric vehicles and improving air quality, alongside clean air zones. The next Labour Government will build the infrastructure fit for the century ahead by delivering Northern Powerhouse Rail and High Speed 2 in full, unlocking the growth and investment that businesses are crying out for, and helping people to switch to clean public transport.

We are also committed to passing a clean air Act, building on the pioneering work of the Labour Government in Wales. The Act would establish a legal right to breathe clean air and would place tough new duties on Ministers to ensure that air quality guidelines are met. We will enshrine World Health Organisation standards for air quality in UK law and act quickly to bring down harmful emissions and air pollution through our own ambitious green prosperity plan.

That plan will allow us to invest in the green industries of the future, making the UK a leader in green industries such as clean and renewable energy. Rolling out more electric vehicles, greening our power sector and insulating

19 million homes within a decade will make a huge difference to the amount of air pollution emitted from UK transport, energy and homes.

Labour's plans will ensure that people across the country are no longer forced to breathe air that is harmful to their health. While the Government are too busy tearing themselves apart to tackle these serious issues, Labour stands ready to decarbonise our transport, clean up our air and make Britain a world leader in the technologies of the future.

I have just one question for the Minister: why have the Government not done more about air quality for the past 13 years while they have been in office, and why have I got quote after quote from Conservative London MPs saying that they supported ULEZ, but now they are all backing off? I wonder why.

6.1 pm

The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden): It is a pleasure to serve under your chairmanship, Mrs Murray, and that of Mr Stringer earlier. I thank my hon. Friend the Member for Don Valley (Nick Fletcher) for fulfilling his role on behalf of the Petitions Committee so eloquently and for opening the debate on road-charging schemes.

I wanted to pick up on a comment made by my hon. Friend the Member for Bury South—

James Daly: North.

Mr Holden: My hon. Friend the Member for Bury North (James Daly)—he is adopting part of Bury South in the boundary changes, which is what confused me slightly.

This area crosses multiple Departments: the Department for Environment, Food and Rural Affairs leads on environmental legislation overall; the Department for Transport owns the enabling powers in multiple different spaces; and the Department for Levelling Up, Housing and Communities owns the powers related to the devolution settlements. Road charging cuts across many areas.

Before I get into my speech, I will pick up on a couple of points made by the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss), who spoke for the Opposition. She said that she did not put words into other people's mouths, but I can categorically state that I have been in touch with my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) and that she has never supported the expansion of ULEZ to the borders of Greater London. Given how the Labour party has criticised potential misrepresentations by Members on the Government Benches in recent months, it might be a nice idea for the hon. Lady, at some point in the very near future, to apologise for misrepresenting the views of my hon. Friend. The hon. Lady did not do her the courtesy of telling her that she would mention her in the House today.

I also want to pick up on a couple of points made by my hon. Friends from across the Conservative Benches. Kent, Essex, London, Greater Manchester and South Yorkshire are all represented in the Chamber, and all spoke with a united voice, reflecting on what is being done across the country. It was particularly interesting to see that no Labour Members are present. People going to by-election polls across the country will be

[Mr Holden]

interested to see that if they vote Labour, they will get absolutely no voice in this place, whereas with the voice of Steve Tuckwell, the Conservative candidate in Uxbridge and South Ruislip, who has opposed ULEZ consistently, people will know exactly what they get if they vote for him in the upcoming by-election.

Aside from party politics, it is important to talk about the petition. Devolving powers to local authorities is an important tenet of a democratic Government, giving power to those who are closest to and most knowledgeable about the local issues that they face. Devolution helps to drive local and national economic growth, better and more integrated public services, and enhanced public engagement and accountability—at least, that is the theory. Our existing Mayors already play an important role across the country, and the Government are committed to deepening those devolution settlements over time and building on the existing framework.

As my hon. Friend the Member for Don Valley said, the GLA Act 1999 was brought in after a referendum on the proposal for a Greater London Authority made up of an elected Mayor and Assembly, with 72% voting in support. In 2015, the first of the Government's devolution deals was agreed and the Greater Manchester Combined Authority came into being. In 2022, we announced six further devolution deals, bringing devolution to people right across the country, with elected Mayors at their head. The deals mark a new chapter in English devolution. It is important to reflect on what that devolution means. It does not just mean devolving power and money; it also means accountability at a local level. That is what hon. Members have been talking about: people need to be accountable for the decisions that they make in local government.

