

Thursday  
13 July 2023

Volume 736  
No. 190



**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**  
(HANSARD)

Thursday 13 July 2023

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# House of Commons

*Thursday 13 July 2023*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### TRANSPORT

*The Secretary of State was asked—*

#### Rail Privatisation

1. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What recent assessment he has made of the effectiveness of rail privatisation. [905924]

**The Secretary of State for Transport (Mr Mark Harper):** The private sector has played an integral role in improving our railways over the past quarter of a century, delivering a doubling in passenger journeys and an expansion of services on offer. The current railways industry structure is in clear need of simplification and reform. Under a revitalised public-private partnership, we will deliver a joined-up, customer-focused railway, with an enhanced role for the private sector, working in partnership with Great British Railways, to deliver for customers.

**Patricia Gibson:** The UK Government have now nationalised twice as many rail lines as the Scottish Government, but continue to cling to the ideological view that privatisation has not failed rail services. Why will the UK Government not finally admit what everyone else has known for over 30 years, which is that the disastrous experiment with privatisation has been a disaster—a disaster for passengers, taxpayers and the rail network?

**Mr Harper:** Because the facts simply do not support the hon. Lady's contention. On the eve of the pandemic, passenger numbers had more than doubled since privatisation, services had increased by a third and investment had doubled, including more than £1 billion of private sector investment, while the UK had one of the best safety records for rail in Europe. There have clearly been challenges because of the pandemic, and that is one reason why we need to have reform. This Government do not have an ideological view. We have already said, and I have said, that we want a public-private partnership. There is a role for the state, working with the private sector, to deliver the best services for passengers. That is the right approach, and it is the one we will continue to deliver.

### Railway Ticketing

2. **Mr Gagan Mohindra** (South West Hertfordshire) (Con): What plans he has to reform ticketing for railway services. [905925]

18. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What plans he has to reform ticketing for railway services. [905943]

19. **Adam Afriyie** (Windsor) (Con): What plans he has to reform ticketing for railway services. [905945]

**The Minister of State, Department for Transport (Huw Merriman):** We are delivering on the plan for rail commitments to improve railway ticketing. We recently announced that contactless pay-as-you-go will be extended to another 53 stations in the south-east, and we are working with Greater Manchester and the West Midlands on pay-as-you-go trailblazer devolution deal commitments. Some 99% of all tickets can be purchased online or through ticket machines.

**Mr Mohindra:** May I wish the Minister of State a happy big birthday? Sarah from my office thinks he looks no older than 25; I may not always agree with her on that one.

One of my constituents, who works at a local station, reached out to me last week with concerns about the Department's plans. In the email, my constituent said:

"By closing the ticket office, you take away a focal point of contact. How is someone in need going to find me on a station that is as big and spread-out as ours?"

Can the Minister reassure us both that those who need assistance will be able to locate staff easily?

**Huw Merriman:** There is no better place to celebrate my half century than this place, with friends and even greater colleagues.

I thank my hon. Friend—and I thank his constituent—for the work he performs at Berkhamsted and Tring stations. These stations, along with another 51 stations, will be getting pay-as-you-go by the end of the year. We know that 90% of transactions are completed outside ticket offices, and this shift tends to increase for stations that operate pay-as-you-go. He asked about ensuring that staff at ticket barriers are easily identifiable. I believe that is the case, and we will certainly make sure, as these reforms are rolled out by train operators, that it continues to be the case. The proposals from train operators are aimed at redeploying ticket office staff to parts of the station where all passengers will access them and see them.

**Stephen Metcalfe:** Will my hon. Friend confirm when my constituents will be able to access the tap-in and tap-out service from the stations in my constituency at Laindon, Basildon, East Tilbury, Pitsea and Stanford-le-Hope?

**Huw Merriman:** Yes, I can. I thank my hon. Friend for the work he has done in ensuring that part of the roll-out of the 53 includes four of his stations. I can confirm that we are on track to get those delivered by the end of the year. Across the rail network, that will take us to more than 400 stations with pay-as-you-go.

**Adam Afriyie:** I thank the Government for expanding the pay-as-you-go scheme to stations in the Windsor constituency, which means that people can quickly tap in and tap out when they commute. It strikes me that people are under increasing financial pressure during these difficult times, so will the Minister confirm that it is the Government's intention to roll the scheme out further afield, and that people travelling in that way will get the best available fare?

**Huw Merriman:** Yes, and I thank my hon. Friend for the work he put into ensuring that his constituency station at Windsor is part of that. I can give him that assurance. As well as providing seamless tap-in, tap-out payments, fares will be simplified so that most adult passengers can be confident that pay-as-you-go will be the best price for them on the day of travel.

**Marsha De Cordova (Battersea) (Lab):** Many of my constituents in Battersea are concerned about the Government's plans to close ticket offices at Wandsworth Town and Clapham Junction. Those closures will have a severe negative impact on disabled people, including blind and partially sighted people, and their ability to book assistance, buy tickets, or use the rail network. Only 3% of those with sight loss said that they can use a ticket machine, and nearly two-thirds said that it would be impossible. Will the Minister set out what assessment has been made on the impact of those closures, and will he publish it?

**Huw Merriman:** The hon. Lady is a London MP, and she will be aware that when London Underground did exactly the same thing for the underground it was deemed a success. That is why the current Labour Mayor has no plans to reverse it. The first group I met was that representing disability and access issues, because I wanted to ensure that the reforms best help those individuals. The aim is to redeploy staff away from the ticket office, where not so many people are seen, to the front of the station where all passengers can access them. That will particularly benefit those who have accessibility and disability challenges.

**Grahame Morris (Easington) (Lab):** I wish the Minister a happy birthday, but may I respectfully bring to his attention the experience shared by Stephen Anderson, who provided evidence to the Transport Committee recently? He highlighted this issue, and said that if he requires assistance he needs a designated point to approach, rather than having to call out for help on the platform. In essence, Stephen believes that ticket office closures are merely a means to cut staff. As a disabled passenger impacted by previous Government policy, Stephen expressed a view echoed by other witnesses, including Baroness Tanni Grey-Thompson. Does the Minister share their concerns?

**Huw Merriman:** I thank my hon. Friend—I enjoy all the work that I do with him. I take the point that he makes with regard to Stephen, but I passionately believe that the best help that anyone can give in a rail station is through personal interaction. That is difficult when somebody is behind a glass screen, because they are not able to exit that point and go and help. It was striking that the recent report on accessibility by the Office of Rail and Road showed that demand for passenger assist

at stations had increased by 68%. On that basis, and because fewer people are now purchasing tickets from the ticket office—only one in 10—it surely makes sense to put the staff out on the platforms where they can be accessed, and where they can help and reassure people and give them more assistance.

**Holly Lynch (Halifax) (Lab):** Halifax ticket office is facing closure. We know that one in six journeys on Northern are purchased at a ticket office, which is higher than the national average. There might be more of a case for closing ticket offices if there was not near constant chaos on rail networks in the north. Pretty relentless cancelled and delayed services are not uncommon, with the fragmentation of the tickets on offer resulting in everybody having questions about what service they can get on and when. Why on earth are the Government allowing the closure of the ticket offices?

**Huw Merriman:** This is ultimately a matter for the train operators, but they have taken the view that their staff can be better redeployed across the station concourse platform and barrier, accessing 100% of passengers, rather than the 10% nationally who purchase their tickets from a ticket office. Effectively, this is the railway catching up with the change in passenger behaviour and demand. I very much hope that in Halifax there will be a better service as a result. Some train operators are looking to turn currently unstaffed stations into staffed stations by redeploying, and I again give the commitment from the train operators that no currently staffed station will become unstaffed as a result of these changes.

**Mr Speaker:** I gently say to the Minister that Chorley matters to me; its ticket office is open all day, but the proposal is to have somebody available from nine to four, which is half the time. Please do take this up for people with disabilities, rightly, but don't forget that what you are being told is not the case.

### Roadworks: Disruption

3. **Nicola Richards (West Bromwich East) (Con):** What recent steps he has taken with Cabinet colleagues to reduce disruption caused by roadworks. [905926]

10. **Mr Mark Francois (Rayleigh and Wickford) (Con):** What recent steps he has taken with Cabinet colleagues to reduce disruption caused by roadworks. [905935]

**The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):** Roadworks are essential to ensure the safety and integrity of England's highway network, and it is also essential that utility companies can install and repair the equipment on which we all rely. Some disruption is inevitable, but the Government have introduced several initiatives, such as Street Manager, to reduce that. Another tool, lane rental schemes, allows local highway authorities to charge works promoters for the time that street works and roadworks occupy the highway. Charges are focused on the very busiest streets at the busiest times, with the aim of reducing congestion.

**Nicola Richards:** The west midlands has great transport connectivity, but we are particularly vulnerable to congestion caused by roadworks. The works to replace the central barrier on a 7.5-mile stretch of the M42 are causing

delays to my constituents and many others across the region. That work is clearly important, but it is vital that we minimise disruption. Please can the Minister outline what steps have been taken to ensure that these works are completed as soon as possible?

**Mr Holden:** I thank my hon. Friend for her question. I was in the west midlands just a couple of weeks ago visiting the RAC just off the M42. The scheme between junctions 3 and 4 to replace the barrier will provide increased safety to drivers, which remains our top priority. Once completed, the new barrier will require significantly less maintenance and repair after incidents, which will further reduce disruption for her constituents. To minimise disruption, National Highways has endeavoured to keep all lanes open to traffic and is utilising the longer daytime hours and good weather to complete the works as quickly as possible for her constituents.

**Mr Francois:** I thank the Minister for personally endorsing my “Can the cones” campaign and my associated Roadworks (Regulation) Bill, which has its Second Reading in November. One great frustration of modern life is spending ages crawling through a set of traffic lights at a contraflow to finally drive past a large hole in the road, immaculately coned off with no one doing any work on it. The Bill is designed to make it much more difficult for that to happen. Does the Minister have any good news at all that might help all of us in our constituencies to can the cones?

**Mr Holden:** I thank my right hon. Friend for his excellent and continued work in this area, alongside his colleagues in Chelmsford, Southend and elsewhere in Essex. I am particularly pleased to see that he has already managed to persuade Essex County Council to move ahead with a lane rental scheme, and his regulatory reform suggestions are being considered by the Department. I hope to be able to update the House later in the year, because the progress that he has suggested is directly feeding into the Government’s general policy.

### Cycling and Walking: Infrastructure

4. **Ruth Cadbury** (Brentford and Isleworth) (Lab): What steps he has taken to improve infrastructure for cycling and walking. [905928]

**The Minister of State, Department for Transport (Jesse Norman):** The Government, as the House will be aware, are investing more than any other in active travel, with more than £3 billion in investment over this Parliament, which enables the delivery of high-quality schemes across the country. Active Travel England is helping local authorities to deliver the greatest possible value for money in that investment by ensuring that relevant schemes comply with the guidance. It is also ensuring that any active travel schemes funded by the Department are of the highest quality.

**Ruth Cadbury:** In 2022, the Minister’s Department said:

“Increasing walking and cycling can make life easier and more convenient for people, whilst helping to tackle some of the most challenging issues we face as a society—improving health and wellbeing, improving air quality, combatting climate change and tackling congestion on our roads.”

His Department’s data confirms all that, including the role that low-traffic neighbourhoods play in all this. Now the Secretary of State has boasted that he has stopped funding for future LTNs as part of the two-thirds cut in active travel, which the local authorities do not have the money to build back up, due to the cuts they have had. Why are the Government pandering to the Twitter warriors and not the data and those in their own party who support investment in active travel?

**Jesse Norman:** I find that surprising, if I may say so, because this Government are not only investing, but seeking to reduce any possibility of conflict between drivers of cars and cyclists. I do not think the hon. Lady should disagree with policies that are designed to reduce that conflict. What we want to see is more choice for people in how they travel. Inevitably, many and increasing numbers of people want to use active travel, because of all its health and environmental advantages.

**Mr Ranil Jayawardena** (North East Hampshire) (Con): While we all want to encourage and give people the freedom to travel how they wish, including by walking or cycling, will the Minister confirm that the Government are 100% not anti-car, that they will allow people the freedom to travel when they want, where they want, in their own vehicles, and indeed that blanket 20 mph zones, where congestion builds up, are not good for anyone in local communities?

**Jesse Norman:** We are respectful of decisions made locally by local authorities, but he is absolutely right that, as I said, we are seeking to promote choice. That approach does mean that where people want to use cars, they will be perfectly able to do so, and where they want to use active travel, with all its personal and environmental benefits, they can do that as well.

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

**Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): One of the most effective ways to increase active travel uptake is to improve road safety, but progress in this area has stagnated: the last Labour Government cut road fatalities by almost 50%, compared with a mere 8% reduction under this Conservative Government. Back in 2021, Ministers promised a new road safety strategic framework, but two years and two Secretaries of State later all we have been told is that it will be published in due course. Meanwhile, countless people remain hesitant to embrace active travel due to safety concerns. Will the Minister move beyond the soundbites and provide some much needed clarity on when the strategy will finally see the light of day?

**Jesse Norman:** We take safety extremely seriously and have done a lot of work on this issue over the years. The whole point of having dedicated active travel infrastructure on the scale that it is being rolled out at the moment is to segregate and improve safety for those using active travel. I am sure that the hon. Lady will welcome the excellent work done on connected and autonomous vehicles, because they offer a potentially revolutionary improvement in safety over time.

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



**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): In answer to my written question, it was confirmed that active travel was down to just 1% of departmental spending last year—but that is positively lavish compared with 0.4% this year and 0.5% next year. The Scottish Government will spend £320 million—10% of their transport budget—which is greater than the active travel budget for the whole of England. Will the Minister urgently review active travel spend to ensure that the poorest, who rely more on walking and wheeling to get around, are not disproportionately impacted during this Tory cost of living crisis?

**Jesse Norman:** The fact of the matter is, through both covid and the Barnett formula, the Scottish Government have been funded at levels that vastly exceed those available in England. If one is a Herefordian, as I am, one looks with astonishment at the increased levels of spending north of the border and wishes that, in many ways, a similar rural landscape such as our own were supported as well as that.

#### **Heathrow Airport Expansion: Funding**

5. **John McDonnell** (Hayes and Harlington) (Lab): Whether he has had recent discussions with relevant stakeholders on proposals for funding the expansion of Heathrow airport. [905929]

**The Minister of State, Department for Transport (Jesse Norman):** The answer is no.

**John McDonnell:** Well, that answer was succinct, if nothing else. The Minister will know that a new chief executive has been appointed at Heathrow Airport Ltd, and he will inevitably meet that chief executive. When he does, will he take him through the costings of any road and rail infrastructure associated with the proposed development of a third runway? Heathrow has offered £2 billion to cover the cost. The Government's airports commission calculated the cost at £5 billion, but we now believe that, because of the tunnelling under the M25 and the road links and rail links—in particular, the rail links for western and southern access—the cost of the scheme could be between £10 billion and £20 billion. Will he make it clear to the chief executive of Heathrow that not a penny of taxpayers' money will go into subsidising the profits of the overseas owners of Heathrow?

**Jesse Norman:** It appears that the right hon. Gentleman knows a lot more about this than I do. Any expansion of Heathrow is a matter for it, as he will know. If that is financed, it will be by private finance for what is a private sector project. The Department has no position on this matter, because at some point the Secretary of State may need to be invited to decide on any development consent order, so we do not take a view.

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

**Louise Haigh** (Sheffield, Heeley) (Lab): While Heathrow and Gatwick set out plans to expand, the Government's regional airport strategy has been seriously undermined by the—hopefully—temporary closure of Doncaster Sheffield airport. The Secretary of State has the power to protect the air space around the airport while Doncaster council undertakes negotiations with Peel on the lease. Will the Secretary of State do that?

**Jesse Norman:** We recognise this important issue. The Secretary of State has had the question put to him by local stakeholders. He is considering the matter and will respond in due course.

#### **Low-emission Buses: Local Authorities**

6. **Christine Jardine** (Edinburgh West) (LD): What steps his Department is taking to support local authorities to transition to low-emission buses. [905930]

**The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):** Our policy has been to support the introduction of zero-emission buses, which will reduce emissions, support manufacturing and improve the passenger experience. The Government are committed to supporting the introduction of 4,000 zero-emission buses and achieving an all zero-emission bus fleet across the UK. I am pleased to inform the House that since February 2020, an estimated 4,200 zero-emission buses have been funded across the UK, including Scotland, of which 1,600 are on the road.

**Christine Jardine:** Lothian Buses, which covers my constituency, has removed 15,000 tonnes of carbon dioxide from its footprint, including by introducing several electric buses. Together with the tram and the low-emission zone, that is helping to reduce pollution, particularly in Corstorphine, which has one of the worst air pollution records in the country. Would the Government consider giving all local authorities greater powers and resources to franchise bus services and simplify the application system, to reverse the ban on local services setting up their own companies? How will the Government improve the measures already mentioned and introduced, as we fight to tackle what is still 25% of the pollution that we face every day?

**Mr Holden:** I thank the hon. Lady for her multiple questions. The Government have committed to look into municipal buses by the end of the Parliament. On devolution, we are happy to work with local authorities right across England and Wales on devolution settlements and what more can be done. I was delighted to visit Lothian Buses to see its fantastic red, white and gold livery right across the streets of Edinburgh and the wider region. I saw the excellent work it is doing on the ground, not just on local bus service provision but being a responsive service to the local community she represents.

**Paul Bristow** (Peterborough) (Con): Low-emission bus rollout in Cambridgeshire is going good guns but, sadly, all in Cambridge. At the same time, the 36 bus, which connects the village of Thorney with Eye and Peterborough, will be axed by Stagecoach at the end of the month. So many people rely on that service in Thorney to go to doctor's appointments, see family and friends and go shopping. Shockingly, the combined authority Mayor has known about the axing since May and has done nothing—squat. Can the Minister think of a better way to spend the millions given to the Mayor for bus rollout and to save the 36 bus for all those people who rely on it?

**Mr Speaker:** We will all miss the bus at this rate. Come on.

**Mr Holden:** My hon. Friend is a massive champion for his constituents across Peterborough. The 36 bus is clearly a vital local link. I encourage him to have those conversations with the combined authority Mayor. We have made the bus service improvement plan flexible to protect services. I will make representations to that end on his behalf. Hopefully, he and the Mayor can come to an arrangement to ensure that all the funding we have put into that combined authority area really benefits the people of Peterborough.

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

**Simon Lightwood** (Wakefield) (Lab/Co-op): The Government's commitment to deliver 4,000 zero-emission buses by the end of the Parliament lies in tatters and is in the realms of fantasy. No creative counting can hide the fact that there are still only six buses funded through the zero emission bus regional areas scheme on the roads. Will the Minister come clean with Parliament and passengers, and admit that the Government will fail in spectacular style in their promise to deliver those 4,000 zero-emission buses on the road? Will the Minister also take the opportunity to exercise a little humility and tell us how many buses have been ordered—not funding allocated, as that does not mean anything to anyone? How many will be manufactured in the UK? How many will realistically be on the road by the end of the Parliament?

**Mr Holden:** If the hon. Gentleman had waited for a response to his written parliamentary question, which is coming later day, he would have noticed that 68 buses from the ZEBRA—zero emission bus regional areas—scheme are now on the road. He seems to have failed to realise that that is out of a total of 1,604 that are on the road, from out of the 4,233 that have been funded across the UK. He might want to ignore previous schemes, but it is very important that we look at schemes right across the country. On top of that, he asked how many had been ordered across the country: 2,464 have been ordered. We are making great progress towards the over 4,000 by the end of the Parliament. If he would like to provide some extra cash or outline a Labour policy that will do anything for bus users in this area, I would really love to hear it.

#### Railway Ticket Office Closures

7. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What assessment his Department has made of the potential impact of ticket office closures on rail users. [905931]

9. **Jeff Smith** (Manchester, Withington) (Lab): What assessment his Department has made of the potential impact of ticket office closures on rail users. [905934]

**The Minister of State, Department for Transport (Huw Merriman):** As I set out to the House last week, these industry-led reforms are about modernising the passenger experience. When proposing major changes to ticket office opening hours, including closures, operators are required to take into account the adequacy of the proposed alternatives in relation to the needs of all passengers, and to include that in the notice of the proposal sent to other operators and passenger groups.

**Dr Huq:** Mr Speaker, you yourself said that this news has been most unwelcome for the elderly, disabled and blind. Was an impact equality assessment carried out? I am lucky that Sadiq Khan is keeping all my Transport for London stations open, but rail workers risked their lives for us all. They were not watching box sets of *Bridgerton* during covid. Can the Minister commit to saying there will be no redundancies?

**Huw Merriman:** Mr Speaker, I will come back to you with regards to Chorley station. I repeat: the aim of the train operators is to redeploy staff to where they can interact with all passengers, rather than just the one in 10 who purchase tickets from ticket offices. Some 99% of all transactions can now be completed online or at ticket machines. I will just repeat the point that the Labour Mayor of London seems to think that getting more staff out and helping more passengers is a good way to operate, because that is exactly how London Underground continues to operate, as well as other operators across the country, including the Tyne and Wear Metro.

**Jeff Smith:** I have a lot of respect for the Minister, who I believe wants to do the right thing, but the rosy picture he portrays is not borne out by the reality. In my constituency, at Burnage station, the ticket office opening from 6.30 am to 1 pm is being replaced by a person from midday to 2 pm, at East Didsbury, where the ticket office has the same six-and-a-half hour opening, it is being replaced by a person for two hours from 9.30 am, and at Mauldeth Road, the ticket office that opens from 7 am to 1.50 pm is replaced by a person from 9.30 am to 11 am. All three stations have massively reduced hours—by over two thirds—and, importantly, will no longer be covered by a member of staff at rush hour. How can the proposals result in anything other than a much worse service for my constituents and other passengers? Will he ask Northern to rethink?

**Huw Merriman:** The train operators' proposals, as I have stated, are to ensure that ticket office staff can be with members of the public and passengers where they best need them. It is also undoubtedly the case that some ticket offices are selling just one ticket per hour, so it may well be that train operators are looking at exactly which hours are best attainable. As I mentioned, there is one particular train operator that is currently looking to staff 18 currently unstaffed stations by spreading and redeploying staff across its network. I will be having conversations with the train operators as the proposals move along. I will certainly take forward the hon. Member's point and I thank him for his engagement earlier this week on High Speed 2.

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

**Louise Haigh** (Sheffield, Heeley) (Lab): The Minister has managed to unite Labour MPs, his own Back Benchers, you Mr Speaker, disability groups, trade unions and consumer groups in their concern about these closures. Even former "Pointless" presenter Richard Osman has voiced his concerns. And it is little wonder, because this consultation is completely pointless. There are just 21 days for people to voice their concerns, no equality impact assessments, and no answers on job security, accessibility or digital ticketing. Will the Minister think again, acknowledge the consultation is a sham, pause it and go back to the drawing board?

**Huw Merriman:** The consultation is under the ticketing and settlement agreement, which I believe was put in place under the last Labour Government, so I very much believe it is a good and robust process. It allows for a period of time for members of the public and hon. Members in this place to give their views on individual stations. There is then a 35-day period for passenger groups to take them into account, work with the train operators to try to reach an agreement, and ensure that all current accessibility and opportunity requirements are taken into account and maintained. I fundamentally believe that rather than the railway being stuck in the past, it needs to adapt and change in the manner that its passengers are. If one in 10 passengers are operating the booking office purchase system, that means that 90% of passengers are not seeing a member of staff. That member of staff can look after them, give them information, make them feel more reassured and assist them on to the train. That is a modern railway in action.

### Transport Infrastructure: Decarbonisation

8. **Jane Hunt** (Loughborough) (Con): What steps he is taking to decarbonise transport infrastructure.

[905932]

**The Minister of State, Department for Transport (Jesse Norman):** All transport infrastructure projects delivered by the Department's arm's length bodies are required to undertake whole-life carbon assessments and set carbon reduction targets as part of their business cases. National Highways, HS2 Ltd and Network Rail have already set out ambitious plans for achieving net zero and we are supporting them in their delivery. Through the Live Labs 2 competition, we awarded £30 million of funding to seven new regional projects to boost innovation in decarbonising highways infrastructure.

**Jane Hunt:** I recently visited Polypipe in my constituency, which designs, develops and manufactures thermoplastic piping systems from recycled material for civil and infrastructure projects. I understand that the Government and National Highways tend to favour the use of concrete to make ducting for cables over plastic for the road network, despite it being weaker, less resilient and worse for the environment. Could more consideration be given to using recycled materials, such as the plastic manufactured by Polypipe, in the construction of road infrastructure projects to help to achieve our net zero goals?

**Jesse Norman:** I thank my hon. Friend for that question, and it is very interesting to hear about the work of Polypipe. She will be aware that those decisions are for National Highways as an arm's length body, but she has put that point on the record in *Hansard*, and I would be very happy to put the question to National Highways so that it is specifically considered in detail.

**Andrew Bridgen** (North West Leicestershire) (Reclaim): Does the Minister have an estimate for the cost of decarbonising our transport system, especially when we factor in the improvements to the national grid for the extra electricity supply? Will he also look again at reversing the deeply unpopular policy of banning internal combustion engine vehicles from being sold after 2030?

**Jesse Norman:** The hon. Gentleman will be aware that a very wide range of information about potential costs and budgets is already in the public domain from the Department across a very wide range of modes. On electric vehicles, we have just consulted on regulations on the zero-emission vehicle mandate, and £6 billion of new private investment is being scheduled on the basis of those projections. That will transform our charging infrastructure, and we should all welcome it.

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

**Mike Kane** (Wythenshawe and Sale East) (Lab): The climate breakdown data coming in from around the planet at the moment is truly terrifying, so decarbonising transport is vital if we are to meet our climate change commitments. Will the Minister pledge to continue the work laid out just four years ago in the Maritime 2050 strategy, as recommended by the Transport Committee?

**Jesse Norman:** The hon. Gentleman may know that we have just had a very interesting and successful potential negotiation at the International Maritime Organisation. We take this issue extremely seriously, both as regards the decarbonisation of ports and the creation of green routes and other forms of maritime decarbonisation. We absolutely are working on this agenda, recognising that it is one of the most difficult areas of all to decarbonise over time.

### Black Cat Roundabout on A1

11. **Richard Fuller** (North East Bedfordshire) (Con): What progress his Department has made on delivering improvements to the Black Cat roundabout on the A1 in Bedfordshire.

[905936]

**The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):** Following the dismissal of the recent judicial review, the A428 Black Cat to Caxton Gibbet scheme is due to begin construction later this year, with the open-for-traffic date planned for 2027.

**Richard Fuller:** I thank the Minister for that update. As he will know, with the closure today of the consultation on suggestions for the next phase of road infrastructure—RIS3, or the third road investment strategy—it makes a lot of sense for the Department to continue the momentum by now looking at alternatives to the three remaining roundabouts on the A1 in my constituency: Sandy, Biggleswade North and Biggleswade South.

**Mr Holden:** I thank my hon. Friend for his question, and it was a delight to visit some of his constituents not that long ago in Sandy to discuss this and Biggleswade roundabout on a route I use regularly. We will continue to keep all these schemes for the long-term improvement of our strategic road network under review. They are very important, particularly when it comes to road safety, and I look forward to having further discussions with him in future.

### HS2 Planning Assumptions: Rail Travel Patterns

12. **John Spellar** (Warley) (Lab): What assessment he has made of the potential impact of changed patterns of rail travel on the planning assumptions for HS2.

[905937]



**The Secretary of State for Transport (Mr Mark Harper):** Before I answer the right hon. Gentleman's question, I hope you will give me permission, Mr Speaker, to inform the House, if it has not already noticed, that HS2 Ltd announced yesterday that Mark Thurston, its chief executive officer, will stand down in September. I want to thank him on the record, in the House, for his work over the last six years on progressing Britain's most transformative rail project. He successfully oversaw the start of construction, and he ensured that HS2 has created tens of thousands of skilled jobs and apprenticeships across the country. The Government and I are grateful for his exemplary service.

To answer the right hon. Gentleman's question, HS2 is a railway for the country's long-term prosperity, and it is already bringing significant economic benefits to his constituents in the west midlands, where businesses have already won £1.7 billion-worth of work delivering HS2.

**John Spellar:** I thank the Secretary of State for that waffle. I actually asked him about the basic planning assumptions for this project, because the ongoing case for HS2 would have had to be based on estimates of future passenger numbers, particularly for business travel and inter-city commuting. Following the pandemic, we all know there has been a major change because of video conferencing and working from home. What are his Department's latest projections of inter-city passenger numbers, and how do they affect the viability of the HS2 project, quite apart from the escalating construction costs? Will he publish those figures?

**Mr Harper:** I think the right hon. Gentleman fundamentally misunderstands. First, HS2 is a railway for the coming decades, not for the next few years. What happened during the pandemic should not affect the case for HS2. Also, he assumes that business travellers are the only people who will use HS2. It is true that business and commuter traffic is down following the pandemic, but we have seen leisure services rebound very strongly, with passenger numbers higher than they were pre-pandemic.

When I was in Japan recently, I saw that high-speed trains are not only used by business users; they are used by everyone who uses the railway. HS2 will free up enormous capacity for the right hon. Gentleman's constituents on the west coast main line, and it will get more freight off the roads and on to our rail network. He should welcome all those things.

### Rail Services

14. **Richard Foord** (Tiverton and Honiton) (LD): What steps he is taking to improve rail services. [905939]

**The Secretary of State for Transport (Mr Mark Harper):** Earlier this year, I set out my vision to modernise the railway industry as part of my Bradshaw address. This includes ambitions for a customer-focused, commercially led rail industry and the creation of Great British Railways as its new guiding mind. We continue to invest record sums in improving infrastructure and, just last week, I was pleased to officially open the latest phase of the south-west rail resilience programme at Dawlish, part of a £165 million investment to date, which I know the hon. Gentleman is about to welcome.

**Richard Foord:** The Secretary of State is right that I welcome the programme.

This week, the charity Devon in Sight sent an email to its supporters, including me, titled, "Proposed closures to Railway Ticket Offices." The email about the consultation was short:

"Please find attached a letter from us detailing how you can make an objection."

Why does the Secretary of State suppose that a Devon charity that looks out for blind people should presume that its supporters would want to object?

**Mr Harper:** I am not entirely certain exactly what the hon. Gentleman is asking. The rail Minister, my hon. Friend the Member for Bexhill and Battle (Huw Merriman), set out the purpose of the rail companies' proposals very well. The rail companies are consulting on the proposals, the purpose of which is to recognise the changed reality that most passengers purchase their tickets either online or from a ticket machine, and most of them do not go near a ticket office. It is about getting the staff out of offices and into the station, so they can support all passengers, including those who are older or disabled and who need assistance, rather than having them stuck in a ticket office. That is the point of the proposals, and there will be a detailed consultation. I am sure the hon. Gentleman will respond to the consultation, which the rail companies can take into account as they pursue their proposals.

### Under-10 Metre Fleet: Exemptions

15. **Wendy Chamberlain** (North East Fife) (LD): Whether he plans to exempt fishermen on vessels below 10 metres from medical certificate requirements. [905940]

**The Secretary of State for Transport (Mr Mark Harper):** The requirement for people working at sea to have a medical fitness certificate applies to vessels of every size, in every other commercial sector. However, Ministers are listening carefully to the views of colleagues across the House on the best way to progress this issue and I look forward to the hon. Lady's follow-up question.

**Wendy Chamberlain:** There is real anxiety up and down the country among fishermen as a result of the Government's policy, which is seen to be expensive and onerous. My constituent Bob is one of those fishermen who has worked on fishing vessels his whole life. I am pleased to hear that the Secretary of State is listening carefully. I hope he will meet fishing representatives to hear their concerns.

**Mr Harper:** Either I or the maritime Minister will be pleased to do that. I hope I can reassure the hon. Member's constituent that, of the 99 cases that have been through the MCA's medical assessors, no fisherman has been failed, except one who did not provide the evidence required. She will also know that there are grandfather provisions for those fisherman already in the industry if they obtain their medical certificate before 30 November, and I urge them to do so. If she writes to either me or the maritime Minister, I will make sure that one of us meets her and her constituents.

### Railway Infrastructure

16. **Paul Howell** (Sedgefield) (Con): What steps he is taking to improve railway infrastructure. [905941]

**The Minister of State, Department for Transport (Huw Merriman):** We continue to invest in upgrading the railways across England and Wales, with a budget of about £2 billion a year, including opening five new stations and two new lines in the past three years. In the north-east, the Government are investing in Darlington station, the Northumberland line and the east coast main line upgrade.

**Paul Howell:** I thank the Minister for his answer, but the most critical rail infrastructure needed in the north-east by far is the Leamside line project, starting with Ferryhill station. Its importance cannot be overstated; it is about resilience, capacity and levelling up. Can he tell us when we will get spades in the ground to show our commitment to constituents in Ferryhill and let them see the economic benefit that these stations will bring?

**Huw Merriman:** I pay tribute to my hon. Friend, who is a champion of rail in the north-east. I thank him for his long-standing support for this scheme and for sponsoring the bid for restoring your railway ideas funding to reopen a station at Ferryhill. The updated strategic outline business case for the Ferryhill-Middlesbrough proposal is with the Department and we will be looking at it shortly.

**Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op):** Railway ticket offices are essential railway infrastructure. The Minister has said that his hope is that staff will be redeployed on to the concourse, so can he comment on the fact that the planning assumption for Great Western Railway, once it closes the ticket office in Plymouth, is that it will cut the number of roles at Plymouth station by 42%, as part of a 40% cut in the workforce across the network in the south-west? Is that his actual plan? Can he also publish the letter of instruction sent by his Department to train operating companies requiring them to start the consultation on ticket office closures?

**Huw Merriman:** I certainly intend to be as transparent as you would expect in this regard, Mr Speaker, so I will look into the hon. Member's request. I re-emphasise that this is a consultation by the train operators. His own train operator will no doubt take his comments about the station in his constituency on board. That will then be assessed by the passenger body and, if matters need to be worked upon, I would expect those two bodies to do that. If that cannot occur, it moves to an ultimate determination in the Department for Transport.

### Topical Questions

T1. [905964] **Dr Luke Evans (Bosworth) (Con):** If he will make a statement on his departmental responsibilities.

**The Secretary of State for Transport (Mr Mark Harper):** Tomorrow marks two years since the Government published their decarbonisation plan, our road map to clean travel. In that time, we have come a long way. We have agreed international targets for aviation decarbonisation, allowing aviation to grow without harming the climate. As the Minister of State, Department for Transport, my right hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), said, just last week at the International Maritime Organisation, we worked

with our partners to secure the agreement of 174 other member states for net zero shipping by 2050. Our zero emission vehicle mandate will see this country continue to lead the world's major economies in decarbonising road transport, opening the door to not only significant reductions in carbon emissions, but investment and manufacturing opportunities to turbocharge British business. On every mode of transport, we are working to cut our carbon emissions, grow the economy and business, and give people across the country the freedom to travel when they need to, in the way that suits them best, without having to worry about the environmental impact of doing so.

**Dr Evans:** I praise the roads Minister, my hon. Friend the Member for North West Durham (Mr Holden), for taking an active interest in the A5. I have met with him multiple times, including last week, when we were dealing with the A5 yet again. I understand why the RIS3 programme has been pushed back. However, the A5 acts as a construction for prosperity, growth and housing in our area. Four points on the A5 were pinpointed as being narrow. Can he let me know where they were, as National Highways said it would do that? Can he give an indication of how I can move National Highways forward to try to release the strangulation on our area?

**Mr Harper:** I am grateful for my hon. Friend's question and for his kind comments about my hon. Friend the roads Minister. Between the M42 and M6, the A5 is a key artery for business and motorists and, as he says, it is integral to local growth plans. National Highways continues to develop options to upgrade the route, as part of the pipeline of its potential future schemes, including considering measures that address stretches of the route where safety issues are of greatest concern, such as the pinch points that he talks about. Outputs from that work will feed into priorities for future investment strategies.

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

**Louise Haigh (Sheffield, Heeley) (Lab):** Does the Secretary of State think it is acceptable that the villages of Little Ouseburn and Beal, in the Selby and Ainsty constituency, have no bus service either in the evenings or on Sundays? Who does he hold responsible for that? Is it the Tory Government, which completely snubbed Selby and Ainsty in their bus strategy, the Tory council, which cut 1 million km of subsidised bus routes, or the previous Tory MP, who mentioned buses just three times in over 13 years? Does he not agree that it is time for Selby and Ainsty to have a fresh start, with Keir Mather?

**Mr Harper:** It will not surprise you, Mr Speaker, that I do not think that at all. North Yorkshire Council, the local transport authority for Selby, was allocated £1.4 million as part of the bus service improvement plan plus funding. That means it has the resources to deliver the ambitions plans that it needs to carry out. On her second point, I think Claire Holmes, who is deeply rooted in Yorkshire and has lived there for her entire life, is the best candidate. I was there last week, delivering leaflets for her, and I will be there later today. She will make a fantastic Member of Parliament and I look forward to welcoming her to the House.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I gently say to the Secretary of State, which Back Bencher does he not want me to take? He can point them out and it will make my job much easier, if we are going to take so long.

**Sir Christopher Chope** (Christchurch) (Con): When the Secretary of State made his remarks earlier about the sudden resignation of the chief executive of HS2 from his £660,000 a year job, did he take into account the fact that the project is delayed by at least five years and that the costs have quadrupled? Will he also take into account the fact that the cost plus basis of contracts is now one of the main reasons for the increased costs?

**Mr Speaker:** Order. It is topicals. You know better than anyone, Sir Christopher, as an experienced gentleman.

**Mr Harper:** It is not a sudden leaving of his job—the chief executive has announced that he is going to go in September. We have a clear plan in place: the experienced chair of HS2 will step up to be executive chairman for the period while we are searching for a successor, so the leadership of the organisation will be in hand. As I said, Mark Thurston has done a very good job in getting the organisation into delivery of phase 1, and he himself has said he wants to hand over at this point to enable continuity as the project moves into the next phase of delivery.

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

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): Scots are used to getting a poor and unreliable cross-border rail service, but recently the cross-border air service provided by British Airways, particularly from Glasgow, has been awful. That said, we need to get on with decarbonising aviation, so when will we see the airspace modernisation process simplified and accelerated, not decelerated? When will the Government bring forward price stability plans for sustainable aviation fuels, which everyone bar the Treasury knows has to happen?

**Mr Harper:** On the hon. Member's first point, the work on airspace modernisation is under way, as he knows. On his second point, this Government are leading the progress on sustainable aviation fuels worldwide. We published the new report, which set out some clear plans, and we published our response to it. We are taking that forward and we are at the leading edge of this work globally, setting the agenda, as I hope he would welcome.

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

**Iain Stewart** (Milton Keynes South) (Con): As we approach the end of the school year, many families will be looking forward to setting off on their summer holidays, but there are concerns that industrial action in Europe will lead to flight cancellations and delays. People will also be mindful of the disruption at our ports and airports in recent times. What assurance can the Secretary of State give me and those families that the system will be resilient to ensure that they can get away?

**Mr Harper:** I am sure that my hon. Friend's question was prompted by one airline making some modest changes to its flight schedule during the summer. No other

airline has indicated to the Department that it will be cancelling flights ahead of the summer. We will continue to engage with airlines on that matter. The Aviation Minister is meeting with the chief executive officer of EasyJet later today to discuss its announcement. My team is meeting with the CEO of National Air Traffic Services to get an update on its operational readiness. We have already worked with the aviation industry to make sure that, this year, it is prepared for the busy summer period so that we avoid the problems that we had last year. We have received appropriate assurances, but I hope that we can reassure those whom my hon. Friend referred to in his question.

**Mr Speaker:** I call Christine Jardine.

T2. [905965] **Christine Jardine** (Edinburgh West) (LD): Thank you very much, Mr Speaker. I promise that I will not ask for multiple answers—

**Mr Speaker:** Order. Can Members please observe the proceedings? It is important.

**Christine Jardine:** Thank you, Mr Speaker. I promise that I will only ask for one answer this time.

Without a price stability mechanism for sustainable aviation fuel, which will be crucial in bringing down our carbon footprint, the UK risks falling behind the SAF mandate by 2030. A homegrown sustainable aviation fuel industry could contribute £2 billion a year to this economy. In order for that to happen—

**Mr Speaker:** Order. Make a guess at that, Minister. I am not going through another five minutes.

**Mr Harper:** All right. I think I know what the hon. Lady was driving at on that question. We said in response to the new report that we would continue to talk to the industry and, if required, consult on a mechanism—an industry-funded mechanism. That work is under way, but we continue to have the ambition to get those SAF plants developed in this country and I am glad that she supports that work.

**Sir Jacob Rees-Mogg** (North East Somerset) (Con): What can the Government do about the Driver and Vehicle Licensing Agency and the police chasing drivers who have correctly sent in their forms after they have disposed of a vehicle and who then get notices of intended prosecution for a vehicle that they no longer own when they have done the right thing? It seems to turn on its head the principle of innocence.

**The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):** I thank my right hon. Friend for his question. When a person disposing of their vehicle notifies the DVLA that they no longer have the vehicle, they are removed from the record and the DVLA writes to them. If the customer continues to receive correspondence relating to motor vehicle offences, they should contact the DVLA as soon as possible confirming that they are no longer the keeper of the vehicle in question. If he has any constituents with any particular issues, I would be delighted to take them up and look at them as soon as possible.



T3. [905966] **John Spellar** (Warley) (Lab): Can I go back to the astonishingly feeble answer from the Minister of State, the right hon. Member for Hereford and South Herefordshire (Jesse Norman), about Heathrow, which is a major international hub, a major export centre, the biggest single site employer, with, I am pleased to say, a well-organised union workforce, and vital for west London? How can the Government not have a view or a policy on this vital national infrastructure, or is it just another case of they haven't got a clue?

**Mr Harper:** I know that the right hon. Gentleman likes to hear from me, so I will answer this question. He can then think of a way of insulting whatever I say in response. The point that my right hon. Friend was making is that any proposal for a third runway at Heathrow will be a private sector proposal from that airport and, as last time, we would expect it to be funded by the airport. He knows that, if it brings forward such a proposal, the Government would have to take a quasi-judicial planning decision, which is why it is important that I do not take a pre-judged position so I can take that quasi-judicial decision appropriately. At the moment, however, we have not seen such a proposal from Heathrow. If it has one in due course, we will respond accordingly.

**Jonathan Gullis** (Stoke-on-Trent North) (Con): Despite billions being invested in buses across the country and £31.7 million going specifically into Stoke-on-Trent, First Bus continues to cut routes, harming 21-year-old carers such as Charlie Preston in Chell who may now have to quit her job. This Government have done their bit—is it not time that First Bus does its bit?

**Mr Holden:** I thank my hon. Friend for his question. I was delighted to visit Stoke with him and my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton) to see what is going on. I urge the council to use that flexibility to work with First Bus to deliver a solution for all his constituents. We have put that flexibility in there and I hope that it uses it to protect his constituents.

T4. [905967] **Dan Jarvis** (Barnsley Central) (Lab): The Government's response to the Transport Committee's report on the integrated rail plan was published at midnight, and the terms of reference for the study on the high-speed rail link to Leeds are expected imminently. Will the rail Minister tell us what this will mean for the railways in Yorkshire?

**The Minister of State, Department for Transport (Huw Merriman):** I thank the hon. Member for all his work in this regard, and he is absolutely right. With regard to Bradford, the Transport Committee's report made a recommendation that better station options should be considered under the integrated rail plan. That work with Bradford will now commence to try to find a better station option and to improve transport links for the city. With regard to Leeds, the station capacity can be looked at and potentially unlocked, and the HS2 route options all the way up from Sheffield to Leeds will also be part of that study.

**Robbie Moore** (Keighley) (Con): After much lobbying, I too am very pleased to hear that the Government have announced that the integrated rail plan will be reviewed and a new station could be considered in Bradford.

Will the Minister meet me to discuss this important issue, and will he prioritise the project so that we can move at speed, because it will bring better connectivity and economic prosperity to not only Bradford but Keighley?

**Huw Merriman:** I certainly will meet my hon. Friend. I thank him for his involvement in the project for the last couple of years and for making the case for Bradford. Bradford is our youngest city in terms of population age and our fifth largest in terms of regional authority area. We firmly believe that levelling up means delivering for Bradford, so I am happy to meet him and I am delighted that this Government are willing to look at and give that partnership working to Bradford.

T5. [905968] **Dr Rupa Huq** (Ealing Central and Acton) (Lab): Now that social distancing is over, will the Secretary of State look into restarting the pilot of demand responsive buses that Ealing and one other London borough—a Conservative-run borough—were undertaking before covid pulled the plug on them, as his predecessor, the right hon. Member for Welwyn Hatfield (Grant Shapps), said he would do before being shuffled off?

**Mr Holden:** I would be delighted to discuss these matters with TfL at our regular meetings. All the decisions in this space are devolved to Transport for London as part of a £6 billion package, and I would be delighted to discuss the matter with the Mayor or the commissioner for transport at my next meeting with them.

**Scott Benton** (Blackpool South) (Ind): A passing loop on the South Fylde rail line would double the number of trains coming into my constituency every hour, facilitating the millions of people who come to Blackpool every year. Following the award of feasibility moneys to look at the project, will the Minister meet me to appraise the options?

**Huw Merriman:** I would be delighted to meet the hon. Member. He is right that the Government have committed half a billion pounds to deliver more railways under the restoring your railway projects. The strategic outline business case on the project that he has worked so hard for is with the Department, and I am happy to meet him to discuss it.

T6. [905969] **Martyn Day** (Linlithgow and East Falkirk) (SNP): There has been remarkably little progress in rolling out streetside chargers for electric vehicles outside buildings with multiple residents. What action are the Government taking to promote this scheme and to ensure we have the correct regulatory framework in place?

**The Minister of State, Department for Transport (Jesse Norman):** The hon. Gentleman will be aware of our ORCS—on-street residential chargepoint scheme—fund to support on-street charging. We also have the new LEVI—local electric vehicle infrastructure—fund, and have given money to local authorities to support capability building in the area. If there is a specific concern that animates him in relation to his constituency, he is welcome to write to me.



**Greg Smith** (Buckingham) (Con): Yesterday, I chaired a roundtable with the freight sector, looking at the growing problem of theft from lorries in overnight lorry parks and service stations, which is costing the economy hundreds of millions of pounds a year. What is my hon. Friend doing with the sector to ensure that for the extortionate fees freight companies are charged, they get secure parking overnight?

**Mr Holden:** I thank my hon. Friend for his work in this area and across a number of areas in transport. We are looking in depth at driver welfare, including providing extra lorry parks and more secure facilities, and grants are due to be announced in the summer.

T7. [905970] **Grahame Morris** (Easington) (Lab): Can I ask the roads Minister about the lower Thames crossing project? In particular, what steps is the DFT taking to ensure that companies such as Murphy Group respect basic workers' rights to join a trade union when bidding for major transport contracts?

**Mr Holden:** The Minister of State, Department for Transport, my right hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), who is the Minister for the future of transport, met Murphy Group this week.<sup>1</sup> The Government remain committed to the lower Thames crossing as part of the responsible decisions taken to help meet inflationary pressures and balance the nation's books. We will be rephrasing construction on the LTC by two years, as this will allow more time to take into account stakeholder views and to ensure that there remains an effective and deliverable plan that is in the best interests of taxpayers.

**Mr Philip Hollobone** (Kettering) (Con): The roads Minister will know that the proposed £40-million junction 10A on the A14 at Kettering is crucial for the future prosperity of the town. Can he assure me that National Highways is working expeditiously with the Hanwood Park developer and North Northamptonshire Council to ensure that the project is delivered as soon as possible after 2025?

**Mr Holden:** I can provide my hon. Friend with that assurance. Having visited his constituency and met him near the project, I know how important it is to him. National Highways is working to do everything possible to see the project come to delivery.