One of the petitions proposes changing the GLA Act to remove a power from a directly elected Mayor. It is interesting that the petitioners know where the power lies but do not trust the person who is currently in the position to stand up for them. It is quite something when, rather than campaigning to change the person at the top, the petitioners are so concerned—as my hon. Friends the Members for Orpington (Gareth Bacon), for Bury North, and for Carshalton and Wallington (Elliot Colburn) said—about the impact that the policy will have on their lives, and those of their families and communities, that they want to remove a power, because they do not trust the people in those positions to represent them.

Mrs Sheryll Murray (in the Chair): Order. I remind the Minister that he should be speaking through the Chair.

Mr Holden: Thank you for reminding me, Mrs Murray. I apologise for being discourteous to you.

Hon. Members across the House mentioned tackling air pollution—one of the biggest environmental threats that we face. My hon. Friend the Member for Don Valley highlighted Ella's case. There is evidence of a link between very high, problematic air pollution and high mortality, but those living in our country can see what the Government are trying to do. We have already introduced the phasing in of electric cars and the phasing

out of the internal combustion engine. We are doing the same for heavy goods vehicles and for our coach sector. Before the end of this Parliament, it will be very clear what we will do on the phasing out of the internal combustion engine in our bus network. We have invested in more than 3,400 zero-emission buses across the United Kingdom—very close to our target of 4,000 before the end of the Parliament.

That is what we are doing across the piece to deliver on our environmental objectives. We recently introduced two new targets beyond that for fine particulate matter in the Environment Act 2021. We have invested another £883 million to tackle air pollution in 64 local authorities where nitrogen dioxide levels were too high. Since 2010, we have awarded a further £53 million to English local authorities to support more than 500 local projects. As recently as 9 February, we announced the latest round of funding under the air quality grant scheme. London gets its own package, as my hon. Friend the Member for Old Bexley and Sidcup (Mr French) said, through the £6 billion that we have delivered to the Mayor of London for him to deliver on air quality locally. So we are not just talking about action; we are actually delivering it.

The hon. Member for Sheffield, Brightside and Hillsborough talked about the Labour Government in Wales as a pioneer. They are pioneering in so many different ways. They have the highest waiting lists in the entire United Kingdom. They have the lowest employment across the United Kingdom as well. If they are the pioneers of the Labour revolution, we can all see what they actually stand for. They are not delivering in the same way as we are in England on multiple environmental policies. We are monitoring rivers up and down the country—something that Labour is not even looking at in Wales at the moment.

Gill Furniss: The Minister spoke a minute or two ago about investing in bus and rail services. I wonder why we have so much discontent throughout communities all over the country about the lack of bus services and the trains being unreliable. [HON. MEMBERS: "Strikes and unions!"] Strikes, yes. In the end, what is the Government's money doing? Does the Minister recognise that the cuts to local authorities have had a massive impact already? Whatever money the Government are putting in is nowhere near as much as the money they have taken out of local authorities.

Mr Holden: Before the pandemic, the Government were paying, through concessionary travel schemes and support through the bus service operators grant, around 40% of all the cash going into bus services in this country. At the moment, because we are supporting bus services as they recover from the pandemic, it is around 60%; £3.5 billion has gone into the bus network across the country.

Gill Furniss: It is not working.

Mr Holden: There have been no recent proposals from the Opposition Front Bench when it comes to actual cash. We have just approved a new plan of £500 million supporting bus services across the country, and a £2 fare cap. That is money that we have put in to support fare schemes in the combined authority areas, which I know Labour mayors up and down the country like to take

credit for. That is money that the Government have been investing right across the country, whether in Greater Manchester or Greater London.

Elliot Colburn: Does the Minister share my confusion that Labour's argument for ULEZ, advanced in this place and in our local areas, is that local authorities have been forced to do this, and that they do not want to? That is not what the Mayor of London is saying. The Mayor of London has written a whole book about how proud he is of the ultra low emission zone. Does my hon. Friend think that is really the best that Labour can come up with?

Mr Holden: I tend to agree with my hon. Friend. The Mayor put the idea of an expanded ULEZ in his manifesto, but it was not the expanded zone that we see today, which was only delivered by the votes of the Labour party, the Lib Dems and the Greens in the London Assembly. They voted to extend it right to the outer borders of Greater London, rather than what the Mayor of London had proposed in his manifesto.

The hon. Member for Sheffield, Brightside and Hillsborough shouted at me from a sedentary position that whatever we are providing for the bus sector is still not enough. I would love her to tell me how much more we should put in. When I speak to Labour politicians at the moment, none of them can tell me. They have no plan. They are just an opportunistic Opposition. This Government have put more than ever before into the bus network. We have capped prices for working people, which is something the Labour party never did when it was in office. Right up and down the country we have put in the new bus service operators grant of 22p per kilometre, which now includes electric buses—something that was not the case just a few years ago. We remain committed to an end date for non-zero emission buses, and that consultation will be reported on soon.

Mr Francois: We have concentrated mainly on roads in this debate, but as the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss) introduced the topic, does the Minister agree with the simple proposition that our rail network would run much more efficiently if the rail unions stopped going on strike?

Mr Holden: I have to agree with my right hon. Friend. I was attacking on so many different fronts that I forgot to mention the elephant in the room, which is the continuing rail strikes by people who have been incredibly financially supportive of the Labour party over the years.

Although there is a huge amount more to be done, we can be proud that air pollution has reduced significantly since 2010. Emissions of fine particulate matter have fallen by 10%; transport emissions of nitrous oxide have fallen by 32%; overall nitrogen oxide by 45% and sulphur dioxide by 73%. The hon. Member for Sheffield, Brightside and Hillsborough might criticise a reduction of three quarters in the amount of sulphur dioxide and wish that we could go further. I want to go further too, which is why we are phasing out internal combustion engine vehicles. If she wants to go further, would she outline exactly how far and fast she would like to go?

The only statutory air quality limit that the UK is currently not hitting as fast as we would like is for nitrogen dioxide around our road network, but we are

making massive progress there. Around 72% of the road transport emissions of nitrogen oxides comes from diesel cars and vans, which we are phasing out. If we are going to introduce a ULEZ across Greater London requiring £250 million of capital cost, which is going to be phased out anyway because of the fact that we will be moving, in pretty short order, towards electric vehicles, particularly in smaller areas, it seems to be particularly targeted—I think the Conservative speakers really picked this up—on those who use second-hand cars and who, because they cannot afford to buy new vehicles, will be running those cars for a long time. It is particularly pernicious to put those people at the front of the list.

James Daly: Does my hon. Friend agree that this scheme is targeted, like every single Labour policy, at the self-employed? This scheme unduly impacts self-employed people, who require transport to go out to work, so it is grossly unfair.

Mr Holden: There is absolutely no doubt that my hon. Friend is absolutely right. The owner of a small business who literally carries the tools of their trade in the back of their van does not have other options. Even if people are not the owners of small businesses but are just commuting to work in a car or van, the Mayor has now hit them on the other side with a day travel card, as my hon. Friend the Member for Dartford (Gareth Johnson) said. In addition to those extra £50 million of costs, they are being told to use public transport and then told to pay an absolutely huge amount more for it, particularly if they are coming from outside the Greater London area. Again, that is a change that hon. Members have been reflecting on today. It means that the people affected by the change pay more but still do not have any say over the person responsible. That is part of the democratic deficit argument that Members have talked about.

I need to move on to local government powers around air quality. Powers enabling local authorities to introduce road schemes that charge users are of long standing. They can be used by local authorities to deliver what they want in their areas. There are no plans to revoke these powers, which are in the Transport Act 2000. They provide local authorities with an important tool. It is for local authorities to make decisions and to be accountable for those decisions.

We require local authorities to consult on these schemes. The Prime Minister has spoken at the Dispatch Box—I think it was in response to a question from one of the hon. Members here today; it might have been my hon. Friend the Member for Orpington (Gareth Bacon)—on the consultation around the ULEZ scheme. The Prime Minister thought it would be a sensible idea for the Mayor of London to think again and I tend to agree with him. This scheme needs to be thought about again, more broadly.

These powers have been used by some local authorities in various areas, but what I would say to all local authorities across the country is that if they want to take people with them, they should not try to drive people out of using cars; they should provide better quality alternatives. It is particularly sad to see the Mayor of London reducing some bus routes, particularly historical bus routes, and not allowing that alternative when people really need it. I have pledged before to my

[Mr Holden]

right hon. Friend the Member for Chipping Barnet (Theresa Villiers) that I will speak to the transport commissioner in London about the No. 84 bus. I will see the commissioner in the next few weeks, and I will do so again.