T8. [905971] **Kerry McCarthy** (Bristol East) (Lab): The buses Minister assured me a couple of months ago that he was prepared to work with the West of England Combined Authority to ensure "maximum flexibility" in how bus funding could be spent, but I am still struggling to find out how we can get the funding to reinstate commercially non-profitable but essential buses. Will he meet me so that we can try to get to the bottom of it?

**Mr Holden:** I would be delighted to meet the hon. Lady. I met recently with the West of England metro Mayor, who has had £21 million in BSIP funding, which we have made more flexible. To date, he has looked at schemes including the birthday month travel scheme. I can see that she might not be as interested in that as some of her hon. Friends, but I would be delighted to meet her to discuss what more flexibility we could introduce to preserve buses in her constituency.

**David Simmonds** (Ruislip, Northwood and Pinner) (Con): Following his recent meeting with Transport for London about its finances, can my hon. Friend update me on what financial modelling it has done on the impact of extending the ultra low emission zone and what account it has taken of the impact should that not go ahead?

**Mr Holden:** I met the acting chief financial officer and Seb Dance, the deputy Mayor for transport, yesterday. They informed me that the Mayor of London, in anticipation of falling revenues from ULEZ in the next few years, had asked them to investigate the technicalities of introducing road charging across London in the future.

**Helen Morgan** (North Shropshire) (LD): Last year, Shropshire missed out on bus back better funding, despite having some of the worst services in the country. That funding was hugely scaled back on a national level. Will the Minister commit to reinstating some kind of funding to give rural places the bus services they need?

**Mr Holden:** I have been looking into all bus funding across the country. The hon. Lady will know that Shropshire Council has had around £1.5 million of BSIP plus funding. On cross-border services, I have been working closely with my hon. Friend the Member for Clwyd South (Simon Baynes), who is doing a huge amount of work in this area, particularly between Shropshire and Wales.

## NATO Summit

**Mr Speaker:** Before I call the Prime Minister, may I say how pleased I am to see him in the House? I hope we will see more statements made in the House first. I am sure we can work together on that.

10.37 am

**The Prime Minister (Rishi Sunak):** Mr Speaker, I have just returned from the NATO summit in Vilnius, where we strengthened the NATO alliance and confirmed Britain's place at its heart. Faced with a more volatile and dangerous world, a mechanised war in Europe and increasing aggression from authoritarian states, we must show those who would challenge our security and prosperity that NATO is united, that it is ready for this new era and that it will remain the most successful alliance in history.

Together with our allies, that is exactly what we did, in three specific ways. First, we acted decisively to strengthen the alliance. We agreed the most fundamental transformation to NATO's readiness since the cold war. That includes comprehensive war-fighting plans to defend the UK and its allies, scaled-up defence production to boost our stockpiles, which will benefit British industry and jobs, and increased defence spending. All allies made "an enduring commitment to invest at least 2%" of GDP.

The Vilnius summit also saw NATO's membership expand. We welcomed Finland to the table as a NATO member and ensured that Sweden will follow close behind. The historic decision of our Finnish and Swedish friends to join NATO would have been almost unthinkable just a year and a half ago, but Putin's aggression made it almost inevitable. Where he sought to make us weaker, he has achieved the opposite. We are stronger than ever with these new allies by our side.

Secondly, we acted to increase our support for Ukraine. Let us never forget what Ukraine is going through. Over 500 days of war, Ukrainians have experienced untold suffering, the likes of which no NATO country has suffered since its inception. I know the whole House will join me in paying tribute to the Ukrainian people and to their incredible spirit and fortitude. They are still standing strong and defiant, and the counter-offensive is making progress. In the last few weeks, they have taken back more ground than Russia has taken in the last year. We are standing with them, and allies are doubling down in their support.

This is not just about NATO. At the Munich security conference in February, I called for long-term security arrangements to protect Ukraine, re-establish deterrence in Europe and break the cycle of Russian violence. And now allies have delivered. Yesterday, the G7 leaders came together to sign the joint declaration of support for Ukraine, agreeing to provide the long-term bilateral security commitments that Ukraine needs and deserves. Those commitments mark a new high point in international support for Ukraine, and more allies will be signing up to add their support. But let me be clear: that is not a substitute for NATO membership.

We took a big step in Vilnius towards bringing Ukraine into the alliance. The summit communiqué echoed the UK's long-held position that

"Ukraine's future is in NATO."

Of course, there is more work to be done, but we have shortened Ukraine's path to membership, removing the need for a membership action plan, and holding the first meeting of the NATO-Ukraine council with President Zelensky sitting at the table, by our side, as an equal. As President Zelensky said, the summit was

"a very much needed and meaningful success for Ukraine."

Thirdly, we showed in Vilnius that the UK remains a driving force behind this alliance. As I have told the House before, those who run down this country and its place on the world stage could not be more wrong. In my bilateral meetings and the wider NATO sessions, I was struck again and again by how valued our contribution is. The British people should know that and they should be proud. The United Kingdom is, and will remain, one of the world's leading defence powers. We are the leading European contributor to NATO. We were one of the first to hit the 2% target for defence spending, and we are going further. Earlier this year, I announced a significant uplift of an extra £5 billion over the next two years, immediately increasing our defence budget to around 2.25% of GDP, on our way to delivering our new ambition of 2.5% and ensuring that our incredible armed forces can continue to keep us safe.

Right now, RAF jets are patrolling NATO's eastern flank, our troops are on the ground in Estonia and Poland as part of NATO's enhanced forward presence, and the Royal Navy is patrolling the seas, providing a quarter of the alliance's maritime capability. We are one of the only countries that contributes to every NATO mission, and we will keep playing our part as a leading nation in the joint expeditionary force. We are building deep partnerships such as AUKUS and the global combat air programme. We are using our leadership in technology to keep NATO at the cutting edge, hosting the European headquarters of the defence innovation accelerator and holding the first global summit on artificial intelligence safety in the UK later this year. We are also leading the debate on tackling emerging security threats, including the migration crisis. I have called on NATO to play a stronger supporting role here, helping southern allies to build their capabilities.

That leadership in defence and security is matched by our diplomacy, strengthening our relationships around the world. In just the last few months, we have concluded negotiations on the comprehensive and progressive agreement for trans-Pacific partnership and have signed critical minerals partnerships with Canada and Australia, a semiconductor partnership with Japan, and the Atlantic declaration with the United States—a new kind of economic partnership in a more contested world.

There is no better example of our ability to bring all those elements together and lead on the world stage than our response to Russia's invasion of Ukraine. Our diplomats have led the unprecedented effort to co-ordinate sanctions against Russia's economy. Last month, we hosted the Ukraine recovery conference, raising over \$60 billion to help rebuild Ukraine's economy and bringing in the private sector to help unlock its economic potential.

As the House knows, we have backed Ukraine's fight for its freedom and sovereignty since the start. We were the first country in the world to train Ukrainian troops, the first in Europe to provide lethal weapons, the first to commit tanks and the first to provide long-range missiles.

Now, we are at the forefront of the coalition to equip the Ukrainian air force, with Ukrainian pilots starting their training here in just a few weeks' time.

We do all of this because it is right, because it protects our values and our interests, because it keeps our people and our allies safe, and because, quite simply, it is who we are as a country. We were there at the start of the NATO alliance, and this week we have shown once again that we remain at its heart, leading it into the future. I commend this statement to the House.

**Mr Speaker:** I call the Leader of the Opposition.

10.44 am

**Keir Starmer** (Holborn and St Pancras) (Lab): I thank the Prime Minister for an advance copy of his statement.

It is over 500 days since Putin's barbaric war in Ukraine began. Putin believed the west was too divided to act in our common interest and too corrupted to stand up for what was right. He was wrong. NATO nations continue to stand united—united in our collective support for President Zelensky, and united in our belief that victory will come to the Ukrainian people. And so too, across this House, we remain steadfast and determined to show that whatever our differences, we will stand up to Putin's aggression, and we stand ready to pursue him for his crimes.

Labour's commitment to NATO is unshakeable. It is an achievement of this party and a cornerstone of British security for 74 years. I therefore welcome the progress made in Vilnius this week, in particular the commitment to strengthen the collective defence of this continent. Regional plans, greater intelligence co-operation and improved readiness—this will put us all on a better footing to react quickly to modern threats. The new defence production action plan will help us build a robust and resilient defence sector, not only to develop the munitions and hardware needed to support Ukraine's war efforts but to strengthen our own defence capabilities.

I also welcome the announcement that G7 members will provide wide-ranging and long-term security commitments with Ukraine. This is a crucial signal to Putin and those who back him that our support for Ukraine will not waver. We must continue to show that his illegal invasion will end in defeat and that it will only make NATO a stronger alliance. That is why this House should celebrate the historic decision by NATO nations to welcome Sweden into the alliance. Sweden will be a strong addition to NATO, and its membership, along with the recent accession of Finland, shows once again that rather than divide and weaken Europe, Putin's war has only strengthened our collective resolve. NATO has never been stronger.

I understand the decision by leaders not to set a timetable for Ukraine's membership of NATO, but I also support the clear declaration that Ukraine's future lies within the alliance. Our military assistance for Ukraine has Labour's total backing, but so too does Ukraine's long-term aim to join NATO. It fights on the frontline of European freedom, so it is important that we are clear to the people of Ukraine who fight so bravely for their future that the question is not if Ukraine joins NATO, but when Ukraine joins NATO.

Finally, it is important we are clear that even if there is a change of Government in the UK, there will never be a change in Britain's resolve, no change in our

support for Ukraine and no change in our commitment to the security of Britain and our allies. At moments like this, this House tends to acknowledge this unity and understand that our words carry weight beyond these shores; we choose them wisely. So I would ask the Prime Minister when he rises whether he is prepared to correct the record in this House in relation to a social media statement he made last night that Labour "didn't want" him to attend the summit this week. On the contrary, we were delighted that he was there, because in an ever more dangerous world, we must be united, and NATO must be co-ordinated, ready to adapt and ready to strengthen. The decisions taken this week give us a platform to do that and deliver a plan that can protect our collective security and support our friends in need, however difficult that may prove to be. We must stay the course and make sure Putin's brutal ambition ends in his total defeat.

**The Prime Minister:** I thank the right hon. and learned Gentleman, although it is a bit rich to attack me for missing Prime Minister's Question Time and then say that he wanted me to attend the NATO summit. *[Interruption.]*

**Mr Speaker:** Order. Please, I want to hear the Prime Minister.

**The Prime Minister:** I think the point has been made. I also welcome the right hon. and learned Gentleman's new-found affection for the NATO alliance, having sat for long years next to someone who wanted to—*[Interruption.]*

**Mr Speaker:** Order. I want to hear the Prime Minister; those who do not can please leave now.

**The Prime Minister:** Mr Speaker, you can tell from the volume of noise that they do not like it, but it is the truth. *[Interruption.]*

**Mr Speaker:** Order. It is the same for those on the Government Benches—I want to hear the Prime Minister, and I do not want those on the Government side stopping me either.

**The Prime Minister:** The reality is this: for long years, the right hon. and learned Gentleman sat there next to someone who did not support NATO and wanted to scrap Trident and abolish our armed forces. That is what the record is, but I am pleased that the right hon. and learned Gentleman joins the Government in supporting efforts for Ukraine. It is important that that remains a united position across this House. *[Interruption.]*

**Mr Speaker:** Order. The hon. Member for Ogmore (Chris Elmore) is stepping in for the Chief Whip; that does not mean that he can carry on shouting like he does when at this end of the Chamber.

**The Prime Minister:** Briefly, with regard to NATO membership, it is important that President Zelensky's words are listened to. He said that he viewed the NATO summit as providing a meaningful success for Ukraine—for his country and its people—because significant progress was made on the path towards NATO membership. It is a question of when, not if, and as the Secretary-General said, what was a two-step process has now become a



[*The Prime Minister*]

one-step process, with more political support and momentum behind Ukraine's membership than at any time in NATO's history. That is something that President Zelensky understands and appreciates, and over the course of the two days, it was crystal clear that there is an incredibly strong feeling among all alliance members to support Ukraine on that journey as quickly as practically possible.

**Sir Iain Duncan Smith** (Chingford and Woodford Green) (Con): I welcome the Prime Minister's statement. I returned from Ukraine in the last few days, where I was quite close to the frontline working with a charity. The one thing that I must tell the Prime Minister is that the people of Ukraine are enormously grateful for the leadership that he and the UK have shown within NATO. They never stop telling us how much they welcome the UK's leadership in this matter.

While I was there, the Ukrainians were very clear that in their assaults, their biggest problem is that they are losing many men trying to clear the minefields. They do not have the right equipment; in fact, at night, they go forward with bayonets trying to get to the mines—it is shocking to see. I urge the Prime Minister, if at all possible, to make it a priority to talk to the US Government and try to get them to release the right equipment that would allow the Ukrainians to make those assaults in the right way, not losing so many lives.

**The Prime Minister:** I thank my right hon. Friend for all his commitment, and indeed for his personal visits to Ukraine to see at first hand what is happening and how best we can tailor our support. He is right about the mines that have been left by the Russian armies—it is a considerable effort to have them cleared. I want to reassure him that we are in close communication with the Ukrainian military about exactly what capabilities and equipment it needs to clear minefields and support its armed forces as they make progress. We will continue to have that conversation and work with allies to get it all the kit it needs.

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

**Deidre Brock** (Edinburgh North and Leith) (SNP): Thank you, Mr Speaker, and I associate myself with the Prime Minister and the Leader of the Opposition's strong support for Ukraine. Slava Ukraini.

This Government's defence Command Paper will be published next week, I believe. Given events in Ukraine, what lessons has the Ministry of Defence learned about modern urban warfare, and how will that feed into operational strategy? I recall the former Prime Minister saying at the Liaison Committee just before the war:

"We have to recognise that the old concepts of fighting big tank battles on the European landmass...are over".

He then proceeded to cut our tank numbers—how wrong he was. Is the Department considering future opportunities for defence co-operation with the EU that are complementary to NATO?

There is less than a week left until the expiration of the deal allowing Ukrainian grain exports via the Black sea—this is very important, so I hope the Prime Minister is listening. Can he speak to the discussions that were had at the summit to ensure the continuation of the

current deal, which is vital for Ukraine's remaining economy and for global food security? What steps has the Department taken, and what steps will it take, to improve the UK's military partnership with Finland in the period since it joined NATO, and are there plans to do the same with Sweden?

Given recent reports of Russian spying on and sabotage of energy infrastructure in the North sea, and the fact that the UK's undersea cables are worth £7.4 trillion a day to the economy, what will the UK be contributing to NATO's establishment of its critical undersea infrastructure co-ordination cell, and will it be based in Scotland? My hon. Friend and leader the Member for Aberdeen South (Stephen Flynn) raised with the Prime Minister previously that some nations are continuing to use products from Russian oil. Did he pursue that further? Is it his impression there is genuine unity on proposed reconstruction efforts in Ukraine?

Finally, how does the Prime Minister hope to contribute to diplomatic efforts to bring on board parts of the international community, increasingly including the Republican right in America, to support what NATO is doing to ensure Ukraine's survival?

**The Prime Minister:** On NATO co-operation with the EU, I agree wholeheartedly with the Secretary-General, who set three very clear conditions for supporting EU defence initiatives: first, that they are coherent with NATO requirements; secondly, that they develop capabilities that are available to NATO; and, lastly, that they are open to the fullest participation of non-EU NATO allies. That has been the established position, and it is one we fully support.

The hon. Member asked about the Black sea grain initiative, which is due to expire on 17 July. I commend President Erdoğan's leadership on this issue, in particular over the last year. I spoke to him at the conference last week on this, and he is working to engage with the Russians on extending the grain deal, as are other allies. It is important that the grain deal is extended because, as we know, around two thirds of the grain leaving Ukraine is destined for low and middle-income countries, and we do not want Russia to inflict any more suffering than it already is.

The hon. Member also asked about undersea cables and undersea infrastructure. I agree with her that that requires attention and focus, which is why the Ministry of Defence and the Department for Science, Innovation and Technology are working collaboratively, together with industry, to make sure that everyone is doing their part to protect what is critical infrastructure. The MOD is developing particular capabilities to monitor and protect that infrastructure, and it is something that we have put on the agenda through the joint expeditionary force, which obviously comprises the northern European nations. We are hosting, in fact, as I think she alluded to, a potential headquarters for more focus on that area, and I look forward to discussing that with my JEF allies towards the end of this year.

Lastly, on galvanising international support for Ukraine, that is something I do when I am at these international summits. Particularly when I was last in the US, one of the things I did was spend half a day in Congress talking to congressional leaders from both parties to illustrate to them the importance of providing support to Ukraine not just now, but for years into the future. I am delighted



that the US has played a leading role in the multilateral security guarantees, and it is important that it does so. However, as we are seeing, we are broadening the coalition of support for Ukraine, and being at these international summits and talking to world leaders shows that the UK is leading by example and leading from the front. I was very pleased that France has just announced that it will also now be providing long-range weapons to Ukraine, following the UK's lead, and making an enormous difference to Ukraine's counter-offensive.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): On Britain's contribution, had our excellent Defence Secretary not effectively foreseen the Russian invasion and provided thousands of NLAWs—next-generation light anti-tank weapons—to the Ukrainians, with the appropriate training, to blunt the assault, Russian generals would be having lunch in Kyiv today. The British Army, relative to its size, has made a larger contribution of critical equipment—the key organs, as it were—than any other army in NATO, including the United States. We can be immensely proud of that, but those organs need to be grown back for our own security and to maintain our contribution to NATO. Will the Prime Minister do everything he can across Whitehall to promote the requisite sense of urgency to regrow those organs and, critically, to provide the resources to do it?

**The Prime Minister:** I agree wholeheartedly with my right hon. Friend that this House and the entire country can and should be proud of the leadership we have shown on Ukraine. He is right that we need to rebuild the stockpiles we have provided. That is why, in the Budget, £5 billion extra funding was provided for the armed forces, with a large chunk of that going particularly to rebuild those organs and those stockpiles, coming on top of the half a billion that was provided in the autumn statement. Just this week, for example, we announced a new contract with BAE to provide critical 155 mm rounds, which, as he will be familiar with, are absolutely mission-critical. Because we now have the funding to provide long-term contracts, we can increase defence production. That is good for our security, it is good for the security of our allies and, crucially, it also creates jobs, particularly in the north of England.

**Ed Davey** (Kingston and Surbiton) (LD): I welcome the Prime Minister's update and our support for Ukraine, and I strongly agree that we need to encourage our NATO allies to meet their commitments in full. How is he encouraging that goal when he is overseeing a cut to the British Army of 10,000 troops? Is not one of the key lessons from Russia's attack on Ukraine that a sizeable standing army remains crucial to the defence and security of our country and NATO allies, and will he listen to voices across this House calling for a reversal to cuts in Army numbers?

**The Prime Minister:** The right hon. Gentleman talks about defence spending, and it is clear that not only have we met the 2% target, but we were one of the first to do so, and we have done so for over a decade. It is good that others are now catching up, and our leadership on this issue is unquestionable. How that money is spent is ultimately a question for our military chiefs, to ensure that we have the optimal mix of capabilities to protect ourselves against the threats we face. I will not

pre-empt the defence Command Paper, other than to say that, when it comes to our armed forces, what is important is not just the quantum in terms of the Army, but how lethal they are, how deployable and how agile. That has been a particular focus of attention from the Chief of the General Staff, and it is a plan that we are putting in place. I would maybe draw slightly different lessons from the right hon. Gentleman's on the conflict that Ukraine is currently experiencing. The capabilities that we have brought to bear have been in a range of areas, all of which have received extra investment. Again, those will be questions for the defence Command Paper, which he will not have to wait very long to see.

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): I thank my right hon. Friend for his statement, and congratulate him on contributing to what I think history will prove to have been one of the most significant summits in NATO's history. Will he clarify what he understands is the intention with regard to Ukraine's membership of NATO? What would be the purpose of delaying Ukraine's membership beyond the end of hostilities in Ukraine and the victory for the Ukrainians? Without the article 5 security guarantee, rebuilding Ukraine will be much more difficult, because investors will not have confidence unless we are providing that security guarantee.

**The Prime Minister:** I thank my hon. Friend for his question. In the interests of time, I might point him in the direction of the Secretary-General's press conference from the day before yesterday, which explained—in more detail than I have time for now—the process and how this has been done previously. As he pointed out, accession to NATO has never been a question of timing; it has always been a question of conditions and circumstances. My hon. Friend will be familiar with the fact that there is an ongoing conflict. There are also requirements on all NATO members when it comes to areas such as modernisation, governance and interoperability, which Ukraine is now firmly on the path towards fulfilling, not least because of the help and support that we have provided over the past year.

I agree with my hon. Friend that history will judge this to be one of the most significant NATO summits. There was the significant change in the defence investment pledge, so 2% is now firmly established as a floor, not a ceiling. There was the most comprehensive update to NATO's war fighting plans in decades, if not since the end of the cold war, and they are remarkable in their breadth and significance. There was the accession of new members—Finland, and Sweden to follow. Lastly, there was the move on membership for Ukraine. Taken together, that represents a significant set of NATO achievements, sitting alongside the multilateral security guarantees. As my hon. Friend says, it has been an historic and very important couple of days.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): I hope that in his reply the Prime Minister will help clarify that it is we who owe gratitude to Ukraine, not the other way round. Will he update the House on plans not simply to help Ukraine win the war, but to win the peace? The reconstruction of Ukraine will cost at least \$400 billion, and Russia should be helping to foot the bill. That means we need new laws to seize, not simply freeze, assets. It means we need action at the United Nations to change the norms around immunity of central banks. Crucially,

[Liam Byrne]

it means we need to start prosecuting Russia for the crime of aggression. That will require us to mobilise not simply a military NATO, but an economic NATO. Will the Prime Minister update us on the conversations that he has had to make that a reality?

**The Prime Minister:** As the right hon. Gentleman knows, we have recently hosted the Ukraine recovery conference, for which the Ukrainian Government and people are extremely grateful. It was the most successful conference of its ilk that has happened, raising more than \$60 billion for Ukraine's reconstruction and mobilising private sector capital, as is necessary. It was seen as a significant achievement and the UK leading from the front. With regard to assets, I point him to a good couple of paragraphs in the NATO communiqué. All allies are taking steps, as are we, to legally freeze assets until suitable reparations from Russia have been put in place for reconstruction. He will understand that the international framework for doing so is untested and novel. It requires co-operation among allies, and that co-operation and work is happening.

**Harriett Baldwin** (West Worcestershire) (Con): Further to the question from the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), I welcome the UK's strong leadership at the NATO summit and thank the Prime Minister for it. The unity, the resources and the new members send a powerful message. There is no timetable for Ukraine joining NATO, but its membership is only a matter of time. When that time comes, the extent of reconstruction and the investment needed will be vast. A lot of Russian assets are held here and are frozen. Can the Prime Minister elaborate even further on the conversations he had at the summit on how the UK will again play a leadership role in unlocking resources from those Russian assets to help with the reconstruction of Ukraine?

**The Prime Minister:** We have recently published new legislation that will enable sanctions on Russia to be maintained until Moscow pays compensation to Ukraine. I can assure my hon. Friend that we will pursue all lawful routes to ensure that Russian assets are made available in support of Ukraine's reconstruction, in line with international law. Our international partners are, like the UK, yet to fully test the lawfulness of a new asset seizure regime, but that is exactly the work we are doing with allies, particularly across the G7, to share expertise and experience.

**Hilary Benn** (Leeds Central) (Lab): In 1994, Ukraine gave up its nuclear weapons in return for guarantees about its security and territorial integrity. Given what has happened since, we all understand why President Zelensky is so keen to join the alliance. Does the Prime Minister agree that when and however the current war ends, NATO membership at that point will need to form the cornerstone of new security guarantees that the people of Ukraine can rely on?

**The Prime Minister:** I think the people of Ukraine received a very strong signal of support from the NATO alliance over the past couple of days. That is what President Zelensky believes and it is what he is taking back to his country. He called it a significant security

victory. The signature of the multilateral agreement on security guarantees by the G7 represents near-term, immediate support for Ukraine's security from the G7 allies. I am highly confident that others will join that declaration, too, giving the Ukrainian people some assurance and security, which they rightly deserve.

**Philip Davies** (Shipley) (Con): I commend the Prime Minister for his leading role at the NATO summit, and I very much support his statement. In the statement, he said:

"All allies made an enduring commitment to invest at least 2% of GDP."

Many countries have been making that promise for many years and never actually fulfilling it. They want the protection of NATO but are not paying their fair share towards it, and are instead relying on the UK taxpayer and, more importantly, the US taxpayer to foot the bill. What more can be done to ensure that every country in NATO, if they want the protection of NATO, pays its fair share?

**The Prime Minister:** My hon. Friend makes an excellent point, and I agree wholeheartedly. It is why we fought hard for the new defence investment pledge to set 2% as an enduring commitment and as a floor, not a ceiling. Progress has been made. If he looks at the statistics over the past couple of years in particular, he will see an increase not just in the volume of defence spending across the alliance, but in the number of countries that are meeting 2%. That is forecast to be potentially as high as two thirds of all members next year, which would represent a landmark achievement. He is right that we must keep the pressure on and urge everyone to fulfil their 2% commitment.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): The Prime Minister knows that UK stockpiles are being depleted due to the war in Ukraine and, for us to rightly sustain our support at the right level, the Government should be fully addressing our diminished defence industrial base and skills shortages. Our NATO allies were swift to reboot their defence plans, yet he has consistently delayed the defence Command Paper. Why is that?

**The Prime Minister:** The hon. Member talks about what other allies are doing but, again, that is not the conversation that I have been having for the past couple of days: other allies look up to the UK and to the example that we have set. We are the ones increasing defence spending, particularly to rebuild stockpiles. As I mentioned, there was £5 billion of investment at the Budget coming on top of half a billion pounds at the autumn statement. A new contract was announced just this week, which is creating jobs across the country, but particularly in the north. That is the right thing to do, and that is what we will continue to deliver.

**Andrew Selous** (South West Bedfordshire) (Con): What conclusions has the Prime Minister drawn about the increased vulnerability of Ukraine since it gave up its nuclear weapons and the contribution that our nuclear weapons make to our own security?

**The Prime Minister:** Our nuclear deterrent is the ultimate guarantee of our security. That is why it is so important for the UK and an important part of the

contribution that we bring to NATO. We are one of the few countries that offers NATO not just nuclear capabilities but carrier strike, fifth-generation combat air and leading maritime across the board, as well as cyber-offensive. That is why we are respected in NATO and why we are a valuable member of the alliance.

**Holly Lynch** (Halifax) (Lab): This week, I was at the forum of the NATO summit in Vilnius alongside my right hon. Friend the Member for North Durham (Mr Jones), who is vice-president of the NATO Parliamentary Assembly. I hope that the Prime Minister will join me in paying tribute to Lithuania not only for its political leadership, but for having been such excellent hosts and organising such an historic summit. But the mood in Vilnius was not quite how the Prime Minister has presented it. Representatives of Ukraine's Parliament and civil society had a clear and sobering message that as the war goes on for longer, Ukraine is losing brave fighters on the frontline. That is why it is so important that we get the weapons that Ukraine needs to win into the hands of those brave soldiers now. What are the practical outcomes of what was agreed that will ensure that those resources are on the frontline so that Ukraine can win sooner rather than later?

**The Prime Minister:** I would say to the hon. Lady that that is exactly what we have been doing for the past year, and the Ukrainian Government and people are extremely grateful for our leadership on that issue. But I join her in paying tribute to Lithuania not just for hosting the summit excellently, but for demonstrating so clearly why our collective security is so important. Given Lithuania's geographic position and the threats it faces, particularly from Belarus, it was important that the NATO summit was held there. It sends a strong signal of our unity in supporting the eastern flank of the NATO alliance, which I think is incredibly important.

**James Sunderland** (Bracknell) (Con): Having worked in and around NATO for several decades, I am clear that it remains the exemplar for western security. May I please thank the Prime Minister for his exemplary leadership when it comes to the UK contribution? Noting that a significant number of countries are not providing their 2% commitment, does the Prime Minister have any sense on how they might be encouraged—or even coerced—to do so?

**The Prime Minister:** What I am pleased to see is positive forward momentum. We see that in, as I said, not just the quantum of defence spending across the alliance but the number of individual countries increasing spending and, indeed, forecast to meet the 2% target next year. It is right that we keep the pressure on, and the new defence investment pledge signed at the summit demonstrates willingness across the alliance that defence spending does need to increase and a recognition of the threats that we face, but also that a number of countries, including the UK, have been leading on this issue for some years.

**Barry Gardiner** (Brent North) (Lab): Russia has built 475 new military sites and 50 major new military bases on its northern frontier—its northern flank—in the past six years because the loss of the summer sea ice has exposed that flank. That makes clear the way in which

climate change is affecting and endangering all our lives not just in terms of the environment and food security, but militarily. What discussions did the Prime Minister have at the NATO summit about the Arctic Council and how its balance, which has moved from 5:3 to 7:1, has furthered that isolation? Did he discuss how the northern sea route has been claimed by Russia as an inland sea and how warships are now having to declare when they go through?

**The Prime Minister:** I spent a lot of my time talking with our joint expeditionary force allies. As the hon. Gentleman will know, because of the geographic location of JEF, in which we are the leading framework nation, we talk regularly about the security of the high north and the Arctic. I discussed that with some of my counterparts over the last two days, and it will be a focus of our discussions at the JEF summit towards the end of the year. He should rest assured that it is an area we pay increasing attention to, not just from an intelligence perspective but with our military capabilities.

**Mr Philip Hollobone** (Kettering) (Con): I thank the Prime Minister for his tireless efforts leading from the front in NATO's support for Ukraine. The United Kingdom is NATO's largest European defence spender, spending more than 20 other NATO allies combined. We are meeting our 2% commitment, but far too many are not. When does the Prime Minister expect all NATO allies to have met the 2% floor?

**The Prime Minister:** As soon as possible is what I would like to say. Hopefully, next year we will see very significant progress in the number of countries in the alliance meeting the 2% target—forecast to be almost two thirds next year on a rising trajectory. It is important that we keep the pressure on. The threats that we face are only growing in their scale and complexity, and we need to invest more to protect ourselves against them.

**Alison McGovern** (Wirral South) (Lab): I agree with the Prime Minister that we should be proud of the United Kingdom's place at the heart of NATO, as I have always been proud of my party's role in the creation of the alliance. Does the Prime Minister agree that those in the United Kingdom who know the consequences of Putin's murderous regime best—the Ukrainian, Polish and eastern European communities—ought to be supported here? Does he agree that no one should ever try to denigrate or divide anyone from those long-standing parts of our British community?

**The Prime Minister:** Those countries in particular value their relationship with the UK. The meetings I had over the past couple of days evidenced that. I pay particular tribute to their leadership on this issue, supporting Ukraine and setting an example when it comes to defence spending. That is why with Poland in particular we have a close and growing defence and military relationship, which will only become a more significant part of the NATO alliance in the years to come.

**Andrew Jones** (Harrogate and Knaresborough) (Con): I congratulate my right hon. Friend on the leadership he has shown in this highly successful summit. I particularly welcome the broadening of this critical alliance. It was good to hear his confirmation of our ambition to reach



[Andrew Jones]

2.5% of GDP spending on defence, and the progress made to encourage others to do the same. Can my right hon. Friend comment on how NATO is utilising new technologies to ensure it remains at the cutting edge?

**The Prime Minister:** My hon. Friend makes an excellent point. We have to keep on the cutting edge of new technologies to maintain our military superiority and advantage against adversaries. The UK is playing its part in two ways: we will host the European headquarters of DIANA—the defence innovation accelerator for the north Atlantic—and last year saw the announcement of a €1 billion innovation fund, the first sovereign venture capital fund of its type, which will ensure that we can continue to invest in those critical technologies that provide a security advantage.

**Kevin Brennan (Cardiff West) (Lab):** In welcoming the Prime Minister's statement, I gently encourage him to adopt a slightly different tone rather than phrases such as "new-found affection" for NATO. He knows the seminal role of the post-war Labour Government, in particular the Foreign Secretary Ernest Bevin, in the creation of NATO. [Interruption.] I suggest they read some history books. He also knows that Labour's policy of support for NATO is as strong now as it was 75 years ago. Will he welcome that fact and work in a statesmanlike way with the Leader of the Opposition, in the national interest?

**The Prime Minister:** I was not quibbling at all with the leadership shown by Labour politicians 75 years ago; I was quibbling with that shown just a few years ago.

**Dean Russell (Watford) (Con):** Across Watford, as across the UK, people have been so welcoming to those from Ukraine who have been moved from their homes because of the despicable acts of Putin. Does the Prime Minister agree with me that today we are as resolved to help Ukrainians win their war against Putin as we were on day one when he invaded their country?

**The Prime Minister:** My hon. Friend is absolutely right. We remain completely resolute in our commitment to support Ukraine for as long as it takes for it to regain its sovereignty and freedom. It is an enormously proud accomplishment of this country that we have provided such warm hospitality and refuge to many Ukrainian families in all parts of our country. I know that every Member will join me in thanking people for welcoming Ukrainian families into their homes. Long may it continue.

**Richard Foord (Tiverton and Honiton) (LD):** The statements coming out of Vilnius this week make plain that Ukraine will not be admitted to NATO until it enjoys a peaceful relationship with its neighbours. That is understandable, but what is the Prime Minister doing to make it plain to Russia that it would be mistaken if it took that as an incentive to sustain its aggression, given that Ukraine is not responsible for the war on its territory?

**The Prime Minister:** Very specifically, by leading the conversation and now delivering multilateral security guarantees to Ukraine, which we first spoke about in

February at the Munich security conference. That has been delivered at this summit by the G7 allies, and I am sure will be joined by many others, and unequivocally demonstrates to Russia that not only will there be support for Ukraine today, but for years to come. That will serve as a significant deterrent to him and hopefully change the calculus in his head about the persistence of this illegal and unprovoked war.

**Andy Carter (Warrington South) (Con):** I welcome the Prime Minister's statement, particularly his commitment to leading the debate on tackling emerging security threats, including the migration crisis. Will my right hon. Friend explain how NATO can play a stronger role in helping some of our southern allies to build capabilities and capacity in southern Europe?

**The Prime Minister:** My hon. Friend is absolutely right. The Italian Prime Minister and I spent time discussing that. Indeed, she and I raised it in the NATO sessions. It is something we agreed to work jointly on, because it is clear that illegal migration is one of the new threats we face, whether it is being weaponised by Belarus or coming from Wagner-oriented action in Africa. It is right that we, as an alliance, do what we can to share intelligence and strengthen our co-operation to break the cycle of criminal gangs and stop illegal migration.

**Alex Sobel (Leeds North West) (Lab/Co-op):** As a co-chair of the all-party parliamentary group on Ukraine, I know how steadfast support for Ukraine is right across the House. Ukraine is not just defending itself; it is defending the UK and people right across Europe, so I was disappointed to hear the Defence Secretary's comments about not being Amazon. Does the Prime Minister disassociate himself from those comments? A year ago, the UK-led international effort to create a fund of £770 million for military aid, but none has been delivered. When will that military aid arrive in Ukraine?

**The Prime Minister:** As I said, President Zelensky and the people of Ukraine are incredibly grateful for all the leadership and support shown by the British Government and the British people. One thing we did was to co-ordinate the International Fund for Ukraine among our allies. We continue to do that, and to ensure we deliver vital supplies to Ukrainian armed forces.

**Dr Luke Evans (Bosworth) (Con):** The Prime Minister and I share an interest in artificial intelligence. We have seen it used for deepfakes of President Zelensky, which were taken down very quickly. AI has moved on very quickly, with ChatGPT being opened to the public very quickly. What conversations were had at NATO about how we deal with that? More importantly, what can the UK do to ensure we have a safe framework around AI?

**The Prime Minister:** My hon. Friend is absolutely right about the opportunities and threats posed by AI. The Defence Innovation Accelerator for the North Atlantic—DIANA—which I mentioned, will look in particular at harnessing dual-use commercial technologies in areas such as AI. As I said, we will be hosting the European headquarters. More broadly, the UK is proud to be hosting the first global summit on AI safety later this year, where this will, of course, be a topic of conversation.



**Dr Rupa Huq** (Ealing Central and Acton) (Lab): Labour founded NATO, so of course we welcome the Prime Minister's work in that. What are his thoughts on, and did the summit discuss, the possibility of establishing a special tribunal to bring those responsible for the Russian Federation's illegal war to account for war crimes and crimes against humanity? That was part of the memorandum of understanding at the OSCE Parliamentary Assembly, another security alliance that we are part of—I was there the other week. It was proposed very movingly by the Ukrainians, who are full members of that alliance. I wonder what the Prime Minister's thoughts are on that.

**The Prime Minister:** It is right that we hold Russia and those responsible to account for their war crimes in Ukraine. That is why we led a state-party referral to the International Criminal Court and provided about £1 million of funding to the Court. It is also why we have joined a core group of countries to explore options to ensure criminal accountability for the crime of aggression committed in and against Ukraine, including through a special tribunal. And at the Council of Europe meeting that I was at, we became a founding member of the international register of damage caused by the aggression of Russia against Ukraine. We will continue to do everything we can to hold those responsible for crimes to account.

**Rob Butler** (Aylesbury) (Con): I congratulate my right hon. Friend, in particular, for the role that he played that led to Turkey agreeing the accession of Sweden to NATO, which was a momentous event. As part of the armed forces parliamentary scheme, with the Royal Navy, we have had the privilege of visiting the home of the continuous at-sea deterrent in Faslane and those who support it at Northwood. Does he agree with me, and I think every Government Member, that our nuclear deterrent is vital to our nation and to NATO, and will he join me in thanking those who serve in silence and in secret beneath the waves?

**The Prime Minister:** My hon. Friend makes an excellent point. Our submariners do an extraordinary job under difficult conditions, and they deserve our gratitude for everything that they do for our country. They are the ultimate guarantor of our security and we owe them our thanks.

**Nick Smith** (Blaenau Gwent) (Lab): Labour's Ernie Bevin helped to found NATO, but I ask the Prime Minister: why have the Conservatives given us the smallest Army we have had for 300 years?

**The Prime Minister:** It is right that our armed forces adapt their capabilities to the threats that we face. Trying to compare the threats that we face and the capabilities that we have now with when NATO was founded is completely ridiculous. It is important now that we invest, whether that is in offensive cyber or extra maritime capabilities to deal with subsea infrastructure. The range of threats we face evolves all the time and we will continue to make sure that we are protected against them, but what no one can doubt is our commitment to investing in our armed forces, with record levels and a 2% commitment that we first met over a decade ago sustained and on a rising trajectory. This Government are committed to investing more in our defence and we will do so in a way that absolutely protects us.

**Kerry McCarthy** (Bristol East) (Lab): I say, as a Bristol MP, that we are incredibly proud of Ernie Bevin. He was orphaned at eight, started work on the Bristol docks at the age of 11 and went on to become British Foreign Secretary and found NATO, which is quite some achievement.

Obviously, this move is very welcome in terms of the containment of Russian activity and strengthening Ukraine's position, but the Prime Minister did mention the activities of Russia's Wagner Group in Africa, where there are widespread reports of atrocities being carried out and the fact that they are using trade in natural resources, being paid in mining concessions, to avoid sanctions. What action is the UK taking to try to combat that?

**The Prime Minister:** We are working closely with partners, particularly France and others, to share intelligence and do what we can to combat the destabilising impacts of Wagner in different parts of the world. We have also sanctioned the Wagner Group in its entirety and, indeed, its leaders, which is contributing to some of the economic squeeze on them.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): Earlier, the Prime Minister referred to Turkey's President, and Turkey is the most important member of NATO. In recent times, Turkey has changed its stance, and we see the historic result of that change. The UK has had a long historical relationship with Turkey. Can I take it from the Prime Minister that every effort will be made in all channels, including diplomacy, to build on the relationship with Turkey and make the alliance stronger thus?

**The Prime Minister:** The hon. Gentleman makes an excellent point. I was pleased to be the first western leader to call to congratulate President Erdoğan on his recent election victory. I also spoke to him last Friday and spent time with him over the past couple of days.

The hon. Gentleman is right about the role Turkey plays in the alliance, and indeed about the closeness of our partnership and friendship with Turkey, which we are looking to find ways to strengthen and deepen, whether economically, on defence or on illegal migration. The President and I had a very good conversation and agreed to do more in all those areas. He shares my ambition for a closer, deeper and stronger relationship.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): In a statement, NATO's Secretary-General welcomed the new partnership programme with Japan and criticised China's military advancements. What assessment has the Prime Minister made of China's response to the statement? Does he have concerns about the vague threat that any action threatening Beijing's rights will be met with a resolute response?

**The Prime Minister:** It is crystal clear that NATO is a defensive alliance. It is right that we in the UK, and indeed other NATO countries, strengthen our partnerships with nations in the Indo-Pacific. They were invited to this NATO summit because our security is indivisible—we have seen that—and the values we all share are ones that we believe to be universally true. That is why we will strengthen our personal relationships with Japan.

[The Prime Minister]

The recent Hiroshima accords are crystal clear on that, and Japan said that it views the United Kingdom as its closest European ally. We are strengthening not just our economic relationship but, critically, our defence relationship with Japan, which is a partner, alongside Italy, in building the next generation of our fighter aircraft.

## Business of the House

11.31 am

**Thangam Debbonaire** (Bristol West) (Lab): Will the Leader of the House give us the forthcoming business?

**The Leader of the House of Commons (Penny Mordaunt):** The business for next week includes:

**MONDAY 17 JULY**—Consideration of Lords message to the Illegal Migration Bill, followed by consideration of Lords message to the Social Housing (Regulation) Bill [*Lords*], followed by consideration of Lords message to the Strikes (Minimum Service Levels) Bill, followed by motion relating to an appointment to the Independent Parliamentary Standards Authority.

**TUESDAY 18 JULY**—If necessary, consideration of Lords message to the Illegal Migration Bill, followed by consideration of Lords amendments to the Northern Ireland Troubles (Legacy and Reconciliation) Bill, followed by motions to approve the draft Environmental Civil Sanctions (England) (Amendment) Order 2023 and the draft Environmental Permitting (England and Wales) (Amendment) (England) (No. 2) Regulations 2023 followed by, if necessary, consideration of Lords message.

**WEDNESDAY 19 JULY**—If necessary, consideration of Lords message to the Illegal Migration Bill, followed by motion to approve the Russia (Sanctions) (EU Exit) (Amendment) (No. 3) Regulations 2023 (SI, 2023 No. 713), followed by debate on the Committee on Standards' report on all-party parliamentary groups, followed by, if necessary, consideration of Lords messages.

**THURSDAY 20 JULY**—The Sir David Amess summer adjournment debate. The subject for this debate was determined by the Backbench Business Committee.

The House will rise for the summer recess at the conclusion of business on Thursday 20 July and return on Monday 4 September.

**Thangam Debbonaire:** I thank the Leader of the House for the forthcoming business.

The Leader of the House did not announce a date for the debate and vote on the House of Commons Commission's proposal to introduce a new process for dealing with MPs accused of violent or sexual offences. We both agree this mechanism is needed to reduce the risk of harm to all those who work on and visit the parliamentary estate. Colleagues and staff need clarity and want to see progress. Given that our original plan was to get the motion through before the summer recess, could she give us a date for when the vote will happen? I know that, like me, she believes this is incredibly important. We have worked hard on it together, and I therefore hope she will sort this imminently.

Once again, the Government wasted another week of precious time in this House pushing their unworkable, immoral and illegal asylum Bill. They could have just accepted the common-sense, human rights-focused amendments from the Lords. I thank their lordships for, again, sitting so late last night to try to repair the damage that the Government are intent on causing.

Meanwhile, it is left to Labour to introduce proposals that will make a difference to the lives of working people. Yesterday, we set out our plan to accelerate the production of electric vehicles: our plan to create 80,000

jobs, power 2 million electric vehicles and add £30 billion to the UK's economy. No wonder it passed unanimously. The Government have presided over a 37% fall in car production since 2010, with seemingly no ambition to reverse it. Instead of tearing down unnecessary trade barriers with our friends and neighbours in the EU, as Labour would do, they are happy to see the imposition of 10% tariffs. How will that help us to export more of our Great British cars? Our Opposition day motion was successful, not a single MP voted against it, so will the Leader of the House tell us what steps the Government will be taking to act on Labour's motion and when? This is about growing our economy, bringing down the cost of living, creating quality jobs and tackling climate change. Labour has a plan. Where is the Tories' plan? The next Labour Government will be on the side of everyone building the cars of the future in Britain.

Finally, I hope the Leader of the House had an enjoyable evening yesterday at the Prime Minister's so-called "unifying hog roast" in Downing Street. I wonder whether she managed to catch up with the right hon. Member for Mid Bedfordshire (Ms Dorries). You would not think it if you've been looking out for her in Parliament, but I understand that she has been pretty busy. She has failed to turn up here for more than a year, but she has had time to present her own TV show, write her own *Daily Mail* column and even pen a book. That is a lot to fit in between strops over being denied a peerage. On that, the Cabinet Secretary said he has referred the Member to the Government Chief Whip over reports that she sent forceful messages to civil servants about her non-peerage. He also said he was seeking further advice on whether the Honours (Prevention of Abuses) Act 1925 could come into play. Can the Leader of the House clear up this mess and tell us if this is being properly investigated?

Despite all of that, the Prime Minister is still happy for that Member to be listed as a Conservative. Is this all people can expect from their Tory representatives? She said that she would resign with "immediate effect". Does the Leader of the House have an update for the people of Mid Bedfordshire? Perhaps she could give a dictionary definition of the word "immediate" for the Member. When will the people she is supposed to represent get the chance to elect a Labour MP, who will actually show up for working people?

**Penny Mordaunt:** First, let me deal with that last point. The hon. Lady will know that such matters that were raised at the Public Administration and Constitutional Affairs Committee are not ones for me, as the Leader of the Commons, or indeed for the Chief Whip—they are matters for the Cabinet Secretary. Standards and ethics are very important and they are important rules, but clearly there are some grey areas.

I very much enjoyed the hon. Lady's painting a picture of Labour as guardians of our border security and champions of economic growth. Given her mention of automotive manufacturing, I am surprised that she did not welcome the £6 billion investment announced this week by Renault-Geely, which comes on top of the £17 billion investment from Japan; the UK is doing rather well on that front.

I take issue with the portrait the hon. Lady painted of her party, as we cannot rely on Labour for the things she said. We cannot rely on it to protect our borders.

The Labour party has voted a total of 36 times to weaken our Illegal Migration Bill. We cannot rely on Labour for growth or to balance the books. I believe the current total is £48 billion of unfunded spending commitments and counting. We cannot rely on Labour to support the NHS. In Labour-run Wales, the only place in the UK where the NHS budget has been cut—not once, but three times—people are twice as likely to be waiting for treatment. This is an approach to our NHS that the Leader of the Opposition describes as a "blueprint" for health. And we cannot rely on Labour to defend this nation. While our Prime Minister was heading off to the NATO alliance to strengthen that alliance, 12 Labour Front Benchers were undermining it by supporting the treaty on the prohibition of nuclear weapons, which is incompatible with NATO membership—they included a shadow Defence Minister. So more debt, no growth, worse care, weaker defence and open borders is what we can rely on Labour to deliver.

**Wendy Morton** (Aldridge-Brownhills) (Con): Knife crime is a scourge on our society, as we all know in this place. In my constituency, the James Brindley Foundation is doing an amazing job, working to raise awareness of the need to take action to educate young people. Will my right hon. Friend join me in commending the work of the foundation and also the Conservative councillors at Walsall Council, who led a fantastic debate on Monday night to back the foundation's campaign and petition to get the dangers of knife crime put on the school curriculum?

**Penny Mordaunt:** I thank my right hon. Friend for the work she is doing, alongside Andy Street, on tackling this issue. She will know that across the country we have a good record on these matters. Since 2010, violent crime in England and Wales has fallen by 41%, which is fantastic and a huge tribute to all working on the issue. However, the west midlands has the highest recorded rate of knife crime throughout England and Wales, and I know my right hon. Friend and hon. Friends from that area are holding the police and crime commissioner to account on that poor record. I congratulate her on what she is doing. I am sure that if she were to secure a debate on this issue, it would be well attended.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the spokesperson for the Scottish National party.