The Government recognise the need to support a range of solutions across the board for individuals and businesses affected by measures to tackle air pollution. That is why we have already awarded £402 million through the clean air fund to some of the local authorities that face some of the most pernicious negative impacts of air quality that are also difficult to mitigate.

Under the Greater London Authority Act 1999, transport in London is devolved to the Mayor and Transport for London. It is the Mayor's responsibility to manage and oversee the transport network. This includes the power to create, or vary, road schemes that charge users, which is why the petitioners drafted their petition in the way that they did. It is up to the Mayor to determine and justify what he is doing.

The mayoralty in London has previously used those powers to introduce the congestion zone, the low emission zone and the current smaller ULEZ in central London. When the Mayor brought forward his transport strategy, which was voted on, it could have been rejected by the members of the GLA, but instead it was supported by every party in the GLA apart from the Conservatives. That is where the Mayor gets his ability to do this from.

Gareth Bacon: The GLA Act gives the London Assembly the power to accept or veto mayoral strategies, including the transport strategy, but only on the proviso that two thirds of elected members of the GLA agree on an alternative, which means that of the 25-member GLA, 17 would have to agree on the alternative. The electoral system for the London Assembly guarantees that no one party will be able to achieve that; Labour votes would have been required to achieve that. That is why the Mayor's budget has never been amended and why no strategies have ever been amended. Does the Minister agree that that is precisely why the petitioners have put forward this petition today? The London Assembly does not have the effective power to veto the Mayor's transport strategy, which is why the petitioners are calling on the Government to step in and do that.

Mr Holden: I thank my hon. Friend for making that point. What is particularly interesting today about Labour Members is how few of them are here. In fact, no Labour Back Bencher is here. I would be really interested to know why that is the case. It is clear to me that a few of them, secretly and in the background, would go against their party leader, the Leader of the Opposition, who is fully behind Mayor Khan's plan for the massive expansion of the ULEZ. I think a few of them would like to speak up in that way.

I understand the point that my hon. Friend makes and I will address it directly at the end of my remarks, if I may, but I think it is very important that we also say to people, "If you want change, then rather than trying to change the rules or the legislation in this place, you can change the person in charge of implementing them." That is the most important message that we can send today, and a really important way of sending that message in

the very near future is to deliver it in Uxbridge in the next few weeks—sorry, Mrs Murray, I digressed slightly there.

The mayoralty in London has previously used the GLA Act to introduce various measures, and there has been a significant reduction in nitrous oxide as well as particulates and other pollutants over the last few years, but that is due to improvements in engines as well as to other factors. The Mayor of London needs no agreement from the Government or the London boroughs to pursue his proposed expansion of the ULEZ under the current law, and although the current Mayor notified the Department for Transport of his intention to expand the ULEZ, he is not obliged by the legislation to consult the Department. At the last mayoral election, in 2021, the Mayor stood on a manifesto that included a pledge to expand the ULEZ to the boundary of the North and South Circular Roads; his manifesto did not say that the ULEZ would be expanded to the boundary of Greater London. To implement his preferred option of expanding the ULEZ, the Mayor had to revise his transport strategy, and this was subject to a consultation and a vote in the London Assembly.

The car is an important, and often the only, way for people to get around in their daily lives; the same is true of small vans. These vehicles are particularly needed for people who have limited mobility—another element to this issue that we all need to consider at the moment. People depend on their vehicles for food, for their health, for their livelihoods and to visit friends and family. They should be given a choice of how they travel. Imposing obstacles and doing so during a cost of living crisis is quite a blow to those who need their cars, who have no real alternative and whose choice is being removed. The Mayor could have proposed other, less intrusive measures to improve air quality in the capital, but he did not; instead, he has chosen to expand the ULEZ. That is his decision, and he has the power to do it under the current law.

Before I conclude my remarks, I want to touch on the rest of the country, because my hon. Friend the Member for Bury North also raised important points. One area where we do recognise an emerging inconsistency is in the powers of local authorities to look at charging systems where the approach taken in London differs from those outside the capital. The judicial review of the Mayor's proposal is being heard in July. At the moment, I cannot speak in much greater detail about that, aside from saying that the case will be heard on four grounds—it was two previously, before the recent appeal—including how the Mayor conducted his consultation, and his scrappage scheme. Clearly, it would not be proper to comment on that, but we have seen the difficulty that the inconsistency in local authority powers can create, with four London borough councils, alongside Surrey County Council, challenging the decision. It is important to recognise that. As many hon. Members have said, constituents being impacted without their having the ability to change the Mayor is a real issue.