**Deidre Brock** (Edinburgh North and Leith) (SNP): It is good to be back after a short absence on parliamentary business. First, I request a debate on conventions of this House. Normally, my hon. Friend the Member for Aberdeen South (Stephen Flynn) would have responded to the Prime Minister's statement on NATO, but as we were not given any advance notice of that important statement, unlike His Majesty's loyal Opposition, he was unable to be in his place to respond. There is a conventional expectation to be notified of such statements beforehand, as we should be made aware to ensure that we can scrutinise the Government properly. Will the Leader of the House take that up with her Government?

While I was away, I notice the Leader of the House had a day trip to Scotland. I hope she received the kind of warm welcome we always give to people visiting from afar. On her very brief visit, she will have been in a nation where not a single day has been lost in the health service to strikes; where the Government and teachers



[Deidre Brock]

got together and negotiated a deal; where there is no profit motive when people turn the tap on for water in their homes; where water quality is among the best in Europe; where social policies, such as the Scottish child payment, have been universally welcomed; where unemployment is lower than the UK as a whole and economic growth faster; and where we continue to attract levels of foreign direct investment second only to London.

On her return to this place, she, like me, was no doubt depressed to be back under a regime that has given Scots the catastrophe of Brexit against our will, a debt burden greater than our entire GDP, crippling increases in mortgages, rents and food prices, and the expectation of the highest tax burden in Britain since the second world war by 2027-28. What a great thing it is to be governed by people so incompetent they cannot spend £1.9 billion on desperately needed housing in England—by the way, I hope the devolved nations can keep their Barnettised share of that, as we will certainly use it—and apparently cannot tell the difference between decriminalisation and legalisation, as Scotland's Government try to take action to address drug deaths. The current approach of criminalising users, advocated by her Government, is clearly not working.

Finally, could we have time for a debate on the Government's progress on their five doomed pledges? As always, I ask the Leader of the House to answer the questions first, before she reads out her next leadership bid script.

**Penny Mordaunt:** I will be laser-focused on what the hon. Lady raises. First, let me point out that she is incorrect. There has been some incorrect reporting with regards to £1.9 billion being handed back to the Treasury by the Department for Levelling Up, Housing and Communities. The bulk of that spend still sits with that Department. The hon. Lady will know that we have delivered 2.3 million additional homes since 2010, the lion's share of which are affordable homes. Our current build rate is up 108%, compared to when we first took power. It is important to point that out, and I thank her for allowing me to correct that incorrect line that has been running.

I think the hon. Lady is slightly delusional regarding the SNP's record. She talks about trying to tackle drug deaths. The SNP has the worst record of managing this problem, the worst record of drug deaths in Europe and does not fare well with regard to water pollution. That may have been a reason the SNP put out a complaint about the Secretary of State for Environment, Food and Rural Affairs; it wanted her to go to Holyrood to be drilled by SNP colleagues there. But it is this House that will hold the Secretary of State to account. So her colleagues will have to enjoy their biscuits without "Coffey" in Holyrood, which makes for a nice change from their Westminster colleagues, who I understand have been having a lot of meetings with their Chief Whip—with coffee, but without biscuits.

On the hon. Lady's final point on today's statement, I shall look into that, because it is a courtesy and people should expect to be able to see statements in advance. She did a very good job of filling in for her colleague, who probably wanted to be here and I certainly would have liked to hear what questions they would have asked. After all, the SNP, which wishes to have an

independent Scotland in NATO, does not realise that that is incompatible with its position on nuclear weapons, as stated by the former First Minister, and with the fudge on this issue that the current First Minister has proposed and that is in the SNP's White Paper on the matter.

I take this opportunity—again, I thank the hon. Lady for affording me it—to remind all hon. Members that, if we pay lip service to the deterrent and that is all we do, if we waiver in our total commitment to it and if we are no longer credible, it ceases to become a deterrent and, when it ceases to become a deterrent, we become a target.

**Sir Edward Leigh (Gainsborough) (Con):** Can we have a debate on the House of Lords? We have had endless debates on whether they should be elected and there seems very little consensus—it is just creating gridlock between the two Houses—but the House of Lords should surely be a revising Chamber. That is its strength; it is full of experts. But we have seen with the Illegal Migration Bill their determination to amend a Government Bill to a huge extent: they virtually want to kill it off, rather than simply improve it. Can we try to achieve consensus on getting people in the House of Lords who actually want to be working peers and to improve legislation, and give power to the House of Lords Appointments Commission to consider the suitability of candidates, not just their propriety?

**Penny Mordaunt:** My right hon. Friend raises some very good points. I gave the Commons tally for the number of times that Labour had voted against our important Bill in this place. I think the tally in the Lords is 29 times. The House of Lords, as he will recognise, does an incredibly important job in scrutinising and, we hope, improving legislation. My hon. Friend the Chairman of the Public Administration and Constitutional Affairs Committee has launched an inquiry into such matters. My right hon. Friend will also know that one of the most vocal set of voices for reform of the Lords does actually come from the Lords itself.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the Chair of the Backbench Business Committee.

**Ian Mearns (Gateshead) (Lab):** I know that we are just about to go into the last week of the parliamentary Session before the summer recess, but the Backbench Business Committee is still very much open for business. We still welcome applications for debates in the first two weeks of September, after the summer recess. There are a number of anniversaries in September to celebrate, so we could have debates about International Literacy Day, World Atopic Eczema Day, United Nations International Day of Peace, or International Day of Sign Language. If anyone is interested in those subjects, the anniversaries of which are in September, please bring forward an application.

I wonder whether the Leader of the House would be kind enough to give us early notice if she is at all considering giving the Backbench Business Committee any time in the week beginning 18 September, the two days before the conference recess. We would very much welcome early notice of that.

I think it was at the beginning of last week that the England and Wales Cricket Board received the report of the Independent Commission for Equity in Cricket, which sadly but not surprisingly found that there is



institutional racism, sexism and class discrimination across the game of cricket—a much loved game and a much loved sport across the whole country. We have had a fan-led review of governance in football, the recommendations of which still need to be implemented, but can we now have a debate on the subject of a Government-sponsored fan-led review of governance in cricket? It looks like it is very much needed.

**Penny Mordaunt:** I thank the hon. Gentleman for his regular advert for the Backbench Business Committee. I assure him that we will certainly give him early notice; I hope that is his experience of my office, as we understand why that is important.

On the substantive matter that the hon. Gentleman raised, I will make sure that his concerns and interest in this matter are noted by the Secretary of State for Culture, Media and Sport, whose next questions are on 20 July. The hon. Gentleman, of all people in this place, knows how to apply for a debate in the usual way.

**Nickie Aiken** (Cities of London and Westminster) (Con): This week I was delighted to host members of the Westminster Youth Council, led by the brilliant youth MPs Myra Soni and James Balloqui. I have worked with the Westminster Youth Council over the last 10 years or so, and every member I have met is highly eloquent, interested in improving their neighbourhoods and passionate about building a better future for all. Will the Leader of the House find Government time in which hon. Members can debate how we in this place can support and encourage organisations to bridge the gap between young people and policymakers?

**Penny Mordaunt:** I congratulate my hon. Friend on all the work she has been doing with the Westminster Youth Council, and I am sure the whole House would join her in praising the involvement of Myra and James. These are incredibly important structures that are enabling people from a diverse range of backgrounds to get experience, to participate and to raise their aspirations. I thank my hon. Friend for her work in this regard.

**Wera Hobhouse** (Bath) (LD): My Bath constituency has a vibrant night-time economy. More than 1 in 10 workers across the south-west work regularly on night shifts, but the health and wellbeing impacts of night-time working cost the UK economy and businesses over £50 billion a year because of absence, fatigue and lower productivity. My local hospital, the Royal United Hospital, has now agreed to look into support services for their night-time shift workers. Can we have a debate in Government time to discuss the challenges and health impacts of night-time working, and how we can support these vital working people?

**Penny Mordaunt:** I thank the hon. Lady for raising this important point. I think it is well understood that getting enough sleep and not having sleep stress is incredibly important to people's personal health and wellbeing. We know that the pattern and lifestyle of shift workers in particular makes them vulnerable to certain health conditions. This would be an excellent topic for a debate. The hon. Lady will know how to apply for one, but I shall certainly make sure that the Health Secretary has heard her remarks.

**Andrew Selous** (South West Bedfordshire) (Con): Why is health still the poor relation in section 106 funding and what urgent actions are the Government taking to address this? The capital for primary care expansion is rarely provided for large new housing developments; this causes resentment towards new housing, which we desperately need to get young people on the ladder. One current development in my area gives nearly half a million pounds for education, nearly a quarter of a million pounds for environmental mitigation, £100,000 for children's play equipment, and only £50,000 for health. It's crackers—people are really angry about it.

**Penny Mordaunt:** I can very much appreciate why people are so angry about the matter and it is clear that my hon. Friend is angry too. He will know that we are introducing the new infrastructure levy, which we hope will help to address some of these issues but, clearly, on developments that have already taken place, if there is a deficit in the services being provided, that is a serious concern. As Health questions are not for a little while, I will make sure that the Secretary of State has heard what my hon. Friend has said today, and I will ask whether my hon. Friend can meet officials from the Department to see what additional funding may be available to ensure that every one of his constituents gets the healthcare service that they absolutely need and deserve.

**Jon Trickett** (Hemsworth) (Lab): I need to correct a statement I made to the Leader of the House two weeks ago, when I said that the Governor of the Bank of England was earning £10,000 a week. I was wrong and I apologise. He is actually earning £11,500 a week, so when he makes statements to middle and lower-income earners that they should exercise wage restraint, does it not feel a bit like the old ruling class idea, "You lot should do as I say, but not as I do"? Can we have a debate on high pay as soon as possible please?

**Penny Mordaunt:** The hon. Gentleman will know that the salary of the Governor of the Bank of England is not within my remit, although many other things are. However, he raises an important point, and that was why the Prime Minister was so keen to stress that we will get people through this. That is why we are putting together a cost of living package totalling £94 billion, covering energy, household support and many other things. These are difficult times and we are facing a pretty unique storm, in part because of and exacerbated by the war in Ukraine. We must get through this. The country will get through it. We know that the British people are stoic and we will give them every possible help we can. Hopefully the tide will turn and we can all look forward to better times.

**Andrew Jones** (Harrogate and Knaresborough) (Con): We recently had some very positive expansion of electric vehicle charging points in Harrogate and Knaresborough, but the progress made across our country has been quite mixed, especially in rural areas. One reason is the different approaches being taken in both planning and delivery of electric vehicle charging points. We had a question on this topic from the hon. Member for Linlithgow and East Falkirk (Martyn Day), so I think there is significant colleague interest in electric vehicle charging points. Please can we have a debate to explore the different methods in use around the country and to establish what is working best?

**Penny Mordaunt:** My hon. Friend is absolutely right. If we want to get people to make the transition to these new technologies, we have to make it possible for them. They should not be anxious about range or about their ability to go and plug in a vehicle somewhere and recharge the battery. He makes an excellent suggestion and sharing best practice is always a good idea. I shall ensure the two relevant Departments are notified of his request, but I also encourage him to apply for a debate.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): May we have a debate on digital innovation and jobs of the future? The Children's Parliament members whom I met as chair of the crypto and digital assets all-party parliamentary group described themselves to us as the "digital generation". They knew far more than many of the Members present, and said:

"It is vital that digital skills, coding and AI development are available as training to all those seeking careers of the future."

**Penny Mordaunt:** The hon. Lady raises a very important matter. She will know that it is absolutely at the forefront of the Education Secretary's work looking at the future skills we need in this country and ensuring that there is a route to developing them. I shall ensure that the Secretary of State hears what the hon. Lady has raised. She will know that there is an Education questions before the end of this Session, and I also encourage her to apply for a debate.

**Mark Fletcher** (Bolsover) (Con): Some 11 months ago, a constituent received a parking charge notice from District Enforcement Limited, but he is having great difficulty getting in touch with the company to dispute it. I have since contacted the company nine times, including via email and in writing to its corporate address, but received just one response, which did not provide any support. It is entirely unacceptable that the company is almost impossible to reach in the event of a dispute. Can we have a debate on the actions of parking enforcement companies such as District Enforcement Limited and what steps can be taken to ensure they are held to account for their decisions?

**Penny Mordaunt:** That is a shocking case. It is difficult for people to resolve such matters if they are not able to get hold of the companies. My hon. Friend will know that there is a parking code of practice, which was brought into statute in 2019. I shall make sure that he receives a copy of that code and information on what he can do if he thinks that the company is in breach of it—that is a serious thing. We could have a debate on the matter, and I am sure that it would be well attended, going by the sounds of support that he has had, but I think a much better course of action would be for District Enforcement Ltd to listen to what he has said and to the mood of this House, and do the right thing by picking up the phone this afternoon.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): In 2015, my constituent Colin Anderson was involved in an accident at Boulby potash mine. It left him with chronic post-traumatic stress disorder, depression, anxiety and stress on his memory. Unlike others injured in the accident, Colin has had to fight the Department for Work and Pensions every step of the way, and despite being awarded industrial injuries disablement benefit

for life, he is still being denied the appropriate level of personal independence payment. Can we have an urgent debate on why, under this Government, the default of the DWP is always to cause misery instead of helping people?

**Penny Mordaunt:** I am very sorry to hear about that case. I will certainly ensure, given that Work and Pensions questions are not until the autumn, that the Secretary of State hears the case that the hon. Lady has raised. I encourage officials from that Department to meet her at the earliest opportunity to resolve the situation.

**Bob Blackman** (Harrow East) (Con): My right hon. Friend will be well aware that the judicial review brought by the councils of Harrow, Hillingdon, Bromley, Bexley and Surrey against the Mayor of London's extension of the ultra low emission zone has now been heard, and we are awaiting the judge's decision. He has given a commitment to try to release the decision before 31 July. Whatever the decision, it will have ramifications not only in London but across the country, so can she arrange for a statement to the House on the position if the decision is announced before we rise for the summer? In Uxbridge, 25% of vehicles are non-compliant at the moment. Does she agree that the people of Uxbridge can send a strong signal to the Mayor of London by voting for Steve Tuckwell as their new MP?

**Penny Mordaunt:** My hon. Friend raises an important point. People who live in suburban areas are particularly reliant on vehicles. Public transport will get them to certain appointments, but households and businesses need to use cars. This is causing huge anxiety and stress at a time when people can least afford to absorb those additional costs, so I understand why it is such a concern both to households and to businesses. I know that that concern is shared by many in the House—certainly on the Conservative side—and that if he applied for a debate, it would be well attended.

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I would be grateful if we could have a statement from Ministers to explain a recent change in DWP practice, whereby it will no longer accept consent authorisations sent in by email from third-party advice and advocacy organisations. For urgent matters, posting the documents adds a delay, so I think we could benefit from that change being reversed so that emails are accepted.

**Penny Mordaunt:** The hon. Gentleman makes an important point and a very helpful suggestion. I will certainly write to the Department for Work and Pensions to inquire about that change. Many people, including MPs, rely on third parties to make their case for them and to deal with some pretty complex issues, so I will follow that up and ensure that all colleagues know what the situation is.

**Mr Philip Hollobone** (Kettering) (Con): The Leader of the House will be concerned to learn that every three-day doctors' strike costs Kettering General Hospital a quarter of a million pounds, and every five-day strike costs it more than £400,000. That money could be better spent on reducing the waiting lists and improving patient care. Will she make a statement urging the doctors to withdraw their completely unrealistic 35% pay demand

and to get back to work so that Kettering General Hospital can get back to work on cutting the waiting lists and improving patient outcomes?

**Penny Mordaunt:** My hon. Friend raises understandable concerns. I hope that we will soon see an end to this type of action. I do not think it helps the situation. It is political cynicism of the worst kind to tell people who are wanting more pay that the best way to make ends meet is to drive those ends further apart, because of course, those people missing work will also be missing pay. There will be an update to the House shortly on public sector pay, but it is in everyone's interest to ensure that people are back working, doing the jobs they love, and that we bring these issues to an end.

**Kevin Brennan** (Cardiff West) (Lab): Can we have a debate on secondary ticketing? As the father of a Swiftie—I know that the shadow Deputy Leader of the House, my hon. Friend the Member for Newport East (Jessica Morden), is the mother of a Swiftie—I was appalled to see that, within an hour of tickets going on sale for the Taylor Swift concert at the Principality Stadium in Cardiff, a ticket was on sale in the lower tier for £3,352 on Viagogo. Why have the Government not done more to protect our daughters from these sorts of rip-off merchants?

**Penny Mordaunt:** That is a shocking example. There is one further session of Department for Culture, Media and Sport questions before the summer recess, and I encourage the hon. Gentleman to raise that matter with the Secretary of State.

**Dean Russell** (Watford) (Con): On Sunday last week, I was very fortunate to attend the 10th anniversary of the Watford peace garden. It is run by the Watford Interfaith Association, and the team there do an incredible job. Reflecting on faith, I made the point in my speech that when we have peace in ourselves, we often do not want to cause conflict with others. The garden is a safe space for people to garden, have tranquillity, have space for their mental health and wellbeing, and talk about the faith that they share; it is also for those with no faith at all. May we have a debate on the important role that interfaith organisations play in our communities across the UK?

**Penny Mordaunt:** It sounds a wonderful place, and I congratulate my hon. Friend and all in his community for having created such an important asset for the local community. The relevant Department will not be having a Question Time before the autumn, so I will ensure that the Secretary of State knows about this wonderful place. My hon. Friend might like to invite the Secretary of State to come and have a look, and I am sure that if he were to apply for a debate, it would be well attended.

**Andrew Bridgen** (North West Leicestershire) (Reclaim): Once again the BBC finds itself mired in scandal, sleaze and cover-up, so can we have a debate on the BBC where we can debate whether its culture has really changed, as we were promised some years ago? We could also debate whether the public should still be forced to buy a television licence to view live television, even if they do not wish to watch the BBC's output, and whether the BBC is fit to be the nation's self-appointed arbiter of truth and transparency through its Verify unit.

**Penny Mordaunt:** I would commend to all colleagues the House of Commons Library as a fantastic source of independent truth and fact, if anyone is interested in those things. The hon. Gentleman is sat next to the Chairman of the Backbench Business Committee, the hon. Member for Gateshead (Ian Mearns), who will have heard his request for a debate, and I encourage him to apply for one. There are many matters related to the BBC that are of concern to Members across the House. We frequently have questions raised about the BBC, whether it is local radio, the BBC Singers or standards and ethics and professional competence. I am sure it would be a well-attended debate.

**Scott Benton** (Blackpool South) (Ind): It has been claimed that Blackpool Transport, a wholly owned subsidiary of Labour-run Blackpool Council, is considering spending taxpayers' money on buying 90 zero-emission buses from China instead of buying British ones. I am sure the Leader of the House will agree that it is beyond farcical that UK taxpayers' money intended to buy British-built buses could be used to import poorer-quality vehicles from China and ultimately end up in the pockets of the Chinese Government. Will the Leader of the House find time for a debate on the importance of supporting British manufacturers and supply chains in local government procurement?

**Penny Mordaunt:** The hon. Gentleman raises a very important question. Although this is not necessarily the case for buses, many other capabilities and manufacturing capabilities should be sovereign capabilities. As he will know, that is absolutely what we do through the integrated review and other work that is done across many Departments. Of course, as well as cost and value, we want to ensure that whatever equipment is being purchased is resilient. That will be a factor, but the hon. Gentleman has put his concerns on record, and I hope his local authority is listening.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Many arts organisations do impressive work in education outreach across the country. Examples include the brilliant create day run by the Royal Opera House, which engaged 2,000 students and teachers from Hounslow, Thurrock, Coventry and Doncaster; the excellent Music Makes Me initiative from the Tri-borough Music Hub, which involved 1,000 young people from three London boroughs performing at the Royal Albert Hall; and the Bath Philharmonia, which this week showcased in this House the great work it does with young carers. I know that theatre companies such as the Donmar Warehouse and the Royal Shakespeare Company also do brilliant education outreach work.

However, valuable as that work is, it is rapidly becoming a substitute for arts education in schools, and not all schools can benefit. Students from state-funded secondary schools have had their hours of arts education cut dramatically since 2010. Arts subjects such as music and drama are rapidly becoming the preserve of only those families that can afford to pay for them. As such, I ask the Leader of the House whether we can have a debate in Government time on the provision of arts education in state schools.

**Penny Mordaunt:** The hon. Lady raises a very important point, and the House has made its view known—many Members in the Chamber today support her. The UK is



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not just STEM-powered; it is STEAM-powered, and our arts and creative industries are vital to that. Of course, many of the organisations she has paid tribute to, from the Royal Opera House to the Royal Albert Hall, do incredible outreach work. To give a quick plug, the late Sir David Amess's charity, the Music Man Project, will again be performing at the Royal Albert Hall next year, and I hope that many colleagues will go and listen to it. I will make sure that the Secretary of State for Culture, Media and Sport has heard the hon. Lady's views, and she will have a chance to question her on these matters before the summer recess.

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): I echo the comments of the hon. Member for Cardiff West (Kevin Brennan). Having secured Taylor Swift tickets for my daughter, I know that the face value of tickets these days is bad enough, let alone the resale value, which is an absolute crime.

My constituent, who works for Capita, got in touch to express his concern about the recent data breach and Capita's fairly basic offer of support. The Communication Workers Union is also concerned about the extent of personal data that has been compromised, and is seeking urgent clarification. Can we have a debate on cyber-crime and data breaches to ensure that Capita's response—indeed, all organisations' responses—to breaches can be improved and perhaps standardised?

**Penny Mordaunt:** I thank the hon. Gentleman for that question. The relevant Department will not be available for a questions session until the autumn, so I will make sure that the Cabinet Office has heard his concerns. Of course, when we are dealing with cases for our constituents on such matters, technical advice and support is available. If the hon. Gentleman has any issues accessing that, he should please let me know, and I will be happy to assist.

**Nick Smith** (Blaenau Gwent) (Lab): A Blaenau Gwent constituent has been ripped off by the funeral planning company Safe Hands, and it looks like the Financial Conduct Authority and the Treasury have been slow to act. I wrote to the FCA in January, but got a reply only yesterday after five and a half months, so while an investigation is in hand, that was a very poor response. Can we please have a Government statement? Thousands of people across the UK look to have been badly let down.

**Penny Mordaunt:** The hon. Gentleman has raised a very concerning issue. I do not know whether he has raised it with the Ministry of Justice, which I think is the lead Department for that sector; if not, I would encourage him to do so. The next Justice questions are not until the autumn, so if the hon. Gentleman will give me some further details about the case, I will write to see whether we can do anything to get it resolved. It is a serious matter and, given the nature of what people are dealing with, a very unfortunate one.

**Daisy Cooper** (St Albans) (LD): The Government are about to sign off the comprehensive and progressive agreement for trans-Pacific partnership, which does not designate eggs as a sensitive sector despite representations to do so from the British Egg Industry Council, Compassion in World Farming and the Royal Society for the Prevention

of Cruelty to Animals. That trade agreement will permit eggs to be imported from countries such as Mexico that use conventional battery cage practices, despite such practices being outlawed in the UK. Can we have a debate in Government time to review the criteria that the Government used to make that decision, and the impact it will have on British egg producers, animal welfare, environmental protections and food safety standards?

**Penny Mordaunt:** This is an incredibly important accession to a £9 trillion market. In addition to the opportunities that it will bring to producers and service companies in the UK, it will be a key factor in increasing high-wage jobs, so it is very important. However, we obviously want there to be no roll-back of our environmental and other standards—animal welfare standards are absolutely critical. The hon. Lady will know that at some point, legislation will be brought forward on these matters. There are clear mechanisms for this House to scrutinise such trade agreements, but I will also make sure that the Secretary of State has heard the hon. Lady's interest in this area, as the relevant Question Time is not until the autumn.

**Gareth Thomas** (Harrow West) (Lab/Co-op): The right hon. Lady will be aware of concerns that not enough financial support is available to meet the special educational needs of some of our most vulnerable young people. In my borough, that has led to two special needs schools contemplating setting deficit budgets. It has led to applications for a new 290-space special school being refused three times now by Ministers, and has also led to many parents being deeply worried about the level of support that will be available for their child in September. Would she be good enough to help facilitate a meeting for me with the appropriate Education Minister to discuss these issues?

**Penny Mordaunt:** This matter is incredibly important to this Administration, and has been since 2010, from the Green Paper that was produced under the coalition Government to the steady increases in the SEN funding that is available. It is absolutely right that every child in this country is enabled to reach their full potential. The hon. Gentleman will know that the next questions to the Secretary of State for Education are on 17 July, and I encourage him to raise the matter then. Whether it is capital funding or other provision, we must make sure that every child gets what they need to thrive.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): The publication of the findings of the Women Against State Pension Inequality campaign survey documents the devastating impact of the unfair pension treatment of 1950s-born women. One in four struggle to afford basic essentials such as food, and one in three have fallen into debt in the past six months, with one WASPI woman dying every 13 minutes. Will the Leader of the House make a statement setting out her support for a speedy completion of the ombudsman's report and a prompt response from the UK Government as to how they will recognise and address the appalling injustices suffered by WASPI women?

**Penny Mordaunt:** I thank the hon. Lady for her question. As she will know, that is a matter for the Department for Work and Pensions. Given that there will not be an opportunity to talk to the Secretary of State in this

House until the autumn, I will make sure that he has heard what the hon. Lady has said today. The ombudsman is also not a matter for me.

**Rachel Hopkins** (Luton South) (Lab): This Sunday, Luton airport celebrates its 85th anniversary. The airport is essential to Luton's local economy, responsible for many good jobs, and as a wholly community-owned airport, has provided £180 million over the past 25 years for community investment projects. It is now aiming to be the UK's greenest airport with the most far-reaching environmental measures, so would the Leader of the House provide Government time for a debate on the contribution that airports such as Luton must make in order for the UK to meet its climate commitments?

**Penny Mordaunt:** I thank the hon. Lady for affording us all the opportunity to send our congratulations, and I hope there are good celebrations taking place to mark this moment. Regional connectivity is absolutely vital, and of course Luton airport also serves our capital. It is fantastic that it has managed to do so much for social value in the community as well, and I applaud it for its ambitious environmental objectives. I am sure that, if she were to apply for a debate, it would be well attended. It may be a topic she wishes to include in any contribution she makes to the Sir David Amess Adjournment debate, but she will also know that there will be opportunity in the autumn to raise it again on the Floor of the House.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): The UK Government state that supporting research and development and small businesses is one of their priorities, yet Roddenloft Brewery in my constituency has had two R&D claims with His Majesty's Revenue and Customs for almost a year now. HMRC keeps wrongly stating that it has not submitted the information on the correct forms—I have seen a copy of the forms that were submitted. Can we have a Government review of HMRC's processing abilities and timescales on research and development tax claims, and get Roddenloft Brewery the support it deserves?

**Penny Mordaunt:** I am always happy to help the hon. Gentleman get complex cases resolved. If he would let my office know about the contact he has had with HMRC, I will do my best to assist him in being able to speak to somebody who will get this resolved for his very important local business.

**Navendu Mishra** (Stockport) (Lab): I thank the Chair of the Backbench Business Committee, my hon. Friend the Member for Gateshead (Ian Mearns), for raising

the issue of exclusion in cricket based on gender, race and social class. It is a really important issue, and I hope the Leader of the House will allocate time for a debate on that.

On a more local matter, one of the most recognisable features in my constituency of Stockport is the viaduct, which was built in the 19th century to carry the then Manchester and Birmingham Railway across the River Mersey. Sadly, I receive regular correspondence about the upkeep of the structure. Constituents are concerned that parts of the viaduct have fallen into disrepair, and are worried for its ongoing integrity and appearance. Separately, in another part of the constituency many homes are around land belonging to Network Rail, and while the trees and vegetation provide screening from the railway lines, many constituents are concerned that the trees and vegetation are not tended, leaving their homes affected by overgrowth. Will the Leader of the House grant a debate in Government time on the refurbishing and maintenance of Network Rail land and properties, please?

**Penny Mordaunt:** I thank the hon. Gentleman for raising these matters. He will know how to apply for a debate. I would also suggest to him that these are matters that the local authority should be helping to get resolved. I think many options for doing that would be in its gift, and I would expect it to be talking directly to Network Rail on these matters. I will make sure that the Department for Transport has heard what he has said, as there will not be opportunity to raise this at questions for some time.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): The wife of a constituent of mine is in Sudan waiting for a visa approval, but her safety is at huge risk, and they have been given no timeline as to when her visa might be approved. Will the Leader of the House ask the Home Secretary to meet me to discuss the case and to come to this House to give a statement on Sudan asylum cases?

**Penny Mordaunt:** I am sorry to hear about the hon. Lady's case. She will know that my office stands ready to assist her on this. The Home Office is able to meet colleagues—it is still running that service to enable them to meet officials to resolve cases—and if she has any difficulty in obtaining that service, she should let me know. I will also make sure that the Foreign Office has heard her concerns.

## Public Sector Pay

12.24 pm

**The Chief Secretary to the Treasury (John Glen):** With permission, I will make a statement on the steps His Majesty's Government are taking to deliver sound money while providing a fair deal to public sector workers. Today, I can announce that the Government have accepted the headline recommendations of the independent pay review bodies in full. We are doing this while abiding by sound money, which, as the Chancellor said at Mansion House on Monday this week, is our No. 1 focus.

We cannot grow our economy or reduce the heavy burden of national debt without first cutting high, persistent inflation. Inflation makes every person in this country poorer. It is the most insidious tax rise there is, and that is why the Prime Minister has made it this Government's priority to halve it this year. Inflation is currently at 8.7% in May, and core inflation stood at 7.1% in the 12 months to May 2023—the highest for 30 years. It is making everything from groceries and clothes to petrol and transport more expensive, so we must and we will do everything we can to tackle inflation.

The best tax cut there is is a cut to inflation, and that means we must take responsible decisions on the public finances, including public sector pay, because more borrowing is itself inflationary. According to recent International Monetary Fund estimates, advanced economies that increased public expenditure by 1 percentage point, which would mean £25 billion for the UK, saw inflation rise by half a percentage point. Yet our decision is responsible because, unlike some unsustainable demands, we have delivered awards that do not further fuel inflation and make the inflationary environment worse.

We said we would accept the outcome of the public pay review bodies, and that is exactly what we will do. We will do so because we are proud of our world-class public servants and owe them a debt of gratitude for their service through the last few years, including through the pandemic. Our police officers work tirelessly to keep this country safe, our armed forces defend us, our doctors and nurses make sacrifices to save lives, and our teachers go to school day in, day out to educate our children. All of them, and many more across many sectors, play a vital role in society.

With these contributions in mind, new teachers will start on at least £30,000. The lowest-paid armed forces will see a pay rise of over £2,000, and the starting salary of a junior doctor will rise by more than £3,000. That comes alongside our "Agenda for Change" deal, which delivered a 5% pay rise, along with one-off awards worth more than £3,600 for the average nurse and more than £3,700 for the average ambulance worker.

Specifically, this means policing will receive a 7% headline uplift. NHS consultants, speciality and specialist doctors, salaried dentists and salaried GPs will receive uplifts of 6% this year. Junior doctors will also receive a 6% uplift, as well as an additional consolidated £1,250 increase. Prison officers in the operational bands will receive a pay increase of 7%, with larger increases for support grades. Armed forces will receive a 5% uplift, with an additional consolidated £1,000 increase.

Our 6.5% pay award for teachers will be fully funded, with the Government providing £525 million of additional funding for schools in 2023-24 and a further £900 million

in 2024-25. In order to achieve this, we are reprioritising within the Department for Education's existing budget to deliver this additional funding to schools while protecting frontline services.

Alongside generous uplifts, today's deal strikes a balance. It is a fair deal, which recognises the anxiety caused by cost of living pressures, supports recruitment and retention, and delivers one of the highest settlements in three decades. However, it is also fiscally responsible, and delivers pay rises that are broadly in line with the private sector. It would be neither fair nor affordable to meet unsustainable demands for pay rises well into double digits. To do so would be fiscally irresponsible, increasing national debt, passing the buck to future generations, weakening the foundations of our economy and further fuelling inflation.

There will be no new borrowing or spending to fund the awards. More borrowing would simply add more pressure on inflation at exactly the wrong time, risking higher interest rates and higher mortgage rates. Instead, the awards will be funded through a combination of the significant provision for pay that was made at the last spending review, greater efficiency, and reprioritisation. Departments will be reprioritising within existing budgets and driving further efficiencies to focus spending where it delivers the greatest value.

We will also take sound choices to maximise income. We plan to increase the rates of the immigration health surcharge, which have been frozen for the past three years, despite high inflation and wider pressures facing the economy and the system in general, to ensure that it covers the full healthcare costs of those who pay it. Under our plans, the main rate will increase to £1,035, and the discounted rate for students and under-18s will increase to £776. That increase to the surcharge will help to fund the pay rise for doctors.

At the same time, we will increase fees across a range of immigration and nationality routes, including for people coming here to live, work and study at a time of record high migration numbers. Specifically, that means increasing the cost of work visas and visit visas by 15%, and increasing the cost of study visas, certificates of sponsorship, settlement, citizenship, wider entry clearance, leave to remain and priority visas by at least 20%. We are also equalising costs for students and those using a priority service, so that people pay the same whether they apply from within the UK or from outside the UK. That will help to cover more of the cost of the migration and border system, allowing the Home Secretary to divert more funding to police forces to help fund the pay rise for the police. We will cut back on civil service recruitment in the Ministry of Defence until March 2025, helping to fund the pay rise for our armed forces.

The Government's carefully calibrated approach to avoid increasing inflation could not be more different or further away from the economic platform offered by the Labour party. Labour's proposals for an unfunded £28 billion a year spending spree in the second half of the next Parliament would deal a huge blow to our country's collective efforts to tackle inflation. Members do not have to take my word for it, because we already have the view of the independent Institute for Fiscal Studies. Its director, Paul Johnson, said just a few weeks ago that additional borrowing would pump more money into the economy, potentially increasing inflation and driving up interest rates.



The action we have taken today is the most responsible way forward, striking a balance between the demands of our public sector workers and the needs of our country and economy. Industrial action has postponed more than 600,000 hospital appointments, cost our children more than 1 million days of teaching, and damaged the productivity and growth that we so clearly need in these challenging times. We have introduced and expanded this with the Strikes (Minimum Service Levels) Bill, which will limit the impacts of industrial action on the lives and livelihoods of ordinary people, who should be able to access key services during industrial action. The Bill gives us the power to set minimum service levels across key public services, such as healthcare, fire and rescue, public transport and education, and it gives us the right tools to deal with any ongoing disputes.

We must deliver on the Prime Minister's pledge to cut inflation, so we will continue to chart the course of sound money, to the benefit of all, while making fair pay awards—awards that do not fuel inflation—to our public sector workers.

12.33 pm

**Mr Pat McFadden** (Wolverhampton South East) (Lab): I thank the Chief Secretary to the Treasury for the advance copy of his statement. Let me begin by praising the efforts of our NHS staff, teachers, police officers and members of the armed forces. The nurse who looks after someone when they are ill, the teacher who opens up new horizons for a pupil, the soldiers and police officers who keep us safe—we owe them all a great debt of gratitude. They are what make the good society, and we all rely on the public services they provide every day. Like all workers, they deserve a decent pay rise, and like all workers, they are living in a wider economic context.

The Government set out a plan at the start of the year, and then the economy intervened on their plan. They say that a plan does not survive contact with the enemy, but this Government's plan has not even survived contact with reality. Just a couple of hours before the Chief Secretary to the Treasury gave us his statement, we heard news that the UK economy shrank in size last month. Even more worryingly, that comes after four years in which there has been no meaningful economic growth at all. Today's Office for Budget Responsibility fiscal risk report describes what it calls a "disappointing decade" for economic growth. That disappointing decade means that, in reality, incomes for households, including the workers we are speaking about today, have stagnated and sometimes fallen. The country is less prosperous and more exposed to shocks than it should be, and that is the backdrop to today's statement.

Ministers want to claim that all these problems are global, but inflation in the UK is the highest in the G7. Every month when the figures come out, they are higher than expected. Core inflation was up last month, not down. Food prices are rising 20% faster in the UK than in France, and three times faster than in the United States. Low growth, high prices, creaking public services—that is the legacy we have after 13 years of the Conservatives in power, with longer waiting times and waiting lists, and more than 3 million days lost to industrial action this year alone.

In his statement, the Chief Secretary to the Treasury talked of sound money, but the Government's failings on public services have become economic failings too.

Let me give the House one example. As the OBR pointed out in its risk report today, if we got labour force participation back to pre-covid levels by reducing ill health, we could reduce borrowing by £18 billion. The long waiting lists and waiting times are not just a health issue, but an economic issue. After the Conservative party put a bomb under mortgage rates last autumn, UK homeowners are now paying £2,000 a year more than those in France, £1,200 a year more than those in Belgium, and £800 a year more than those in Germany. It is not all global.

The Chief Secretary to the Treasury made a contrast with the Labour party, but Labour's record on public services, which are at the heart of his statement, was investment and reform in the NHS, shorter waiting times and waiting lists, the highest levels of public satisfaction with the NHS since its foundation in 1948, and a fraction of the days lost to industrial disputes that we have seen under this Government. We also had better economic growth. When it comes to sound money, I remind the right hon. Gentleman that if we had continued with Labour's rate of economic growth, the Treasury would be tens of billions of pounds a year better off than it is today.

What is the Government's estimate of the impact on public services of funding the rises in the way he has set out? The Chief Secretary to the Treasury talked of "reprioritising". Does that mean that the Government will cut back on capital investment in schools and hospitals in order to fund those increases? What is the estimated impact of the civil service recruitment freeze that he announced for the Ministry of Defence? What will be the impact on the NHS recovery programme that has been set out, and what will it mean for the shocking level of waiting lists and waiting times that we see under this Government? He said there would be no new money, but he also said that the pay rise for teachers was fully funded with new money. Which is it, and can he clarify the two things that he said in his statement about that?

The economic backdrop colours everything in this statement. It is no longer a matter of judging whether the Conservative Government will fail; the fact is that they have already failed. That is why the general election cannot come soon enough.

**John Glen:** It is not clear to me or, I think, to the House as a whole whether the right hon. Gentleman accepts the Government's acceptance of the pay review bodies' recommendations in full today. He seems to have written his speech as a general critique of the Government's economic policy, without addressing what matters most to public sector workers up and down the country, which is that we have listened carefully to the evidence-based advice, as is typical over the past 13 years, and agreed with all those recommendations.

The right hon. Gentleman paints a picture of the last Labour Government and projects forward, as if it were utopia. That is why Labour did not win the 2010 general election and why one of my predecessors said there was no money left. Labour did not take those difficult decisions between 2008 and 2010, and that was the situation we were in when, I believe, he was attending Cabinet.

The right hon. Gentleman made some other observations about the economy. I am aware of the record growth over the past two years. I acknowledge the challenges we face at this point in time, and I have set them out in

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full with respect to inflation, but we have gone through a pandemic, where we borrowed significant sums of money. When we came out of that pandemic, we found ourselves in the first war in Europe for several generations. That is the context that the people of this country understand.

I have set out clearly all the implications for each workforce, and there will obviously be a series of written ministerial statement from each Government Department. The right hon. Gentleman also sets out some questions about waiting lists. I recognise the challenges faced in the NHS, which is why it is one of the Prime Minister's top priorities. We have made real progress with the virtual elimination of the two-year waits, and 18-month waits are down by 90%, but I acknowledge that there is more work to be done. The £2.4 billion invested in the workforce plan will make a considerable contribution to that. The productivity review that the Chancellor tasked me with leading a few weeks ago will look further at how we can drive more efficiencies in how we spend public money.

I will finish my initial response by reiterating to the House that the decisions we have made today mean no new borrowing, no cuts to the frontline, no new taxes and no negative impact on inflationary pressures.

**Steve Brine** (Winchester) (Con): My right hon. Friend the Chief Secretary can have some clarity from me: I think this is fair when we consider, as the Government must, the whole economy, and I think it is proportionate, so I welcome it. Does he agree that the NHS settlement has to be seen alongside the Budget announcement on pensions, as well as the NHS long-term workforce plan? Will he undertake to work with all pay review bodies going forward to get us to a more ordered place, where the mandate is given in the autumn and the response is heard in the spring Budget?

**John Glen:** My hon. Friend makes some sensible points, and he is absolutely right on the pension changes that we announced in the Budget, which the British Medical Association had been for a long time asking for, and it welcomed them. For clarity, I should make it clear that health and care workers remain exempt from the immigration health surcharge. He speaks a lot of wisdom about potential refinements to the timetable, and we will look at those carefully.

**Peter Grant** (Glenrothes) (SNP): I thank the Chief Secretary for an advance copy of his statement. It was noticeable that in his initial statement he did not mention the fact that the British economy has been at a standstill since before the pandemic. It was noticeable that neither he nor the shadow Chief Secretary, the right hon. Member for Wolverhampton South East (Mr McFadden), want to admit the part that Brexit has played in that. Everybody has been affected by covid and the war in Ukraine, but only one state in Europe is suffering from the self-inflicted damage of Brexit, and that is why economic growth in the European Union is and will continue to be higher than here.

While we certainly welcome the news that the Government have finally decided to honour the pledge on public sector pay, will the Chief Secretary acknowledge

that in almost every single case the pay increases being offered to public sector workers will be less than increases in the cost of living, so in real terms they are a cut? Will he acknowledge that in almost every case the Scottish Government have already settled with our essential public sector workers in Scotland, in almost every case with a substantially higher pay deal and in most cases—certainly throughout our NHS—without a single day being lost through strike action? What are the Scottish Government getting right that this Government find so difficult?

One of the biggest challenges facing the economy is a shortage of workers, so what a brilliant move to address that by charging essential workers more to come here and contribute to our economy. Can we have full details of the increases to immigration fees, including a full statement of the expected economic impact, including an indication of the likely impact on immigration numbers? Will we be driving away essential workers and causing more damage to the economy simply to feed the right-wing fantasies of the *Daily Mail* and the *Express*? Given that there is almost unanimous agreement in Scotland that we need more immigration, not less, is it not time for the Scottish Parliament, answerable to the Scottish people, to be given the powers to decide on the immigration policies we need, rather than constantly being dragged down by the failed policies of this United Kingdom Government? Does he accept that rampant inflation and stagnant economic growth are not essential, but are deliberate political choices of this failed Government?

**John Glen:** I thank the hon. Gentleman for his questions. I think we can agree to disagree on some of that. What we have to understand is that if we look at the growth levels over the past two years in the G7, this economy and this country have performed well. He makes a number of points. People are getting weary of this constant refrain around Brexit. There are people who voted for Brexit and people who did not; it has happened, and we will now take every step we can to maximise the benefits and opportunities and the greater discretion that we have consequential of that decision.

With respect to the specific questions about visa fees, I am sure that my colleagues in the Home Office will publish those in due course. This is a carefully calibrated decision; it is not motivated by political dogma. It is a clear decision to take necessary steps to avoid additional borrowing, and to meet the outcomes and the numbers that derive from the PRBs, which give evidence-based advice to the Government. This is a careful set of judgments. Clearly they will not please everyone, but we have to make decisions in the interests of the whole economy at this time.

**Richard Fuller** (North East Bedfordshire) (Con): It was revealing that the shadow Chief Secretary, the right hon. Member for Wolverhampton South East (Mr McFadden) could not tell the House whether Labour was in favour of the pay awards or against them. Perhaps he is not sure whether Labour Members will be joining strikers who are stopping my constituents from receiving healthcare or their children from getting to school. My right hon. Friend is absolutely right that constituents have a right to expect productivity improvements to match these pay increases. Can he explain to the House a bit more about what the next steps with the productivity review will be?

**John Glen:** Yes, I can. I have written to every spending Minister in the past week. I will be having conversations with them and wider representatives about what can be done differently to drive savings and more productivity from the taxpayers' money that we spend across Whitehall. To return to my hon. Friend's previous point, I draw his attention and that of the House to what the International Monetary Fund said. For every additional £25 billion of spending, that is 0.5% on inflation. If Labour's plan is to spend an additional £28 billion—Labour might say that it will be a bit later on in the Parliament, and it might be an attempt to outwit the Government on the massive leadership that we have shown on green finance and the green economy—that would be inflationary. The shadow Chief Secretary, the right hon. Member for Wolverhampton South East needs to come to terms with that, because the British people will in due course.

**Daisy Cooper (St Albans) (LD):** Wealth creation and health creation are two sides of the same coin, so it is hardly surprising that the Office for Budget Responsibility has said that economic inactivity has increased as many more people are citing ill health as the main reason for not working. When every single part of our economy—whether farming, hospitality, science or engineering—is struggling to recruit the international talent that it needs, why on earth are this Government about to take this anti-business measure of increasing the cost of recruiting people from abroad through an increased health surcharge, rather than reversing the tax cuts for the big banks, closing the loopholes in the windfall tax and clamping down on tax avoidance, as the Liberal Democrats have called for?

**John Glen:** We have got record levels of migration at this time. At the Budget, we set out a clear plan to get more people in this country back into the workplace, with a number of interventions through the Department for Work and Pensions and the health service. We have had to make a fine judgment around those fees in the context of not borrowing any more money. If the Liberal Democrats wish to be taken seriously as a party of government, they will have to make the numbers add up.

**Mr Philip Hollobone (Kettering) (Con):** I welcome the Chief Secretary's statement. Would he be kind enough to confirm for teachers in Kettering that the 6.5% pay increase recommended by the independent pay review body will deliver the biggest pay increase for teachers in 30 years, that the new starting salary for teachers of £30,000 will be at its highest ever level and that the Government will be fully funding the pay award so that schools do not have to raid their own budgets to honour it?

**John Glen:** As ever, my hon. Friend is spot on. Everything that he said is absolutely correct. This is a significant pay settlement for teachers, and I hope that in due course we will learn that striking workforces will end their action and we can look forward with confidence to the autumn term.

**Jon Trickett (Hemsworth) (Lab):** The Minister's statement proposes that the pay rises offered, which are less than the rate of inflation for every single one of the millions of people who work hard for our public services, will be paid for effectively by what he calls a productivity drive. Is it not the case that productivity in Tory hands means cuts to services and reductions in staff? Why did the

OBR say this morning that, on our present track, we will finish up with a debt 300% of our GDP? When he talks about sound money, it simply is not true, is it?

**John Glen:** I do not accept the hon. Member's characterisation of the long-term fiscal risk to the economy. What I do accept is that we need to take tough decisions. It seems to me that he is saying what a significant tranche of the Labour party still believes: we can borrow, borrow, borrow and, in due course, if Labour ever gets into government, it will raise taxes sequentially, as happened previously.

**Bob Blackman (Harrow East) (Con):** I warmly welcome my right hon. Friend's statement. Given that almost every single one of the public sector union leaders has called for the Government to accept the pay review offer, does he agree that the unions should immediately cease strike action, get back to work and provide the service that the public need?

**John Glen:** I absolutely agree. That is indeed what we expect to see in the coming days. This is a tough decision based on evidence as well as what is right for the economy and the public sector as a whole. I hope that that is what happens in the coming hours and days.

**Gavin Newlands (Paisley and Renfrewshire North) (SNP):** The truth is, the UK is in real trouble, and it is our constituents through sky-high mortgage rates and food prices who are paying the price. Our public finances are more exposed to rising inflation than other comparable countries. The UK has borrowed twice the inflation-linked bonds of any other Government. What the Government pay to borrow has risen by 2%, compared to the G7 average of 0.5%. The OBR says that UK Government debt is forecast to rise by 3.1% of GDP this year, compared with average falls of 1.8% in other European countries. Will the Minister come clean with the House and our constituents about just how close his Government have driven us to the economic precipice?