Outside London, combined authorities have their own locally agreed decision-making processes. For road schemes that charge users, powers are typically held by combined and local authorities, and some degree of local authority agreement is required to introduce schemes. That is separate and different from the situation in Greater London. Two decades on from the re-establishment

of the mayoralty of London, it is right that the Government take stock of how London's devolution settlement is operating in practice, which is why the Government are committed to reviewing the London devolution settlement as part of the English devolution accountability framework more broadly.

I am not in a position today to announce any change to the Government's position on this issue—it is more proper for Ministers in other Departments to fully reflect on it—but I recognise the strength of feeling not only of hon. Members present but of the petitioners. I commit to raising the concerns expressed during the debate with ministerial colleagues.

6.25 pm

Nick Fletcher: This extremely good debate has brought north and south together, which is always good to see. Unfortunately, the Opposition did not want to join us today, and we have heard in the speeches the reasons why. Wherever there is a socialist authority, there are always additional taxes. We have heard that Scotland is speaking about tourist taxes, which are already in place in Manchester. Socialist authorities seem to want only to tax businesses and the people of this country, who pay enough as it is. We do not need any more of those policies.

Gill Furniss: Has the hon. Gentleman thought about the impact of the actions in September and October of the former Prime Minister, the right hon. Member for South West Norfolk (Elizabeth Truss), which have led to the highest taxation for almost everyone?

Mrs Sheryll Murray (in the Chair): Order. The shadow Minister's comments are a little out of scope for this debate.

Nick Fletcher: Thank you for stepping in, Mrs Murray. I remind this place that we were left with a note saying that there was no money left and that the last Labour Chancellor sold off all the gold as well, but there we go—shirking responsibility as always.

I thank the Minister for his comments. I also thank the petitioners and the Petitions Committee. I thank Edward Green, who started one of the petitions and has come here today. It is super important that the voices of the petitioners are heard in this way. Although no decisions are taken in these debates, the Minister will ponder the speeches that have been made today. I hope that the Mayor of London will too, and stop the ULEZ expansion. It will obviously cause untold misery for everybody up and down the country, as low emission zones in Sheffield and Manchester are. I thank the petitioners once more. It has been a pleasure to serve under your chairship, Mrs Murray.

Question put and agreed to.

Resolved,

That this House has considered e-petitions 599985 and 633550, relating to local road user charging schemes.

6.28 pm

Sitting adjourned.

Written Statements

Monday 26 June 2023

BUSINESS AND TRADE

Full Repayment of HM Government loan by Celsa Steel UK

The Secretary of State for Business and Trade (Kemi Badenoch): I would like to update the House on the outcome of a commercial agreement between the Government and Celsa Steel (UK) Ltd, further to the written ministerial statement laid by my right hon. Friend Sir Alok Sharma MP on 2 July 2020.

Throughout the covid-19 pandemic, the Government provided unprecedented support to protect jobs and businesses across the country. The coronavirus job retention scheme supported 1.3 million employers and 11.7 million furloughed jobs and, overall, £80.37 billion worth of loans were approved through covid-related loan schemes.¹

Furthermore, in exceptional circumstances, the Government were also willing to consider bespoke support on a “last resort” basis where a viable company of strategic importance had exhausted all other options available. The Government set an extremely high bar for using taxpayers’ money in this way, and we were clear that any companies seeking Government support should do so only as an absolute last resort.

In 2020, Celsa Steel UK met all the necessary requirements to access such support, including as a key supplier to the construction industry. The Government agreed to provide support to the company, including with legally binding contractual conditions on employment, climate change, tax obligations, and corporate governance.

I am pleased to confirm today that the loan provided to Celsa has been repaid in full and in accordance with all the terms and conditions agreed by the Government in 2020. Those terms have not only protected UK taxpayers’ money but have provided taxpayers with a strong return, commensurate with the circumstances of the loan, including as a lender of last resort.

The support provided by Government saved 1,500 jobs at Celsa and provided the basis for the company to grow further by creating another 300 jobs. This includes c.850 jobs at Celsa’s main site in South Wales.

I am delighted that the Government’s prompt action in 2020 has made such a positive difference, for Celsa Steel UK, for the companies in Celsa’s supply chain, and for the local economy in South Wales.

We have taken wide-ranging actions to support our UK steel industry more broadly. The British industry supercharger, announced in February 2023, will bring energy costs for energy-intensive industries, including steel companies like Celsa, in line with the world’s major economies. Industrial sectors, including steel, have been able to bid into several Government competitive funds to support energy efficiency and decarbonisation. We have updated the steel procurement policy note to create a level playing field for UK steel producers, and we have implemented a robust trade remedies framework to protect domestic industry as well as acting to resolve market access constraints on steel trade with the US and the EU.

I wish to praise the commitment of Celsa’s workforce and management who have transformed the company’s performance since the 2020 crisis. Our focus is now on working with all steel producers, and the wider steel sector, to ensure they continue to deliver high-quality employment and climate change action for the UK.

¹ Government support across the economy during covid included the coronavirus job retention scheme, coronavirus business interruption loan schemes, bounce back loan scheme, and recovery loan scheme.

In total, £70.0 billion was claimed under the coronavirus job retention scheme (CJRS), for claims up to 21 November 2021. In total 11.7 million jobs were furloughed since the scheme began and 1.3 million employers had claimed under the scheme. Overall, £80.37 billion worth of loans were approved across the CBILS, BBLs, CLBILS and recovery loan schemes as of 25 October 2021.

More information is at
<https://researchbriefings.files.parliament.uk/documents/CBP-8938/CBP-8938.pdf>

[HCWS879]

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

Withdrawal Agreement Joint Committee

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): The next meeting of the Withdrawal Agreement Joint Committee will take place on 3 July 2023, with delegations attending in person and by video conference.

The meeting will be co-chaired by the Foreign Secretary the right hon. James Cleverly MP and Vice President of the European Commission Maroš Šefčovič.

The agenda will include:

Welcome and opening remarks from the co-chairs and adoption of the agenda

Update on Withdrawal Agreement Implementation in accordance with Article 164 of the Withdrawal Agreement, in particular on the Windsor Framework and citizens’ rights

Decisions to be adopted by the Joint Committee

Decision No 2/2023 adding two newly adopted Union acts to Annex 2 to the Windsor Framework

Decision No 3/2023 amending part 1 of annex 1 to the agreement on the withdrawal of the United

Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community AOB

Concluding remarks

[HCWS881]

HEALTH AND SOCIAL CARE

Targeted Lung Cancer Screening Programme: England

The Secretary of State for Health and Social Care (Steve Barclay): I would like to inform the House that I have accepted the UK National Screening Committee’s recommendation to introduce a national targeted lung cancer screening programme for people aged 55 to 74 who are at high risk of lung cancer in England.

Around 35,000 people die and 48,000 people are diagnosed with lung cancer each year. Lung cancer has one of the lowest survival rates of all cancers. This is largely attributed to lung cancer being diagnosed at a late stage when treatment is much less likely to be effective. Diagnosis of lung cancer at an earlier stage is essential in achieving better results. It is for this reason we are introducing a national screening programme, which, when fully rolled out, will detect around 9,000 additional cancers at an early stage each year.

Smoking causes 72% of lung cancers. The programme will use a history of smoking from GP records to identify the cohort eligible for screening. Current or ex-smokers aged 55 to 74 years will have an initial assessment of their individual lung cancer risk carried out. Anyone assessed as being at high risk of lung cancer will be referred to have a low dose computed tomography (LDCT) scan. They will be reinvited for a further scan every 24 months until they are 75 and exit the programme. Patients will also be signposted to smoking cessation services.

The targeted lung health check programme is currently being run by the NHS in predominantly deprived areas. The national programme will build on this existing programme, converting it into a national screening programme. The national screening programme will reach 100% of the eligible population by March 2030.

I would like to take this opportunity to thank the UK National Screening Committee for their expert advice on screening programmes and all those involved in cancer screening across the country.

[HCWS880]

Public Health England (Dissolution) (Consequential Amendments) Regulations 2023

The Parliamentary Under-Secretary of State for Health and Social Care (Neil O'Brien): I have today published the draft statutory instrument the Public Health England (Dissolution) (Consequential Amendments) Regulations 2023 and accompanying explanatory memorandum.