**John Glen:** I do not accept virtually anything that he said. What I do accept is that the whole of the world is dealing with massive inflation pressures, and if we look across the continent of Europe, we see very similar figures. Of course, they differ in some respects, but the Government are determined to bring inflation down, and today's decisions are another contribution on that journey to halve inflation this year.

**Scott Benton (Blackpool South) (Ind):** Millions of our hard-working public servants will welcome the settlement, which is fair both to them and, crucially, to the taxpayer. Can the Minister update the House on what steps he will be taking to eliminate public sector waste to ensure that the settlements are sustainable for the taxpayer?

**John Glen:** The first step today has been to ensure that we are not borrowing any more to make the settlement work. The productivity review that will take place in the coming days and weeks leading up to the autumn statement will be a key element of that. I have not wanted to set a target for that, because I will be looking everywhere to find better ways of spending taxpayers' money to ensure that we deliver the services and commitments we set out at the spending review in the most efficient and effective way.



**Ian Mearns** (Gateshead) (Lab): I am a little concerned about the £1.425 billion to be found from within the Department for Education's existing budget between now and 2025, with £525 million this financial year and a further £900 million in the next financial year. Will the Minister be a bit more specific about exactly where that will be taken from within the Department's budget to meet the teachers' pay increase?

While of course we welcome the fact that the Government are honouring the teachers' pay review body recommendations, let us not forget that the envelope for the review bodies is set by the Government in the first place. There is something else going on in this situation: we currently have a recruitment and retention crisis among our teaching workforce, with something like 20% of newly qualified teachers leaving after three years and 40% leaving after five years. Nobody goes into teaching because of the money, but it always helps, and a rise in line with inflation would certainly help.

**John Glen:** I thank the hon. Gentleman for his question. I think he welcomes what we have decided to do with the 6.5% pay increase, which leaves a typical teacher with £44,300. We are reprioritising within the Department for Education's existing budget to deliver the additional funding to schools, but we are protecting core schools funding and frontline services. We have put in additional sums of money through the spending review and subsequent fiscal events: £330 million in 2023-24 and £550 million in 2024-25. The numbers add up, and he will recognise that.<sup>1</sup>

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): I recently joined the Public and Commercial Services Union at East Kilbride's Centre One tax office for its campaign on fair pay. Many told

me that they were struggling on minimum wages. We have dedicated public servants who, with the cost of living, are struggling to make ends meet. Does the Minister share my concern that much more must be done to secure a fair pay deal that is acceptable to those who are working on the frontline?

**John Glen:** I say respectfully to the hon. Lady that we have taken a number of interventions and made a number of decisions across the board, and that does not just mean a single percentage—I set out the percentages across different workforces in some detail—and sometimes, such as within education, those distributions are designed to give more uplift to those at the lower levels. I am happy to correspond with her on anything specific that she wants to bring to my attention, obviously within the devolution framework.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): I thank the Chief Secretary for his statement. The average time that it takes a first-time buyer to save for a deposit has climbed to a record high of 10 years, often meaning that only the most privileged in society can afford to get a foot on the housing ladder. With wages stagnating and high rents hindering saving, what steps are the Government taking to support individuals wishing to purchase their first property?

**John Glen:** The Government have an extensive programme led by the Secretary of State for Levelling Up, Housing and Communities. I am sure that he would be happy to set out the further work he is doing in advance of the autumn statement.

**Madam Deputy Speaker (Dame Rosie Winterton):** I thank the Chief Secretary for his statement.

1. [Official Report, 17 July 2023, Vol. 736, c. 10MC.]

## Hong Kong Update

12.59 pm

**The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan):** With permission Madam Deputy Speaker, I would like to update the House on recent developments in Hong Kong.

Last week, I came to the House to speak on the egregious arrest warrants and bounties issued by the Hong Kong police against eight individuals for exercising their right to freedom of expression. Some of those individuals now reside in the UK. As I said at the time, that is completely unacceptable. Since then, the authorities in Hong Kong have taken further steps to silence and intimidate those individuals by targeting their families and alleged associates who remain in Hong Kong.

Last week, five individuals were arrested by the Hong Kong police. On Monday, family members of one of the named individuals, Nathan Law, were detained for questioning by the Hong Kong police, and have since been released. That is a very worrying development. It is a campaign of fear intended to intimidate and silence those who seek to speak out peacefully against oppression and the erosion of rights and freedoms. It is a choice that the Hong Kong authorities have taken, no doubt emboldened by the Chinese Government's imposition of the national security law. It will only further damage Hong Kong's international reputation and standing.

The UK declared the national security law a breach of the Sino-British joint declaration, and brought together the international community to condemn its imposition. We introduced the bespoke visa route for British nationals overseas. Hongkongers have since made the UK their home and are making a valuable contribution to our communities. We suspended the UK-Hong Kong extradition treaty immediately and indefinitely. We also announced the extension to Hong Kong of the arms embargo that has applied to mainland China since 1989, as updated in 1998.

I would like to make it exceptionally clear that we will not tolerate attempts by the Chinese or Hong Kong authorities to intimidate or silence any individuals in the UK. Any attempt by any foreign power to intimidate, harass or harm individuals or communities in the UK will not be tolerated. That is an insidious threat to our democracy and fundamental human rights.

On 3 July, the Foreign Secretary called on the Hong Kong authorities to end their targeting of those who stand up for freedom and democracy. They have not heeded that call. At the instruction of the Foreign Secretary, his senior official will formally protest recent actions by the Hong Kong authorities with the Chinese ambassador. We have consistently made clear our objections to the Beijing-imposed national security law with the Chinese Government, and will continue to do so. It has stifled opposition and criminalised dissent. The authorities claim that it has brought stability to Hong Kong, but what it has really done is stifle the unique character of the city, diminishing its pluralism and vibrancy. If that course of action continues, it will alienate business and the city's international financial status will be at risk.

The Hong Kong and Chinese authorities repeatedly condemn comments in this House and by the Government as interfering in their internal affairs. As a co-signatory to the joint declaration, we have the right to make clear

our position. We will not be deterred from doing that. We will also make it clear that, as a co-signatory to that declaration, China is breaching agreements that it signed up to uphold. The national security law should never have been imposed in 2020, and should be removed. The independent UN Human Rights Council concurred with that in its report on Hong Kong last year, as have many of our partners in the international community. No one living in the UK should feel inhibited by that law in any way. We will always stand up for the right of freedom of expression.

This is not what the UK wants for Hong Kong's future. Hong Kong's way of life, prosperity and stability rely on respect for fundamental freedoms, an independent judiciary and the rule of law. We will continue to stand up for the people of Hong Kong, to call out violations of their rights and freedoms, and to hold China to its international obligations. I commend this statement to the House.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the shadow Minister.

1.3 pm

**Catherine West (Hornsey and Wood Green) (Lab):** I thank the Minister for advance sight of her statement.

Once again, we are here in response to the actions of the Chinese Government in flagrant breach of the legally binding promises under the Sino-British agreement. The handover agreement promised Hong Kong certain liberties and freedoms, with a clear separation between the judicial systems of Hong Kong and the mainland, and the expectation of a move towards full democracy and universal suffrage for the election of a chief executive in the territory of Hong Kong. However, those freedoms have now been comprehensively eroded, with the system in Hong Kong barely distinguishable from that on the mainland and the levels of repression ever increasing.

The implementation of the national security law is only truly beginning to be felt. It is clear that Beijing is attempting to ensure that its writ is felt not just in Hong Kong but around the world. Just days after the announcement of arrest warrants for Hongkongers abroad—including some who have sought refuge here in the UK—the Chinese Government have again demonstrated their intent to harass and intimidate those who bravely resist their steady erosion of the rights promised to the people of Hong Kong in 1997.

This latest move is particularly chilling. Targeting activists' families is a sinister step, and it is incumbent on us to renew our condemnation of those actions as one unified voice across this House. However, it is not a surprising move, given that the actions of the Chinese Government have been ratcheting up in the past year, including the beating of demonstrators outside the consulate in Manchester, the bellicose language used against the state's opponents and growing accusations of Chinese espionage in the UK. The fear of the many thousands of Hongkongers who have come to this country to seek safety is growing. The knowledge that their families in Hong Kong are seen as fair game by the authorities there demands stringent and urgent action.

It is over a year since I first urged the Foreign Secretary to bring about cross-Government work to ensure the safety of Hong Kong dissidents here. We have had two further urgent questions on that point,

[Catherine West]

but today I do not believe the House is satisfied by the Government's actions. The complacency cannot continue, given the reports that a Chinese spy attended a briefing here in Parliament just this week. Could the Minister clarify her assessment of that urgent situation? Given the activities of the last week, will she outline what consideration she has given to a sanctioning regime that fits the ratcheting up of pressure on dissidents and those trying to live their lives here in the UK in safety?

There are steps that the Government should and could take today to send a clear signal to Beijing that those actions will not be tolerated. The Minister should take them. I said it last week and I will say it again: it is time for the Government to grow a backbone.

**Anne-Marie Trevelyan:** I thank the hon. Lady for her support. I think we are all in agreement in our condemnation of the behaviour we are seeing. On the security of individuals here, colleagues will understand that it is a matter of long-standing policy not to comment on the detail of any operational matters. We would not wish to compromise the integrity of arrangements being put into place, which might impact the security of those whose safety we are looking to provide. As the hon. Lady said, reports of political interference in the UK and here in Parliament are very concerning, and we take them seriously. Of course, the security of the parliamentary estate is a matter for Parliament, and I would not wish to try to answer that on behalf of Mr Speaker.

**Sir Iain Duncan Smith** (Chingford and Woodford Green) (Con): I must say it is quite ironic that this morning I was granted a UQ about this very issue, only to find minutes later that the Foreign, Commonwealth and Development Office had decided it had a statement to make. I assumed it was going to say something really important, but I should have known better.

It has taken 11 days for the Foreign Office to come to the Dispatch Box—11 days after the bounties were placed on the heads of eight people, three of whom are here in the United Kingdom. Nathan Law's family had their house raided and were taken into the police station. I do not know how much more we need to know about what is going on in Hong Kong and the abuses to take some action.

I have some very simple questions to ask my right hon. Friend. Will the Foreign Secretary finally meet Nathan Law, Finn Lau and Chris Mung, the three people the FCDO have refused to meet throughout the whole time they have been here escaping the clutches of the security forces in Hong Kong? Why will it not meet them? Will the Government now sanction John Lee, the chief executive of Hong Kong? America has sanctioned something like 10 officials in Hong Kong. We were the ones who jointly ran the place and we have sanctioned zero people. Let us get something going here to show them what is going on.

Will the Government tell us whether they are able to block Interpol red notices for Hongkongers from third countries? That is vital—they are scared stiff about what will happen to them if they move anywhere. After the lack of support for Jimmy Lai—who is a British citizen, not a joint national, and the Government will not simply say that—do not the Government agree that

our approach to joint nationality now needs to change? We need to be clear that British citizens have the right to be protected by us.

It is time we stopped worrying about upsetting the Chinese Government, and started defending those who are in our protection and representing British citizens properly. It is time to act, not come here to make fake statements.

**Anne-Marie Trevelyan:** I am pleased that we were able to make a statement. The question in an urgent question is always to ask whether a Department will make a statement. I am pleased that Mr Speaker granted me the opportunity to do just that, so we can, for the second time in two weeks, sadly, discuss these entirely shocking and unacceptable behaviours by the Chinese Government.

In answer to my right hon. Friend's questions, on sanctions, as the House knows too well—sadly, as we have to sanction often, we say this often—it is not appropriate for me to speculate on who may be designated in future, so as to avoid reducing the impact of any designations. We will continue to keep all issues of potential individual or enterprise sanctions under review. That relates not just to China, but to all such countries across the world. As colleagues know, we are using our sanctions powers extensively to ensure we degrade as much as we can Putin's illegal war.

On Mr Lai, who is a dual British national, I have raised, as do our teams in Beijing, consular access for Mr Lai. The challenge we are faced with is that under the Vienna convention it is for the resident country to determine whether a dual national is entitled to that. Sadly, in China and Hong Kong, it is not given. We continue to press for that. The Foreign Secretary, the consulate and I raise that question and the health and safety of others at every opportunity.

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

**Martyn Day** (Linlithgow and East Falkirk) (SNP): I am grateful to the Minister for advance sight of the statement, although I would have liked it to have gone a bit further. However, I think we are all in agreement that the imposition of the bounties is an unacceptable and dangerous precedent, as is the barely veiled threat to the families of the Hong Kong activists living abroad. That is also intolerable.

On behalf of my party, I welcome that the Governments of the United States, the United Kingdom and Australia have all called for the bounties to be withdrawn. We support those calls. We remain deeply concerned by the continuing erosion of Hong Kong's fundamental rights, freedoms and autonomy. The disturbing and worrying announcement of the bounties can be seen as the most drastic law enforcement action since the initial arrests that followed the introduction of the national security law in June 2020. Already, the eight activists are living in self-imposed exile, and the announcement of warrants and bounties makes their lives immediately all the more stressful. I hope that the Minister can help to reduce some of that stress.

Can the Minister confirm that it is illegal to issue and pursue bounties in the UK and that the Government will prosecute anyone who takes up those bounties? Can the Minister confirm whether the UK will co-operate



with Australia and the US on an Interpol early warning system to protect pro-democracy activists living overseas? When the bounties were issued 10 days ago, the UK Government did not summon the Chinese ambassador to express their concerns face to face. Why did they not do so at that time? I am also concerned about the lack of Government action on holding Hong Kong and Chinese officials accountable for their ongoing crackdown on human rights. When will Ministers finally sanction those responsible, such as Hong Kong Chief Executive John Lee?

**Anne-Marie Trevelyan:** We work very closely with our international partners on all those matters, including on sanctions, through international forums where we can work together to use the tools that are available for us to do that. We will be working with them on how Interpol may be able to assist. We absolutely condemn the bounties. There is no authority for any of the bounties on citizens or anyone in the UK. They have no validity and we absolutely—I will say it again—condemn them. We ask that they be removed, that all those who have had these targets put on them can understand that that is not the case, and that the intimidation and harassment of their friends and family stop immediately. As I say, the Foreign Secretary has asked a senior official to call in the Chinese ambassador. We will, I hope, be able to provide an update to the House next week during oral questions.

**Tim Loughton** (East Worthing and Shoreham) (Con): Another Thursday, another opportunity to condemn China missed by the Government. I am afraid that the Minister has just parroted the words of the Foreign Secretary when he said:

“We will not tolerate any attempts by China to intimidate and silence individuals in the UK”.

Since when China’s Foreign Ministry has accused the UK of “harbouring criminals”, since when the Hong Kong Chief Executive John Lee has said that the democracy activists they want to arrest should be treated like “rats in the street”, and since when, two days ago, the family of Nathan Law were arrested and intimidated, on top of everything else.

When I and six parliamentary colleagues were sanctioned in this House just for speaking in defence of Uyghurs and Tibetans, we had our assets in China frozen—if they could find them. Chinese Government officials have said and done so much worse, so why has not one of them in Hong Kong been sanctioned? Why has none of them in Hong Kong had their assets frozen? Why have we not suspended the remaining extradition treaties with Hong Kong, let alone called in the ambassador to tell him face to face that this is completely unacceptable and there will be implications? When this morning the Intelligence and Security Committee concluded that the UK has no strategy to tackle the threat posed by Beijing, it was right, wasn’t it?

**Anne-Marie Trevelyan:** My hon. Friend raises an important point. I have not had a chance to read the ISC’s report, which I understand has come out this morning, but I will do so and, with officials, assess the statements made. My hon. Friend is a long-standing and incredibly brave advocate for those who find themselves under duress in China, and his campaigning for the Uyghurs is commendable.

Both the Foreign Secretary and I raise at every meeting we have the matter of MPs in this House who are sanctioned by the Chinese Government, and we ask that those sanctions be lifted. It is an unacceptable situation. The wider challenge around the national security law, which we continue to call to be lifted, is simply that it highlights the unacceptability of the Hong Kong authorities’ decision to target leading pro-democracy figures who are here under the safety that the UK provides them with. We continue to make those objections absolutely clear. Indeed, diplomats—our team from the consulate general in Hong Kong—attend NSL47 court proceedings and will continue to do so, despite the limitations on their ability to do that.

**Sarah Owen** (Luton North) (Lab): The lyrics from “Glory to Hong Kong” say:

“For Hong Kong, may freedom reign”.

Unfortunately, that freedom is increasingly threatened not just in Hong Kong but, as is seen with the bounties issued on Nathan Law, Finn Lau and many others, for Hongkongers in the UK. I am shocked that the Minister did not choose to respond on why it is that they have not yet met Nathan Law and Finn Lau. I hope she will come to the Dispatch Box to explain why that is and when Ministers will meet them. What, if any, additional immediate and practical steps will the Government take to protect the Hong Kong community in our country from further attempts by Beijing to target them? If the Government are not going to issue any sanctions, at least keep the Hongkongers who are in this country safe.

**Anne-Marie Trevelyan:** I think we are all agreed that that is exactly what we want. Indeed, our police and security authorities do that, and have done so successfully, for many vulnerable groups whenever it is required. As I said, I will not discuss anything that may be in place for the particular British nationals overseas who are here, and the three in particular who are bravely speaking up and using their voices to challenge, so that we cannot in any way compromise the integrity of the support that is being provided.

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): My right hon. Friend will know that I have long taken an interest in strategic thinking in Government, where there is widely perceived to be a lack of capability and consistency. That is underlined by the ISC report that came out today. It states:

“While we sought to examine whether the Government’s strategy for dealing with such a large adversary was up to the task, they”—that is, all the witnesses—

“felt very strongly that HMG did not have any strategy on China, let alone an effective one, and that it was singularly failing to deploy a ‘whole-of-government’ approach when countering the threat from China—a damning appraisal indeed.”

Will the Minister contribute to the Liaison Committee’s inquiry into the scrutiny of national strategy and strategic thinking of Government, which we are now undertaking?

**Anne-Marie Trevelyan:** I thank my hon. Friend for his comments. As I say, over the weekend, I will read in detail the report from a Committee that always has a depth of wisdom, because it includes those who have spent many years in this House and who understand the workings of our democracy and Parliament. We will

[Anne-Marie Trevelyan]

continue to work with it, but I dispute that there is not clarity. The Foreign Secretary's speech at Chatham House a few months ago set out a very clear framework around protecting our assets, aligning our interests where we can, engaging on many issues—many of which will be beyond our borders—and working together on issues such as development and climate change challenges. That was very clear. The integrated review refresh, which was published a couple of months ago, set out in more detail what that means. We have a clear direction of travel in which we are very comfortable working, and the whole of Government is aligning around that to deliver positives, where necessary, and to protect UK interests as required.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): This is indeed a sorry state of affairs. The hon. Member for East Worthing and Shoreham (Tim Loughton) reminded us that the Government said last week:

“we will not tolerate any attempts by the Chinese authorities to intimidate individuals in the UK.”—[*Official Report*, 6 July 2023; Vol. 735, c. 946.]

May I press the Government a little further on what specifically we are doing, or have done? For instance, what discussions has the Foreign Office had with Five Eyes and, possibly, European partners regarding the cancellation of extradition treaties with Hong Kong and the People's Republic of China, and the proper establishment of a safe corridor for pro-democracy activists overseas? We need to get to the core of this issue.

**Anne-Marie Trevelyan:** The Government and those from the FCDO more widely have discussions with our Five Eyes partners on a regular basis about all these matters, as the House would expect. As I say, on a domestic level, I would not want to put any of those we are looking to provide protection for at risk. Obviously, the Home Office deals with all those matters on a domestic level.

On the extradition treaties, there are, I think, only two European countries that have not suspended their extradition treaty with Hong Kong. Others have, and we continue always to lobby, across all our posts and in our discussions, for other countries to ensure that they also hold China to account for the national security law.

**Mr Robin Walker** (Worcester) (Con): Hongkongers make a contribution to communities up and down the UK, including in my constituency. It is outrageous that they should face any intimidation from the Chinese Government. Will my right hon. Friend update the House on the conversations that there have been about Chinese overseas police service stations in this country? That has been raised in the House before. Does she have a categorical assurance that they are no longer functioning in the UK?

**Anne-Marie Trevelyan:** I thank my hon. Friend for his questions. The reports of undeclared police stations in parts of the UK were very concerning and were taken

very seriously, because any foreign country operating on UK soil must always abide by UK law. The police have done a substantial amount of work and have examined those allegations. They have not, to date, identified any evidence of illegal activity, but none the less, these so-called police service stations were established without our permission. Their presence, whatever the low level of administrative activity they were performing, has worried and intimidated many who have left China and sought safety here in the UK. We have made it clear to the Chinese authorities that the existence of undeclared sites in the UK is unacceptable and that their operation must cease. The Chinese authorities have confirmed that they have now been closed.

**Alex Sobel** (Leeds North West) (Lab/Co-op): I recently met the Leeds Hong Kong community, who raised a number of concerns about their personal safety and security, as well as research by Hong Kong Watch estimating that more than £2.2 billion of Hongkongers' pension savings has been detained by the Hong Kong Government, including funds held by UK-headquartered HSBC. What work has been done to ensure that pensioners, including BNOs and British citizens, regain their pensions from HSBC? Have the Government considered imposing fines on HSBC for non-compliance?

**Anne-Marie Trevelyan:** We are aware of the difficulties that BNOs are experiencing in seeking the early withdrawal of their pensions, which are held by the Mandatory Provident Fund in Hong Kong. We have urged the Hong Kong authorities to facilitate the early drawdown of those funds, especially for Hong Kong residents who have moved overseas permanently. The challenge, and the root of the problem, comes from the Chinese Government's decision not to recognise the BNO passport, thereby creating the clear discrimination against BNOs. I have raised this matter personally with the Hong Kong Secretary for Financial Services. The Foreign Secretary has raised it in his discussions as well, and we will continue to do that. I have spoken with banks that are contained by those laws in that jurisdiction.

**John Mc Nally** (Falkirk) (SNP): Threatening the families of Hong Kong pro-democracy campaigners living in the UK is beyond reprehensible, but we know that the Chinese Government are sending out warnings. Will the Minister explain to me what the Chinese Government are so afraid of?

**Anne-Marie Trevelyan:** The challenge we are seeing—the bounties placed on those who have chosen to seek safety here in the UK in order to continue using their voice to express their concerns—is something that the Chinese authorities wish to pursue. We condemn absolutely, and will continue to do so, their use of those tools. They have no validity here in the UK, and we will continue to raise the threatening behaviour that has been seen towards the family members of those who are here in the UK for their safety. When the Foreign Secretary's senior official meets the Chinese ambassador, these issues will be raised very clearly.

## Point of Order

**Duncan Baker** (North Norfolk) (Con): On a point of order, Mr Deputy Speaker. I wish to correct the record after inadvertently misleading the House during Prime Minister's questions yesterday, having been given the totally wrong information by O2. I raised the very serious matter of the lack of mobile phone signal in my constituency, thought to be caused by a transmitter being inoperable due to nesting gulls. While the substance of my problem remains, O2 got mixed up and gave me entirely the wrong information. Although O2 does have a nearby mast affected by nesting gulls, it is not the mast in my constituency, but one in another Norfolk constituency a few miles away. O2 has apologised profusely to me, and I reassure my constituents that I have O2's assurances that it now has its best team on the job to fix my residents' mobile phone reception. I will, of course, update my local constituents on how that is progressing.

**Mr Deputy Speaker (Sir Roger Gale)**: I am grateful to the hon. Member for giving me notice of his point of order. He has done exactly the right thing in coming to the House to correct an inadvertent mistake at the earliest opportunity. I thank him for that, and the House will have noted his comments.

## Free Trade Agreements: Scrutiny

### BUSINESS AND TRADE COMMITTEE

#### *Select Committee statement*

**Mr Deputy Speaker (Sir Roger Gale)**: We now come to the Select Committee statement. The hon. Member for Bristol North West (Darren Jones) will speak for up to 10 minutes, during which no interventions may be taken. At the conclusion of his statement, I will call Members to ask questions on the subject of the statement. They should be brief questions, not speeches. I emphasise that questions should be directed to the Business and Trade Committee Chair and not to the Government Minister, and Front Benchers may take part in questioning.

1.29 pm

**Darren Jones** (Bristol North West) (Lab): The Business and Trade Committee has today published a report on the scrutiny of free trade agreements. The Select Committees of this House were recently restructured following the Prime Minister's decision to restructure Government Departments. This resulted in the Business, Energy and Industrial Strategy Committee becoming the Business and Trade Committee, with the International Trade Committee being wound up. My Committee therefore now has the responsibility, on behalf of the House, for scrutinising any future free trade agreements that the Government enter with other countries.

The report sets out how we on the Business and Trade Committee intend to do that work, and I will now update the House on a number of key points. First, when the UK left the European Union we took back responsibility for negotiating our own free trade agreements, which also meant that this Parliament took back responsibility for the oversight of such processes from the European Parliament. However, our Select Committees are structured and resourced differently from the committees of the European Parliament. Crucially, our powers are based on a convention agreed in the late 1920s, the so-called Ponsonby rule, which was to some extent codified in the Constitutional Reform and Governance Act 2010. The rule was codified at a time when we relied on the European Parliament to scrutinise trade deals on our behalf. Post Brexit, our powers are therefore out of date, inadequate and in need of reform.

The powers that exist today mean that Parliament does not, by right, have access to information during a negotiation period or to draft free trade agreements in advance, nor do we have the power to vote on or amend specific parts of a free trade agreement. Under the Constitutional Reform and Governance Act, all we can do in this House is delay the ratification of an agreement, in the hope that we might persuade the Government to change their mind during the delay. In reality, this power has never been used.

The International Trade Committee and the International Agreements Committee in the other place secured a number of non-binding commitments from the Government by way of correspondence. We list these commitments in the report, on the assumption that my Committee will continue to enjoy the limited access to information granted to our predecessor Committee. Thankfully, although our constitutional arrangements are out of date and inadequate, the Public Administration and Constitutional Affairs Committee is looking at this issue. I look forward to reading its recommendations.



[Darren Jones]

Secondly, when the Government publish the final draft of a free trade agreement, it is sent to my Committee. However, my Committee has neither the capacity, the time nor the expertise to conduct legalistic line-by-line scrutiny of such a complicated legal text. Until such time as the Government decide that such a parliamentary function ought to exist and be resourced, we will therefore not do it. Instead, we will take a thematic approach to any free trade agreement scrutiny and highlight any policy areas that we think warrant further attention or changes.

Thirdly, and lastly, with the Committee having taken a thematic approach to reviewing a free trade agreement, the question is what this House then does about it. As noble Lords will tell us, although the International Agreements Committee may review an international agreement, the other place does not have the power to take any action. Only this House can postpone the ratification of an agreement, through the Constitutional Reform and Governance Act process. That requires my Committee to request a debate on a substantive motion, asking the House to vote to postpone. Ironically, as I understand it, the Government must agree to such a substantive motion, and they never do, which is probably why the postponement power has never been used.

However, as we set out in our report, my Committee intends to call for a substantive motion to postpone the ratification of an agreement only when we conclude that substantive issues raised with the Government have been unanswered and when the consequences are significant. In more normal, but not all, circumstances, we will reserve the right to call for a debate on a neutral motion, to give Members the opportunity to debate the merits of a proposed free trade agreement on the record.

This is a technical, internal report about the scrutiny process in this House, but free trade agreements can have significant consequences for people and the economy, so we thought it important to update the House today on our conclusions about this scrutiny work.

While I have the Floor, I pay thanks and tribute to James Hockaday, who is one of the Committee's trade specialists. He and his colleagues on the International Trade Committee spent many a night doing the legalistic review of free trade agreements that we have concluded we will no longer do. He is moving from my Committee this week to work with the Clerk of the House, and we wish him well in his new role.

I thank the Backbench Business Committee for giving the Committee time to update the House, and I thank you, Sir Roger, for calling me to do so.

**Anthony Mangnall** (Totnes) (Con): I congratulate the Chairman on subsuming the International Trade Committee, and on running the Business and Trade Committee so effectively. I join him in sending my best wishes to James Hockaday following all the excellent work he has done, particularly on scrutiny.

I have two questions. First, does the Chairman have any concern that, if the Committee does not receive timely information on a free trade agreement, there will not be enough advance warning for us to know whether we will need a debate on the Floor of the House within 21 sitting days? Would it not be advisable, as other Committees are discussing, to consider whether we should

put parts of these free trade agreements to other Select Committees, such as the Environment, Food and Rural Affairs Committee or the Treasury Committee in the case of financial services, so they may review and report on them individually to ensure that the House has a full comprehension and understanding of the trade agreements we are signing?

**Darren Jones:** I welcome the hon. Gentleman to the Business and Trade Committee, following the demise of the International Trade Committee.

There are two important points. First, the 21-day period under the Constitutional Reform and Governance Act needs to be reformed. One such reform might be that the Committee needs more than 21 sitting days to be able to take a view on often complicated and full free trade agreements. No doubt the Minister for International Trade, the hon. Member for Mid Worcestershire (Nigel Huddleston), who is sitting on the Treasury Bench, will have heard that request.

Secondly, it is not for me to commit other Committees to a work programme, but it is right to point out that there are many issues, such as agriculture, defence, human rights and environmental issues, on which colleagues on other Committees take an interest.

I gave evidence this morning to the International Agreements Committee in the other place, and it does significant work on trade agreements among other things. One of the commitments we made was that, between our Clerks and between both Houses, we will co-ordinate our action to try to improve our capacity for reviewing trade agreements.

**Dame Nia Griffith** (Llanelli) (Lab): I thank my hon. Friend the Member for Bristol North West (Darren Jones) and his Committee for their important work on this report. As the report points out,

"we operate within finite resources and recognise that attempting exhaustively to scrutinise every aspect of the Department's work is impractical... We intend, therefore, to adopt a case-by-case approach to scrutiny of prospective free trade agreements in future."

Given that important and entirely understandable finding, does my hon. Friend agree that the Government need to overhaul the wider scrutiny process on trade negotiations to allow greater opportunities for parliamentary scrutiny of these agreements?

I applaud the Committee for highlighting the importance of a debate on negotiation objectives. Does my hon. Friend agree that this needs to be timely and meaningful, so that Members have a genuine opportunity to contribute? Does he also agree that more should be done to allow scrutiny earlier in negotiations, so that the parameters of trade talks can be better informed? As a Welsh MP, I am particularly keen to ensure that the nations and regions of the UK are able to contribute properly.

The report notes that the former International Trade Committee criticised the Government for a lack of transparency on the timetabling of the CRaG period, and for the difficulty of securing oral evidence from the Secretary of State in relation to the Australia and New Zealand trade deals. Does my hon. Friend think the Government might have been concerned about a backlash, given the criticism of the Australia deal from some of their own MPs, such as the right hon. Member for Camborne and Redruth (George Eustice)?

Finally, does my hon. Friend have any concerns that the resource implications of the Committee's scrutiny of trade deals will undermine any of its other vital work?

**Darren Jones:** I thank my hon. Friend for her questions and comments from the Dispatch Box, and I will take each in turn.

My hon. Friend is right about resource allocation. As I said in my speech, we have subsumed not only the responsibilities of the International Trade Committee but those of our former colleagues on the European Parliament committee that had power and resources to scrutinise trade agreements on our behalf when we were a member of the European Union. I gently suggest to the House that this is just one example of where, post Brexit, Committees ought to have greater resources, both financial and otherwise, for the additional work we have taken on after leaving the European Union.

The issue of time has been raised both by me today and by the predecessor Committee and our colleagues in the other place. These agreements are long and complicated, and the House's Select Committees have other work to do in holding Departments to account. Having as much time as possible is always very welcome.

On access to information, let me add that I have learned, having taken on these responsibilities, that it is often easier to look at the press coverage in the other country to find out what is going on than it is to try to get information from the Government. If this information is on the public record, albeit in another country, it ought to be readily shared with us in this Parliament. I encourage Ministers to take that action.

Lastly, on Australia and New Zealand, my hon. Friend pointed out that an unusual approach was taken in the use of primary legislation and highlighted what

that meant for this House's ability to debate and intervene in the details of those agreements. I am not privy as to why Ministers chose to do that, but it is unusual. If it were a symbol, at least, that the Government are minded to update the processes for scrutinising FTAs, perhaps we could take the opportunity to do that.

**The Minister for International Trade (Nigel Huddleston):**

I thank the hon. Gentleman, all members of the Committee and the officials, whom he mentioned, for their work on this report. It shows how seriously they take their responsibilities, which is very much appreciated by the Government.

We believe that the level of transparency and scrutiny for trade agreements stacks up quite well, particularly when compared with the arrangements in other parliamentary democracies. I understand that there is no formal requirement for a formal response from the Government, but I would like to ask him whether he would like to meet me to discuss his findings further.

**Darren Jones:** We are always very grateful for Ministers wanting to appear before the Committee, and we would be delighted to have the Minister before us. There is definitely a debate to be had about how we update our rules. I make the point again that not only were our rules set at a time when we were part of the EU and therefore the European Parliament, but they were based on a convention from 1929. Free trade agreements have changed a lot since the 1920s, and therefore our rules should probably be updated as well.

**Mr Deputy Speaker (Sir Roger Gale):** I thank the hon. Gentleman for his report on behalf of his Committee.

## Backbench Business

### Illicit Finance: War in Ukraine

*[Relevant documents: Oral evidence taken before the Levelling Up, Housing and Communities Committee on 16 January 2023, on the Ukraine Refugee Schemes, HC 464; and summary of public engagement by the Levelling Up, Housing and Communities Committee, on the Homes for Ukraine scheme and Ukraine Family Scheme, reported to the House on 16 January 2023, HC 464]*

1.41 pm

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): I beg to move,

That this House notes the Second Report of the Foreign Affairs Committee, The cost of complacency: illicit finance and the war in Ukraine, HC 168, and the other work by Committees of this House on the war in Ukraine; affirms UK support for the government and armed forces of Ukraine in the defence of their country against the illegal and unprovoked invasion by President Putin's military forces; is deeply concerned at the suppression of democratic freedoms to the detriment of the Russian people and utterly condemns President Putin's war of aggression; reaffirms the UK's steadfast support for NATO and the security of the UK's allies and supports Sweden's swift accession to the alliance; and therefore urges the Government to continue and accelerate its support for the Ukrainian armed forces through the provision of weaponry and training, and through rallying international opinion and action in support of Ukraine, until the Russian armed forces have been expelled from all Ukrainian sovereign territory as recognised in international law.

It is my privilege to move the motion standing in my name and those of all the other Chairs of Committees who have signed it. I sense that the NATO statement may have sucked a little attention away from this debate, but that is not the point. Why is the Liaison Committee putting this motion forward for debate at all? The answer is simple: the Government have come to the House to make statements, take part in debates and answer questions, but the House itself has never expressed its collective view on the Ukraine war, on behalf of the people we represent. The Liaison Committee believes it important to agree this cross-party motion and to put it to the House, so that the House puts its view clearly on the record.

The Russian aggression in Ukraine is state-on-state warfare in our continent, and it represents the greatest existential threat to peace and security in Europe since world war two. Peace in Europe, and the era of peace in most of the world since that time, is the most signal achievement of the post-world war two era. Without victory for Ukraine, lasting peace will not be restored. What does victory mean? We should be clear about what it does not mean. It does not mean just stopping the fighting, by trading sovereign Ukrainian territory for peace, simply because Russia has occupied it. That would not be peace, but a defeat for Ukraine and for the whole of the free world.

Any peace after that would be a false peace because, first, Russia would have proved that illegal military aggression rewards the aggressor. Secondly, it would leave Russia, which is already rearming as fast as it can, to resume the war whenever it chose to do so. Neither Ukraine nor the rest of Europe would be safe from Russian aggression. This motion spells out what a Ukrainian victory must mean: nothing less than the wholesale rolling back of Russia's armed forces out of Ukraine's sovereign territory, as recognised in international law. I am grateful

to His Majesty's Opposition for agreeing on that clear wording. That is what the free nations of Europe, and of the whole world, must support Ukraine to achieve.

If we are to prevent Russia and other autocratic states, such as China, from proving that aggression pays, there can be no halfway house, no split-the-difference deal, that segments a sovereign state. That would shred what Winston Churchill called the "sinews of peace" in the title of his famous iron curtain speech, which helped to lay the foundations of the global security and stability that we have too readily taken for granted. The democratic powers would gain only short-term respite from further wars of aggression, selling out generations of blood spilt and of patient deterrence, to offer the next generation—well, exactly what? Who can ever forget that "peace in our time" in 1939 turned out to be a false respite?

So this motion is an important message. It is also a signal to our own public about how we are inviting our own voters to regard the Russian aggression. Our news channels and politics are cluttered with trivia, but also with any number of urgent issues that are also existential threats—not least, climate change and the race to net zero. But we need to convey an ugly truth: war, and the threat of war, displaces every other threat by its immediacy. If the globe, by neglect, cascades into the chaos and waste of increasing state-on-state warfare, with all its death and destruction, and economic and trade disruption, the net zero target will be just another casualty. So our democracy, and democracy around the world, must not fail this test.

The question is: how can Ukraine win this war, in the terms set out by the motion? On that, we find that some are more doubtful than others. We have had the strange spectacle of the US President's reluctance to advance Ukraine's membership of NATO, for fear that, as President Biden said:

"If the war is going on, then we're all in war...with Russia".

That somewhat misses the point. President Putin has himself declared that his war is a war against NATO. The fact is that we are already in the war. Denial of that is denial of the profound and dangerous consequences of this war for our own security. The democratic world cannot afford to stumble in our support for Ukraine. The House heard my right hon. Friend the Prime Minister confirm earlier that the Vilnius summit was one of the most significant in NATO's history. Ukraine was not immediately offered NATO membership, as we and others might have hoped, but we should understand why. It is problematic to extend the article 5 protection to a nation that is being torn by conflict as we speak.

However, we can be pleased to see the words of the Vilnius communiqué:

"Ukraine's future is in NATO."

We can also be grateful for President Biden's support for those words. Furthermore, the Vilnius summit dispensed with the requirement for the usual membership action plan, and also established a new NATO-Ukraine council, formalising a relationship between Ukraine and NATO. All that and, not least, the continuing active and practical support for Ukraine, reinforces the underlying intention of NATO nations, in principle, that we will accept only one outcome from the war: the complete expulsion of Russian armed forces from Ukrainian territory.

I wonder whether my right hon. Friend the Minister would agree that NATO membership for Ukraine is also essential as soon as the war ends. Will the Government



commit to that? There will only be a significant flow of investment into a post-war Ukraine if that investment is underpinned by NATO's article 5 security guarantee. When the Czech Republic was first offered accession talks for NATO membership in 1997, the flow of private foreign investment into the country doubled within a week.

I wonder whether the Labour Opposition can expand on their position on the commitment to NATO enlargement. Earlier this week, a slightly different motion was planned for today's Order Paper, but I was persuaded to remove the reference to continuing NATO enlargement, in the interests of cross-party unity. That is what we are pursuing today, so this is a genuinely well-motivated inquiry. Why was it necessary to remove the reference to NATO enlargement?

Today, the Leader of the Opposition, the right hon. and learned Member for Holborn and St Pancras (Keir Starmer), supported enlarging it. I am grateful for that late support, but will Labour make clear its support for the text in paragraph 4 of the Vilnius communiqué? That includes the words:

"We reaffirm our commitment to NATO's Open Door policy and to Article 10 of the Washington Treaty. Every nation has the right to choose its own security arrangements."

Does Labour stand by the decision made at the Bucharest summit in 2008, reiterated this week in Vilnius, which says that not just Ukraine but Georgia

"will become a member of NATO"?

The House will await the shadow Minister's response to those questions.

What Ukraine must also have now is more NATO standard weaponry and more training. It still does not have enough and, as its young men die on the battlefields, we should be forgiving of President Zelensky's constant pleading. I am certain that the Secretary of State for Defence did not want to cause a stir with his slightly unguarded remarks, but they carried an important message that the Ukrainian Government and Ukrainian representatives can be more persuasive of others who are perhaps reluctant to support Ukraine, or reluctant to support it with the necessary weapons and matériel.

The UK has been a trailblazer. The Government should be congratulated on the UK being the first nation to give significant military support to Ukraine, while countries such as the United States and Germany were holding back. We were the first to provide military training and lethal weapons, and the first to commit tanks and long-range missiles. It is in the interests of the whole world that the Ukrainian armed forces get what they need, and as fast as possible. The more they have now, the quicker they can achieve victory. It is a simple equation. The longer the war takes, the more expensive it will be for NATO countries and for the rest of the world in the longer term. It will also be more dangerous, because the longer we take to help Ukraine achieve victory, the bigger problem a belligerent Russia will become.

The UK does all of this not out of some misplaced notion of national vanity about our role in the world, but to defend our own national interest. The UK plays a vital leadership role in the world. The UK has to step up, or the world will become a far more dangerous place for our own citizens, as well as for everybody else. The post-war era of peace and security was founded on deterrence. When deterrence failed and the Russian

tanks rolled into Ukraine on 24 February last year, the peace and security of Europe was shattered. It must be restored, or democracy around the world will have failed in its resolve and the dictators will have triumphed.

The motion before the House this afternoon is not just a declaration of support for the policy of His Majesty's Government on Ukraine; it is a banner under which we must rally our people and the other democracies of the world, in support of the freedom and security of us all.

1.52 pm

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): My gratitude goes to the Chair of the Liaison Committee, the hon. Member for Harwich and North Essex (Sir Bernard Jenkin), and the Chair of the Backbench Business Committee, my hon. Friend the Member for Gateshead (Ian Mearns), for tabling the debate. My gratitude for this timing is matched only by my sadness that members of the Foreign Affairs Committee are travelling in Africa at the moment, in pursuit of their inquiry into counter-terrorism, and so the House will have to put up with me. I am not speaking on behalf of the Committee, but I am at least sharing the Committee's analysis of what the Government have got right and where they have further to go—in some cases, much further.

I associate myself with the support for the motion expressed so eloquently by the hon. Member for Harwich and North Essex. The motion is well drafted and deserves the support of the whole House. I want to complement his excellent speech by sharing some analysis of the report by the Foreign Affairs Committee at the centre of the motion.

The truth is that many Members of the House—I can see some of them in the Chamber—have been warning about the need to re-contain Russia since President Putin's speech to the Munich Security Council back in 2012. Threats always evolve, and today they are evolving faster than ever. There are new spectres abroad, but the most dangerous of those spectres is Russia.

At the core of the debate is an argument about how we defend our freedom, by reinventing our security for new times. Because Russia is the principal of those spectres, it is right that we spend most of our time today discussing how we re-contain Russia. In truth, it is about not simply supporting Ukraine in its fight, but understanding the new theatres of violence where Russia is on the march. As I hope we will see in the defence Command Paper next week, they will require us, as a country, to re-enforce our defences in the Arctic and our alliances in central Asia, and, crucially, transform our presence in Africa, where the Wagner Group is still a threat in some 14 to 15 countries, where it has extracted at least a quarter of a billion pounds to cashflow the wars of President Putin.

That takes us to the core of the argument set out in the Foreign Affairs Committee report. The threats that we have to confront now are not simply places on a map, but domains; they are the political, cyber and, crucially, economic worlds. We have to recognise that the way we will be attacked will not simply be by states, but by states acting together with others.

Those proxy forces will be more dangerous, in many ways. Sometimes it will be organisations such as the Islamic Revolutionary Guard Corps, acting in concert with the Government of Iran, but at other times it will

[Liam Byrne]

be private military companies, such as the Wagner Group. Increasingly, these nexus threats will couple with organised crime groups and together they will exploit our vulnerabilities in the economic crime space, to generate the millions needed to cashflow violence. That is why the Foreign Affairs Committee, under the leadership of the then Chair, the right hon. Member for Tonbridge and Malling (Tom Tugendhat), who is now the Minister for Security, spent so much time over the past couple of years looking at the question of illicit finance.

Russia is at the centre of the debate because we have to learn the simple truth that we have to re-contain Russia. When we look at Russian history, we see one clear lesson: Russia is constantly in the business of invading its neighbours. We have to remember the throttling of Berlin in 1948 and the invasions of Hungary, Czechoslovakia, Afghanistan, Georgia, Moldova and Ukraine. We in this House have to learn the lesson that a mainstay—a cornerstone—of our security policy has to be a strategy for re-containing Russia. We cannot change the geography of Russia, but we can and must end Russia's ceaseless choreography of war.

With Sweden's admission to NATO, along with Finland, we have now rebuilt NATO's eastern flank. That task will not be complete, as the Chair of the Liaison Committee said, until Ukraine, and I hope one day Georgia, join NATO. But we have to recognise that there is an awful lot more that we need to do to close down the domains of politics, cyber and economy.

The Foreign Affairs Committee report focuses on the economic world. Frankly, it is a shame that it took the invasion of Ukraine to prompt the Government to get serious about bringing forward the Economic Crime and Corporate Transparency Bill, which is currently in the other House. At least the Government have made progress. I hope that we can build on what I hope is an emerging consensus in the other place about some of the reforms that will be needed. Together, we have to ensure that we have shut down Londongrad for good. For many years, our country has not simply been a target, but a crime scene. We have been the place where hundreds of billions of roubles, stolen from the Russian people, have been laundered and, in many cases, recycled into Putin's ceaseless war of violence.

In the Foreign Affairs Committee's report, we set out four basic sets of reforms needed in the fields of prevention, intelligence, enforcement and prosecution. In the realm of prevention, it is obviously vital that we impose upon directors some much tougher obligations and finally ensure that Companies House becomes a regulator, not a library where accounts are filed to gather dust.

Not many of us will remember this, but when this House decided to create limited liability laws, back in 1851, the Prime Minister of the day, Viscount Palmerston, confronted quite a contentious debate and a divided House. At one point he had to threaten the House with sitting right the way through to the summer in order to get the legislation on the books. Limited liability partnerships are not found in nature; they are the creation of us as legislators and create significant privileges for those who want to come together and form a company.

Viscount Palmerston said that it would allow Britain's army of small savers to combine their small pots together to create great firms of the future

"for the advantage of the community as a whole."

He told the Commons:

"There is nothing that would more tend to the general advantage of the public."—[*Official Report*, 26 July 1855; Vol. 139, c. 1390.]

Yet today many are exploiting the licence to create companies, to create firms, that subvert the common good. We should stop them. That is why our Committee underlined the imperative of building a stronger Companies House and creating stronger obligations on directors, their proxies and their enablers. The Economic Crime and Corporate Transparency Bill does offer some progress, but it could be stronger. Crucially, we need to create a duty on the registrar to verify information, not simply provide a power that enables the registrar to do something. We need to toughen the obligations of corporate criminal liability. In fact, the report cited in the motion says that "reform of outdated and ineffective corporate criminal liability laws which mean that it is difficult to hold large companies to account for economic crimes"—should be reformed.

On this front, the Government commissioned a report from the Law Commission some years ago. The options for change have been on the table since the summer of last year. I gently say to Ministers that it is time to move forward on those options.

It is not simply directors who need stronger obligations; enablers do, too. That is why our report advised the Government to study the lessons from, for example, the enablers Bill from the United States Congress and the Countering America's Adversaries Through Sanctions Act. These contain protections that should be aligned with UK law. The Economic Crime and Corporate Transparency Bill makes it easier for the Law Society to impose penalties on bad lawyers, but far more important are Lord Agnew's amendments to the Bill, which were passed in the other place. I hope the Minister can confirm that the Government will not resist those amendments when that Bill comes to us in the next week or two. These require nominees to declare who they are working for. That will help us to identify who the persons of significant control are. It introduces an offence for nominees who do not declare themselves. That is a recommendation of the Financial Action Task Force, and the investigations by both the BBC and *The Times* have underlined just why we need it. They found that Viktor Fedotov, a Russian-born oil executive accused of £143 million-worth of contracting fraud in Russia, owns two properties in the UK via offshore trust structures, administered by the wealth management firm JCC. But owing to the nominee loophole, Mr Fedotov is not named as the beneficial owner of the corporate trustees that hold property in his name. That is the kind of loophole that made Londongrad possible. We should close it and we should close it together.

The other place has also supplied amendments that close exemptions for trusts, which would stop trusts in the Register of Overseas Entities being used as an opaque vehicle for illicit finance. The other place has also introduced amendments creating sanctions for directors failing to prevent money laundering. It has also closed the loophole that allows small and medium-sized enterprises to escape these sorts of obligations. The amendments are sensible. They are supported by both sides of the

House. I hope the Minister, when she winds up, will be able to confirm that the Government will not seek to oppose those amendments.

Secondly, our Committee reflected on the kind of intelligence that we will need to track down bad people who finance Putin's regime. We thought it was therefore essential that the Government now fulfil their commitment to publish their review of the tier 1 golden visa scheme. That has been promised repeatedly and it is time that we saw it on the table here in the House. Crucially, our Committee was unanimous that better protection was needed for journalists under a revised and comprehensive anti-SLAPP set of laws, but also new protections with a whistleblowing Bill. We asked the Foreign, Commonwealth and Development Office to push for a whistleblowing Bill to offer protection for those who speak out or uncover economic crimes. As yet, we have had no plans from the Government to fulfil that recommendation.

The third area, which is possibly the most significant, is the enforcement gap. We know that this is a problem. Organisations such as the Atlantic Council have been so concerned that they have warned that the UK's effort to tackle kleptocracy is

"in severe danger of being shown as a paper tiger".

Obviously, the key is to increase funding for law enforcement. The Government have promised £400 million to fund a three-year programme, but economic crime costs this country £350 billion. In 2019, the head of the National Crime Agency said that the budget needed for the NCA was closer to £3 billion. The Royal United Services Institute says that annual investment of at least a quarter of a billion pounds is needed. We could raise that money if only we took on the argument of setting, say, a £100 fee for setting up new companies, which is, of course, the fee level recommended by the Treasury Committee. That is double what His Majesty's Government are currently proposing. We need stronger proposals from Ministers to plug the gap where our credibility should be.

Finally, enforcement will mean little if we cannot prosecute the criminals once we find them. That is why we welcomed the sanctions that have been passed by His Majesty's Government, but, like many people in this House—I suspect that the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) will pursue this point—we are also clear on our Committee that assets should be seized, not simply frozen. We know that it will take some international action at the United Nations to change the norms in international law around immunity for organisations such as central banks. It is also important that we move ahead with the prosecution of Russia for aggression, so that it cannot claim in some way that it is a victim under the terms of the European convention. But, again, what most of us in this House want to see is a Bill on that table that shows how we will seize assets, not simply freeze them.

Important measures have been brought forward in the other place, too. The Economic Crime and Corporate Transparency Bill would widely extend cost caps beyond simply unexplained wealth orders. Again, it is extremely important that Ministers accept rather than reject those measures. But, taken together, we have now taken, through the work of many people on both sides of the House, some serious measures that will shut down Londongrad, and that will learn the lessons from the way in which Putin was able to cash-flow his violence

through exploiting his friends in the City of London and elsewhere. We must accept that, even when Ukraine is triumphant, the Russian threat will simply transform itself once again. That is why we must ensure that our economic system, which we have worked so hard to create, is disrupted and denied to those who wish us ill.

2.6 pm

**Sir Iain Duncan Smith** (Chingford and Woodford Green) (Con): I am grateful to be called to speak in this debate. I congratulate my hon. Friend the Member for Harwich and North Essex (Sir Bernard Jenkin) on securing this debate and on having spoken so clearly and passionately.

It is always a pleasure to follow the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). As he knows, we have been following each other for some time over the past few years—actually I wish to rephrase that; this is not a stalking issue, but it could be seen to be something similar to that in a political context. It is good to follow him on this particular subject because he speaks a lot of common sense. I wish to go back to the last section of his remarks, which deal with seizure and the debate that is going on about that.

First, though, in response to the opening remarks of my hon. Friend the Member for Harwich and North Essex, it is hugely welcome that NATO membership has now expanded on the northern frontier. That is very important. It sends a strong message to Russia. Russian aggression has always been there below the surface. Sometimes it boiled over into remarks, but we always ignored it. The tendency of democracies and believers in freedom, freedom of speech and human rights is, sadly, too often to deal with countries on the basis of how they wish they were, rather than on the basis of what they are telling us what they are and what they will do. It happened in the 1930s. We ignored the nature of "Mein Kampf" and Hitler's clear objectives, which he laid out endlessly. We kept saying that only one more step would satisfy that dictator and that he would be fine; it would not be a problem. But in fact, the more we gave him, the more he determined on and we ended up in a war. Appeasement did not work. It does not work here. And 60 million people died directly as a result of our failure to understand that, when dictators tell us what they are about to do, it is always good to recognise that they are actually sending us a signal, not wishing for something else.

That has happened here with Russia. Russia made it very clear what it was going to do, right the way from South Ossetia to the invasion of Crimea and the Donbas. These were very clear first steps in telling us that Greater Russia was on the move and was an objective of Putin, not just an idea. On the Minsk agreements, I remember sitting in Cabinet on this. I am not saying I was ahead of anyone else, but I remember saying, "How many of us here are really worried about the fact that there is an agreement now granting the right for Russia to sit on territory that it has invaded and occupied?" Everybody shrugged slightly and said, "Well, there's not much we can do about it." That, of course, was the signal to Putin that we were not prepared to stand up. That first phase only established for him the entirety of his project and its feasibility, and then there was the constant supply of weapons and the terrible shooting down of the airliner. Those were all constant steps, telling us the



[*Sir Iain Duncan Smith*]

direction and that he was testing us. Every time he tested us, he succeeded: we backed down and did nothing. The result has been this final full invasion—or attempted invasion—of Ukraine.

In that context, I am slightly sorry that NATO was not able to send Ukraine a stronger signal about its future with regards to NATO. I agree with my hon. Friend the Member for Harwich and North Essex in that I applaud much of what the NATO-Ukraine Council did and think it is an excellent start, but I think we could have been more positive. America and Germany particularly stood in the way of the general mood of the council to offer more to Ukraine. I know that we probably could not have brought Ukraine in immediately, but everyone harped on about article 5 being the problem because it committed people to go to war. It does no such thing, by the way; it is always worth reading these things before pronouncing on them. Article 5 does not commit the nations in NATO to go directly to war. It commits them to agree together to take action as they deem “necessary”. Simply put, it is quite important that it is not an absolute: the declaration of a war against one is a war against all is then followed by actions as deemed necessary in nations. That means that, by and large, we will probably come together and do that, but it does not mean that we would have to be at war in Ukraine. We could have offered that relationship, and reading the article tells me that that is the case.

I commend the leadership of my right hon. Friend the Prime Minister in all this, as I commend the UK’s leadership. The beauty is that the Government and Prime Ministers have led the way on the issue in so many ways, as my hon. Friend the Member for Harwich and North Essex mentioned. The good news, of course, is that this House has not been divided on any of it. The House has sent a strong signal that Parliament stands by those in Ukraine and by the Government’s actions in trying to support them. That is very important because it is not always the case; in America, it is not necessarily the case at the moment. This Parliament has stood head and shoulders among most others, and it is because of that that we have been able to lead in terms of equipment, support, and recommendations with regards to NATO. The UK is influential in these matters and long may it remain so.

I return to the question raised by the right hon. Member for Birmingham, Hodge Hill: how do we deal with Ukraine’s aftermath? Right now, there is a debate taking place about frozen assets. We have frozen the private assets of some oligarchs and we have frozen the Russian national Government’s assets here in the UK, in America, in Canada and in various other nations through their markets. It is quite an interesting debate, though. We can certainly seize private assets, although even that has been debated—but it is quite clear that under international law it is wholly feasible for us to do so—but the real debate begins when it comes to very extensive Russian national assets that are now just sitting there. How can we deal with those? It is not the case that doing this immediately opens the door to the Chinese and others to seize our assets should they wish to. There are a number of arguments, which I will quickly run through.

There are a number of routes around the problem of sovereign immunity in relation to claims against Russia for its conduct in the war and an attempt to obtain

access to those assets. Customary international law permits the imposition of sanctions and restraint of assets in furtherance of international peace and security and legitimate foreign policy objectives. That means that, if asset-freezing measures are failing to achieve those aims, it would seem—this is important—very permissible in principle for measures of seizure to be adopted as a necessary and proportionate next step. They are not ruled out; they are by a natural extension. We must view international law as a movable process that is not set in stone. It has always been capable to shift international law by what nations agree. This is an important, feasible point. States are obliged under international law to take all necessary and proportionate steps to bring an end to a breach of peremptory norms of international law. That is important, because it sets the tone for why we may look at this carefully.

**Liam Byrne:** The right hon. Gentleman is making an excellent speech. Is he as perplexed as I am about why NATO allies have not sought to bring forward, for example, a motion at the United Nations that could help to crystallise that change in norms? If we are to effect, for example, the interpretation of immunity laws, he is absolutely right that norms need to change. One way to do that is through a vote at the United Nations, which I would have thought we could win.

**Sir Iain Duncan Smith:** I agree; we are probably all going to agree. We have talked about the military alliance, but now we are in the realms of the economic alliance, because that is really where we win the peace. We may yet win the war, but that is no good if we leave behind a shell of a country that is incapable of operation, democracy or even economic wellbeing. Winning the peace is as vital, and we need to be planning for it now; they did that during the second world war. It is worth reminding ourselves that by the end of that war, they were very clear about what they were going to do.

Whether it is NATO, an alliance, the G7 or whoever, it is important that we form a bloc on these matters and agree, although I know there is a little resistance to that elsewhere. Furthermore, I believe that international law is not fixed, but is capable of development. Although the leadership of the UN Security Council is foreclosed because of Russia’s power of veto, there could be sufficient development to allow adjustment of the boundaries of state immunity in customary international law to allow enforcement of such international awards. For example, international law permits state assets to be frozen without any international court’s adjudication. We did not need permission for it; we did it. The reason it is done is because an action has taken place. International law could be developed to allow seizure pursuant to such adjudication.

The UN General Assembly has already adopted a resolution calling on Russia to pay reparations, and there is no reason why regional bodies such as the EU or the Council of Europe—not just NATO, but other bodies that could come together and do this—could not adopt specific resolutions providing a pathway to compensation and enforcement. That point was also made by the right hon. Member for Birmingham, Hodge Hill.

Frankly, there would appear to be no obstacle in international law to a state that imposes sanctions on Russian assets making it a condition for release of those

sanctions that the Russian state honour any award made by the International Court of Justice or the European Court of Human Rights. This is another route that allows us to sanction Russia; if they fail to meet their requirements under the sanction, we simply seize their existing assets in balance with the sanctioning that was necessary. Overall, for those and many other reasons, the details of which I will not go through now, I think there is more scope for sanctioning.

It was Lord Bingham who said that the public policy consideration that had greatest claim on the loyalty of the law—this is really important—was that where there was a wrong, there should be a remedy. We must always be governed by that in law. That is why I believe it is wholly feasible for us now to start the process by which we may undertake the pathway to the potential seizure or subsequent seizure of Russian assets for reparations.

I will conclude by mentioning, as I did in a previous question to the Prime Minister, that I came back a few days ago from Ukraine. It was a privilege to be there, working with a remarkable charity that I have now supported twice in Ukraine, called Siobhan's Trust, which—in a classically British kind of way—just set off when Russia invaded Ukraine and went towards the danger. The people from that charity have been feeding those dispossessed of their properties and fleeing the war. They moved into Ukraine and have now moved down near the frontline, and they feed people there from pizza trucks. They have made over 1 million pizzas for people in Ukraine, and they produce joy and hope in people's hearts when they are there, as they wear what they call Ukrainian kilts and they put the boombox on. People's faces really lift when they see this peculiarly quixotic British crowd—who seem impervious to the idea that they are within the range of shell shot—having fun; it lifts their spirits and brings them great hope.

The thing I discovered while I was out there, and the one thing I know from having served, is that war is terrible. War is horrendous. War hurts those who are not directly involved in it—more, perhaps, than those who are. It is a terrible, terrible affair, to be avoided at almost all costs, except when justice must prevail. However, talking to the military and to some of the guys I saw down there near the front about their problems and issues, I must say to the right hon. Member for Birmingham, Hodge Hill that we still have so much more to do.

Ukraine is the frontline of NATO. There is no beating about the bush: if Ukraine fails on this, we all fail, and the repercussions, as the right hon. Gentleman said, will be terrible. Ukraine's war is already our war, whether we give it membership of NATO or not. It is our war. We started that when, much to Putin's shock, we stood by what we said we would do.

The war in Ukraine has exposed our own failure to understand what war fighting really means. The truth is that almost all of us in NATO have abandoned the idea of the sheer extent of a full-scale war. When I talked to the Ukrainian soldiers, the amount of ammunition they told me they use on a daily basis is astonishing. We have forgotten that, so we do not have stockpiles appropriate to fighting war, and we have to replenish those in double-quick time, because they need that ammunition. They are running short of artillery ammunition, not because we do not want to give it to them, but because so many of us do not have enough artillery ammunition to give them right now, having placed contracts only recently. America, by and large, has many more stockpiles

than we do, but it is a fact of life that if we wish to avoid war, we must prepare for it, and we simply have not prepared for it over the years to the extent we needed to.

The Ukrainians need that support. They need training; many of their soldiers get two or three weeks' training and then they are on the frontline. I swear to God, having been a soldier myself, that it takes a long time to understand proper fieldcraft, and the less someone knows, the more likely they are to be wounded or killed, because they will take the wrong decisions. I will not say exactly what is required, but I must talk to the Government about what they could do. Ukraine also faces conscription issues.

The reality is that Ukraine must win this war, but it needs us to be literally, as Roosevelt once said, the "arsenal of democracy". It is for us who are not on the frontline to supply those who are, so that they may achieve their goal of victory. With victory comes the second phase of reparations and restoration. We must be in that right to the finish, for if Ukraine fails first in the war, or fails subsequently in the peace, we will carry the blame for it, and rightly so. We will never be forgiven. I simply say to my right hon. Friend at the Dispatch Box, "This is our war. We must win it with them, or else we will all lose."

2.22 pm

**Ronnie Cowan** (Inverclyde) (SNP): I will not take up too much of the House's time, or repeat the arguments that have been eloquently put forward by previous speakers, but I would like to touch briefly on the finance aspect of the debate. It is a great irony that when we talk about murky finances and the war in Ukraine, we come back to issues of transparency in the UK time and again. The initial flurry of activity and enthusiasm to track down the wealth of sanctioned Russian elites has well and truly ground to a halt.

Where do we stand now? The Foreign Affairs Committee's report slammed the UK Government for needing a war to galvanise them into action, stating:

"The measures in the Economic Crime (Transparency and Enforcement) Act 2022...do not go far or fast enough" and fail to

"address the fundamental mismatch between the resources of law enforcement agencies and their targets."

The report also stated that, while Ministers had

"spoken eloquently...about the need to clamp down on kleptocrats, rhetoric has not been matched by constructive action."

A year on, it is hard to see what has changed. Corrupt money still flows into the United Kingdom and the UK Government seem to struggle to deal with allegations of corruption closer to home. The sad fact is that the so-called London laundromat was a national security issue long before the war in Ukraine, and it will continue to be one unless Westminster finally acts decisively. The UK sanctions regime should now move from being reactive to being proactive and preventive.

The SNP calls for the establishment of an independent illicit finance commissioner to monitor the presence of assets in the UK linked to human rights abusers. The UK cannot afford to be the weakest link in the western alliance's struggle against Russia's illicit finance for a single day longer. While other countries are taking strides to legislate for how frozen Russian assets can be legally seized, the UK Government have yet to make the leap from rhetoric to law making.

[Ronnie Cowan]

The forthcoming King's Speech should include new legislation to further crack down on illicit finance in the UK financial system. Transparency International has pointed out a number of key failings. The UK Government need to be publicly accountable for the measures they have taken, to get serious about targeting illicit wealth within their borders and to collect and release the data in a more systematic manner, enabling journalists, civil society and the wider public to evaluate their efforts. As one corrupt money flows expert at Transparency International said:

"The intermittently released figures on blocked assets may seem impressive but likely represent a small fraction of all Russian dirty money hidden across the world... Governments need to be honest about the challenges they face in tracing and seizing the assets. They also need to explain what's preventing them from pursuing further accountability measures—including confiscation—in relation to potentially illicit assets. This can help us better understand what reforms are needed."

Economic crime has been an afterthought for far too long. The National Crime Agency budget has declined in real terms by 4.5% over the past five years. Approximately 225,000 people work in policing in England and Wales, covering London, right at the centre of this mess, but just 1,700 of them—less than 1%—work on all types of economic crime. The UK Government could follow the lead of the Dutch Parliament and set up a trust fund based on seized money from Russia and Russian oligarchs to fund the Prime Minister's proposed Marshall plan to help rebuild Ukraine.

In the Republic of Ireland, property is frozen and subsequently forfeited if it appears to the court that a person is in possession or control of property that constitutes, directly or indirectly, proceeds of crime. The success of the Irish system stems partly from the resources provided to its Criminal Assets Bureau—something the UK has not traditionally been willing to do. The war in Ukraine has shown us that we need to close the loopholes, and we need to close them now.

2.27 pm

**Catherine West** (Hornsey and Wood Green) (Lab): I thank the hon. Member for Harwich and North Essex (Sir Bernard Jenkin) for bringing this motion before the House. I also thank the hon. Member for Rutland and Melton (Alicia Kearns), who is currently travelling, and the Foreign Affairs Committee for their efforts in authoring the report, which shines a light on the scourge of illicit finance that continues to erode our economic and political institutions, the impacts of which have been made all the more apparent by Putin's illegal and egregious war of aggression against Ukraine.

As was outlined in the integrated review of 2021 and reinforced in the refresh, Russia remains the UK's most acute threat. Our national security and that of our closest allies is intrinsically linked to the outcome of the war in Ukraine, and it remains incontrovertible that assets laundered through London and the UK are having a direct impact on the Kremlin's capacity to wage that war. Labour has been in lockstep with the Government all along on this question, and we will continue to be, should the Government bring forward further steps to strengthen the UK's position. However, we consider it our duty as an Opposition to make clear where we believe the Government need to do more, and today is a good example.

I wanted to focus on the NATO question, but we went through it quite thoroughly this morning. In light of the Prime Minister's challenge to us all to look back on what Mr Stoltenberg said at the conference and on page 4 of the report—I was making notes—perhaps collectively we should go back, look at the conference and its findings, and come back with a further strengthening of our position. I can guarantee that Labour will be in lockstep with the Government on this; I think both this debate and this morning's statement have shown that.

Let me address very briefly the matters that have been raised in the debate. My right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) outlined a number of concerns. He watches this issue closely and has been involved—together with my right hon. Friend the Member for Barking (Dame Margaret Hodge)—in these questions for many years in this House. It is imperative that the Government come forward as quickly as possible with the measures that are needed.

I extend my thanks to the charity that the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) mentioned. We all have examples of people who have come forward in the past couple of years and shown amazing compassion and strength. I know so many families in Hornsey and Wood Green who have opened their doors and had families stay, even beyond the six months. Even though the scheme was not perfect—we all knew that—it was fantastic to see our citizens come forward to help.

To move on to the substance of the FAC's report, it is clear that if the Government had introduced the necessary legislation in time, they could have stemmed the flow of illicit finance prior to Russia's full-scale invasion of Ukraine. However, kleptocrats and oligarchs have been emboldened, believing fundamentally that their vast wealth will be safe in London and that their assets will flourish. To go further on that thought, perhaps we could do more on the question of property and China, rather than waiting until tensions develop in that particular relationship.

The Labour party has been pressing the Government for action for years, and has raised the issue of illicit finance several times on the Floor of the House. In January, the shadow Foreign Secretary, my right hon. Friend the Member for Tottenham (Mr Lammy), made it clear that when we are in Government we will answer calls from the US and beyond to establish a transatlantic anti-corruption council to co-ordinate the international fight against corruption, money laundering and illicit finance. In a speech just this week at the Bingham Centre, my right hon. Friend announced that Labour would join calls for the establishment of an international anti-corruption court designed to prosecute the most egregious acts of corruption across the globe.

The FAC report illustrates that the measures adopted in the Economic Crime (Transparency and Enforcement) Act 2022 did not go far enough to tackle the problem. It states that the steps taken by the Government since February last year

"are not preventative but rather constitute damage limitation"—damage brought about by years of apathy on the issue. The new Economic Crime and Corporate Transparency Bill finally acts on some, but not all, of the promises in the Government's 2019 economic crime plan. Indeed, the six-month delay between the two pieces of legislation has allowed thousands more illicit companies to register.



We welcome the Bill, but it must go much further to ensure not just that we keep up, but that when it comes to cracking down on illicit finance, Britain holds the gold standard. It was therefore profoundly disappointing that in Committee back in January there was little in the way of movement from the Government, even when they struggled to find fault with our amendments and new clauses. Every single effort by Opposition parties to strengthen the Bill was met by resistance from Ministers, and every Opposition amendment that was pressed to a vote was defeated. As a result, Committee stage amounted to little more than a litany of missed opportunities, forcing us to return to those arguments once again in this debate, as we will no doubt have to do again during the Bill's remaining stages.

Although we welcome the fact that the Government have finally U-turned on introducing a corporate criminal liability offence, the Bill's provisions on Companies House and the supervision of third-party enablers, especially trusted company service providers, are too weak and do not match international standards. The Bill also fails to set out a strategy to recoup assets seized through economic crime enforcement and to compensate the victims. The right hon. Member for Chingford and Woodford Green mentioned righting a wrong—finding a remedy.

Indeed, although we also welcome the steps taken in the Bill on cryptocurrencies, what consideration is being given to sanctioning cryptocurrency mixers Tornado Cash and Blender? *[Interruption.]* It is not a cocktail! The US Treasury has sanctioned both; why have we not? Will the Government bring the UK into line with the US Treasury's approach? Putin and his cronies are more than capable of exploiting such gaps in our regime, so why are we so slow and allowing that to persist? That example is illustrative of the Government's strategy when it comes to tackling Russia here at home. The report outlines that well:

"Although Ministers have spoken eloquently in the House about the need to clamp down on kleptocrats, rhetoric has not been matched by constructive action. Meanwhile, corrupt money has continued to flow into the UK."

More broadly, even the limited progress that the legislation offers is hampered by the fact that the Government are not sufficiently resourcing the bodies tasked with enforcing the changes. The hon. Member for Inverclyde (Ronnie Cowan) went into the question of resource in detail, so I will not repeat that point, but the report finds that 0.042% of GDP is spent on funding national-level economic crime and enforcement bodies. As a result, money laundering prosecutions have dropped by 35% in the past five years.

**Liam Byrne:** My hon. Friend is making a brilliant speech. On her point about enforcement, one thing the Government could commit to this afternoon is the Prime Minister appointing a new anti-corruption tsar, which would help. Many of us in the House are grateful for the leadership of my right hon. Friend the Member for Barking (Dame Margaret Hodge), who is not in her place. She has written to the Prime Minister asking him to make that appointment. Surely that is something that the Minister could give us some good news about.

**Catherine West:** I will allow that message to pass straight across the Dispatch Box to the Minister so that she can answer it. That query was going to be in my concluding remarks, so now I will not need to repeat it.

Spotlight on Corruption highlights that the Bill "only funds the first two years of the plan",

so we need to plan for more and more finance, particularly as this sort of crime and online crime become more complex. Will the Minister outline how the Government will ensure that the plan has necessary funding to ensure that public investment matches the scale of the challenge that we face? The National Crime Agency, the Serious Fraud Office and other bodies urgently need further resourcing to row back years of inactivity in this area and to protect legitimate business and safeguard our national security.

We must also do far more to oppose those who seek to use their wealth to avoid scrutiny, skirt the law and remain beyond the reach of those who enforce it. We therefore welcome the fact that the Government are, through amendments to the Economic Crime and Corporate Transparency Bill, finally providing judges with greater powers to dismiss lawsuits designed purely to evade scrutiny and stifle freedom of speech. We in this House all followed the case of the excellent author Catherine Belton, who was taken to court on a frivolous basis, on one of those trumped-up charges, and suffered a great deal of distress as a result.

In January, revelations came to light that in 2021, the Treasury, which was then under the leadership of the current Prime Minister, issued special licences allowing Wagner Group warlord Yevgeny Prigozhin to circumvent sanctions issued before Putin's illegal invasion of Ukraine and to level legal proceedings against a UK journalist. That highlights fundamental problems in the Government's competence—not only on SLAPPs, but in their seemingly flippant issuing of general licences and exemptions to our sanctions regime, with virtually no ministerial oversight. As my right hon. Friend the Member for Barking made clear in a letter to the Prime Minister, and as my right hon. Friend the Member for Birmingham, Hodge Hill reminded us, it has now been 400 days since the Government's anti-corruption champion resigned.

Labour will continue to push the Government on the full seizure and repurposing of Russian state assets. There has been little or no movement from the Government on that issue in more than 500 days, despite our Opposition day motion of three weeks ago setting out the means to do so, and despite the fact that our allies are finding the courage to forge ahead. We must keep up. When can we expect the Government to introduce legislation that would allow the repurposing of Russian state assets? The Canadians have already done it; when will the UK Government catch up?

That issue is coupled with the challenge of closing loopholes in our regime that still allow the prohibitions established in secondary legislation to be circumvented. I understand that the Minister will write to the shadow Minister, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), after he raised at a statutory instrument Committee on Monday the question of the continued flow of Russian oil.

Fundamentally, the FAC report catalogues a litany of errors and shortfalls, and illustrates the extent of the Government's sluggishness in bringing forward legislation fit to tackle the challenges that it outlines. We support the steps taken in the Economic Crime Act and the Economic Crime and Corporate Transparency Bill, which has been in the other place, but changes in the law must be accompanied by a decisive shift in culture on tackling

[Catherine West]

illicit finance, on Government proactiveness, and on authorities having the means, resources and focus to tackle the issues at their core.

I thank all colleagues for their contributions, and particularly the Foreign Affairs Committee for its forensic and fair appraisal of the UK's performance in this area. Positive steps have been taken, and we welcome them. We have made it clear that we will support the Government where we believe they are getting it right, but progress cannot now beget apathy and complacency. There is a long way to go to expunge dirty money from this country entirely. We owe it to the people of Ukraine to tear such finances from our institutions root and stem.

I hope that the Minister has heard the views of colleagues and will provide assurances that the Government will not take their foot off the pedal when our priority must be to build on the progress that has been made.

2.39 pm

**The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan):** I am grateful to my hon. Friend the Member for Harwich and North Essex (Sir Bernard Jenkin) and the Backbench Business Committee for securing the debate. I also thank all Members for their insightful contributions and questions and all contributors to the Foreign Affairs Committee's inquiry. I understand that the Committee's members are travelling and therefore not able to be with us today. My hon. Friend the Minister for Europe would have been delighted to take part in the debate, as it is his brief, but he is unavailable. It is my pleasure to respond on behalf of the Government.

When Putin launched this awful, illegal war, he gambled that our resolve would falter, but he was wrong then, and he is wrong now. Russia's military is failing on the battlefield, with the counter-offensive making increasing progress—Ukraine has gained more ground in the last month than Russia has in the last year. Russia's economy is failing at home, as we tighten the stranglehold of sanctions. The image of the NATO leaders standing shoulder to shoulder with President Zelensky in Vilnius yesterday sent a powerful message to the world: we will stand with Ukraine for as long as it takes.

When the Prime Minister met President Zelensky at NATO yesterday, he paid tribute to the courage and bravery of Ukraine's armed forces on the frontlines, and they discussed the increasing progress of the counter-offensive. The Prime Minister outlined a new package of UK support for Ukraine, including thousands of additional rounds of Challenger 2 ammunition, more than 70 combat and logistics vehicles and a £50 million support package for equipment repair, as well as the establishment of a new military rehabilitation centre.

I am incredibly proud of the UK's role at the forefront of international support for Ukraine. In this debate and in the Prime Minister's statement earlier today, Members have reflected the extraordinary sense of purpose we have as UK citizens in support of the Ukrainians and their incredible bravery. Our military, humanitarian and economic support to Ukraine so far amounts to over £9.3 billion. We gave £2.3 billion in military aid last year, second only to the United States, and we will match that this year. The UK was the first country in the world to train Ukrainian troops, the first in Europe

to provide lethal weapons, the first to commit tanks and the first to provide long-range missiles, and we are at the forefront of a coalition to train and equip the Ukrainian air force.

Our humanitarian assistance, delivered through the Government of Ukraine, the UN, non-governmental organisations and the International Committee of the Red Cross, is saving lives and helping to protect the most vulnerable, including women and children, the elderly and those with disabilities. The UK has committed £347 million of humanitarian assistance since February 2022, and we have helped to reach over 15.8 million people in need during this crisis. Our economic support includes over £1.7 billion in fiscal support to Ukraine, including approximately £1.65 billion in guarantees for World Bank and European Bank for Reconstruction and Development lending and £74 million in direct budgetary assistance.

The international community is united in supporting Ukraine, and our diplomatic response has been broad and comprehensive. We continue to work to strengthen NATO. It is in everyone's interest for Sweden to join; its accession makes us all safer. Ukraine's future place is in NATO, and it has already taken steps toward membership.

**Dominic Raab (Esher and Walton) (Con):** The Government have done an excellent job and shown real leadership on Ukraine. My right hon. Friend mentioned Sweden joining NATO. As important as that is, given its assets—submarines and fighter pilots—it is also telling that the UK and others have persuaded Turkey to remove its veto, coaxing it back into the fold. The truth is that to outlast Putin, we do not just need to rely on the support we already have; we have to grow it, and that was a good example of a big win for UK diplomacy and the wider NATO alliance.

**Anne-Marie Trevelyan:** My right hon. Friend is absolutely right. His efforts over a number of years while serving in the Government have helped to build that coalition of support and that confidence to enable Sweden to get to this point. Indeed, Finland is now a member of NATO.

Ukraine's future place will also be in NATO, and the steps towards membership are now taking place. When allies agree and conditions are met, we will be in a position to extend a formal invitation to Ukraine. As the hon. Member for Hornsey and Wood Green (Catherine West) pointed out, and as the Prime Minister highlighted today—we can read the full detail in the Vilnius communiqué—the requirement for a membership action plan, for instance, has been dispensed with, which can speed up the process.

Members raised the question of Georgia's potential accession to NATO. The UK supports Georgia joining NATO, as agreed at the Bucharest summit in 2008. We are taking steps with allies to develop the capabilities of Georgia and to prepare it for membership through a comprehensive support package, in concert with other NATO allies.

I turn to the issue of sanctions and to the Foreign Affairs Committee's report on illicit finance. I thank all contributors to the Committee's report, which is very thorough. We have co-ordinated sanctions with our international allies to impose a serious cost on Putin for his imperial ambitions. More than 60% of Putin's war chest of foreign reserves has been immobilised, worth

£275 billion. Our own sanctions package is the largest and most severe we have ever imposed on a major economy, and it is undermining Russia's war effort.

Following her question about the cocktail of cryptocurrencies, I can confirm to the hon. Member for Hornsey and Wood Green that we are actively monitoring the use of cryptoassets to detect potential instances of sanctions evasion. The use of cryptoassets to circumvent economic sanctions is a criminal offence under the Sanctions and Anti-Money Laundering Act 2018. As she pointed out, they are complex instruments, and the teams work hard on that. That is already under close review.

Reacting quickly to the invasion of Ukraine, we enacted the Economic Crime (Transparency and Enforcement) Act 2022, sanctioning over 1,600 individuals and entities and freezing £18 billion of Russian assets. We will continue to bear down on kleptocrats, criminals and terrorists who abuse our open economy through our new Economic Crime and Corporate Transparency Bill, and we will ensure that dirty money has nowhere to hide at home or overseas.

**Sir Iain Duncan Smith:** I am grateful to my right hon. Friend for her comments, but I want to test this further. Are the Government reviewing carefully whether those frozen assets could be seized and used for reparations, or do they consider that that is not feasible and therefore are not doing anything about it?

**Anne-Marie Trevelyan:** If my right hon. Friend will give me a moment, I shall attempt to answer that question in due course.

**Liam Byrne:** I am grateful to the Minister for giving way; she is being characteristically generous. Could she tell the House whether that bearing down on economic criminals will include Government acceptance of the excellent amendments tabled by Lord Agnew in the other place, which have widespread support in this House?

**Anne-Marie Trevelyan:** The right hon. Member will know that I am unable to answer that at this point—it is a question for the Leader of the House—but I have no doubt that it has been heard and that the cross-party support for that measure has been duly noted.

We are working closely with our international partners to address the impact of Russia's war on global food prices and food security for the world's poorest. That includes working to keep exports of Ukrainian grain flowing through the UN Black sea grain initiative, which has helped more than 32 million tonnes of grain and other foodstuffs to reach countries around the world.

To respond to the point that my right hon. Friend the Member for Esher and Walton (Dominic Raab) made about Turkey's commitment—that country's assistance in keeping that grain initiative flowing despite the continued challenges—we should all commend its efforts, quietly and behind the scenes, to make sure that those flows of food can continue. Its commitment has been exemplary.

Russia continues to delay and obstruct inspections of ships, but food cannot be a weapon. It is reprehensible that Russia is threatening not to extend the deal, which would increase food prices for the world's poorest, so the UK is supporting Turkey and the UN in their very focused efforts to ensure that the initiative can continue

unimpeded, and to renew the grain deal beyond 17 July. Just yesterday, the UN Secretary-General sent a further proposal to Russia to address concerns over the export of Russian food and fertiliser. The UN offer on the table will give stability to both the Black sea grain initiative and Russian agricultural exports, helping to provide easier access to food across the world.

**Sir Iain Duncan Smith:** Forgive me—my right hon. Friend is being generous with her time. It suddenly struck me that a year ago, when the blockade was on and Ukraine could not get the grain out, there was serious discussion, even at NATO level, that in response it might be feasible—and that this could be made known to Putin—that if Russia failed to allow that grain to go through peacefully, it could be conveyed through by members of NATO, but not as a NATO exercise. Are the Government keeping that possibility open? It might be a good idea to let Putin know that it may well be possible to convoy those ships from Odessa through to the wider world.

**Anne-Marie Trevelyan:** I thank my right hon. Friend for his intervention. Turkey, in particular, is making incredible efforts and has continuing negotiations and conversations as a close neighbour and the guardian of the Dardanelles—that critical piece of water through which all these ships have to pass. It is clearly managing that situation, and we continue to support Turkey's efforts to find ongoing solutions. My right hon. Friend the Foreign Secretary will be chairing a session of the UN Security Council next week to discuss exactly these issues—the impacts of the war, both in Ukraine and across the world.

Turning to an issue that colleagues are rightly focused on, we are of course looking to the future while dealing with the present-day challenges of supporting the Ukrainians as they prosecute the war. We are supporting the office of Ukraine's prosecutor general to help it investigate and prosecute alleged war crimes. The UK provided £2.5 million of funding to support Ukraine's domestic investigations and prosecutions in 2022, and we intend to provide similar levels of funding this year. We welcome the steps taken by the independent International Criminal Court to hold those at the top of the Russian regime to account, including Vladimir Putin. We have provided an additional £2 million to the ICC for evidence collection and support for victims and witnesses, and in May, along with 40 other states, we signed an agreement to create a new international register of damage caused by Russian aggression against Ukraine. That is an important step in the pursuit of justice for the Ukrainian people.

Just a few weeks ago, in June, we co-hosted with our Ukrainian friends the 2023 Ukraine recovery conference here in London. That conference raised over \$60 billion, including a new €50 billion EU facility and \$3 billion in UK guarantees to World Bank lending. Almost 500 companies from 42 countries, worth more than \$5.2 trillion, pledged to back Ukraine's reconstruction through the Ukraine business compact. The conference also agreed to forge a new G7+ clean energy partnership to help Ukraine rebuild a net zero energy system connected to Europe.

Members rightly want to see continued sanctions, asset freezes and travel bans during this very difficult time. Just last week, I was proud to bring in new



[Anne-Marie Trevelyan]

legislation that will enable sanctions to be maintained until Moscow pays compensation for the reconstruction of Ukraine and a route is developed for Ukrainian reconstruction. We will, of course, also be creating a route to allow individuals to voluntarily hand over those assets of theirs that are presently frozen into a fund to support reconstruction. That will be a one-way ticket: if those people feel that they have realised the error of their ways, it will be an opportunity for them to support Ukraine's reconstruction.

**Liam Byrne:** I am grateful to the Minister, because I do not think the House had had a chance to cross-examine her on that point. Is she saying that sanctions will remain in place until Russia has stumped up the full bill for reconstruction, and if so, what are the expectations of the amount that Russia will need to pay in order to get those sanctions lifted?

**Anne-Marie Trevelyan:** The right hon. Member asks an important question. Sadly, that figure grows day by day—I think the latest assessments are that something like \$400 billion is expected for the reconstruction, but as the war goes on, that figure is likely to grow as more infrastructure is damaged. Greater reparations would be required to help Ukraine get back on her feet completely, but the new legislation will enable existing sanctions to stay in place until agreements on that compensation payment are reached. Discussions about what that might look like will continue in due course.

**Sir Iain Duncan Smith:** Again, I apologise for breaking the Minister's train of thought, but can I take her back to a comment I made earlier? It is believed categorically, whatever else we do about the seizure of assets, that it is wholly feasible for the alliance, or each country in turn, to agree to say to Russia, whenever we end hostilities, that what is owed by Russia is x amount, that we have frozen x plus whatever amount, and that we will hold that amount frozen until Russia delivers what is required of it in reparations for the rebuilding and reconstitution of Ukraine. Failing any assistance on that, we will seize those assets as a result of its failure to pay what is agreed to be the reparation bill. That is completely feasible within international law and does not require any great change. Is the Foreign Office seriously thinking about that as a very clear position at this stage?

**Anne-Marie Trevelyan:** My right hon. Friend raises such an important point. Of course, discussions with international partners will continue, to ensure that when we reach such a point—we must first help the Ukrainians to win and end this terrible war—those solutions can be put in place and, indeed, whatever the figure is can be reached. However, by bringing through the legislation last week, we have enabled one further step in ensuring that we stop any of the funds that are presently sanctioned from being released.

Importantly, on enforcement, which was raised by a number of colleagues, we have committed £50 million, following through from the integrated review refresh, to improve the enforcement of the sanctions regime. That will help us work with key partners to build both the capacity and capability to ensure that we can and do enforce the sanctions that are in place. The new G7

enforcement co-ordination mechanism, which was announced at the G7 summit just a few weeks ago, will enable the international community to tackle sanctions enforcement more effectively together.

In conclusion, I know that this House will join me in calling on Putin to withdraw Russian forces from Ukrainian territory and end this barbaric war.

**Ronnie Cowan:** I have a small point to make, just before the Minister brings the debate to a conclusion. I fully understand why we are looking at ending the war in Ukraine, freeing it from the yoke of Russia and helping it rebuild itself, but can she please assure me about this? In a global perspective, the same figures we are talking about here could be used to fund the UK's diplomatic service, foreign embassies and trade deals, which all help us maintain peace globally, but no matter how much money we throw at that, it is a pittance compared with the cost of war, with both the financial and humanitarian costs.

**Anne-Marie Trevelyan:** As the hon. Member rightly says, our focus must be on providing in every way we can, with our international allies, all the tools needed to support the Ukrainians in their incredibly brave battle to win this war. In doing that, we will be able to support them to return to peaceful day-to-day life, so that their young people can see an exciting future as free Ukrainians once again.

Importantly—and we always hope Mr Putin is listening to understand just how seriously we see this—when he launched this war he genuinely gambled that our resolve would somehow falter, but he was wrong then and he is wrong now. For instance, my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) mentioned the wonderful young people who support the incredible positive work of Siobhan's Trust, with the simplicity of saying, "We will bring you a pizza while you are on the frontline, just to give you the moral support to keep you going while doing that hardest of jobs in defending your families and your territory." The positivity from our young people and so many others from across the world going into supporting Ukrainians makes it as clear as it can be that we will all stand alongside those incredibly brave Ukrainians until such time as they win. We will not waver because they will not waver. Their bravery is absolutely extraordinary. NATO is not to be divided. We will not tire, and we will continue until justice is seen for Ukraine.

**Mr Deputy Speaker (Mr Nigel Evans):** With the last two minutes to wind up, I call Sir Bernard Jenkin.

2.59 pm

**Sir Bernard Jenkin:** Every day I wake, I thank the Lord that I am not caught up in a war. Each of us should do that. It is the most solemn duty of Government to protect our people from the prospect and threat of war. It has been my honour to put this motion on the Order Paper on behalf of the Liaison Committee, and I thank all members of that Committee for their support. I also thank all those who have participated in the debate. It has not been a debate wracked by dispute and contention; it has been a consensual afternoon. I hope that there is no need to divide the House on the motion and that, by the time I sit down, the House of Commons will have spoken for the people of Ukraine, for the global peace

and security that this country can contribute to the world, and for the safety and security of our own people, their prosperity and prospects. I believe that, despite this being a quiet little debate, it is quite an important occasion for the House of Commons. Thank you very much, Mr Deputy Speaker.

*Question put and agreed to.*

*Resolved,*

That this House notes the Second Report of the Foreign Affairs Committee, *The cost of complacency: illicit finance and the war in Ukraine*, HC 168, and the other work by Committees of this House on the war in Ukraine; affirms UK support for the government and armed forces of Ukraine in the defence of their country against the illegal and unprovoked invasion by President Putin's military forces; is deeply concerned at the suppression of democratic freedoms to the detriment of the Russian people and utterly condemns President Putin's war of aggression; reaffirms the UK's steadfast support for NATO and the security of the UK's allies and supports Sweden's swift accession to the alliance; and therefore urges the Government to continue and accelerate its support for the Ukrainian armed forces through the provision of weaponry and training, and through rallying international opinion and action in support of Ukraine, until the Russian armed forces have been expelled from all Ukrainian sovereign territory as recognised in international law.

## Health and Social Care Workforce

3 pm

**Steve Brine** (Winchester) (Con): I beg to move,

That this House has considered the Third Report of the Health and Social Care Committee, *Workforce: recruitment, training and retention in health and social care*, HC 115, published on 25 July 2022, and the Government response, HC 1289, published on 24 April 2023.

Today's debate could not come at a more timely moment, although when I wrote that line, I did not realise that it would be at an even more timely moment, given the news that we had this lunchtime about the Government accepting the pay review bodies' recommendations across the public sector. As I said earlier in the House, I welcome that very much and think it is a fair and proportionate response on behalf of the whole economy and all taxpayers. The Government, of course, have to see things in the round. I hope that all unions in the health space will show the same response that we have seen initially from the main teaching unions. I urge them to do that.

Last week we marked the 75th anniversary of the NHS, and the week before that the Government published the much anticipated "NHS Long Term Workforce Plan". It was very much welcomed. Some 46 organisations posted messages of support for it, so I think it landed well. In the context of the last fortnight, this is therefore a good moment to look back at what the Health and Social Care Committee, which I chair, recommended in our major report last year on workforce issues, and to look forward to see how many of those recommendations have been taken up in the new workforce plan, and what remains to be done.

This follows hot on the heels of our topical evidence session yesterday, where we heard some initial views about the plan from stakeholders; we put some of the already emerging questions to them and to the medical director of NHS England, Professor Stephen Powis. We are particularly grateful to the former doctor and author Adam Kay for coming and speaking to us, and to Alex Whitfield, chief executive of Hampshire Hospitals NHS Foundation Trust, which runs the Royal Hampshire County Hospital in my constituency. I thank them for coming in. The Committee's workforce report was published nearly 12 months ago, at the end of July 2022. It was the result of a wide-ranging and in-depth inquiry looking at workforce issues, including recruitment, training and retention across the health and social care sectors. I pay tribute to my right hon. Friend the Member for South West Surrey (Jeremy Hunt), the current Chancellor of the Exchequer, for his work then chairing the Committee and since.

As ever, we are as one, and I endorse every one of our report's findings. That is because it was the result of more than 150 written submissions and an extensive range of oral evidence witnesses from across the health and care sector, who put together the report. Its main conclusions were stark. The report found that the NHS and social care sector is facing the greatest workforce crisis in its history. It noted that, in September 2021, the NHS was advertising just over 99,000 vacant posts and for social care the figure was 105,000.

**Daisy Cooper** (St Albans) (LD) *rose—*

**Catherine West** (Hornsey and Wood Green) (Lab) *rose—*

**Steve Brine:** Such a choice. I give way to the hon. Member for Hornsey and Wood Green (Catherine West).

**Catherine West:** I thank the hon. Gentleman for securing this debate at such an important moment, when waiting lists are at record levels, if the press are to be believed. Does he agree that we need urgent improvements in the way the workforce from abroad are employed? Some really exploitative practices are going on out there in certain care homes. Does he agree that that needs to be tackled urgently?

**Steve Brine:** Anybody employed in health and care should be treated properly and with respect, and they should be welcomed to this country with thanks for the work they are doing. If the hon. Lady has specific examples of something—I am guessing she may have from her intervention—I ask her to please speak in the debate and put them on the record.

**Daisy Cooper:** I thank the hon. Gentleman for securing this debate, and I thank him and the Committee for doing the work on the report. He notes that the issues in social care are regrettably much worse than they have been before. He will know that, on 30 June, nine NHS leaders wrote to the Prime Minister calling for a workforce plan for social care. The Royal College of Nursing and others have called for it, too, including my party, the Liberal Democrats. Does he as the Chair of the Committee or the Committee as a whole have a view on that? I know that the Health Secretary has said that the workforces are different, but I wonder whether the Committee has a view.

**Steve Brine:** We very much do. I will come on to that, but I am happy to address the point straightaway. In getting the NHS workforce plan out, there were four people in that marriage: No. 10, No. 11, the Department and NHS England. The idea of producing another workforce plan for social care causes some degree of deep sigh. That said, it has to be done. When I was at NHSConfedExpo in Manchester last month talking about our integrated care systems inquiry, Patricia Hewitt, the former Labour Health Secretary, and I were talking about all these issues and there is no question: there was a huge response from the room in wanting to see a care plan alongside an NHS plan. The Minister for Social Care is on the Treasury Bench, so she will have heard this exchange. A care plan is even more difficult than the NHS workforce plan, because the vast majority of services in that sector are not delivered by the state. However, just because something is difficult—I could mention the five priorities—it does not mean they do not need doing.

I was just touching on the vacant posts, and both figures have got worse since the report was published. We think there were some 112,000 or so vacant NHS posts in England in March this year. The inquiry that led to our report found that almost every healthcare profession was facing shortages. The impact of that workforce crisis was also clear to see. The report cited, for example, that the waiting list for hospital treatment had risen to nearly 6.5 million in April last year. That waiting list stood at 7.4 million by April this year, and I dare say the strike action in recent months has not helped. I say, “I dare say”, but I know it has not helped, and the figures speak for themselves, which is why I reiterate my call for them, in the Prime Minister’s words this lunchtime, to “know when to say yes”

to the pay offer that has been made as a final offer today.

The Committee’s report was critical of the Government’s reluctance to act decisively and noted that a workforce plan promised in spring 2022 still had not materialised. It recommended in no uncertain terms that the Government produce

“objective, transparent and independently audited”

plans with workforce projections covering the short, medium and long terms. The reason I stress “audited” is that the House will remember that the now Chancellor and I were among those who voted in favour of an independently audited workforce plan when the Health and Care Act 2022 went through this House. It is credit to the Chancellor that he has driven that agenda through in government. It was announced a couple of weeks ago that the National Audit Office would now do that assessment. We look forward to that and we as a Select Committee will offer the NAO any help we can. It is what we called for.

I am delighted that the NHS long-term workforce plan was published at the end of last month and is here. It is no coincidence that that happened once my predecessor as Chair entered the Treasury as Chancellor. It is a huge moment for the NHS, a big moment for patients and a good moment for patient safety. Patients lie at the heart of the Chancellor wishing to drive it through.