This statutory instrument (SI) amends other regulations in consequence of the Government's reforms to the public health system in England and the dissolution of Public Health England (PHE) on 30 September 2021. The various regulations, listed below, amended by this SI contain references to PHE (such as requirements to consult PHE or to send information to PHE) and these references are in each case substituted with a reference to the United Kingdom Health Security Agency (UKHSA).

The Major Accident Off-Site Emergency Plan (Management of Waste from Extractive Industries) (England and Wales) Regulations 2009 (S.I. 2009/1927),

The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 (S.I. 2013/351),

The Control of Major Accident Hazards Regulations 2015 (S.I. 2015/483),

The Private Water Supply (England) Regulations 2016 (S.I. 2016/618), and

The Water Supply (Water Quality) Regulations 2016 (S.I. 2016/614).

These regulations are published in accordance with the requirements of schedule 8, paragraph 14(2) to the European Union (Withdrawal) Act 2018 (c. 16).

The draft SI will be available for review for 28 days before it is laid and debates scheduled.

[HCWS882]

HOME DEPARTMENT

Illegal Migration Bill Update

The Secretary of State for the Home Department (Suella Braverman): I have today published the economic impact assessment (EIA) for the Illegal Migration Bill on the Bill page on gov.uk. A copy of the EIA has been placed in the Libraries of both Houses.

The Bill is a critical component of the Government plan to stop the boats. Its intent is straightforward: to make clear that if you come to the UK illegally, you will be detained and swiftly returned to your home country if safe, or resettled in a safe third country such as Rwanda. This will help to break the business model of the people smugglers, save lives, and deter small boat crossings. The Bill will also set an annual quota for the number of people admitted to the UK for resettlement through safe and legal routes—this should be the only way for those seeking refuge to arrive in the UK.

The economic impact assessment supports the need for change, sets out the broad costs of Bill implementation, offers estimates of potential savings should the Bill succeed in deterring small boat crossings, and considers examples of where policy and operations have influenced migrant behaviour in other countries. In these international examples, including the evidence from Australia where there was a significant impact on boat arrivals due to changes introduced by the Government there, the assessment illustrates how an appropriately targeted set of measures can be associated with a decline in numbers of illegal arrivals.

Australia's operational sovereign borders programme reduced the number of small boats arriving in Australia from around 18,000 in 2013 to virtually zero in subsequent years. We have also seen how deterrence strategies can impact on Albanian small boat arrivals in the UK. From January to May, the number of Albanians arriving by small boat so far this year is almost 90% less than in the same period last year.

The economic impact assessment clearly shows that doing nothing is not an option, as the volumes and costs associated with illegal migration and the asylum system have risen significantly over recent years, driven by the rise in small boat arrivals. This increase of pressure on the UK asylum system, public sector spending, public service and accommodation capacity, and local communities is unsustainable. That is why we are changing our laws and taking action to stop the boats.

In 2022-23, the current system cost the UK an estimated £3.6 billion in asylum support costs alone and we are spending £6 million a day on hotel accommodation. Unless we take action to stop the boats, these and other costs will continue to rise.

The economic impact assessment estimates that—at current spending levels—the Bill would need to deter 37% of arrivals to enable cost savings for the taxpayer. However, the costs of accommodating illegal migrants have increased dramatically since 2020. If these trends continue, by the end of 2026 the Home Office would be spending over £11 billion a year, or over £32 million a day, on asylum support. In such a scenario, the Bill would only need to deter 2% of arrivals for the policy to enable cost savings for the taxpayer.

The economic impact assessment forecasts a monetised benefit of over £100,000 for every illegal migrant deterred by the Bill. The impact assessment also considers non-

monetised benefits that would result from stopping the boats, including: fewer individuals undertaking hazardous and unnecessary journeys crossing the channel; reduced pressures on public services and housing markets; and other wider asylum system benefits from fewer migrants being supported in the system.

The economic impact assessment will help inform further scrutiny of the Bill as it enters its Report stage in the House of Lords this week. I look forward to the Bill returning to the House of Commons soon and, subject to parliamentary approval, its enactment by the summer recess.

[HCWS883]

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

Terrorism Prevention and Investigation Measures: 1 March to 31 May 2023

The Minister for Security (Tom Tugendhat): Section 19(1) of the Terrorism Prevention and Investigation Measures (TPIM) Act 2011 (the Act) requires the Secretary of State to report to Parliament as soon as reasonably practicable after the end of every relevant three-month period on the exercise of their TPIM powers under the Act during that period.

The level of information provided will always be subject to slight variations based on operational advice.