There are caveats, of course, as there always are with me. For example, the Committee called for workforce plans for public health and for social care, as was raised in my exchange with the hon. Member for St Albans (Daisy Cooper). For what it is worth, as I have said in the House before, I think the Government were right to resist the constant tedious calls from people—including me—to get on and publish the plan, because in fact the most important thing was to get it right. I have spoken about the four organisations in that marriage, and I do not underestimate how difficult it was to get the workforce plan out. Now that it is out, we can scrutinise it—of course, that is part of what we are doing today. I know that it takes time to get these things done and it was right that the Government took their time.

The plan is a real sign of hope for patients and for families. There is also hope for the staff who work in the NHS. Our report noted that the pressures on the workforce were having a “real human impact” on the people working in the service, and they still are. It pointed to the fact that

“In August 2021 alone, the NHS lost two million full-time equivalent days to sickness, including more than 560,000 days to anxiety, stress, depression”

and other mental disorders. Adam Kay, who has written movingly about his decision to leave medicine, spoke powerfully about that to the Select Committee yesterday. I refer the House to the transcript of that, if people are interested.

The talk of burnout has become commonplace. Aside from the obvious human impact, the result is a massive impact on retention. That is a vicious circle, which increases the pressure on those who remain working in the service. People can now see the hope part of what I am saying: the cavalry is coming over the hill and there is a plan. That in itself can make a difference. The pay settlement today along with the pension announcement in the Budget and the long-term workforce plan should be seen as a package of measures that I hope gives the workforce some hope that there are better times ahead.



**John Redwood** (Wokingham) (Con): I am alarmed, as my hon. Friend is, about the 9.1% annual loss of staff, which is a high loss rate by any standard and implies that something is wrong with the jobs or leadership. Do he and the Committee think that a lot more work needs to be done on job descriptions, job feasibility and support for people in their roles so that these jobs are perceived to be of greater value by people and they do not want to leave? Otherwise, we have the extra costs of training somebody new.

**Steve Brine:** Yes. There is a part of the workforce plan, which the Select Committee discussed a little yesterday, which talks about how, every year, every member of staff should have a conversation with their employers about their pension arrangements and mental health and wellbeing. That is fantastic. I am sceptical as to how it is remotely possible in an organisation of this size. That does not mean that I do not think the ambition is right—I think that it is right—but it would be helpful to the House if the Minister touched on that in her wind-up.

The other point I make to my right hon. Friend, which I will also make later in my speech, is that we must remember that there are NHS employers, and ultimately the Government are the employer in the widest possible sense, but the direct employer when it comes to hospitals is the trusts, and they have a big role to play in retention and in workforce health and wellbeing. We sometimes duck away from saying that, but I say that here in the House as well as privately to the chief executive of my trust.

I am encouraged by the emphasis that the workforce plan places on prevention, which everybody knows is one of my great passions in life and politics. That will clearly be crucial, given the supply and demand challenges facing the health service at the moment. Prevention is, as colleagues know, a subject dear and close to the work of the Select Committee: we have launched a major inquiry into the prevention of ill health, with 10 workstreams. We have already done the vaccination workstream and have moved on to the healthy places—home and work—workstream. Details of that are available on the Health and Social Care Committee's website.

Let me turn to some of the specifics in the Committee's report and what action the Government have taken. One of our key recommendations was that

“the number of medical school places in the UK should be increased by 5,000 from around 9,500 per year to 14,500.”

The plan does that: it doubles medical school training places in England to 15,000 by 2031-32, which is extremely welcome. As I said to the Prime Minister last week at the Liaison Committee, I hope it is possible to make some of those new places available before September 2025, as it says in the plan. However, with a UCAS deadline of mid-October for a September 2024 start, that looks extremely challenging. We discussed that yesterday at the Select Committee. An update from the Minister on that would be welcome.

**Mr Robin Walker** (Worcester) (Con): I congratulate my hon. Friend on his report. On the issue of making places available, the report talks about the 2018 to 2020 university cohort and the great success of those new university medical schools. The Government's response echoes that. The university medical schools approved

by the GMC since currently have no funded places, though they are open and are receiving students. Does he agree that it would be very welcome if there were some funded places available in those three new medical schools by the earlier deadline that he has suggested?

**Steve Brine:** I thank the Chair of the Education Committee for being a guest at yesterday's session with the medical director of NHS England in our workforce special. He is right. The Prime Minister told me at the Liaison Committee, and the medical director said yesterday, that it will take time to scale up. Yesterday, the GMC chief executive talked about training capacity in scaling up the medical places. That is right and needs to be done. However, where the medical schools are ready—even with fairly modest numbers—for September '24, it would be an incredibly good signal of intent from the Government to allow them to start then. The money is front-loaded, so the fiscal cycle should allow that to happen. Knowing my hon. Friend, he will not let this one go. I thank him for raising it.

**John Redwood:** I see why there may be difficulties speeding up between 2022 and 2025, although, like the other contributors, I urge the Government to do all that they can. It is also the case that much faster progress is expected between 2028 and 2031 than between 2025 and 2028. I would have thought it possible to bring some of that forward, which would be welcome for future managers of the NHS.

**Steve Brine:** I see no reason why not. I am always open to argument from Government Members, but in so many parts of our workforce economy, there is a shortage of people wanting to do certain roles. That is not the case for people wanting to go to medical school. I am constantly contacted by people from around the country, and certainly in my area of Winchester and Chandler's Ford. Many children—often those of serving medics—who are straight A students want to go to medical school but cannot because there are no places. We have made the mental leap to put the places there, and bringing them forward must be possible. The Minister knows that we are on the case, and I place that challenge before her.

On medical degrees, the plan also talks about NHS England working with the GMC. We heard from its chief executive Charlie Massey yesterday about consulting on the introduction of four-year medical degrees. The Committee explored the idea of shortening training periods in its original report; principally that was in the context of postgraduate training, but I fully support it. We currently take international graduates from all over the world where there are much shorter undergraduate training programmes than in the UK. As long as the GMC standards are met, I am very supportive of shortening the medical degree. I have spoken directly and on the record to the chief executive of the GMC about it. Obviously, quality and safety must be paramount, but as long as it is satisfied with the medical licensing certificates that it will issue, we should embrace that, and I am pleased to see it in the report.

I am also encouraged by the emphasis that the plan places on apprenticeships, with a commitment to providing 22% of all training for clinical staff through apprenticeship routes by 2031-32. That is up from just 7% today. In our

[Steve Brine]

related report on the future of general practice—because everything comes back to workforce—we called for the Government to provide the funding necessary to create 1,000 additional GP training places each year. The plan pledges to increase the number GP training places by 50%, to 6,000, by 2031-32. Box ticked, win—thank you.

Our workforce report called for reforms to the NHS pension scheme to prevent senior staff from reducing their hours and retiring early—again, a win. The Government have listened to the Committee. Obviously, that was announced in the spring Budget this year and is incredibly welcome. It was the No. 1 ask of the British Medical Association and we responded—something I hope it will remember over the coming days. I also hope the Opposition will come around to supporting it as well. Maybe when the Opposition spokesman has her say today she might reflect on the changes to pensions in the Budget, because they have been welcomed across the health sector.

The plan makes it clear that NHS England will work with the Government to deliver actions to modernise the NHS pension scheme—there is a specific section on that—and that the Department will introduce reforms to the legacy pension scheme, so that staff can partially retire or return to work more easily. That will make a big difference to some staff, including the consultant reconstructive surgeon who gave evidence to our original inquiry. He described his retirement happening “almost against his will” as a result of pension taxes. He said the NHS was “haemorrhaging senior staff” over pension concerns. I am therefore really pleased that the issue is being addressed.

I meet two or three times a year with the presidents of all the royal colleges in my role as Chair of the Select Committee. I wondered whether it might take a while for the announcement in the spring Budget to feed through, but within weeks of the announcement being made, a number of them were reporting to me—I had asked them directly about this—that it had already moved the dial in terms of people making different decisions about leaving the service, so I think that is a good one.

I think the training bit of the plan is incredibly strong—I have given some examples—but on retention, I think the report is “could do better”, as it said in my school reports. We recommended that there should be a review of flexible working arrangements in all trusts, with a view to ensuring that all NHS staff have similar flexibilities in their working arrangements to those employed as locum or agency staff. The plan talks about a renewed focus on retention with improved flexible working options. Although there is clearly a lot of detail still to come, I was pleased to see that on this point, the Government are listening to the Committee. However, we still need more detail on that and on how it ties in with the childcare changes, for instance, that were announced recently in the Budget.

**Daisy Cooper:** I am grateful to the hon. Member for giving way again. I could not agree with him more on the point about retention. We hear a lot about recruitment, but fundamentally we cannot recruit our way out of a retention crisis, which is what we have right across the NHS workforce. Does he agree that we need measures for retention very urgently in the sphere of general

practice? The Government rightly say that they are recruiting more GPs than ever before, but we have a bit of a “one in, one out” situation, where the bucket is very leaky and for every GP we are recruiting, another one leaves. We need retention measures right across the board, but very specifically in general practice if we are to recruit more GPs to fix the front door to the NHS.

**Steve Brine:** Yes. One witness at our session yesterday said that the tap is well and truly on but the plug is still half out, which is a very good way of putting it. The recovery plan for primary care published a few months ago is really strong. It is really positive: it talks about wider primary care roles and it has been created in conjunction with the Royal College of General Practitioners. We need to see a fast-paced roll-out of that plan. We need the extra money for community pharmacies to move through the contract fast, so that it moves the dial even faster, because that is critical to the retention of general practice staff, and it is also critical to this winter being better than last. So, yes—point taken.

Another important point to note about the workforce plan is that it is iterative, so it will be refreshed every two years. I guess there are two ways of looking at that and I would appreciate the Minister's comments. I understand it is at the Treasury's insistence that it is looked at every two years, which is fine. We can look at it two ways: either the Treasury wants to make sure the plan is ambitious enough and, if necessary, that it is more ambitious so it can put more funding behind its next iteration, or—to look at it the half-empty way—the Treasury may wish to trim back. It is very important that the Department, Ministers and the House make sure that it is the former. The iterative side of the plan is important, and while we are still in the early stages, it is also important that the plan starts to deliver quickly in a practical way for people on the ground. That is why I said what I did about working with the primary care plan.

One of the possible risks to delivery—there are a few, because the plan contains big assumptions and models of numbers—is that the plan is based on a pretty ambitious labour productivity assumption of 1.5% to 2%. During the statement when the plan was put forward, somebody in the Opposition—it may have been the Opposition Front Bencher, the hon. Member for Bristol South (Karin Smyth)—said that the NHS has struggled to achieve that kind of productivity gear change in the past, so achieving it now will be a challenge. That does not mean that it is not the right thing to do, but I would like to understand from the Government what will happen to the projections in the plan—not necessarily today, but as we go forward—if the productivity assessment is not achieved.

**Catherine West:** What assessment have the hon. Member and the Committee made of the iterative process and the Treasury's assumptions, building in the ageing workforce and the acute nature of mental health needs among the younger population?

**Steve Brine:** We have not done that yet, but I merely put down a marker today that I hope there will be a review process, so that we can be even more ambitious. If we were to write a risk register for the plan, I would suggest that one part of that register could be the productivity challenge, which the NHS has long struggled with.

Let me turn to social care. In many ways, the picture there is more challenging. The Committee's report notes Care England's finding that in December 2021,

"95% of care providers were struggling to recruit staff, and 75% were struggling to retain their existing staff."

The report concluded:

"Care workers often find themselves in under-paid roles which do not reflect the value to society of the service they provide. Without the creation of meaningful professional development structures, and better contracts with improved pay and training, social care will remain a career of limited attraction"—

not poor attraction, because many people want to do it—

"even when it is desperately needed."

I know that the Minister is passionate about this issue and that she will give a passionate response today. We noted, however, that health and social care services are obviously interdependent, and if efforts in the plan to tackle the challenges in the NHS are to be successful, capacity needs to increase across both health and care. The Minister knows that, but I feel that I have to say it. That point is crucial, and with the welcome focus on the NHS workforce, it is vital that the issues affecting the care workforce are not forgotten. The NHS workforce plan cannot succeed if the challenges facing the social care workforce are not tackled.

I visited the HC-One care home in my constituency last month during Care Home Open Week, and I met a very interesting lady from the Prince's Trust, who is working with the care home group on the pipeline of social care staff. I recommend that the Government get in touch with the Prince's Trust, which is doing good work in trying to inspire young people to go into a career in care. I accept that the social care workforce is a different kind of workforce and that not all the levers are under the Government's control, as I said, but the Government know that there is much to do on this issue.

To conclude, the 75th anniversary is a huge milestone for the NHS. Millions of people still have huge affection for the organisation, but to misplace that and take it for granted would be to do the opposite of serving the NHS faithfully. The anniversary cannot be an exercise in nostalgia. It must be an opportunity to look forward and to make sure that we have an NHS that works for our constituents now and in the decades to come; that is a prevention service as much as it is a sickness service; and that is among the best organisations in the country, in the public or private sector, for the way it looks after its staff. I am very optimistic about the workforce plan. It is a big step in the right direction. The fact that it is out there is a big moment, but there is plenty still to be done, and the Minister knows that my Committee will be right there scrutinising that work as it is taken forward. The plan is just the start.

3.29 pm

**John Redwood** (Wokingham) (Con): Like others, I warmly welcome the workforce plan. I am grateful to my hon. Friend the Member for Winchester (Steve Brine) and his Committee for producing a detailed and interesting report that highlights many of the things we need to study.

I suspect most of us in this Chamber, of whatever political party, accept the broad principles that we need to train more medical staff in this country and that we need to expect to recruit more people to deal with the rising workloads and rising population in the years

ahead and to clear the current backlogs. And who would not want progress on better working conditions and decent levels of remuneration, so that many more people are proud to remain in these jobs?

It is not as if we have not had these issues before, and it is not as if the workforce has not been expanding. As the report reveals, the number of full-time equivalent staff in NHS England has expanded by 263,000 since 2010, which is a very substantial increase. It is rather more than 263,000 people, because it includes part-time arrangements too. Of those, some 55,000 are nurses and 42,000 are doctors, which means that more than 160,000 are not in those two leading medical professions. NHS managers, who have increased substantially in number during that time, need to demonstrate that they are recruiting the right kinds of support staff, administrative back-up and IT help so that medical professionals are better able to concentrate on treating people and doing a good job.

In the past, I have led a couple of large industrial groups, and in the days before we had an elected Assembly to run the Government of Wales, I was responsible for the very substantial public sector workforce in Wales, including the NHS workforce, as Secretary of State, so I have some experience of the complexities and difficulties of helping to supervise or run large workforces. I freely confess that none of those workforces was on the scale of NHS England, which is another degree larger, with a workforce of 1.5 million. None the less, whether it was tens of thousands or hundreds of thousands, I understand the complexities of dealing with large workforces.

I have reflected on what worked and on my experiences. My first reflection reinforces the point we have heard from the Committee. If I had experienced a 9.1% rate of turnover each year, I would have been quite alarmed. Had that been added to by a 6% or 7% absence rate, as is reported in some professions and areas of NHS England, I would have been even more alarmed. Although I had lesser problems with absence and loss of talent, I regarded them as a challenge that the leadership and management teams had to take on. To deal with the frictions, there were nearly always things that could be done to improve conditions of employment and to improve the understanding between management and those trying to execute policy.

The frictions were not always about pay. Of course, increasing pay is greatly helpful, and I welcome the results of the independent review—I was one of the many voices saying the independent review had to be implemented—but we now need something for something. We need to complement pay by making good decisions so that people feel they have a worthwhile, feasible job.

The one thing on which I disagree with my hon. Friend the Member for Winchester is his point that, with an organisation this big, it might be rather difficult to do the right kind of mentoring and individual treatment. The NHS is a series of small organisations under a general umbrella. There have been endless arguments, not particularly on party lines, about how much should be decided by experts and well-paid people at the centre and how much should be decided in the hospitals and surgeries—about how much delegated power there should be.

There is certainly management at all levels. As my hon. Friend reminded us, there are chief executives and other senior staff in hospitals, and there are practice managers and others in GP surgeries. Quite a lot of the



[John Redwood]

mentoring, understanding, and evolution of a person's role or job must occur in those local places, where one of the local management's main tasks must surely be ensuring that their staff are looked after and well motivated. This service is a great example of a people-led service. It has millions of potential patients and a million and a half staff, and it is the interaction between them that matters. The quality of service is almost entirely dependent upon the skills, attitudes and approach of the medical professionals and their support workers in delivering a good quality of service to those who turn up as patients.

We need to say to the 36,000 managers of the NHS England system that they have an important task; that surely they know their staff and what some of their staff's problems are; and that it is in their hands, not in the hands of Ministers, how the jobs are described and made into realistic jobs, with tasks that people want to do and can do. It is for those managers to work out how staff are rostered and how people become eligible for a promotion. Good staff management is about managing all those things.

**Steve Brine:** Let me further the debate on this. We talked to the trust chief executive about this yesterday. She said that she does good exit interviews with people who leave her trust. They leave for varying reasons, but often it is because they have got a different job in a different part of the country, and their family circumstances have changed—they are not always off to Sydney. So this comes down to leadership. The Secretary of State would talk about the Messenger review—I assume the Minister would concur—which talks about leadership in trusts and integrated care systems. That is not as good everywhere as it might be.

**John Redwood:** That is right. I hasten to add that there are many examples of good practice in the NHS. In the hundreds of trusts, units and management commands in the NHS, there are some very fine examples. In a large organisation such as this, part of the skill lies in spreading the best practice from the places that know how to do things and are doing them well to those that need help or support. They may not be aware of what is feasible, given the resource to which they are committed. I have found whenever I have been involved with something that was not working well that bad management have often made a mistake and appointed some good people but not in the positions of influence and power where they can really make things happen. Where someone is trying to recover something that is not running well, it is often about identifying the people who are good but who may be sidelined, frustrated or not being used properly, and then transferring them into different roles, to give the idea to the others that the organisation can be a good one.

My hon. Friend was hinting at where someone wants to get to if they are leading any organisation. They want success, because success breeds success; people want to work for a successful and happy organisation. If morale is allowed to sink, performance starts to get poorer. If performance sinks, really good people perhaps do not want to be associated with it or they are frustrated that they are not given the power to sort it out. The organisation could then get into a downward spiral, which it needs to avoid.

Let me move on to a slightly tougher message and spoil the party. I take as my text the work that the Chancellor of the Exchequer and his team have been doing and his recent big speech at the Guildhall on productivity. His research revealed that productivity in crucial public services, particularly the NHS, is considerably below its 2019 levels. We are all sympathetic to the fact that there was a major disruption of the NHS's work for the period 2020-21, and probably we would also expect there to have been difficulties in 2022 after the impact of a major diversion of effort and activity into tackling the pandemic. We are all very grateful to those brave and talented staff who did what they needed to do to see people through. However, over that period a large additional amount of money was provided, not just for the pandemic, but now on a continuing basis, along with some additional staff, as we have been commenting on, yet we are still not back to the productivity levels we were at in 2019.

As the managers of the NHS go about creating a more contented and happier workforce, in the way I have been describing, they need to say to people, "You are going to be better paid, but we can also look at your promotion, grading and job specifications," because the good ones should be able to get additional pay and go up the scale into more important jobs. There has to be something for something. The managers have to help the staff to deliver more treatments, consultations and diagnoses, which must be possible because we are not even at the levels we were at in 2019.

**Daisy Cooper:** I have met scores of people working in the NHS at different levels; I am sure the right hon. Gentleman has too. When I talk to them about the productivity gap, they give me two or three clear examples of why there is a productivity problem. One is that there are more sick days because of burnout and exhaustion. It is unfortunate that the Government are cutting funding for mental health hubs, which have been a huge source of help for staff, particularly in hospital settings.

The NHS workers I have spoken to also talk about scanners that are way past their use-by dates and take far too long to get going, and about IT systems that do not speak to each other. They have to use eight or nine different IT systems between wards, or even on one ward, and old computers take too long to set up in the morning. It is that kind of tiresome daily grind. We sometimes know about that here in Parliament, when computers do not start in the morning and things do not work, and people end up getting frustrated.

Does the right hon. Member recognise that the productivity problem is not just about rotas, but about investing in technology, IT and scanners that work, making sure that water is not coming through the ceilings and giving mental health support?

**John Redwood:** I agree with all that. I have been very careful not to criticise the staff; I am talking about a management problem. If there are too many agency staff, then time has to be spent explaining to them how that particular hospital or department works, which would not be necessary if the regular staff had turned up. If there are gaps because of staff absences or people having resigned, that puts more strain on people and the system does not work efficiently.

All my remarks are made in the context of what I said at the beginning about trying to make these jobs more worthwhile and feasible. We need to look at how that can be done, and managers have to answer questions about whether some of them are imposing too many requirements on people that are not directly related to them performing their tasks better. There have to be limits on how much other general management information or other management themes they want to pursue, when the main task is to clear the backlogs and to treat the patients. The patients should come first, second and third, and that is not always possible if managers are making many other demands. So that is where the management teams need to take the organisations.

I was coming to the other good point that the hon. Member for St Albans (Daisy Cooper) makes, which is also well made the workforce plan. We are living through an extremely exciting digital revolution. It may even be speeding up with the developments in artificial intelligence, which could be dramatically helpful. There is a continuing task in the NHS, which sometimes thwarts those attempting it, to make sure technology is applied in the right way and is understood and friendly to use, so that hard-pressed and busy medics can find it a support, rather than a tribulation or a barrier.

Given the NHS's huge range of data and experience, artificial intelligence should be an extremely valuable support, aiding diagnosis and decisions on treatment. I am not one of those who think that computers can do these things on their own or are about to take over the world. In the model we are talking about, the computer is an extremely important assistant that can do research and produce first drafts—that kind of thing—in a way that speeds up the work and effectiveness of the professional. However, it has to be controlled and guided by the medical professionals, who have the judgment, wider experience and expertise. The quality and speed of what they do could be greatly enhanced with the right kind of AI backup. For example, if they are facing a condition they do not know much about because it is rare, the computer would be able to give them immediate access, one assumes, to the details of what has happened in similar cases, what it looks like and how it might be treated.

**Steve Brine:** We have the time, so let us explore that briefly. My right hon. Friend is right to talk about technology and AI in particular. We produced a report a couple of weeks ago on digital NHS. We are struggling with first base on digital. Medics talk to us about having to log in to multiple systems in order to do one very simple task. I worry that, while we are talking about 21st or 22nd century technology on assistive AI, we are struggling with first base. We were at the Crick Institute yesterday. Teams there were talking to us about the challenges of bringing together all the datasets that exist across the NHS to assist in their research, and they cannot even do that. This should be an assistive help to the workforce, but we have a long way to go on that. I know the Secretary of State is very seized of this opportunity, but my right hon. Friend knows that there are problems.

**John Redwood:** Yes, indeed. Wishing to be optimistic, I was pointing out, as many will do, that there is huge opportunity in this area. None the less, my hon. Friend is quite right that there are all sorts of issues and

questions, such as: what the existing technology delivers; whether the systems talk to each other sufficiently; and whether it has data in a format that can easily be transferred to a more common and modern system. We are obviously back into arguments on—I do not have a strong view on this, but experts should—how much has to be laid down centrally, so that there is an England-wide, or NHS-wide, system that is freely interoperable, and how much is best determined by local units, which know their own needs and will be organising the training and will want things that their own staff find helpful to them and fit into the sometimes differentiated approach that an individual hospital or a GP surgery may have.

It is good news that we are taking future manpower requirements seriously. It is good news that we are having an informed conversation about what might be possible. It is good news that most people, I think, agree that technology is part of the answer. Having better motivated and happier staff is clearly fundamental to the answer. I hope that, when the Minister sums up, she will have a few thoughts for me on what actions the senior management of the NHS and its various trusts are taking so that they can get those absence rates down, so that they can get the loss of staff substantially reduced, so that they have fewer staff saying, “This is not feasible,” or, “I am burned out,” and more staff saying, “I am really proud to work here,” or, “This is going extremely well; we cut our backlog last week,” and, “Did you know that many people are now getting over this condition because of our treatments?”

That is clearly what we want. We want high-morale organisations. That takes money and the right number of staff. It also requires great leadership, but it is not just leadership from the political top; it must be, above all, leadership from the very senior managers at the top of NHS England percolating down to the very important senior managers that we have in every trust and every major health institution under the framework of NHS England.

3.48 pm

**Mr Robin Walker (Worcester) (Con):** It is a pleasure to speak in such a very well-informed debate. I thank my hon. Friend the Member for Winchester (Steve Brine), who chairs the Health Committee, for inviting me to guest with the Committee on the issues of the long-term workforce plan. I think in this, as in many other areas, there is a great deal of crossover between the work that we do on the Education Committee and the work that he does in the health space.

I join my hon. Friend in welcoming today's announcement about the public service pay negotiations. It is very welcome news that the education unions have suspended strikes. I join him in urging the health unions to look very carefully at the offer on the table to try to do the same.

I want to raise a few points in this debate, and the first is not related to the meeting we had yesterday, nor necessarily to the main theme of the workforce plan, but it has come up through my work on the Education Committee: the pressing and urgent need to ensure that when we look at workforce, we include child and adolescent mental health services, and the resources and people available in that space. I have spoken to people at my health and care trust in Worcestershire, who interestingly told me that they feel that they are quite well resourced

[Mr Robin Walker]

and have the relevant people to meet adult mental health needs, but that there is further work to be done to make sure they can adequately meet child and adolescent mental health needs. Everything I see from the school sector—including some pressures we are looking at as part of our inquiry into recruitment and retention for the teaching workforce—makes it clear that the pressing mental health pressure on schools is a big part of the challenge. Anything the Minister and the workforce plan can do to address that would be extremely welcome.

Let me turn to the very interesting Committee meeting I attended yesterday, which demonstrated the great achievement of the Health Committee, under its previous and current Chairs, in pressing for a long-term workforce plan. That is something to be celebrated, and it shows the role of this House and its cross-party Select Committees, including when it came to the weightiness of the document we were scrutinising. We heard some interesting and useful evidence about the recruitment challenge and the retention piece. I share the concerns of my hon. Friend the Member for Winchester, echoing the evidence that was given to the Committee, that there is more work to do on retention and that it will require a great determination from the NHS and Ministers to address those issues in the long run.

We also heard plenty of evidence—this has also been made clear to me on a local level—that recruitment, training and upskilling the workforce can play a key role in inspiring senior doctors to stay in and play their part in bringing forward the next generation. It was interesting to hear evidence from the General Medical Council and GPs about the benefits of those doctors being able to play a part in training the next generation. I have heard the same from many doctors within the Worcestershire Acute Hospitals NHS Trust and in our local primary care services in Worcestershire. It is one reason why we have a unanimous view from all the trusts across Worcestershire, Herefordshire, Gloucestershire and Dudley that they want to see a medical school up and running, training local students in Worcester, where we have a university that the Department values and recognises, to the extent that it has been the fastest growing nurse training university in the country over a number of years, and which the GMC has now approved to have a medical school—so far, so good; that is extremely welcome. I am grateful to the NHS and to Ministers for all the work that has gone into getting to that stage. We do, however, face a challenge.

My medical school, the Three Counties Medical School at Worcester, which serves a very large area of the country, is opening in September. It is bringing in students and has uniquely managed to find funding to support domestic students to start their medical training without funded places allocated by what used to be Health Education England and is now part of NHS England. The challenge is that the funding is finite. It has enough funding—which has been raised locally from local health trusts and charitable donations—to support a cohort of 20 students to start this September and to take them all the way through their training at the university, and hopefully onwards into the NHS.

Clearly, 20 students is not a large enough cohort to sustain a medical school, so alongside those 20 students in the first intake, there will be 28 international students. The evidence we heard yesterday was interesting on this

point. I think we all recognise, and the report that the Select Committee published recognises, the benefit of international recruitment to the NHS. We absolutely want to attract talent, but we also need to recognise—as per the many arguments I have as Chair of the Education Committee when it comes to international students in general—that the majority of international students do leave; they do not necessarily stay and work long term in the NHS.

If we want to solve the recruitment and retention problem in the long run, we need to train more of our own doctors. We need to train those doctors locally. In health, just as in teaching, many people who train in a particular area are likely to stay in that area and pursue their careers there. That is also something that has been put to me over many years by my local trust and my local GPs as a reason to have a three counties medical school in Worcestershire.

I am very grateful for the support that the NHS and colleagues on the Front Bench have provided over the years in marching us up the hill to a position where the building is there, the university will be opening that medical school this year and the first students will be starting. That is fantastic.

My concern, and it is a concern shared by many colleagues—six Worcestershire MPs wrote to the Health Secretary last week about it—is that where the long-term plan, which is extremely welcome in most respects, sets out the plan to double medical training places, it carries the line:

“The first new medical school places will be available from September 2025.”

The three universities that have been given the go-ahead to host a medical school—Worcester, Brunel and Chester—have not yet had the opportunity to bid for funding places, so that date is frustrating. It means that, after the first year's intake of locally trained domestic students at the Three Counties Medical School, we have the slightly bizarre potential for the following year's intake to be entirely international students. I hope the NHS and Ministers can avert that, because it does not make sense from either a value for money or a long-term workforce planning perspective.

I appreciate that I did not give my hon. Friend the Minister advance notice of my intention to speak in this debate, so I do not expect her to be able to answer all my questions. However, I ask her to take this issue away and ensure that the Health Secretary looks very carefully at the letter he has received from all the Worcestershire MPs. I understand that the University of Worcester will also be writing to NHS England to make the case for additional funded places this year—that would be wonderful, but I appreciate that it would be very difficult—and for an allocation of funded places next year.

That is certainly something worth considering. It would help with recruitment, with retention and with some of the challenges that our local health service in Worcestershire has wrestled with for a long time—challenges that I am well aware of, having spoken to trust leaders and doctors in all areas of the NHS. Not only would it benefit us in Worcestershire, but it has the support and the placements are already there. That is crucial, because I understand the reasoning given in the NHS workforce plan is that the Government and the NHS need time to work out where the placements are and where they are required.



It is already clear that there are well over 100 placements available across Worcestershire, Gloucestershire, Dudley and Herefordshire for the medics when they come out of that training, so that problem is solved. It is already a four-year, graduate entry course, so the problem of long courses and things taking too long is also solved. I encourage colleagues on the Front Bench to engage with the request and see whether we can make the workforce plan even better by getting those funded places going at the universities that the General Medical Council has already determined are ready to go, to help meet the workforce challenge.

One other thing I would say, having listened to my hon. Friend the Member for Winchester and some of the debate yesterday on the Select Committee, is that no single Department has a monopoly on wisdom. As Select Committees, we are there not only to challenge and to criticise, but to welcome things when they go right. I was quite struck by the discussion of the importance of retaining trainers and the pressures currently facing them in the NHS, which the GMC raised concerns about.

We face a similar challenge in the education space, and the early career framework, designed to support teachers starting their careers in schools, is a very interesting model to look at—particularly when we look at the importance of mentoring and, for teachers, off-timetable hours to get that mentoring. There may be similar things that could be designed into the NHS; I would not claim to be any kind of an expert on that, but it is worth looking to see whether there are elements of that model that could even further strengthen the very welcome NHS long-term workforce plan.

3.59 pm

**Karin Smyth** (Bristol South) (Lab): I thank the Backbench Business Committee for scheduling this debate and the hon. Member for Winchester (Steve Brine) for his opening comments. I also thank the right hon. Member for Wokingham (John Redwood) and the hon. Member for Worcester (Mr Walker) for their speeches.

It is good that the Chair of the Education Committee, the hon. Member for Worcester, has joined up with the Health and Social Care Committee to line up discussions, particularly on apprenticeships. I hope that that progresses because there are a great many problems in the assumptions that the plan makes on apprenticeships. I think that he will highlight that to the Committee.

The report and the work done by the Health and Social Care Committee were hugely important in shining a light on the problems facing our health services at a time when the Government were still denying the scale of those problems. I thank all members of the Committee for their dedication in producing the original report. Indeed, they had another good session yesterday. They have rigorously pursued this issue across parties for a number of years.

As the hon. Member for Winchester said, since the Government's response in April, we have had a further response, which I think is helpful for this debate, in the long-term workforce plan. I cast my mind back to Committee stage of the Health and Care Bill and to the many debates held in this place and the Lords. I, among others, including the hon. Member, tried every which way to get the Government to agree to an independent review process. In those heady days, many of us were on the WhatsApp broadcast list of the right hon. Member

for South West Surrey (Jeremy Hunt). I find that those messages do not come as frequently now as they did then.

Workforce problems were the primary issue facing our health and social care services then and they still are now. My Labour colleagues and I have been warning about that for many years. When we were in government in 2000, we produced a 10-year plan of investment and reform—a plan that delivered not only 44,000 more doctors and 75,000 more nurses, but the lowest ever waiting times and the highest ever patient satisfaction rates in the history of the NHS. It has taken this Government some 13 years to even attempt something similar.

We must not forget why the workforce plan is so crucial. Thousands of patients are waiting for surgery, families are trying to get support for care in the community, and people are struggling to get through to their GPs. They are all being denied the quality care that we all deserve. It is the health and care staff who are left to pick up the pieces of a system that the Government have allowed to fall apart around our ears—sometimes quite literally in the case of the estates.

The hon. Member for Winchester spoke very well—his usual style—about the burnout issue that his Committee has heard about, which is very real. As a former NHS manager, I take issue slightly with what the right hon. Member for Wokingham (John Redwood) said. This cannot be laid at the door of management, because we are also losing managers from the system.

The scale of the problem is massive. I thought that I had a pretty good grasp of the problem, but as I read the Government's long-term workforce plan, my jaw dropped further and further towards the floor. How on earth did things get quite so bad? Nothing now says what 13 years of the Tory party's mismanagement has done to our country better than the evidence in the plan. The gap between the current state of the workforce and what we need to prepare for the future is huge. The Government's failure to get to grips with that sooner means that the work needed to bridge that gap, and the costs, will, sadly, be much greater.

We have talked of hope this afternoon. In the long-term workforce plan, we have a clear statement of how bad things are—we look forward to the National Audit Office looking at it independently—but we also need to try looking forward, which I will try to do with some hope. However, the plan is largely based on the system today; it is not really based on the system of tomorrow. Personalised medicine, genome therapy, new dementia and obesity drugs and artificial intelligence will all transform service delivery—we talk about that a lot in this place—and will therefore transform the necessary job roles. The 15-year plan does not account for those imminent changes. Although I recognise that, in the foreword to the plan, the chief executive acknowledges that, of course, we cannot predict everything over the next 15 years, and we hear talk, although I am not entirely sure it has been confirmed, of the plan being reviewed every two years—perhaps the Minister can confirm that—the Government have missed the opportunity to indicate in that long-heralded document what the future might look like for those delivering and receiving care.

Crucially, we do not really have a plan for how things will get better—there is no plan for delivery. On the promised figure of £2.4 billion, there is no indication of

[Karin Smyth]

where that money will come from, how it will be disbursed or what costs are actually covered in that figure. Has the Minister considered the downstream implications for the workforce who will support our clinicians—for example, the porters, caterers, cleaners and the wider workforce—rather than those who are mentioned?

While the work to model current and future requirements is admirable, we do not know much about the assumptions that underpin the plan, but we have some hints. Page 23 says:

“Beyond core terms and conditions, which are outside the scope of this Plan, we will need government to support this Plan by providing the necessary continued and sustained investment in infrastructure, reforming education funding and strengthening social care provision on which the success of this Plan depends.”

The question for the Minister is, will the Government do that?

In my long experience of reading NHS documents, much like a sports fan reading the newspapers, I go straight to the back pages. That is where the key risks to this plan are identified. Paragraphs 14 and 15 of chapter 5, on page 109, state:

“the modelling recognises the balance of risk around productivity”—an issue that was discussed by the right hon. Member for Wokingham and the hon. Member for St Albans (Daisy Cooper). It goes on:

“Achieving the productivity improvements assumed in the Plan is dependent on two key factors. First, it requires a sustained increase in capital investment in the ageing NHS estate, including in primary care, to replace equipment that has passed its recommended lifespan... This would enable staff to function more efficiently, and shorten diagnosis and treatment times in areas such as cancer”,

which is surely something the Government want to see. It continues:

“Second, it requires investment in digital infrastructure throughout the NHS, including appropriate training and support”.

The next paragraph says:

“The modelling for this Plan assumes that the balance of care between the NHS and social care will remain broadly the same. However, an increase in the capacity of and access to social care would likely contribute to reducing the assumed growth in demand for NHS services”.

The Minister’s response to those paragraphs would be very useful. We do not know the cost or the delivery route for any of these factors, even though they are in the plan.

However, we do have a workforce plan published. There is hope—it was in my speech before Members raised it today—that at least the Government will start to tackle the crisis that they have created. Integrated care systems bring us an opportunity to ensure local delivery and some accountability. Will the Minister confirm that ICSs will have the resources and support needed to implement strategies to recruit and retain staff?

Finally, Labour will introduce plans only when we can show how they will be paid for, because that is what taxpayers deserve. The Government are welcome to borrow our plan to fund it by scrapping the non-dom tax status. The Government have a lot of form in making grand announcements and promises of money, only for us to see that money disappear or, worse, the funding reduce in another part of the system, adding to the burnout problem. Can the Minister assure those in the NHS and our constituents that that will not happen?

4.7 pm

**The Minister for Social Care (Helen Whately):** My grandfather was a doctor, my mother was a doctor, my father was a surgeon and my aunt a nurse, so when I think of the NHS, I do not picture a hospital or an ambulance; I picture the people—the doctors, nurses, pathologists, radiologists, physios, healthcare assistants, porters and all the other people who make the NHS what it is. The NHS is its workforce, and the same is true for social care. Life is made possible for hundreds of thousands of people thanks to the hard work, skills and compassion of social workers, nurses, care workers, care home managers and all the other people who work in social care. That is why I welcome this chance to talk about our health and social care workforce.

I thank my hon. Friend the Member for Winchester (Steve Brine), the Chair of the Health and Social Care Committee, for his comments and for all his and his Committee’s work on their report. In the Government’s response to that report, we were right behind the key recommendation to publish workforce projections, and last week we put that into practice when we published the NHS long-term workforce plan. It is an ambitious plan to train many thousands more doctors, nurses and other health professionals; retain more of their talent and experience; and reform how they train and work to secure the future of the NHS, backed by an investment of £2.4 billion. I will not try to set out everything in that plan this afternoon, but I will share some of the highlights and respond to the points made by my hon. Friend the Member for Winchester and other hon. Members.

In brief, the plan forecasts the increase needed in the NHS workforce between now and 2037, and sets out how we will expand the numbers of doctors, nurses and other health professionals that we train. We will double the number of medical school places, boost the number of GP training places by 50%, increase the number of adult nurse training places by over 90%, and expand the number of dentists we train by 40%. We will widen the talent we bring into the NHS by increasing the number of staff trained as apprentices from 7%, as it is now, to 22% by 2032. That will give more people the opportunity to earn as they learn, widening access to healthcare careers to more people from different backgrounds.

However, as hon. Members have highlighted, the NHS is already full of talented people whose skills we want to retain. Of course, some people will always want to move on to new things or indeed retire, but the NHS can and must do better at retention. That is why we made retention an integral pillar of the long-term workforce plan. The NHS is the UK’s largest employer, and it should set a real example in how it cares for its staff. As the plan says, the NHS will do more to support people throughout their careers, increase opportunities to work flexibly, and look after its workforce’s own health and wellbeing.

My right hon. Friend the Member for Wokingham (John Redwood) spoke about the importance of individual trusts as employers, and the importance of their leaders and managers to staff retention. I very much agree with him about that—I have spoken about it previously in this House, probably as a Back Bencher. How well people are led and managed is probably the biggest determinant of their experience at work, and is therefore a big factor in retention. I would flag to my right hon. Friend that the Messenger review, which I expect he is

familiar with, is excellent in this area, and the long-term workforce plan references that review's recommendations. Taking them forward will be an important part of the plan.

I should also mention pay. Pay is not the only factor affecting recruitment and retention—in my many years of talking to NHS staff, I have heard far more often that having enough colleagues on their team is arguably the most important thing—but it does matter. NHS staff should be fairly rewarded for the work they do. That is why we listened and reached agreement on pay for staff on “Agenda for Change” contracts. Under that deal, over 1 million NHS staff, including nurses, paramedics, midwives and porters, have received a 5% pay rise and extra one-off payments. In addition, as we announced today, the Government have accepted the recommendations of the doctors’ and dentists’ remuneration body for this year in full.

We should not forget that the NHS pension scheme is one of the best that can be found, and we have made it more flexible to make the most of the experience of staff who are particularly close to retirement. Since April, former NHS staff claiming NHS pension scheme benefits can return to work and rejoin the scheme, and from October we will introduce a partial retirement option that gives more flexibilities to staff, meaning that patients will benefit from their skills for longer. We have already acted on the tax treatment of pensions, which we know is a factor in the decision of some doctors and other NHS staff to retire early or reduce their hours. My hon. Friend the Member for Winchester referred to that as the BMA’s No. 1 ask.

The final part of the plan I will mention is reform, because as care changes, so must how we work and, indeed, how we train staff. That is why the plan includes reforms to training, such as increasing the number of apprentices, which I mentioned; increasing the focus on generalist skills alongside specialisms; increasing the share of training in settings outside of hospitals, such as GP surgeries; adopting more blended learning and the use of simulation; and making sure that we get the right duration of training programmes. When it comes to how people work in the NHS, the places that people receive care are changing, with more care outside of hospital and closer to home. As such, the plan envisions a faster rate of increase in the number of staff working outside of hospitals, with the mental health workforce growing fastest, followed by community and primary care. In fact, over the period of the plan, the NHS community workforce is planned to double.

The way people work will also change, with staff working more in integrated teams coming together from different parts of the NHS and, indeed, together with social care. Joining up care is better for patients and their families. It is more effective, but also more efficient.

On productivity, all of this will be supported by new technology. We will use advances in technology in how we train and in how people work. We will use technology such as AI to support clinicians, increase efficiency and improve patient care, so giving staff the gift of time—time to spend with patients.

Equally important in our future health and care system is our social care workforce. As my hon. Friend the Member for Winchester said, this is indeed something I am passionate about. I have heard many calls, including

today, for a social care workforce plan. The good news is that we are well under way with substantial social care workforce reforms. They were first set out in the White Paper, “People at the Heart of Care”, and then described in more detail in our next steps plan published in April. We are investing £250 million in reforming care as a career, with a new care qualification, specialist training courses for experienced care workers and a new career structure for care workers to support career progression.

Those reforms build on the work we are already doing to build the social care workforce, with record funding available for local authorities to spend on social care—up to £7.5 billion announced in the autumn Budget—which, through the fees local authorities pay, supports care providers to pay their staff better in turn. The reforms also build on our introduction of Care Quality Commission assurance of local authorities’ care duties and our introduction of the care worker visa, so that care providers can draw on international recruitment.

On that point, I will pick up on the intervention made by the hon. Member for St Albans (Daisy Cooper) on the question of exploitation of international recruits. I think that is very serious, and I am very concerned about it. I say that against the backdrop that, as we know from the data from Skills for Care, the number of care workforce vacancies is falling—that very good news was published yesterday—coupled with what I hear from the many care providers I speak to, which is that international recruitment is really helping fill vacancies and meet the care needs of our society.

In general, I know that care providers are working very hard to support the international workforce they are recruiting, but I am very disappointed that we have heard stories of exploitation at a minority of care providers. I do not want anyone working in health or social care to be exploited. That is why we have provided guidance to people who are receiving a care worker visa on their employment rights and how to seek help. We are also funding local support to be provided to international recruits into social care, and we are working across Government—including my Department, working particularly with the Home Office—on tackling exploitation.

All in all, I would say that what we are doing to support the social care workforce is working. The number of care vacancies is falling, retention is improving and care is on the path to getting the recognition it deserves.

In closing, I thank the Chair of the Health and Social Care Committee for welcoming the NHS long-term workforce plan. I was very glad to hear him say that many boxes had been ticked by the plan. I hope my response has provided him and other hon. Members with further assurance. The NHS long-term workforce plan is historic in its ambition to recruit, retain and reform the NHS workforce. Our social care workforce reforms are also ambitious to make care work a profession that gets the recognition it deserves. The workforce are the heart of our national health service and social care. All that skill, compassion and dedication is essential to the lives of people up and down the country, and that is why we are looking and planning ahead to secure the future of our health and social care system.

**Madam Deputy Speaker (Dame Eleanor Laing):** To conclude the debate, I call Steve Brine.



4.19 pm

**Steve Brine:** I will close by thanking the Minister, my right hon. Friend the Member for Wokingham (John Redwood), my hon. Friend the Member for Worcester (Mr Walker) and the hon. Member for Bristol South (Karin Smyth) for their contributions, as well as my Clerks, my predecessor and the many members of the Committee who produced the report.

The Minister is right that many boxes have been ticked, but she also knows me well enough to know that I am always creating new boxes. We have not discussed NHS dentistry today. That is mentioned in the report, but it requires a great deal more exploration. Indeed, tomorrow we will produce the Committee's report on NHS dentistry services—I know the Government are looking forward to that. The long-term workforce plan is a big moment, but there are boxes that are not ticked around the volunteer workforce, which I know the NHS cares greatly about, and around sexual health services, which I do not see any mention of in the plan. We will return to some of those themes.

The thing about health and the NHS is that it is never done. As I said in my remarks, we have to see the workforce plan as part of the context of the recovery plan for primary care, the urgent emergency care plan, the choice agenda in tackling waiting lists and the pension reforms—it is part of the ecosystem. The longest serving Health Secretary, who is now the Chancellor, and I have been very honest in saying that when we were at the Department, we wished we had pursued the workforce plan. There were other plans such as the NHS people plan that were shorter term, but we regret not doing this then. That is why it is so important that from the learning we have all done, we have this plan in place.

It is, I think, typically honest of the Prime Minister to produce a 15-year plan. I sincerely hope that he is re-elected next year, but of course that might not happen. The Conservative party could be out of office and back in office before the 15-year plan is complete. This is about doing the right thing for the health service, for patients and for our constituents, and doing the right thing for the country. I hope that whoever stands at that Dispatch Box next will continue this plan and build on it, because there is no alternative. The NHS is precious and we cherish it, and this plan proves that.

*Question put and agreed to.*

*Resolved,*

That this House has considered the Third Report of the Health and Social Care Committee, Workforce: recruitment, training and retention in health and social care, HC 115, published on 25 July 2022, and the Government response, HC 1289, published on 24 April 2023.

## Water Safety: Drowning Prevention

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

4.22 pm

**Rob Butler** (Aylesbury) (Con): I rise to speak in this debate with mixed emotions: pleased that the important topic of water safety and the prevention of drowning is being raised in the House, but with sorrow because it stems from a tragic loss—that of 12-year-old Sunnah Khan, who drowned in May in the sea close to the pier at Bournemouth. Sunnah's mum, Stephanie, is a constituent of mine and is in the Public Gallery this afternoon with her own mother. May I, on behalf of the entire House, extend our deepest sympathies and condolences to Stephanie and her family, and also to the family and friends of the young man who died on the same day at Bournemouth, Joe Abbess? Joe was just 17.

Stephanie told me a little about her daughter:

“Sunnah was such a happy girl with a large multi-faith family and more friends than I've ever had in my life! She was so smart and bright. Extremely pretty and very tall. She was the glue that held our family together... The summer holidays are fast approaching, and I am concerned about the likelihood that more parents will receive the devastating news that their child has drowned. This pain I could not wish upon my worst enemy, it is a pain that has no word to describe it. The only thing getting me through is the thought that I may be able to do something to prevent this from happening again.”

That, Madam Deputy Speaker, is why we are here today: to try to improve water safety as we approach the summer holidays, and with World Drowning Prevention Day on 25 July.

Last month, the Royal Life Saving Society UK published its “National Drowning Report UK”, which was marked by an event here in Parliament attended by Mr Speaker. I am grateful to the RLSS for assisting me in preparing for today's debate and for allowing me to quote from its report in detail. That report was supported by the National Water Safety Forum, which comprises numerous charities and organisations dedicated to improving safety in the water, including the Royal Society for the Prevention of Accidents. The report makes sobering reading. Last year, there were 226 water-related accidental fatalities in the UK. Although that was a fall from the previous year, the number of children who died increased by 46% compared with the five-year average.

In Sunnah's case, it is thought that there was a rip current or rip tide off Bournemouth beach on that terrible day. In her email, Stephanie said:

“The water should be a safe space for people to enjoy especially on a lifeguarded beach, and if it cannot be made safe then people should not be allowed to swim in it. I am not naive and I understand that the sea is a natural and unpredictable body of water. This does not mean that more cannot be done to reduce the prevalence of drowning. I am 32 years old and only learned what a rip current was last year when I went to Cornwall. And to be honest with you I am still unsure what exactly it is.

Now I am a nurse, and an educated woman. I would say that I am fairly intelligent, and I think if I only learnt that last year, there will be thousands of people who get into the water every year who do not know what a riptide is. More worrying still is that I myself only knew how to escape a rip current following my daughter's death. Which means again, thousands of people will not know this. None of my children knew what a rip current was.

This to me is unacceptable. I believe this is a matter for Parliament to address in how they can make sure this does not happen again. I need to do something to honour my daughter and protect other children from this harm.”

Let me address that specifically now, quoting from the Royal Life Saving Society website. It explains that:

“Rip currents are currents of water typically flowing from the shoreline back out to sea. They are commonly formed by a build-up of water on the beach caused by wave and tidal motion”.

Crucially, its advice on how to escape rip tides is:

“Do not swim against the current. Swim parallel to the shore—this makes sure that you are swimming out of and not back into the rip current. Once out of the rip current, swim towards the shore, being careful to avoid being drawn back in by feeder currents.”

While that advice now forms part of the official record of the House of Commons, we must recognise that few children are watching our proceedings or reading *Hansard*, so there is a strong case for water safety to be taught to children in particular. The most obvious way to do so is at school, so I am glad that the Minister responding this afternoon is from the Department for Education, and I am grateful to her for the conversation we have already had this afternoon about the topic.

This is not the first time such concerns have been raised in Parliament. In 2021, a petition achieved more than 108,000 signatures calling for increased curriculum content about water safety as part of swimming lessons. That was debated on 12 July that year. As we speak, Lord Storey has a private Member’s Bill before their lordships’ House that would

“require the Secretary of State to include water safety and training in prevention of drowning as a compulsory part of the curriculum for all schools in England”.

I notified Lord Storey that I would be referring to it in this House today.

I recognise that there are countless requests to the Department for Education to add subjects to the curriculum. Likewise, I know that many schools already provide swimming lessons, although that is not quite the same as teaching water safety in its broadest sense. However, according to the RLSS, provision for children to access statutory school swimming is decreasing. Worryingly, it notes that children from low-income and ethnically diverse communities in particular are less likely to access statutory school swimming. That must be of concern when we know that children from low-income and ethnically diverse communities are disproportionately over-represented in child drownings.

Indeed, the thematic report by the National Child Mortality Database at Bristol University, which was published only this morning, found that in cases of drowning, the death rate for children and young people living in the most deprived neighbourhoods was more than twice that of children and young people living in the least deprived neighbourhoods. It also found that children described as black or black British have the highest death rate, at more than three times that of children from white or white British backgrounds. So I respectfully suggest to the Minister that it is worth giving additional consideration to increasing education on water safety in our schools.

There are other ideas to increase awareness closer to the water itself. One is to alert children and adults to risks with increased provision of signs at the beach. Stephanie has asked me to bring that recommendation to the House’s attention in particular, as she believes that would bring a significant benefit. After all, if someone sees a sign immediately before entering the water, the advice will be very fresh in the mind. The Royal National Lifeboat Institution has a standard sign

that can be used to warn about rip currents, and I have been pleased to learn that it is used in many places, but obviously not everywhere. Therefore, there is undoubtedly scope for even more prominent displays of warnings.

Stephanie has also asked me to make a suggestion regarding the visibility of swimmers. Sadly, it took a considerable amount of time to find Sunnah in the water, which may have been because she was wearing a dark-coloured swimming costume. Stephanie would like to see far more brightly-coloured swimwear so that people can be easily identified in the water in the case of an emergency. Stephanie said to me:

“Every minute counts. If Sunnah had been wearing something bright, she might still have been here.”

This message is endorsed by lifesaving charities. As the RNLI pointed out to me, lifeboats are orange specifically so that they can be seen in poor conditions. So bright or fluorescent swim hats and tow floats are particularly effective.

It is particularly important to recognise that deaths do not occur only at the coast. In fact, last year 60% of fatalities were on inland waterways—rivers, canals, lakes or lochs, quarries or reservoirs—so water safety matters to everyone, wherever they live, whether by the sea or inland. In fact, last year, 90% of the children who drowned in open water died inland.

Right hon. and hon. Members may recall that, shortly before Christmas, four children died at a lake in Kingshurst in Solihull in the constituency of my hon. Friend the Member for Meriden (Saqib Bhatti). He, too, is campaigning to improve teaching on water safety with the Department for Education and asked me to remind the House of that.

This is not an issue that affects only children—far from it. Last year, the average age of an accidental death in inland water was 35; at the coast, it was 51. So we need to ensure that we raise awareness in an age-appropriate way. I pay tribute to the many organisations already working to achieve that, including the RLSS, which I referred to, the Canal & River Trust, the National Water Safety Forum, the RNLI, Swim England and the National Fire Chiefs Council. Whatever our age, there is clear advice from the RNLI on how to keep safe in the water: swim at a lifeguarded beach, between the red and yellow flags; in an emergency, call 999 and ask for the coastguard if at sea or for the fire service if inland; and if you find yourself in difficulty in the water, float to live. There is more detail on all those tips on the RNLI website.

The summer holidays are almost upon us. Many of us will be heading to lakes, rivers and the coast to spend time relaxing. The water is a great place to enjoy, but we need to do it safely, because, at the moment, too many people are dying when they do not need to. As Stephanie says:

“We can do better. There’s no need for this to keep happening. It’s preventable. If we teach it at school, we are setting them up for a lifetime of safe water.”

4.33 pm

**The Parliamentary Under-Secretary of State for Education (Claire Coutinho):** I congratulate my hon. Friend the Member for Aylesbury (Rob Butler) on securing this important debate. I understand that Sunnah’s mother and grandmother are here with us today, and I would

[*Claire Coutinho*]

like to start by sharing my deepest condolences. It is surely the deepest nightmare for all of us that we might lose someone we love in such a tragic manner.

My hon. Friend rightly spoke about the importance of educating young people. We absolutely support the teaching of swimming and water safety to all children during their time at school, recognising the vital importance of this life skill and that we must do all that we can to help eliminate the tragedy of children and young people drowning.

The national curriculum for physical education states that by the time they leave primary school, children should be able to perform safe self-rescue in a variety of different water-based environments, swim a minimum of 25 metres unaided and perform a range of strokes. A survey that we conducted in 2022 reported that 80% of primary schools provide pupils with swimming and/or water safety lessons. Primary schools are supported to deliver high-quality lessons through the £320 million a year PE and sport premium. Schools can use their funding for teacher training and additional top-up lessons for pupils not yet able to meet the national curriculum expectations after core PE lessons.

However, we will publish an update to the school sport and activity action plan shortly. The action plan encourages schools to teach pupils practical water safety techniques in the pool, such as how to float to live, tread water, signal for help and exit deep water. That can be complemented by classroom-based lessons that go further and cover aspects such as cold water shock, beach flags and the dangers of rip currents, which my hon. Friend mentioned.

Schools can also use their personal, social, health and economic education programme to equip pupils with a sound understanding of risk and the knowledge necessary to make safe and informed decisions, which is an integral part of water safety. Schools can draw on resources available from many providers, including the PSHE Association. They include resources for pupils, lesson plans and teacher guidance, in partnership with the Environment Agency, to help pupils understand potential hazards and manage emergency situations, which cover rivers, canals and flooding.

We are also working in partnership with members of the National Water Safety Forum, in particular the Royal Life Saving Society—which my hon. Friend rightly

praised—and Swim England and the Royal National Lifeboat Institution. The Department was pleased to accept an invitation from the National Water Safety Forum to sit on its education sub-group. That will support the forum to understand the needs of teachers and to improve the dissemination of resources and vital messages in schools. We have supported the National Water Safety Forum to make new free water safety resources available for pupils in key stages 1 to 3.

The Department has continued to support RLSS UK's Drowning Prevention Week in 2023. I am delighted that more pupils than ever participated in this year's campaign, with more than half a million children taking part. RLSS UK reported a 72% increase in pupils participating in comparison with the 2022 campaign. We will support World Drowning Prevention Day on 25 July, helping put key water safety advice such as float to live at the front of families' minds as they start their summer holidays.

In partnership with sector organisations, we are supporting more schools to teach primary and secondary pupils important aspects of water safety, which will include cold water shock, rip currents and keeping safe near frozen water. We are serious about supporting schools to provide opportunities for all pupils to learn to swim and to know how to be safe in and around the water.

I thank my hon. Friend for taking the time to bring this important issue to the House. It is a very good chance for us to talk about it as we come into the summer holidays, albeit under the most tragic of circumstances. I look forward to continuing to work with him on his future work in this area.

**Madam Deputy Speaker (Dame Eleanor Laing):** I am sure that the whole House will wish to join the Minister and the hon. Member for Aylesbury (Rob Butler) in sending our sincere condolences to Sunnah's family. With heartfelt sorrow, we have every sympathy for them and with them.

*Question put and agreed to.*

4.38 pm

*House adjourned.*



# Westminster Hall

Thursday 13 July 2023

[SIR GEORGE HOWARTH *in the Chair*]

## BACKBENCH BUSINESS

### Post Office Ltd: Management Culture

1.30 pm

**Marion Fellows** (Motherwell and Wishaw) (SNP): I beg to move,

That this House has considered the management culture at Post Office Ltd.

It is a real pleasure to serve under your chairmanship, Sir George.

Many right hon. and hon. Members past and present continue to work on Post Office issues, especially the Horizon IT scandal—the greatest miscarriage of justice in UK history. Others outside this place who brought that scandal to public notice, including Alan Bates, Nick Wallis, Eleanor Shaikh and the many sub-postmasters past and present who suffered and, in some cases, died because of the management culture of Post Office Ltd, deserve our gratitude.

We should all remember that the statutory inquiry into the Horizon scandal is still ongoing; it has not even reached the stage at which it will forensically examine the management culture of Post Office Ltd past and present. For me, Post Office issues have never been party political. I have focused on the viability of the network. Post offices fulfil a vital role in local communities, and sub-postmasters worked right through the pandemic—that is the kind of people they are.

A local sub-postmaster and his wife came to see me in 2015, just after I was elected. Their sub-post office was being closed down and they were fighting for decent compensation. I was totally unaware that this was going on across the UK as part of the network transformation. A new sub-postmaster took on the post office in his local shop half a mile away. He was assured that that would boost his business's revenue, although how that was going to happen I do not know—it was the same folk from the old post office that were going to withdraw their benefits at the new shop. A few years later, he told me he made more from his new coffee machine than from the post office.

Many long-serving sub-postmasters have been forced to stay on to try to recoup their investments in their post offices. Post Office Ltd confirmed recently that it will reduce the compensation for sub-postmasters of hard-to-place post offices from 26 months to 12 months. During my time as an MP, there has been a constant battle to ensure that sub-postmasters receive decent compensation when they retire and decent remuneration while they continue to serve their communities. Government funding increases have gone to Post Office management; under former and current management, SPMs have been last in the queue for pay increases. Does the Minister think that is fair? Does he agree that the Government promise that post offices would be the “front office of Government” has never been kept? That would have given much more revenue to sub-postmasters.

The Horizon IT scandal is the result of the culture of Post Office management, and I will show that that culture still exists. In his March 2019 judgment in *Bates and Others v. Post Office Ltd*, Mr Justice Fraser stated:

“There seems to be a culture of secrecy and excessive confidentiality generally within the Post Office, but particularly focused on Horizon.”

Eventually, in September 2020, a non-statutory inquiry was announced. It was led by Sir Wyn Williams and subsequently became a statutory inquiry. It was to gather information, to consider whether Post Office Ltd had learned the lessons and embedded the cultural change deemed necessary in Mr Justice Fraser's judgment, and to consider the impact on affected sub-postmasters.

That commitment was echoed by Post Office Ltd chief executive officer Nick Read, who was appointed in September 2019. In a letter to the Business, Energy and Industrial Strategy Committee in June 2021, he stated that he was

“undertaking to drive a culture of genuine commercial partnership between Post Office and postmasters with openness and transparency at its core.”

He said that

“a major programme of improvement has been underway. The goal is to overhaul the culture of”

Post Office Ltd.

There is no doubt from the evidence submitted to Sir Wyn Williams's inquiry that there is a long history of obfuscation, secrecy, cover-ups and incompetence, for which no one has yet been called to account. We are now at the halfway point of the inquiry, and almost daily revelations have cast doubt on the claim that a cultural change has taken place. I do not intend to go into the details of the historical management culture, as Sir Wyn Williams is yet to cover that, but there is sufficient evidence that the hope of a cultural change at POL has not been realised.

**Mr Kevan Jones** (North Durham) (Lab): I was shocked that the inquiry was suspended again last week because the Post Office had failed to disclose documentation to it. Does that not show that the secrecy, incompetence or cover-up is continuing?

**Marion Fellows:** I could not agree more with the right hon. Gentleman. I will come on to that point.

Openness, honesty and integrity are guiding principles of public life, but it seems that for decades the management of Post Office Ltd has not adhered to them. Shamefully, the compensation schemes set up to right the wrongs of the deplorable chapter of Horizon have not been immune to Post Office Ltd's unjust approach. In recent months, tax expert Dan Neidle has written of the unfairness baked into them. He initially wrote about the unfair tax burden imposed on the compensation awards. Thankfully, that opened up an additional £26 million from the Government to “top up” compensation for historical shortfall scheme claimants, but he soon realised that the schemes are designed to ensure that the lowest amount of compensation is paid out. That goes against the assertion of the chair of the inquiry that “normal negotiating tactics” used in “hard-fought litigation” are not appropriate for Horizon compensation.

The application forms for the compensation schemes are so legally complex that Mr Neidle, a legal expert, said that even he would require legal advice when filling

[*Marion Fellows*]

them out. However, the provision of legal and tax advice from POL-appointed lawyers has been totally insufficient and, as Mr Neidle says, “token”. Everything that follows the initial application is framed by the lack of legal assistance. The Post Office guidance, and the lack of clarity on the forms from Post Office Ltd that applicants can claim for damage to their reputation, leads many applicants to claim much less compensation than they are entitled to. Furthermore, there is no option to claim punitive damages. Mr Neidle says that a lawyer would spot that, but a layperson would not. Once again, that means that applicants, who are often elderly and in a weak financial position, are likely to miss out on a large portion of their compensation.

Shockingly, the Post Office continued to attempt to suppress the truth by warning sub-postmasters who received an offer under the HSS that they could not mention the compensation terms to anyone, including other applicants, the press, and their family and friends. That is inaccurate, misleading and, most of all, shameful. One applicant described the process of trying to get fair compensation as “soul destroying”. Have these people not suffered enough?

The recent scandal in which Post Office Ltd executives paid themselves tens of thousands of pounds in bonuses for taking part in the ongoing Horizon inquiry, which they were legally obliged to do, has been referred to as “bonusgate”. To make matters worse, one sub-metric that the Post Office remuneration committee deemed to have been fulfilled was required to be signed off by the inquiry chair, Sir Wyn Williams, but he had not done so.

In June, Nick Read, the Post Office Ltd CEO; Henry Staunton, its chair; Amanda Burton, the chair of the remuneration committee; Lisa Harrington, the former chair of that committee, and Tom Cooper, a former director from UK Government Investments, were brought before the Business and Trade Committee. Once again, there was a total lack of openness and clarity. It was claimed that the metric had been changed to require approval from Sir Wyn’s team rather than from Sir Wyn himself. Post Office Ltd still had not received such approval, but it exercised “discretion” to go ahead pay out the bonuses.

The Chair of the Business and Trade Committee, the hon. Member for Bristol North West (Darren Jones), outlined the statutory definition of “false accounting”—ironically, a charge on which many sub-postmasters were wrongly convicted. He said that

“it seems to me that in the annual accounts that Post Office reported to Parliament there was false or misleading information presented that did lead to the financial gain”

of Mr Read and some of his senior colleagues. As the single shareholder in Post Office Ltd, what steps are the Government taking to ensure that this situation never recurs?

The messaging is simply terrible. While sub-postmasters often earn less than the national minimum wage and others fight tooth and nail for compensation, executives pay themselves hundreds of thousands of pounds in bonuses for doing “a reasonable job”, even though the bonus sub-metrics they set themselves have not been properly achieved. That is the management culture of POL: bonuses for doing “a reasonable job”. Mr Read is on the record refusing to pay more than the token

amount he has repaid. Compare that with the management bonus culture for sub-postmasters, whose area managers periodically offer them the chance to enter into a draw for a luxury hamper of tea products. It is teabags for sub-postmasters, and tens or hundreds of thousands of pounds in bonuses for executives and managers.

Shockingly, in recent weeks, following a freedom of information request by Eleanor Shaikh, it was revealed that Post Office Ltd had racially categorised the sub-postmasters it was investigating, using what have been described as Victorian-era racist terms. I will not repeat them. Post Office Ltd has since confirmed that the relevant document was in use until 2011. It is incomprehensible that no one in the POL management questioned the language in that document.

The chance discovery of that document raised further concerns about Post Office Ltd’s disclosure of documents at the inquiry. Sir Wyn Williams outlined that the late disclosure of documents

“has the potential to jeopardise the smooth running of the Inquiry”.

He said:

“It wastes public funds, it delays the provision of answers to those who were affected and delays the learning of lessons through the recommendations that I will in due course make.”

Subsequently, the Post Office informed the inquiry that it would not be able even to identify relevant documents by the date set by the chair, which Sir Wyn described as “grossly unsatisfactory”. At disclosure hearings, it was stated that the Post Office had been

“unable to identify the scale of the disclosure, and cannot give a timescale.”

However, Jason Beer KC, representing the inquiry, said that the number of documents that needed to be reviewed could be significant.

Representatives of the core participants lambasted the disclosure issues and their impact on victims—people who have already suffered immeasurably are being retraumatised—and called for an adjournment of the inquiry. Reflecting the views of victims, Mr Henry from Hodge Jones & Allen said in his oral submission:

“If a man deceives me once, shame on him. If a man deceives me twice, shame on me.”

He added that Post Office Ltd had taken for granted the chances that it had been afforded early in the inquiry, noting that there had been previous disclosure issues yet Post Office Ltd had acted vexatiously and done the same again. He said that those he represents will not say, “I told you so,” and that

“they knew the future...for the past they knew.”

Mr Henry spoke of the “mental scars” that victims had suffered for two decades because of the Post Office’s cruelty, culture of deceit, secrecy, cover-ups and lies.

Another representative of victims said:

“Post Office always throws a spanner in the works...They have total disregard for any of us. They’re making fools of everyone”.

Another victim said that having to relive the Post Office’s tactics had made them relive the way they were investigated and treated during Horizon, which had a significant impact on their mental health. The representative of Howe & Co. brought up compensation delays. He quoted a victim who spoke of seeing no light at the end of the tunnel and said that victims have no faith that all claims will be settled by August 2024.

The inquiry has been derailed, having been being suspended until the end of July, but that is under review and it is entirely plausible that it will not sit again until September. This latest in a very long list of Post Office-manufactured scandals is a kick in the teeth for victims, who are once again losing faith, for the inquiry and for the general public. The significant non-disclosure of documents by Post Office Ltd makes it feel like nothing in the toxic management culture has changed and, sadly, raises serious concerns about its future.

Sean Hudson of the Communication Workers Union described the management culture perfectly, saying:

“Every serious management failure results in a culture of offering that failure up for external investigation at significant expense to POL and the taxpayer, without learning from those mistakes.”

When were the Government made aware of disclosure issues, and what discussions have they had about them with POL?

The UK Government are the single shareholder in Post Office Ltd. Traditionally, the small business Minister, whatever title they have or Department they are in—at the moment, it is the Department for Business and Trade—has oversight of POL. UK Government Investments has a director on the board of POL, presumably to protect the Government’s interest in the company. The Post Office Ltd board has responsibility for the operation of the Post Office. Is that tenable, given the cultural issues of the past and present?

UKGI is the Government’s centre of expertise in corporate finance and governance. Until recently, its representative on the POL board was Tom Cooper, a senior civil servant, but he has now resigned as a director. Mr Cooper was heavily criticised for failing to tell Ministers about the error regarding bonuses for five weeks after it was revealed, leaving officials to read about it in a statement on the Post Office’s corporate website. That is not a great look for the Government and it raises real questions about the governance of Post Office Ltd.

Lord Arbuthnot of Edrom, a Government adviser on a compensation scheme for Horizon victims, said that Cooper’s failure to tell Ministers and Parliament about the mistake was

“of a piece with the UK government’s representation on the board throughout this sorry saga.”

While I understand that the Department for Business and Trade has said that Tom Cooper’s resignation was planned before bonusgate, does the Minister accept that Horizon victims may find that hard to believe given the culture of deceit within Post Office Ltd?

The Minister has said that the salaries of the leaders of the Post Office reflect the need to have people with the right experience and expertise. Does he still think that the Government have got value for money from the current leaders of Post Office Ltd? Do the Government think it right that its CEO received £455,000 in bonuses and its chief financial officer received £310,000 while Post Office Ltd oversees scandal after scandal, drags its heels on compensation and offers substandard remuneration packages to hard-working sub-postmasters?

In the same way that the Post Office apologises for each scandal or crisis as it arises, the Government criticise Post Office Ltd and commission a report, yet there does not seem to be much action—I put that more

kindly than what I wrote, which was: “and then they do nothing”. Government oversight has not solved any of the issues of the past, including Horizon. It is the hard work and tireless campaigning of SPMs themselves, journalists such as Nick Wallis, and campaigners such as Alan Bates, the Justice For Subpostmasters Alliance, Eleanor Shaikh, Dan Neidle, Tim McCormack, the CWU, the National Federation of SubPostmasters, and many Members in this place, past and present, that has continued to push the Government on the issue. I exclude myself from that, because I just take everybody else’s work and talk about it.

It is about time that the Government offered a different approach, because with the current arrangement they are presiding over disaster after disaster. Sub-postmasters are essentially left to subsidise a Government-owned network at great personal cost, and when things go wrong, they are left to fight for justice themselves. It is about time that we started to see proper support for those at the coalface. Will the Minister outline the Government’s plan for the post office network, and provide assurances that the constant barrage of scandals will come to an end and that the management culture at Post Office Ltd will change forever?

1.52 pm

**Lucy Allan** (Telford) (Con): It is a pleasure to serve under your chairmanship, Sir George. I put on record my utmost respect for the Minister, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), and his work in this area. When he was a Back Bencher, he was as passionate as I am about seeking justice for the little people who have been trampled in this scandal.

Last Monday, Nick Read, the chief executive of the Post Office, came to Parliament to apologise to my constituent Tracy Felstead. He said he wanted to hear her story and to understand how her wrongful imprisonment had affected her life and that of her children and family. He sounded genuine. He looked genuine. We wanted him to be genuine. We talked about how the Post Office could improve its efforts to provide redress to those it had wronged, and we made clear how important it was that the actions of the Post Office matched its words. He readily agreed.

What Nick Read did not tell us at that meeting was that the next day, the news of the non-disclosure of documents would land and, as an inevitable consequence, the public inquiry would grind to a halt for an indefinite period. Either Nick Read was dissembling and putting a victim—my constituent—through more trauma and distress, or he had no idea at all about the non-disclosure and its implications. I do not know which is worse. Perhaps he was both dissembling and incompetent, but as a fair-minded person, I believe that he did not know about the serious non-disclosure that would halt the inquiry. It speaks to the culture of an organisation when the man at the top does not know what is happening. Why was he not told, and why were the Government not told? I am sure that they were not told. Nothing surprises me now.

When I first read the Fraser judgment in 2019, and I observed the way that the group litigation was conducted, I saw all the same things that I as the local MP had seen in other public organisations that have experienced profound scandals. I refer to the Shrewsbury and Telford Hospital NHS Trust’s baby deaths scandal and its Ockenden



[Lucy Allan]

inquiry, and to Telford and Wrekin Council, where there was the Telford child sexual exploitation inquiry, led by Mr Crowther KC. There was the same corporate denial; the same secrecy and lack of transparency; the institutional blindness; the instinctive desire to protect the institution and the people at the top above all else; the complete lack of understanding of corporate governance and the proper role of scrutiny and accountability; the desperate desire to dissemble; the poverty of leadership; the complacency and utter disregard for the usual norms of behaviour; the blaming of everyone else but themselves; the failure to comprehend that their organisation serves the public; and a twisted belief that cover-up is better for the public than openness, and that keeping victims quiet is for the greater good.

I am a chartered accountant and a chartered company secretary. I have a master's degree in law and experience as a non-executive director. In the case of the Post Office, the questions that screamed at me from the pages of the Fraser judgment were: where were the non-executive directors? What questions, if any, did they ask? What information were they given? Did they read it? And then inevitably there was this question, in block capital letters: where was the shareholder of that rogue organisation—an institution that thought it was untouchable, and so well protected that it could act with impunity in the courts, in the inquiry and elsewhere? It was protected; it had the deep pockets of the Government backing it to the hilt. It can behave as it pleases, and it does.

We cannot talk about the culture of the Post Office without talking about the culture of the civil service and its relationship with Government. Over many different Governments, there has been great poverty of oversight, and a casual tolerance of appalling behaviour. Even after the Fraser judgment, junior Minister after junior Minister was wheeled out to read what had been written for them by their civil servants. I do not include in that my hon. Friend the Member for Sutton and Cheam (Paul Scully), who did a fantastic job and is as committed to the cause as I am, as is my hon. Friend the Member for Thirsk and Malton. Over the last year, we have talked about the House being misled over covid rules, but what about misleading the House about the fate of the sub-postmasters who lost their livelihoods and liberty, their good name, and sometimes their life? We do not talk about that.

Not every junior Minister will share my passion for righting wrongs and correcting injustice. Indeed, the Ministers concerned had a right to trust the information that their civil servants gave them. Did those civil servants mislead the House? What were the consequences, and why are we not concerned about that? Alex Chisholm was the permanent secretary at the Department for Business, Energy and Industrial Strategy between 2016 and 2020, and was the accounting officer for the Post Office. He was recently knighted—perhaps that tells us all we need to know. Those in power appear to think that nothing wrong happened, or that if it did, there were perhaps a few unfortunate mistakes that led to a perfect storm, but that it certainly was not down to those in charge. Why would they be accountable? Why would they be responsible? Take the bauble, Sir Alex et al. Move onwards and upwards. There is not a stain on your character.

I quote campaigner Eleanor Shaikh, to whom the hon. Member for Motherwell and Wishaw (Marion Fellows) referred:

“This is a culture that can never be trusted to handle the compensation claims brought by those who long ago lost hope that the post office is capable of transforming itself. With an acquiescent, arm's length, sugar daddy shareholder, it will never be in its interests to do so.”

Who decided that the taxpayer should fund the multimillion-pound defence against the group litigation brought by sub-postmasters? Who agreed to fund the war of attrition to wear down those who dared to fight for justice? Who consented to public money being used in this way? Was it the permanent secretary at the Department for Business, Energy and Industrial Strategy at the time, or was it the Secretary of State, or did they simply not know? I think we are back to that: too many people simply did not know, when it was their job to know. This is a culture, both in Government and in the Post Office, where no one thinks they are really responsible. This is a culture that has leaders who do not understand leadership, as we would know it in the private sector, and who do not feel responsible or accountable for anything their organisation does. Public relations are their focus, as well as the greater good of the organisation and the careers of those at the top.

That culture led to terrible wrongs being suffered, destroyed the lives of the powerless, and left those in power to walk away entirely unscathed from the wreckage that they created, and let us not pretend otherwise.

2.1 pm

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): It is a pleasure to serve under your chairmanship, Sir George, and I congratulate the hon. Member for Motherwell and Wishaw (Marion Fellows) and the Backbench Business Committee on securing this debate.

I start by paying tribute to the work that the Under-Secretary of State for Science, Innovation and Technology, the hon. Member for Sutton and Cheam (Paul Scully), did when he was the Minister responsible for this issue, and I am sure that the Minister here, the Under-Secretary of State for Business and Trade, the hon. Member for Thirsk and Malton (Kevin Hollinrake), feels as strongly about this subject.

Respect in the workplace should be the bare minimum that every worker receives; it should be a given. People work to make a living, pay their bills, and provide for themselves and their family. The majority of workers are assets to their company, and as a collective, their work makes it possible for companies to turn profits—sometimes huge profits that can pay out huge bonuses for executive shareholders, who are a very select few at the top of an organisation. Workers' contribution should earn them respect, and inspire appreciation for them from those at the very top of an organisation, who are responsible for fostering an inclusive and welcoming working culture. Unfortunately and unacceptably, in many workplaces, that does not happen. We know that it did not happen at Post Office Ltd.

It is difficult to know where to start with the Post Office scandal. Today, we are focusing on the management culture, which is one of those issues that profoundly impacts every aspect of an organisation, and it undoubtedly played a vital role in what unfolded with the Horizon system.

I pay tribute to all of the postmasters and postmistresses who found themselves a victim of the Horizon scandal—every one of the men and women whose integrity was questioned, and who were accused of dishonesty and fraud; those who lost their job, livelihood and, in many cases, freedom; those who were isolated from their community, because they were under a black cloud of suspicion; and those who suffered the breakdown of their family unit under the strain of this long-running saga.

I pay my respects to those who ended up passing away before justice could be served or before their name was cleared, as well as to their families, including those in my constituency. I also say thank you to every former postmaster and postmistress, and those who worked with them, for their hard campaigning over the years to see this wrong recognised and addressed.

I welcome the fact that in its remaining phases, the inquiry will review some of the issues around the working culture. That is essential to understanding exactly how and why so many people found themselves in the situations that they did. However, it will mean very little if it does not prompt change. Lessons must be learned, and not only by the Post Office; this process must inform the improvement of workers' rights across the UK.

What happened at the Post Office had devastating effects. Sub-postmasters and sub-postmistresses were left with overwhelming anxiety, depression and other long-term mental health troubles. Their vulnerability was exploited, leading to many pleading guilty to crimes they did not commit. Many were driven to financial ruin when they were expected to make good the shortfall in the accounts from their own money. Some were sadly driven to taking their own life.

We often hear that there is strength in numbers, but for the best part of two decades, that was not the case for these victims, despite so many of them experiencing issues with the Horizon system, and being adamant that these accounting errors were systematic. They were not listened to. The problems were hidden and covered up, and many did not realise that they were not alone in their difficulties until many years later. In fact, between 2000 and 2013, over 700 people were prosecuted on the back of issues with Horizon.

It is absolutely astonishing that no one bar the postmasters affected put the pieces together sooner or, crucially, acted on it. It is now clear that internal investigations by the Post Office meant that the issues were identified much earlier than it had indicated, which is mind-blowing. It means that the chief executive at the time and others were aware that it was very possible that innocent people's lives had been destroyed for no reason. That is unforgivable. Why were apologies not immediately made? Why was the path to justice not immediately set out upon? Why did these people—human beings with lives and families—not matter enough?

Some of the most disgusting things I have read relate to the racial classifications that the Post Office used for its postmasters. At the height of the Post Office's pursuit of unsafe prosecutions against its postmasters, racial identification codes were used by its security operations team in a compliance document. The Post Office has not been able to confirm when those classifications were removed from its working practices. It is language straight out of another century, and language that we all condemn. It is language that is incredibly racially charged, ignorant and, frankly, unacceptable. It illustrates the culture at

play in the Post Office at the time, and it is not an attractive picture. Racism has no place in the workplace or, indeed, our country.

The fact that the former chief executive was able to leave her role voluntarily, having been paid £500,000 a year and awarded an honour for her contribution, is a disgrace. So is the fact that senior executives received bonuses of hundreds of thousands of pounds last year, particularly as one of the metrics used to justify those payments, and judged to have been met, was compliance with the inquiry. Essentially, they got a pat on the back and a huge financial windfall for doing what the Post Office is legally obligated to do. Add that to the fact that the Government will have to pay huge sums of taxpayers' money to bail out the Post Office as it pays the compensation owed to postmasters and postmistresses. It makes a mockery of the entire fiasco.

I am sure that more will come out of this inquiry that will continue to shock us. I am sure that every Member of this House agrees that postmasters cannot and should not wait any longer to receive the compensation that they are rightfully due. I am not sure that anything can be done to fully right the wrongs that have occurred throughout this scandal. However, we must not hear any more excuses or denials, and above all else, we must not see any repeat of such widespread and utterly avoidable injustice.

2.8 pm

**Mr Kevan Jones** (North Durham) (Lab): It is a pleasure to serve under your chairmanship, Sir George. I congratulate the hon. Member for Motherwell and Wishaw (Marion Fellows) on securing the debate. I declare an interest that I am a member of the Government's Horizon compensation advisory board. Many will know that I have been involved in addressing what has become known as the Horizon scandal for many years.

I am usually an advocate of the cock-up theory of history—mistakes happen—but my involvement in addressing the Post Office and Horizon scandal started when a constituent of mine, Tom Brown, who was being prosecuted by the Post Office, came forward. The more I looked into the issue over the years, the more I realised that these were not mistakes but deliberate lies, cover-ups and deceptions, which, as has been said, led to innocent, upstanding members of the community being prosecuted, bankrupted and, in some cases, sadly taking their own lives. That takes us back to issue raised by the hon. Lady: it is the culture of the Post Office that led to the Horizon scandal.

I have described the culture of the Post Office as rotten to the core. Based on recent evidence, I do not think a great deal has changed. Let us see what that rotten culture led to. The hon. Member for Telford (Lucy Allan) has referred to the vicious prosecution of individuals. The evidence that came out of the inquiry—Lord Arbuthnot and I were aware of this—showed that the board knew in 2011 that the Horizon computer system was flawed. The argument that kept being peddled out—that somehow the system was infallible—was just not true.

In spite of that, the Post Office continued to prosecute individuals, including one horrendous case where it sent a pregnant mother to prison. Some 927 individuals were prosecuted. The numbers went up substantially, so why was nobody at the Post Office saying, "Wait a

[*Mr Kevan Jones*]

minute: have we suddenly got a load of kleptomaniacs employed as sub-postmasters?" Alarm bells should have been ringing, and yet the Post Office doubled down on prosecuting people. My constituent Tom Brown went through agony for two years after being arrested for allegedly stealing £84,000, only to get to the Crown court in Newcastle and be told that the case was dismissed. In that time, he had gone bankrupt and had his reputation completely ruined. There are many other stories. I and other Members have met some of these individuals, so we know of the mental strain and cruelty that they have experienced. It would take a heart of stone not to be moved by their situation.

The hon. Member for Telford also raised the issue of the board's approach of resistance. I have referred in the past to a tsunami of public cash being used to defend the indefensible, as happened in the court case that Alan Bates and the Justice for Subpostmasters Alliance brought against the Post Office. There was also the ridiculous situation in which it challenged Mr Justice Fraser in the court and tried to have him removed. That was a delaying tactic—it was not about getting to the truth, but about trying to outspend the applicants. That all happened at our expense—the nearly £100 million it spent was our money—yet it knew back in 2011 that what it was arguing in court could not be defended.

The hon. Lady also mentioned the role of the board. There were faceless individuals sitting on the board and agreeing all of this. They were quite happy to get remuneration for sitting on the board, but they did not ask basic questions about what was going on. For many years I have not been able to get to the bottom of the role played by the UK Government Investments shareholder. That person was meant to represent the interests of taxpayers on the board, yet they were quite happy to sign off £100 million of legal fees for the Post Office. I shall make an exception for the present Minister, but I have dealt with many Ministers over the years, all of whom, to be frank, trumpeted the same rubbish every week, obviously guided by their shareholder on the board. It would be interesting to see what the shareholder said over the years. These faceless individuals are taking remuneration, and they need to be held to account for their actions. It is no good saying that time has passed. They have ruined people's lives—that is the important thing.

The ironic one is Paula Vennells, who ran the Post Office from 2012 to 2019. It has already been mentioned that she got a CBE for services to the Post Office. Even in 2019, when she got it, we knew about the scandal that was going to break, yet somebody thought it was great to sign off on the CBE. They not only did that, but made her a non-executive director at the Cabinet Office and the chair of Imperial College Healthcare NHS Trust. What the hon. Member for Telford said is correct: it is a chummy club where we think good people—either good men or good women—can go on to these other things, and no doubt get, for those two roles, quite substantial payments. How was that allowed to happen? How did somebody in Government say, "Wait a minute; this scandal is about to break—we'll give her a CBE and appoint her to two public bodies"?

Finally, I come to the present board. It has already been said that Nick Read's salary is £415,000. He had a bonus of £455,000. The chief financial officer, Alisdair

Cameron, gets paid £110,000 and got a £316,000 bonus. I ask them: where is their moral compass? How did they think it was right to accept such ludicrous bonuses when we are still fighting over compensation for victims of the Horizon scandal? That is wrong. I do not understand how someone can get nearly £1 million a year for running an organisation that is supposed to provide a public service and think that somehow it is right to get a bonus for doing their own job, while there are people who are broken, who are destitute and, in some cases, who still have the moral shame that came with prosecution. That is a moral issue. I do not know how these people sleep at night. How do they think it ethically possible to accept such a figure?

I think Nick Read has paid something like £7,000 back. Big deal! Let us be honest: that is pocket money in terms of his overall remuneration package. Part of the bonus was actually for their work on the Horizon scandal. It was complete nonsense: they said that Sir Wyn had to sign the thing off, but Sir Wyn did not even know about it. The Post Office made that up. At the end of the day, this is public money, not their money. This is not a private company; this is taxpayers' money, which is the important point. I would not mind if it was actually good, but as has already been said, the inquiry has now been held up because the Post Office has not disclosed documents. The Post Office cannot argue that somehow it cannot find documents or that there has to be a delay. Somebody should have done a trawl of this. If certain people have kept money for work on the Horizon scandal, the Government should sue them, because frankly they are holding up the inquiry.

There is a lot of anger, quite rightly, among sub-postmasters, sub-postmistresses and their supporters, not only about what has happened in the past. There are some clear governance issues. I think that there is call to sack the board on various social media, and I agree with that: the present board needs to be sacked. We also need a fundamental change in the way the Post Office is structured and operated.

**Lucy Allan:** Does the right hon. Gentleman agree that the lawyers, Herbert Smith Freehills, should be sacked?

**Mr Kevan Jones:** Lawyers are lawyers. The hon. Lady said she was a lawyer, and I mean no disrespect, but let us be honest, if the lawyers are going to get a good living out of it, they will take the money and give the advice. A lawyer will say anything if they are paid enough. The point is that the board is still not performing its scrutiny role. As the hon. Lady rightly said, the role of non-executive directors is to challenge and question things, but they are not doing that.

There needs to be an emergency situation and the current board, including Nick Read, needs to go. We need to put in some interim arrangements, and then in the long term we need to look at how the Post Office is run. It is frankly a farce that it is considered to be a private, stand-alone company. It is not: it is 100% owned by taxpayers. Unless that is done, I fear that these people will keep taking large bonuses and salaries and, as the hon. Member for Motherwell and Wishaw said, our network will get smaller and smaller and the people who do the real hard work every day of the week at the front end will get less and less.



2.20 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): It is a pleasure to see you in the Chair, Sir George. I congratulate my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) not just on securing this debate but on all the work she has done over a number of years campaigning on Post Office issues—particularly for sub-postmasters affected by the Horizon scandal. At various points, I have assisted her work; I will talk about that a little later.

My hon. Friend's speech covered the bases very well. She spoke of the suffering of sub-postmasters, including those who have sadly died. She also spoke of the absolutely vital role that the Post Office plays in our communities. That has always been the case, but it is particularly so now that the banks have abandoned our high streets. She did not miss when she spoke of the horrendous management practices at Post Office Ltd. Moreover, there is no evidence that that management culture has changed. That sharp practice continues into the Post Office's handling of the compensation scheme. I respect the Minister and I am looking forward to his answers to our questions.

The hon. Member for Telford (Lucy Allan) spoke about the experience of her constituent Tracy Felstead, and the somewhat tainted apology that she received from Nick Read. The hon. Lady rightly compared the Horizon scandal with other shameful episodes in which there have similarly been secrecy, incompetence, institutional blindness—I thought that was a good phrase—and an overwhelming desire to protect the organisation at any cost.

The hon. Lady also mentioned the role of the civil service and the fact that Ministers—in fact, all elected representatives from local councils right up to Holyrood and Westminster—rely on information given to them by civil servants or our member on the Post Office board. We know about that all too well in my constituency, because a local school that has been built is two or three times too small, despite officers being told that information years ago.

The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) made the very good point that all businesses, including the Post Office, are built on their workforce, which should at the very least be treated with respect. She praised and thanked the sub-postmasters and their families for their campaigning and their extraordinary patience over the years, and I wholeheartedly second that thanks. She also made the very good point that many sub-postmasters thought they were alone when they faced these accusations and charges.

The right hon. Member for North Durham (Mr Jones) said that the Post Office board was rotten to the core, and that not a great deal has changed in that regard. He said that the board knew in 2011 that the Horizon system was flawed, and yet it pursued the prosecutions, one of which resulted in the imprisonment of a pregnant mother. He made the very obvious point—at least it should have been very obvious to the Post Office—that when the system was introduced, the instances and the value of missing money increased significantly, and yet the Post Office did nothing and pursued these prosecutions.

I mentioned my work with my hon. Friend the Member for Motherwell and Wishaw, which was to do with the definition of community post offices, and about banking

transactions. Sub-postmasters were paid 24p for every £1,000 of banks' money that they handled. However, there was no distinction between notes and coins, so if someone was processing—this is not likely; it is the extreme—£1,000-worth of pennies, they would be able to keep 24 of those 100,000 pennies as payment for that work. I am glad that that was increased threefold after a lot of campaigning by many of us in this House and, more importantly, sub-postmasters themselves, but the levels that they are paid today are still, particularly in the light of the inflation that we have seen in the last while, not enough.

It has been said in this debate that not a single senior manager at Post Office Ltd has lost their job as a result of this shameful episode. Not a single highly paid executive has yet faced criminal charges for their role in this conspiracy. Many have quietly departed with golden handshake payments and their gold-plated pensions intact. When counterclaims were being lodged by the Post Office in court—at the behest of its senior execs—it knew full well that its own systems were dodgy and that those who were seeking redress for the ordeal that they had suffered were completely correct, yet still it went ahead with its counterclaims, seeking to drive the claimants off the case.

Virtually every Member will have experience of their constituents being victims of the conspiracy at the top of the Post Office, and I am no different. My constituent was accused of the theft of tens of thousands of pounds during her time as a sub-postmaster at a rural sub-post office. She was advised that going to court and defending her innocence would be futile and might result in a longer sentence if she was found guilty, because the Post Office had evidence of her “theft” in black and white—evidence taken from the flawed Horizon system. She took that advice: she pled guilty, despite knowing that the charges were utterly untrue. She ended up being sentenced to more than a year in prison and had her life ruined. Her name was plastered over the local newspapers as a common thief. Her house was repossessed as the Post Office moved on from its abuse of the criminal justice system to abuse the civil legal system and sought to recover the money that had been “stolen”. She lost everything—her family, her friends and her freedom. Thankfully, she has been able to move on somewhat and settle in my constituency, but she will never get back the years of being marked as a crook by a collection of spivs at the Post Office.

That is in marked contrast to those involved at the heart of this conspiracy, who have been able to move on with ease to new roles and positions with other organisations—all of them generously paid and secure. That is to say nothing of those still with the Post Office, who continue the appalling track record of their predecessors and obstruct the work that Sir Wyn Williams and others are doing to lay bare exactly what happened at POL and Fujitsu over decades. Even this week, we have heard that the inquiry will be further delayed while the Post Office fails yet again to disclose documents that it has been ordered to provide. You would think, Sir George, that given the revelations and scandals of the past few years surrounding the Post Office and its responsibility for destroying the lives of thousands of people on the basis of a lie, it might be a little less cavalier with the facts. It saw fit to pay bonuses to senior management and executives and to boast in its annual accounts that it had supplied the inquiry with all the

[Gavin Newlands]

documentation that it required, but we all know that to be a complete lie—another pack of falsehoods that it thought it could get away with, but which fortunately has been stopped in its tracks. How many more lies will Sir Wyn's inquiry uncover in the end? That is what Post Office management are afraid of and why they should not be allowed to delay or obfuscate for a single minute longer.

This scandal should also bring into sharp focus the idea that major IT projects should be automatically awarded to the private sector. Throughout this saga, Fujitsu has behaved deplorably, to say the very least, with some instances of behaviour potentially being criminal. Why is Post Office Ltd extending its contract? It makes no sense; it beggars belief that it is extending its contract, unless they are in cahoots. Horizon was manifestly unfit for purpose from the very start and continued to produce fundamental and systemic errors. Those errors should have been properly investigated and changes made. Instead, hundreds of innocent men and women paid the price for both organisations' arrogant intransigence.

Why has Fujitsu escaped paying a single penny back to the Post Office for a contract that it clearly was incapable of fulfilling properly? Given its key role in this scandal from start to finish, why is Fujitsu still allowed to involve itself in contracts from the public sector when it is manifestly unsuitable, practically and morally, for that task? The accountability quite rightly has been focused on Post Office Ltd, but responsibility also lies with those it engaged, using public funds to commission the deeply flawed Horizon programme. They cannot and should not be allowed to escape their responsibility in this affair.

While all this was going on, Post Office Ltd was engaged in a programme of stripping our country of large parts of our post office network. Only 200 Crown post offices are left, out of about 11,000 offices. Most of the rest of the network has been contracted out to sub-postmasters and sub-postmistresses, which makes the company's behaviour toward the very people who have ensured that we still have a post office network all the more appalling.

I want the inquiry to go through all the facts and events that led to such despicable behaviour. I want to see each of the former executives and managers brought in front of Sir Wyn and made to explain in detail their actions and the actions of those around them that led to these miscarriages of justice. Finally, those involved in the catastrophic errors made by the Post Office and Fujitsu, and more pertinently those who organised the cover-up, must be held accountable for their actions. That is the only way forward to restore public trust in the Post Office, an organisation that we expect to be proud of, but that is currently a byword for corruption, cover-ups and chicanery.

2.30 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to see you in the Chair, Sir George. I start by thanking the hon. Member for Motherwell and Wishaw (Marion Fellows) for securing the debate. Her tireless work on this scandal is well recognised across the House and is greatly appreciated. Indeed, all Members

who have spoken have been powerful advocates during their time in the House. They gave many powerful examples of how the management culture in the Post Office has had an impact on individual people's lives.

The hon. Member for Motherwell and Wishaw talked about obfuscation, secrecy and cover-ups, saying that nobody has truly been held to account for this. She made it clear that the victims she has spoken to have little faith that justice will be done. That really has to change. She raised several important questions that the Minister will hopefully be able to address, and I will refer to a number of the issues she mentioned.

The hon. Member for Telford (Lucy Allan) spoke very powerfully. Her point about her constituent meeting the chief executive earlier this week really got to the nub of the problem: words need to be matched by action. That is the challenge that Post Office's management need to step up to. She raised questions, as all Members did, about culture and governance. My right hon. Friend the Member for North Durham (Mr Jones) raised similar issues in a passionate speech. It is clear that there are serious questions about what the board is doing.