TPIM notices in force (as of 31 May 2023)	1
Number of new TPIM notices served (during this period)	0
TPIM notices in respect of British citizens (as of 31 May 2023)	1
TPIM notices extended (during the reporting period)	0
TPIM notices revoked (during the reporting period)	0
TPIM notices expired (during reporting period)	1
TPIM notices revived (during the reporting period)	0
Variations made to measures specified in TPIM notices (during the reporting period)	3
Applications to vary measures specified in TPIM notices refused (during the reporting period)	2
The number of subjects relocated under TPIM legislation (during this the reporting period)	1

The TPIM Review Group (TRG) keeps every TPIM notice under regular and formal review. TRG meetings were held on 12 and 26 April 2023.

[HCWS878]

LEVELLING UP, HOUSING AND COMMUNITIES

Homes England: Public Body Review

The Minister of State, Department for Levelling Up, Housing and Communities (Rachel Maclean): I am today announcing that the Department for Levelling Up, Housing and Communities is undertaking a routine public body review of Homes England.

Arm's length bodies (ALBs) play an important role in delivering Government policy. There are nearly 300 ALBs, employing around 300,000 people, and they account for more than £220 billion of public spending. As required by the Cabinet Office's public bodies review programme, Government Departments are reviewing the ALBs they sponsor. The public bodies review programme helps deliver the commitments made in the declaration on Government reform to increase both the effectiveness of public bodies and their departmental sponsorship—making Government work better in service of the public. The reviews enable us to assess ALBs' performance and whether they are focused on the right objectives and spending taxpayers' money efficiently.

As one of Government's largest ALBs, Homes England has been identified for review in the first year of the Cabinet Office's public bodies review programme. Homes England is the Government's housing and regeneration agency and is the largest ALB of the Department. It was established as a non-departmental public body in the Homes and Communities Act 2008 and is responsible for delivering affordable, quality homes in well-designed places across England. The agency was last reviewed in 2016—as the Homes and Communities Agency—under the Government's previous 2015 to 2020 tailored review programme and has not been formally reviewed since.

Following a number of focused internal reviews in recent years and an in-depth self-assessment, the Department has agreed with the Cabinet Office to commence a full-scale review of Homes England. Public body reviews are underpinned by broad minimum requirements covering efficiency, efficacy, accountability and governance. This review will follow guidance published in April 2022 by the Cabinet Office: "Guidance on the undertaking of Reviews of Public Bodies", and will specifically focus on the function and form of the agency, outcomes for stakeholders and customers, the operational model, compliance, and the framework in which the agency operates.

Tony Poulter has been appointed as the independent lead reviewer. Tony is a non-executive member of the Department for Transport Board and was previously a partner at Price Waterhouse Cooper from 1990 to 2016. He was chosen to lead this review due to his expertise in finance and previous leadership roles across the private and public sector. He will work with a review team composed of officials from the Department and secondees. In conducting the review, officials will engage with a broad range of stakeholders across the UK from the housing sector and beyond.

As set out by the Cabinet Office guidance, the review will report to the Government, and the Government will publish the conclusions of the review alongside any Departmental response in due course.

[HCWS877]

Petition

Monday 26 June 2023

OBSERVATIONS

TRANSPORT

Rossendale Valley traffic

The petition of residents of the constituency of Rossendale and Darwen,

Declares that there are major traffic issues across the Rossendale Valley which are caused by temporary traffic lights, thus holding up traffic and causing congestion; further declares that this could be solved by using a Statutory Instrument to allow Lancashire County Council to adopt a “lane rental scheme”; furthermore, this would mean that utility companies would have to pay to

close the road to carry out their work and repairs; notes that this scheme is already in place across London and has proven to reduce traffic significantly by incentivising companies to carry out work quickly and efficiently.

The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of the petitions and take immediate action to give Lancashire County Council the power to charge companies who dig up roads.

And the petitioners remain, etc.—[Presented by Sir Jake Berry, *Official Report*, 13 June 2023; Vol. 734, c. 268.]

[P002838]

Observations from the Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):

Lane rental schemes are a great way for local authorities to control temporary roadworks and raise money for connected road repairs. Local councils need to apply to the Department to do so, and while we have not had an application from Lancashire County Council yet, we would look at one very carefully if we did.

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PETITION

Monday 26 June 2023

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**not later than
Monday 3 July 2023**

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