Litigation has been ongoing for several years. The fact that the inquiry does not have the documents because they cannot be found raises questions about what on earth has been going on. Documents would normally be prepared for litigation, so my right hon. Friend the Member for North Durham was right when he said that questions must be asked about what the board is doing. He talked about lies, cover-ups and deceit being the culture—a culture that is rotten to the core. He also talked about a tsunami of public cash being used to defend the indefensible. Those comments really sum up why this is something that has to change.

As the hon. Member for Motherwell and Wishaw said, it is very clear that this is one of the greatest—if not the greatest—miscarriages of justice in this country. We have heard many poignant examples about how the lives of hundreds of innocent post office workers have been ruined by the Post Office aggressively pursuing them on the basis of a fundamentally dodgy IT system about which worries had been flagged up.

Concerns about culture have been repeatedly raised in the debate. As Members have mentioned, the High Court in the case of *Bates v. Post Office Ltd* stated:

"There seems to be a culture of secrecy and excessive confidentiality generally within the Post Office, but particularly focused on Horizon."

This is not someone down the Dog and Duck talking about the Post Office. It is a member of the judiciary, so we have to take those words very seriously.

Those sentiments are reflected by the Communication Workers Union, which identified a

"serious and longstanding cultural and governance problem" rooted—a word we keep coming back to—in a fundamental lack of accountability. In its view, this led to the abuse of power, corporate complacency, denials, cover-ups and false evidence that have been the hallmark of the Horizon scandal. These comments are rightfully damning. The complete overhaul of Post Office management and culture that one would have expected on the back of such claims has been lacking. From the stories we have heard, the Post Office seems largely unreformed.

Despite assertions to the contrary, we know that, as the hon. Member for Motherwell and Wishaw detailed, years have been spent fighting compensation claims

against honest sub-postmasters. Every trick in the book has been used to draw things out for as long as possible. That includes making low compensation offers, only for them to be raised once legal action is taken, and using technical and misleading language in letters to dissuade victims from seeking expert advice. Those are not the behaviours of an organisation that has a true insight into its failings. Those are not the behaviours of an organisation that is contrite. Those are not the behaviours of an organisation that recognises that it needs to change. Sixty former sub-postmasters have died without payouts and most victims are still waiting to receive their full and fair compensation. That is outrageous. Victims have been failed time and again by the Post Office's toxic management culture. What are the Government going to do to protect those victims and to ensure that justice will be fairly and swiftly delivered?

As we heard from the hon. Member for Motherwell and Wishaw, executives have been receiving substantial bonuses while this has all been going on. We heard about chief executive Nick Read receiving £455,000 in bonuses on top of his £415,000 salary in '21-22. As we know, part of those substantial bonuses was falsely reported to have been agreed by Sir Wyn Williams, who led the Horizon inquiry. That bonus was paid due to Read's co-operation in the handing over of documents. We now know that to be false on two counts. First, it was reported in May that Sir Wyn did not sign it off; that was a complete fabrication. Last week, it was found that the documents for that day of evidence in the inquiry had not actually been disclosed at all. As the hon. Member for Telford said, there must be questions when the chief executive does not know the facts on something so important to the Post Office and to the victims.

This is not just a casual misunderstanding; the Post Office annual report and accounts for 2021-22 published the metrics on which bonuses for senior leaders were based. One metric, which was marked as achieved, read:

"All required evidence and information supplied on time, with confirmation from Sir Wyn Williams and team that Post Office's performance supported and enabled the Inquiry to finish in line with expectations."

We now know that to be completely false; Sir Wyn Williams actually said:

"I am dissatisfied by the approach that has been taken by the Post Office; in my view, their approach demonstrates a lack of clear thinking about the disclosure obligations owed to the Inquiry with which the Post Office must comply and the means by which their obligations can be fulfilled."

The Post Office has issued a clarification to the report and an apology, stating:

"We recognise that by setting this particular sub-metric, and marking it as achieved, we implied that Sir Wyn and his team had agreed to this sub-metric and had commented on the outcome. We wish to clarify that we did not ask for Sir Wyn's agreement to the wording of this sub-metric and Sir Wyn and his team did not give any input into assessing whether it had been met."

This is an annual report; basic things like that ought to be checked before they appear in black and white.

If we put aside the argument of whether executives should be paying themselves handsome sums for complying with things that they ought to be doing by law anyway, and if we also try to overlook the vast irony of the Post Office being caught doing what it pursued sub-postmasters for supposedly doing, as my right hon. Friend the Member for North Durham said, that is a moral issue. There are questions about that.

There is also the question of whether people making such statements are fit to be running any business. I know the Minister is looking into the governance arrangements, but has he commissioned any investigation into whether section 1112 of the Companies Act 2006 was breached in this episode? I would be grateful if he would address that specific point in his response. If he is unable to do so today, can he respond in writing?

Understandably, the focus has been on the Horizon scandal—there are so many things that need to be addressed—but, as other Members have referred to, the creeping withdrawal of post office services affects all our communities. We have been reminded today of the important functions they perform, particularly for older and disabled people, carers and those who simply cannot access the internet. The post office is a vital lifeline, especially when other vital in-person services such as banks are closing at an alarming rate. There is a serious question about whether the management have the ability to meet those challenges.

I was struck by the comments from a constituent of the hon. Member for Motherwell and Wishaw who said that they make more money from the coffee machine than from post office services. That might explain why there is a silent withdrawal of the post office from our communities. Of the 11,500 post offices in operation, only 4,000 are open seven days a week. There has been a proliferation in the number of outreach branches. In 2000 there were just 52, representing 1% of the total network. As of March last year, that had gone up to 1,901, comprising 16% of the network.

I would be interested in whether the Post Office meets any of its six accessibility criteria if part-time or partial service branches are included. Have the Government conducted any analysis into that? How many people are reliant solely on outreach services? Constituents have told me that they have to go on a magical mystery tour of the constituency to find a post office that is actually open, and that is not because they go out at unsociable hours; it is often in the middle of the day. Many people now struggle to find somewhere open because the advertised hours are not adhered to. I do not know why that is happening, but it points to something badly wrong in the whole system. What can be done about it? Has the Minister made an assessment of the anticipated profits of an average post office operating on a full-time basis? Is the system sustainable or is there a problem with the way it is being run?

Another difficulty is when one of the many sub-postmasters decides to close up shop, and we see time and again a failure to address that issue. It has happened many times in my constituency; I am sure it has happened in other Members' constituencies. Every time the Post Office tells us that it will look for another partner to open up. We wait and we wait and sometimes—months or even years later—we get a new post office, but sometimes it does not appear at all. I have said repeatedly, every time there is a closure, that the Post Office's laissez-faire attitude to another one reopening is not good enough. It does not work, and it is allowing services to wither on the vine. I can give examples of each outcome in my constituency.

In Elton in 2016, we waited a year for the post office to reopen after it had closed. Neston lost its branch almost two years ago, and it is now open in a car park for two hours on two days a week. Great Sutton post



[Justin Madders]

office closed last year, and there is no sign of it reopening. It all feels like management either do not care or do not have the capability to address this structural challenge. We know they have not been able to do the job in the past. Can they do it in the future?

I raised that issue primarily because there is a pattern here. The failure to handle post office closures has parallels with the failure to deal with the Horizon scandal, which have both shown an unwillingness to change or to accept that things need to be improved.

Does the Minister have confidence in the management of the Post Office? Does he think the management culture has changed sufficiently since Horizon first emerged? What are the Government doing to ensure that victims receive the compensation that they rightly deserve? Does he consider that they have a sufficient grip of public access to post offices and a proper strategy to maintain services?

2.43 pm

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** It is a pleasure to speak with you in the Chair, Sir George. I thank the hon. Member for Motherwell and Wishaw (Marion Fellows) for securing today's important debate and for her constant work in this area on the all-party parliamentary group on post offices. It is always a delight to work with her in these areas. We share her passion for the post office network and the services that it provides to communities up and down the country.

A positive management culture is paramount for the health of any organisation, so I welcome today's debate on the culture of the Post Office. As raised by the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier), culture is critical to any organisation. As Emerson once said,

"An institution is the lengthened shadow"

of a single person, so leadership is hugely important in this context.

The Horizon scandal has had a devastating impact on those affected and on Post Office itself. It has now rightly accepted that it got things very badly wrong. I thank all right hon. and hon. Members for all the work they have done in campaigning over many years, including the hon. Member for Motherwell and Wishaw, my hon. Friend the Member for Telford (Lucy Allan) and the right hon. Member for North Durham (Mr Jones). I also thank the noble Lord Arbuthnot, who is in the Gallery, and the many other people associated with this work, including the barrister Paul Marshall, the journalists Tom Witherow and Nick Wallis, Dan Neidle and, of course, Alan Bates and the 555 people who took the matter to court. We would not be here without them, and we are at least starting to put these matters right.

When the current chief executive of Post Office, Nick Read, started his job in September 2019, he made it clear that Post Office needed to apologise for the events of the past, fully address them and, of course, compensate those who suffered detriment. A key part of that will clearly be the restoration of trust between Post Office and postmasters. That is so important, because, as I said previously in other debates, there is no post office network without postmasters.

In December 2019, the parties to the group litigation order in *Bates v. Post Office Ltd* took part in a mediation session and issued a joint statement confirming Post Office's commitment to resetting its relationship with postmasters. Since then, Post Office has appointed two non-executive director postmasters, who were elected by other postmasters, to the Post Office board. This ensures that postmasters' voices are being heard at the highest level—something that I witnessed yesterday when I attended the board meeting at the company's offices. It is crucial that senior management is cognisant of the impact that its strategies and changes will have on those who are on the frontline of delivering services. Post Office has also appointed a current postmaster to a new director role, who leads the day-to-day relationship with postmasters.

Alongside those appointments, Post Office has looked into operational matters to improve culture and trust between senior management, staff and postmasters. Improved training packages, and the hiring of more than 100 new area managers to provide dedicated local support, are examples of positive changes. On the Government's part, I enjoy chairing our regular working-group meetings with Post Office and the National Federation of SubPostmasters, as I did yesterday, and I find them to be a useful forum to discuss the high-level issues affecting postmasters.

On compensation, it is right to say that in order to look to the future, Post Office must first address and learn from its past mistakes so that it can rebuild trust in the business. We are determined that postmasters affected by the Horizon scandal receive the compensation they deserve, and the Government are supporting Post Office with funding to deliver that.

The shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), challenged me on what the Government are doing to make sure that justice is delivered to those affected, and I am determined to make sure that we do everything possible in that regard. I am grateful to the right hon. Member for North Durham for his work on the advisory board, to which he referred. The board initially looked after just the GLO part of the scheme, but that was extended to all three schemes on the request of him and his colleagues on the board. I am delighted to see the work it is doing, and I am determined to give it what it needs to make sure that the schemes are fit for purpose and delivering outcomes as expected. Indeed, we expanded membership of the board to include, for example, Professor Moorhead, who has been a leading advocate in this area.

Although there is still work to do, good progress has been made across the different compensation schemes. For postmasters who were wrongfully convicted due to Horizon shortfalls, Post Office has to date paid out over £20.4 million in compensation. That includes initial interim payments to 81 individuals and, additionally, 65 partial settlements, top-up payments or hardship payments. Post Office has reached full and final settlement with four claimants, and will continue to process claims that are lodged as quickly as possible. The Horizon shortfall scheme, which was set up as part of the settlement in the 2019 group litigation case against Post Office, provides redress for postmasters who repaid shortfalls but were not convicted or part of the court case. Over 99% of the original claimants to the HSS have now received an offer, and the value of the offers is more

than £100 million. A further £2.1 million has been offered to the 91 late claims that have been processed so far.

The hon. Member for Motherwell and Wishaw says she believes the claims have been settled at the lowest possible level. I do not accept that. The advisory board, including the right hon. Member for North Durham and the noble Lord Arbuthnot, and I attended a session with the HSS panel and the lawyers connected to that panel. It was clear to me, and I hope to other Members who attended that call, that the panel works on an inquisitorial basis, trying to identify any detriment, financial or otherwise, and to ensure compensation in full on those matters.

The group litigation order scheme is being delivered by my Department—the Department for Business and Trade—rather than the Post Office. It is always tragic to hear the many cases that relate to these issues. I have a constituent—Sam Harrison of Nawton, near Helmsley—who sadly passed away while waiting for her claim to be paid from the GLO. That is unacceptable, and we need to accelerate outstanding payments through all schemes. To date, the Department has paid out over £21 million in compensation, including through interim payments. We have received 18 claims. Across those areas, our priority is providing fair and swift compensation to those affected, so that postmasters achieve the justice they deserve. Indeed, we have made some adjustments to the scheme and to previous schemes, in terms of the tax treatment of the HSS. When the board has come to me on any matter, we have delivered on its suggestions.

**Mr Kevan Jones:** I would like to put on the record my thanks to the Minister and his predecessor, the hon. Member for Sutton and Cheam (Paul Scully), for the way in which they have approached the Horizon compensation scheme scandal. The board made some recommendations to the Minister at the last meeting. When will he be in a position to respond to those recommendations?

**Kevin Hollinrake:** I am keen to respond, as the right hon. Member knows, on a potential appeals process. I am looking at this carefully, and we will continue to engage on that, but we want to ensure that everything is fair and that people are confident in the process for getting the compensation they deserve. We want to ensure that the compensation is delivered on time. We have an August 2024 deadline, as the hon. Member for Motherwell and Wishaw mentioned. We are keen to deliver on that deadline and are looking again at further ways to expedite payments to all those still waiting.

On governance, Post Office Ltd is a public corporation, and as such its board retains responsibility for the strategic direction of the company.

**Lucy Allan:** This debate is about the culture of the Post Office, and we have raised issues around the bonus arrangement, non-disclosure of documents, and racism and the use of categories. Will my hon. Friend move on to discuss the points raised by hon. Members?

**Kevin Hollinrake:** I certainly will. This is all context to the issues that many people have raised around compensation, but I will certainly come on to those points.

Through the shareholder's representative on the board, the Government oversee the Post Office's corporate governance, strategy, performance and stewardship of its financial and other resources. The Post Office reports to the Government on key issues at the regular shareholder meeting. The hon. Members for Motherwell and Wishaw and for Paisley and Renfrewshire North (Gavin Newlands) asked about the future of the Post Office and our plan for it. We all recognise that post offices are a valuable social and economic asset for communities. They deliver essential services and play a key role on our high streets.

The hon. Member for Motherwell and Wishaw spoke about post offices being the front office of Government. We very much see them as the front office of Government, but we do not dictate to consumers how they access vital services. Many consumers look to acquire services in different ways. Many people renew their passports and driving licences online these days rather than at the post office, and we want to give them the convenience of doing that. That creates challenges for the sustainability of the Post Office and of individual branches. We have to acknowledge that. The Post Office is putting together its future plan, and we are working with it on things such as banking services and access to cash, which we have now legislated for. We are looking at whether the Post Office network is getting a fair share of the savings that the banks are making by closing branches and making the Post Office the first point of call for access to cash, for example.

**Marion Fellows:** I recognise what the Minister has done, and I acknowledge that more and more people are going digital, but post offices serve their communities. In communities with high levels of deprivation such as mine and others represented by hon. Members in this Chamber, we need post offices. The Government have to stop withdrawing contracts from them, as that prevents people from accessing those services.

**Kevin Hollinrake:** I am not aware of any withdrawal of services. There is a Driver and Vehicle Licensing Agency issue, and there is a negotiation between the Post Office and DVLA. It is absolutely right that postmasters get fair remuneration for those kinds of services; we agree on that.

On senior pay and bonuses, what happened with the setting of the metric, and the awarding of the bonus around it, was unacceptable. The Post Office's internal investigation has reported, and the Government have commissioned a separate review of the governance around Post Office decisions. We have not sat on that; it has not reported back yet. One thing we all agree on is that we need to follow due process in our oversight of the Post Office. Our review is being led by Simmons & Simmons, and we expect it to report to me by the end of the month, and of course I will wait for that before taking action.

My hon. Friend the Member for Telford talked about the inquiry and disclosure. The Post Office apologised and has taken urgent steps to put things right. Its disclosure to the inquiry was clearly unacceptable. I am not aware of any breach of the Companies Act, but we will certainly look into that.

My hon. Friend and the hon. Members for Rutherglen and Hamilton West and for Paisley and Renfrewshire North all asked about matters pertaining to the inquiry—

[Kevin Hollinrake]

what happened, why it happened and who is responsible. When the inquiry reports and assigns blame, we should be able to take action against those responsible.

The Government are very supportive of the Post Office's efforts to improve its culture and its relationship with postmasters, and to right the wrongdoings of the past. Despite the positive progress since 2019, there clearly are still many improvements to be made, and the Government will be watching closely to ensure they are properly implemented.

2.57 pm

**Marion Fellows:** I thank all right hon. and hon. Members who are here. This was the most difficult debate to prepare for in my time in this place, because I had so much information and so many facts that I wanted to get over, and I had to put aside a large amount. It is really important to many communities—in fact, it is important to everyone—that sub-postmasters receive proper justice and recompense for what they and their families have gone through. It is really important to communities such as mine in Motherwell and Wishaw that the Post Office network continues.

I pay tribute to the Minister and his predecessor, the hon. Member for Sutton and Cheam (Paul Scully). In the eight years that I have been here, we have had a variety of small business Ministers and Ministers with responsibility for post offices, and none of them got it until the last two. However, that does not excuse the failures, and it will not stop us pushing and keeping at the Minister and the chief executive of Post Office Ltd. Post offices are important and need to continue. People who work in them need to be properly remunerated, and people who need them have to be able to go to them and get what they need.

*Question put and agreed to.*

*Resolved,*

That this House has considered the management culture at Post Office Ltd.

## Freehold Estate Management Fees

[DR RUPA HUQ *in the Chair*]

3 pm

**Helen Morgan** (North Shropshire) (LD): I beg to move,

That this House has considered freehold estate management fees.

It is a great pleasure to serve with you in the Chair this afternoon, Dr Huq. I am grateful to the Backbench Business Committee for granting this debate and also to the 14 MPs from across the House who enthusiastically wrote to me to support it. I suspect that the fact that they are, unfortunately, not all here is a function of its taking place on a Thursday afternoon. Like me, they have been contacted by constituents whose lives have been blighted by the often scandalous reality of unfair, unregulated estate management fees, and feel obliged to call on the Government to legislate robustly to correct this.

I will begin by outlining the crux of the problem for many freeholders in the UK who are trapped by such arrangements. It is becoming increasingly common in new housing developments for the shared areas that are built to remain unadopted by the local council. Instead, a management company takes responsibility for the shared areas outside the bricks and mortar of the owners' homes, and the freeholders are required by law to pay annual charges for the upkeep of those areas. That could include anything, from the maintenance of garden areas to roads and footpaths. As I will come on to later in my speech, it can even include the sewerage connections of the properties in the development. Sometimes, the freeholders will also be the joint owners of the shared areas.

The commercial substance of these arrangements is that the freeholders sign up to a leasehold agreement, even if the legal form gives it a different name. It is in the nature of these agreements that the problems begin. A common practice, I found, is for brochures and contracts, or sales staff to refer to estate management charges as

“a small annual charge for grass-cutting or for the upkeep of the play area.”

In some cases, that description of the charges could not be further from the truth.

**Justin Madders** (Ellesmere Port and Neston) (Lab): I have been pursuing this matter for some time. Indeed, I have described it as the new payment protection insurance, or PPI, because there are so many people who have been signed up to things that they did not know about. The similarities between that and the leasehold scandal are all too familiar. Does the hon. Member feel that there needs to be far greater candour and transparency from developers when they sell their properties?

**Helen Morgan:** I thank the hon. Member for his intervention and I agree with him; that is one part of the solution to this problem.

From day one, homebuyers are being fleeced by the developer, given the reality of the charges they will face, and unfortunately, because they are often first-time buyers, they do not have the experience or knowledge to delve deeper into the charges during the conveyancing process.

These charges are usually uncapped and unregulated, with no means of redress for the buyer, which can be the beginning of a spiral of problems that freeholders in



this position face. A common arrangement is that the management company is a zero-profit company that simply passes the cost of maintenance work to the freeholders. However, this work is subcontracted to a profit-making company; and I am sure it will come as no surprise to hear that, in these arrangements, the subcontractor is often connected to the original developer and makes exorbitant profits. The subcontractor does that by ensuring that the cost of the maintenance work is extortionate. To add insult to injury, although the freeholders are paying for the upkeep of the communal area, or the public area, or the roads, or the street lights, they do not receive a reduction in their council tax.

A stakeholder from the Cambridge Centre for Housing And Planning Research said in an interview that the reason why the number of freehold estates with estate rent charge requirements is increasing is that local authorities are not keen to adopt all communal areas and roads on estates. But in actual fact, local authorities are being incentivised to encourage these arrangements, because they raise council tax revenue without incurring any maintenance costs.

I will provide a few examples from my constituency to demonstrate the harm that these arrangements can cause when they have not been established in good faith. I have spoken on many occasions about the Brambles development in Whitchurch in my constituency, and I will mention it again today, because the circumstances are so appalling, and I believe they could and should have been avoided. The Brambles is a development of 14 houses built in 2016 by the developer Sherwood Homes Ltd, on land for which Shropshire Council had already granted planning permission for development. It was a condition of the planning permission that the road, footpath and drainage would all be complete before the houses were occupied. Unfortunately, despite that agreement, these elements were never fully completed, but building completion certificates were issued for the properties and they were subsequently sold and inhabited.

Once a number of the houses had been occupied, the drainage system failed, which led on some days to raw sewage backing up in residents' gardens. Sherwood Homes Ltd had not taken out the section 104 agreement required in the planning permission, and not only was the arrangement dysfunctional, but the connection to the Welsh Water sewage network was illegal. In addition, neither the road lighting nor footpath was completed.

In December 2019, Sherwood Homes Ltd went bust, and Shropshire Council could not take planning enforcement action against the company. The residents of the Brambles, who were the successors in title to the private company that was established to manage the development, had been the subject of the enforcement process. The truly shocking reality is that they have been required to accept five-figure charges on their properties to rectify the £1 million issue of connecting the drainage to Welsh Water's network. It is also worth noting that the saga has cost the rest of Shropshire's taxpayers a considerable amount, because council officers have expended time and effort in attempting to rectify the situation.

Had the residents not been the owners of the shared areas, they would not have been liable. Perhaps if Shropshire Council had been expecting to bear the full costs of the clear-up, it would have taken out an injunction to prevent the final homes from being sold and occupied

until the drainage was rectified, or indeed ensured that, in the first place, financial bonds had been in place under the section 104 agreements and the section 106 agreement for the drainage in the road.

That is the worst example, but it is not the only one that has come to my attention. Other cases from my constituency include a developer that is charging residents extortionate fees for the maintenance of a shared ground source heat pump, but has kept the Government's renewable heat incentive by putting it in a private company. The developer runs the management company and has failed to hold an annual general meeting or provide detailed accounts for the residents.

In another example, there appears to be a total disregard of the Companies Act 2006. In this instance, once again the drainage and road are not at an acceptable standard, and the developer claims the management company is dormant, despite having contracted limited maintenance work to a third party. It has not held an AGM, and there is no opportunity for the homeowners to challenge the arrangement. The developer ignores all correspondence, and the homeowners do not have the resources to take him to court.

The problem is not unique to North Shropshire but impacts people across the UK. Indeed, since being granted this debate, I have been contacted by freeholders from across the country who have explained that they are being fleeced by management companies, having initially been told that they would simply have to pay for the upkeep of the grass. These people find themselves in an inescapable position. For many, there is no use turning to their original conveyancing solicitor for assistance, because that solicitor was recommended to them by the developer, which offered a discount if they used that solicitor. In addition, as I have mentioned, many homeowners are first-time buyers, and starting legal proceedings retrospectively is simply out of the question on a cost basis. As a result, freeholders are left with nowhere to turn, paying extortionate fees and with their dreams of a new home shattered.

It is important to note that the cost to the resident is not only financial. A support group called HorNet has explained to me that, on top of the burden of paying the fees, homeowners often come into dispute with other members of the public, who may abuse or damage the very infrastructure, such as the play equipment, that the homeowners are paying such huge annual fees to upkeep.

**Justin Madders:** The hon. Lady raises an interesting point. Constituents have told me that people who walk their dogs on the land for which they are paying an estate management charge should not be allowed to do so, because those people have come from another estate, where they are not paying the charge. This whole model is set up to be divisive and turn communities against each other, is it not?

**Helen Morgan:** The hon. Gentleman is exactly right, and that also raises questions of liability. HorNet describes one example in which it asked the local authority to comment on whether the local authority or the freeholders would be liable if a member of the public was injured on land maintained by the freeholders—for example, by falling off the play equipment used by the public. The council responded that it did not know. There is therefore an additional level of stress for these freeholders, as well as the potentially divisive elements that the hon. Gentleman raises.

[Helen Morgan]

As they stand, the agreements are a bit of a legislative desert, and they are a source of incredible stress and risk for residents. Frankly, they are a bit of a money-printing machine for unscrupulous developers that seek to exploit homebuyers. What is frustrating is that the Government have on numerous occasions considered that this area of legislation desperately needs reform, yet we have made no progress to protect freeholders from the situation.

In 2017, the Government launched a consultation to tackle unfair practices in the leasehold market and promised to legislate to ensure that freeholders would be able to access rights equivalent to leaseholders' to challenge the reasonableness of such charges. In 2018 they launched another consultation, "Implementing reforms to the leasehold system in England", which promised that the consultation requirements and obligations of the provider of services must be provided also to freeholders and that freeholders would have the ability to challenge the reasonableness of the payments at a first-tier tribunal.

In 2019 came the Government's second report, "Implementing reforms to the leasehold system in England", promising equal rights for leaseholders and freeholders when it came to challenging management fees. Those consultations and reports have been encouraging. Some 76% of those asked in 2019 agreed that freeholders should have the right to challenge such fees, but we have seen no progress at all in the legislation.

It is the responsibility of the Government to honour their promises made in 2017, 2018 and 2019. In March this year, when responding to a parliamentary question from the right hon. Member for Elmet and Rothwell (Alec Shelbrooke), the Secretary of State promised to legislate on this issue "when parliamentary time allows".

I do not think I need to make it any clearer to the Minister that the delay in legislating is directly affecting people stuck in freehold arrangements. It is unnerving to think about how much money they have been forced to pay to scandalous management companies because of those delays. From where we are today there is no end in sight for them. They are chained to these agreements. They cannot dispute the payments legally, nor sell their homes. They are truly trapped.

We have been promised by the Secretary of State that the leasehold reform Bill will be introduced after the King's Speech. There remains an opportunity to ease the situation, as the Levelling-up and Regeneration Bill passes through the other place. Could local authorities be encouraged to ensure that there is a plan for the adoption of roads, street lights and play areas, and that either section 106 or community infrastructure levy moneys are obtained from developers to ensure that they can be upkept in the future?

Could local authorities be given clear guidance to outline where a shared management company may not be a suitable solution; how planning conditions can be used to ensure that suitable financial bonds are in place for the adoption of drainage and roads and pavements; and how injunctions should be used where a significant failure emerges on a development, such as in the case of the Brambles, which I have outlined? Will the Government bring pressure to bear on the legal sector to ensure that there is no conflict of interest when a homeowner buys a house, and outlaw sweeteners promoting the use of a connected conveyancer?

When the leasehold reform Bill is introduced, will cost-effective legal remedies be made available to homeowners already trapped in these arrangements? For example, can they be released from their obligations if annual general meetings are not held, detailed accounts not laid or competitive quotes not obtained for maintenance work? Or could those arrangements be outlawed altogether?

I know the Government are keen to resolve the issue, so I look forward to hearing the Minister's response. I very much hope she will commit to working with MPs from across the House to ensure that our concerns are fully addressed in the leasehold reform Bill.

3.12 pm

**Richard Fuller** (North East Bedfordshire) (Con): It is a pleasure to serve under your chairmanship, Dr Huq. I congratulate the hon. Member for North Shropshire (Helen Morgan) on securing this debate and on highlighting her residents' concerns about estate management charges. She knows that her and her residents' concerns are not unique to Shropshire—indeed, they are nationwide. It is perhaps a sign of the momentum that this is about the third debate in recent months that we have had on this issue directly or tangentially.

It is a pleasure to see the Minister in her place. I want to put on the record that I have had a number of interactions with her on this issue over past few months. She has been extraordinarily helpful and understanding about the issues and has kept abreast of everything that is needed.

So here we are again. As the hon. Member for North Shropshire said in her opening, the issue has been around for some time. Whether one is a member of the Liberal Democrats—we will wait to hear what the Labour party has to say—or the Government, everyone has a sense that now is the time. We all understand that the power to bring the measures into law does not reside just in the Minister's Department. It is a matter for the whole of Government to decide. I hope that those who are considering the legislative agenda for the next parliamentary Session take heed of this debate and others, because a large and growing number of people are affected by estate management charges, and homeowners recognise that they have few rights, no rights or inferior rights to challenge the charges placed on them.

Many of my constituents find that they do not understand where the charges come from. Why were they charged a particular amount for the maintenance of lamp posts? Why is it correct that they are being charged for the maintenance of a pond? Why is an estate of 1,500 houses carved into little subsections, each with their own management company? People scratch their heads and then get angry, because they see the charges mounting up but they get no response from the companies and have no forms of challenge. I re-encourage the Minister to engage with the three Rs: rights, reasonableness and redress.

First, it is important that the Government come forward with measures that place the rights of freeholders on at least the same level as those of leaseholders. That means rights to manage or self-manage, rights to complain and other rights as well. Secondly, we need to find a way to ensure that the reasonableness of the charges levied on homeowners is understood. That is difficult to undertake in practice, but measures could be

introduced. There could be a code of practice between property management companies that requires a certain amount of transparency.

As I have mentioned to the Minister before, I hope that she will consider the possibility of having a national register of the charges imposed, so that people in one area of the country can see what other residents are being charged for their communal spaces. Transparency is extraordinarily helpful in any market, and I point the Minister to a recent move by the Government on pricing transparency for fuel prices. If it is good to make sure people understand that they are not being ripped off on fuel prices, surely it is also good for homeowners to know that they are not being ripped off on estate management charges.

Since the last debate on this topic, I have been contacted by even more constituents who have had estate management companies speak to their mortgage provider in an attempt to put some restriction on the rights of the homeowner to sell their home. Regardless of whether that is legitimate—maybe it is; I do not know the details of each case—it is clearly a potentially tremendous impediment to somebody seeking to sell their home if they have to go through a process of investigating whether the charges placed on them were legitimate, or if they are not able to complete their transaction in time. We really need to look at the limits on what estate management companies can challenge. If an estate management company has legitimate, unpaid fees, they should be paid—no one is questioning that—but why is it appropriate to go to the mortgage holder and not to pursue the unpaid bills through the civil courts? It seems to me to be perfectly reasonable to separate the two and not combine them into one action.

While I am on the issue of the sale and purchase of homes, will the Minister please look at the role of solicitors in advising on the sale of new homes? Often, estate management charges are for new estates. People often come and talk to the housebuilder selling the houses, and the housebuilder recommends a solicitor to them. What responsibilities does the solicitor have to advise the purchaser about the charges for which they will be liable and what their rights might be if they wish to sell their house? Some clarity and transparency on that would be helpful.

The Minister has indicated previously that she is alert to the issue of redress and understands people's frustration at the fact that they are not able to find an efficient route to get it. I would be grateful if she could advise us on whether providing adequate redress can be achieved through non-statutory means. Is that feasible or not, and is it preferable or not? My answer is that it is not, but I would be interested in what the Minister has to say on that.

Another issue in my constituency has been the willingness of certainly one of the two local authorities in the past to slough off their responsibilities for what would normally be public services, covered by council tax, on to these new schemes of estate management charges. It really is not on for local authorities to set up a two-tier charging system, where some people in the local authority area pay once for their public services—communal areas, lamp posts, parking facilities, ponds, grass verges being mown—while another group of residents in the same local authority pay their council tax in exactly the same way as everyone else and then is stiffed with another bill

for services that other people are getting covered by council tax. This two-tier system is a growing anomaly in local authority areas. We need investigation by the national Government to see what limitations might be prudent for that.

We have heard in past debates—I fear I may hear it again—the phrase “when parliamentary time allows”. Well, I’m up for it. I think other political parties are up for it. I hesitate to put words in the Minister’s mouth, but I think she is up for it as well. Parliament clearly wants to look at this issue. We want progress to be made, so it is important that we should look at it.

I do not often like to talk about specific companies, but in this instance I will. I wonder whether the Minister has had a chance to look at the tribunal decision in May 2023 between FirstPort and the residents of St David’s Square. It is an interesting judgment that was obviously conducted by someone with tremendous legal knowledge, who was able to get through the whole morass of issues and have an effective case. If the news reports are right, £479,000 in overpaid service charges were required to be paid back to the homeowners at St David’s Square, and £55,000 of the money the Government had provided in energy subsidies that had not been passed on had to be paid for. I would like to applaud the decision in that case. I do not know the details, but it seems to me to be on the right track.

It is important that we understand that if we make changes to estate management charges, we should not let companies off the hook for charges that have been imposed unfairly and excessively before the point when the legislation changes. I ask the Minister to ensure not that we pass retrospective legislation, but that legislation that changes the facility with which people can seek redress is open to people, so that they can make claims on historical excessive charges—not just charges subsequent to any legislative change. If the Government are not prepared to put that in legislation, then I would certainly table an amendment to enable my residents, who right now are being charged excessively by estate management companies, to claim that money back.

This is an important debate. It bears repeating that residents across the country, including many in my constituency, are looking to the Government to bring forward the necessary legislative change to make effective what has been promised now for six years. It is time for the Government to take the action required.

3.23 pm

**Greg Smith** (Buckingham) (Con): It is a pleasure to serve under your chairmanship, Dr Huq. I congratulate the hon. Member for North Shropshire (Helen Morgan) on securing this debate. It is also a pleasure to follow my hon. Friend the Member for North East Bedfordshire (Richard Fuller). There is almost a temptation to leave it at just, “What he said”, but there are a number of points I wish to make.

Across the 335 square miles of my Buckingham constituency, new estates have been relentlessly built over recent years. My views on the need to build on brownfield land only and to protect agricultural land and our national food security are well known, but where houses have already been built or are being built at the moment, it is crucial that we try to rectify the mistakes of the past, and the issue of service charges and local authority adoption of those housing estates simply must be addressed.



[Greg Smith]

Traditionally, when someone purchased a freehold property, ongoing costs were relating to maintaining their property and paying, rightfully, council tax bills to contribute towards local public services and the maintenance of the public realm—as my hon. Friend the Member for North East Bedfordshire said, the lamp posts, streets, pavements and playgrounds and ensuring that the verges are mown. It is those sorts of things. However, in recent decades, as hon. Members have said, developments have been sold as freehold but now come with often punishing service charges to cover land and facilities that are not passed to local council control and remain in private hands—sometimes that is the developer; sometimes they are sold to a third party.

The concept of a service charge is well established. Service charges were traditionally for flatted developments, which need to share the responsibility for communal spaces within and around those buildings. The properties are normally—traditionally—leasehold properties, and the concept of the service charge is closely linked to services that would never be undertaken by a public body.

To go back into history a little and give some context, the Georgian development of London squares did extend the role of the private developer. Service charges included access to those private squares, those private gardens, and some shared communal spaces in lieu of front gardens. However, a growing trend has been to sell freehold houses with freehold gardens but also with shared, communal external spaces and facilities—car parks and the like—that attract these new service charges. Unlike flats, with tightly defined communal space, or indeed those London squares, which are private and used only by adjoining residents, these recent developments have had the appearance of normal modern housing estates, with open access, and yet the communal assets are paid for by a select number of residents. We are talking about the roads, pavements, verges, play areas, balancing ponds and often, as the hon. Member for North Shropshire said, the sewerage and water supply. No one ever conceived in the past that those would be anything other than local authority managed or water company managed.

It is not obvious what is driving the cause of freeholder service charges. Is it driven by councils simply not being willing to adopt assets that they see a very high cost base in maintaining into the future—I would suggest that that is certainly part of it—or by developers keen to create a specific style or ambience that creates in its own right a unified development that just happens to be open to the general public: is it a sales pitch? Or is it driven by developers pushing to lower standards in the public realm where councils do not want to be landed with the liabilities.

Since before being elected in 2019, I have been contacted by countless residents living on such new build developments and estates. They are exasperated by the developers that have failed to complete what we would believe to be the fundamentals, the basics, of a development. I am referring to roads not completed—the final layer of tarmac not laid—footpaths yet to be laid, landscaping that has been forgotten and, in many cases, mounds of soil fenced off and awaiting redistribution.

We must ask what is causing these issues and what changes we can drive to deliver reform. Often, the problems that I just outlined have been deliberated

designed to prevent transfer to another management company. They have been deliberately done to ensure that residents cannot get control themselves and that it remains in the hands of these management companies. The recent, growing concerns about freehold service charges are a result of many of those management companies being sold off to the third parties I mentioned earlier, which see the opportunity to increase charges way beyond the initial nominal amounts, further adding to the problems of freeholders, who, as hon. Members said before me, must still bear 100%—the full amount—of their council tax bill, with not even the slightest hint of a fair discount.

One could say that freeholders might expect service charges if they bought into one of the high-end, exclusive gated developments sold in some parts of the country, which aim at exclusivity and have additional features that standard council tax would never normally pay for. We are talking about things that very few in the country are able to have: private clubhouses, tennis courts, gyms, private leisure facilities, extravagant landscaping and the like. However, we are rarely talking about those developments, as section 106 and community infrastructure levy taxes developers to provide facilities to the council—facilities that are rightly used by the wider community.

That leads me to a philosophical question about the right to retain as private assets that are actually public, and that should be adopted and maintained by council tax payers—and, potentially, other taxpayers, through Government grants. We have not recently had a debate on where the line should be drawn—on encouraging new communities to take responsibility for their new assets, versus new assets being paid for by a new development, but being open to all.

Lace Hill in my constituency sits on the edge of Buckingham. It is a development of just over 700 homes. It comprises freehold houses with their own gardens, but residents must pay a service charge for playgrounds, landscaping, a balancing pond, the roads, the pavements and the verges. A casual visitor would imagine that they were regular roads, play areas, pavements and community facilities that the local council looks after, but it simply does not. The estate is also home to a primary school, a secondary school, play equipment and a multi-use games area that the whole town of Buckingham comes to enjoy, but they are wholly paid for—except for the core educational funding, clearly—by the freehold service charges placed on the residents of that relatively new estate.

Worse than that, Lace Hill faces the very issues that I described: there has been a failure by the developer to finish a lot of the features, not least the balancing pond. The area is very close to the Great Ouse river, which regularly floods; that brings a whole new dimension to the debate, which I will not go into now. That failure means that residents are unable to take control of the issue in the way that they should be able to. Also, the management company has sold and resold itself—and sold itself to itself in a different guise—which has led to mass confusion among residents about who they are paying the service charges to, and whom they can hold accountable for services that, for the most part, they have not actually had. I could give countless other examples, but I will not take up the time of the House by doing so; I will just briefly mention another particularly

egregious example of this in my constituency: the Kingsbrook development, which sits just to the east of Aylesbury.

It is very hard to distinguish what counts as a facility that new homeowners may consider it worth paying more than the standard council tax for, because it is over and above the standard communal facility. However, from the way that homes are sold, it would appear that developers and the conveyancing profession have not been open and up front about the risks of some new estates being owned by third parties, and the service charge that would be made. That needs to be drawn more rigorously to the attention of home buyers, so that they are fully aware of what they are entering into, and of the risks of additional costs, increasing in perpetuity. In some circumstances, it would be reasonable for a development to wish to hold some assets privately, as they are over and above what is required by the national planning policy framework—maybe private sports facilities, such as the ones that I mentioned; or a concierge for security, key holding and parcel delivery. However, I suggest that those would be few and far between in the real world.

Some developers set up a residents' management company, of which freeholders are members, so that they can have a say in the scale and quality of communal works needed or desired, and can influence the service charge fee, but in my experience, and from research in my constituency, that is all too rare. Sadly, freeholders have few controls if the developer retains the management, or sells it to a third party. It appears to too many developers that they can sell the management company as an investment, for it to be run by an uninterested third party. Ironically, as my hon. Friend the Member for North East Bedfordshire mentioned, though leaseholders have access to the first-tier tribunal, the right of freeholders to challenge the reasonableness of the service charge is still not defined in law.

I come on to some of the recent debates, and the delays in solving the problems over the past six years. The Government and the Minister are aware of the issue, and I am grateful for the time that she has taken to talk privately to concerned colleagues. The July 2017 consultation paper, "Tackling unfair practices in the leasehold market", highlighted the discrepancies and issues for freeholders in section 6, but that is some years ago. The Government rightly announced their intention to legislate in this area. In October 2018, they published a further consultation, and the Government response to it was published in June 2019, but we are still waiting for the legislation; they had committed to equal rights for freeholders and the right to manage for freeholders.

I believe that my hon. Friend the Minister wants to move forward, but there is impatience in the country, and impatience and frustration among my constituents and those of other right hon. and hon. Members. People living in freehold properties are caught up in service charges. We need to move much faster. It is imperative that the issue be resolved.

To summarise my main asks of the Minister, first, freeholders must have the same right as leaseholders to challenge service charge fees. Secondly, freeholders should have the same rights as leaseholders to set up resident management companies. Thirdly, and more fundamentally, should traditional housing estates have service charges? Should they not be better designed and integrated into

existing settlements, with ongoing maintenance of communal playgrounds, roads, parks, verges and so on being at council tax payers' expense? There should almost be a requirement for councils to adopt new developments. Fourthly, we should ensure better management of critical infrastructure, such as access roads and surface water drainage. They should be designed to meet the standards of the local flood authority, be constructed and warranted by the developer, and in time become part of the public drainage system, to ensure that they are managed in perpetuity. Fifthly, in order to avoid there being site-wide service charges, a limited number of properties should be allowed to share responsibility for some areas, such as shared driveways and off-street parking areas.

To conclude, it is simply an absurdity that the majority of developments granted planning permission in the public domain are not automatically adopted by local authorities. Ultimately, we could solve all the problems by making that a requirement.

3.39 pm

**Matthew Pennycook** (Greenwich and Woolwich) (Lab): It is a pleasure to serve with you in the Chair, Dr Huq. I congratulate the hon. Member for North Shropshire (Helen Morgan) on securing this important debate, and on the well argued remarks with which she opened it. I thank the hon. Members for North East Bedfordshire (Richard Fuller), and for Buckingham (Greg Smith), for participating. In their compelling and thoughtful contributions, they highlighted, among other points, how widespread across the country problems associated with estate charges and fees are.

As in the debate last week on freehold and leasehold reform, hon. Members usefully brought the issue to life by detailing the impact of estate charges on homeowners living in developments in their constituencies. The accounts we have heard today, and many others I have heard from colleagues over recent years, illustrate vividly the abundance of problems associated with new build estate charges and fees; they are well known and well understood. They include excessive or inappropriate charges levied for minimal or even non-existent services; charges imposed for services that should, by right, be covered by council tax; charges that include costly arbitrary administration fees; charges hiked without adequate justification; and charges levied when residential freeholders are in the process of selling their property.

There is often a startling lack of transparency about what services are covered by service charges, estate charges and fees charged to long leaseholders in blocks of flats, but residential freeholders on privately owned and managed estates clearly suffer from inadequate transparency in other unique respects. As was said at the start of the debate, it appears to be fairly common for residential freeholders not to be notified of their future liability for charges early in the house buying process, and many learn of their exposure only at the point of completion. I listened with great interest to the suggestions about solicitors and conveyancers. As the Minister noted in the debate last week, even where notification of future liability is given in good time, many contracts do not specify limits or caps on charges and fees.

As the hon. Member for North East Bedfordshire said, there also appears to be a particular issue with fragmentation on privately owned and managed estates,

[*Matthew Pennycook*]

which further exacerbates the general lack of transparency and potential for abuse in respect of charges and fees. It is not uncommon in blocks of flats, particularly older ones, for ownership and management to become fragmented over time, but on privately owned and managed estates, even relatively new ones, residential freeholders frequently have to navigate scores of management companies, each levying fees for services.

Underpinning all those issues of concern is a fundamental absence of adequate regulation or oversight of the practices of estate management companies. They are deficient in many important respects, which is one reason why fundamental and comprehensive leasehold reform is urgently required. Leaseholders have at least some protections and rights that enable them to challenge the charges and the standard of service they receive, but residential freeholders have no equivalent statutory rights.

No hon. Member in this debate has claimed that the present arrangement is not inequitable, or suggested that there is anything other than a pressing need to give residential freeholders on new build estates greater rights and protections. Indeed, I would go so far as to submit that the House appears to be of one mind on the matter.

**Richard Fuller:** The shadow Minister is making some very good points, but in the spirit of evolving the debate, I want to ask him a question. My hon. Friend the Member for Buckingham (Greg Smith) talked about council tax, and mentioned, as I did, that people are being doubled charge. If there are reforms to be made, would the hon. Gentleman favour giving residents of estates that levy estate management charges the opportunity to hand back responsibility to the local authority in any circumstances?

**Matthew Pennycook:** The hon. Gentleman pre-empts a point that I will come to later. There is an issue with local authority adoption, but if he is not satisfied with my comments, he is more than welcome to intervene on me again.

The question is not, “Should we do anything?” but “Why have no concrete steps been taken over recent years to give residential freeholders the rights and protections they clearly need?” The Government have recognised publicly for at least six years that there is a problem, and that they need to act to address it. As has been said, and as the Minister clearly understands, in their December 2017 response to the “Tackling unfair practices in the leasehold market” consultation, the Government made it clear that they intended to

“legislate to ensure that freeholders who pay charges for the maintenance of communal areas and facilities on a private or mixed use estate can access equivalent rights as leaseholders to challenge the reasonableness of service charges.”

That commitment was repeated in the Government’s June 2019 response to the “Implementing reforms to the leasehold system in England” consultation, and successive Ministers have echoed it numerous times since then in the House.

Indeed, the Minister, who has responsibility for housing and planning, has been clear in several debates this year that the Government intend to create an entirely new statutory regime for residential freeholders based on the rights that leaseholders have. That would ensure that

estate management charges must be reasonably incurred, that services provided must be of an acceptable standard, and that there is a right to challenge the reasonableness of charges at the property tribunal.

Given that there are almost certainly over a million residential freeholders across the country whose lives are being blighted because the practices of estate management companies are not adequately regulated, the Opposition urge the Government to find the time, in what remains of this Parliament, to legislate for freeholders’ protection. At a minimum, that legislation should ensure equivalence between the regulation of estate charges and the regulation of leasehold service charges.

This criticism is not directed particularly at the Minister, but it is incredibly frustrating for hon. Members from across the House, and for members of the public who have a stake in a given outcome, to hear Ministers assure us time and again that long overdue legislation will be taken forward “when parliamentary time allows”, especially as the House has frequently risen early in recent months because the Government’s legislative agenda is so light. There is a strong cross-party consensus on the need for urgent legislation to tackle the problem, so let us get on and progress that legislation.

Before I conclude, I will draw three important issues to the Minister’s attention, and I ask her to address them when she responds to the debate. First, on the Opposition Benches we take the view that we need to ensure that residential freeholders can more easily take control of their estate management company or companies. To be clear, that is conceptually distinct from the reform proposals made by the Law Commission in its 2020 report on exercising the right to manage.

There are a number of ways in which residential freeholders could be empowered to take over estate management functions on any given estate, but what is important at this stage is the principle. Could the Minister assure the House that when the Government legislate, it is their intention to provide residential freeholders on privately owned estates with a statutory right to manage?

Secondly, we believe that specific measures are required to protect residential freeholders from being evicted from their home due to a failure to pay estate charges and fees—or rent charges, as they were historically known. The Government committed in 2020 to repealing section 121 of the Law of Property Act 1925, which enables this practice to continue. Can the Minister confirm that the Government remain committed to doing so when they legislate?

Thirdly—this point has been raised by several hon. Members in the debate, and the hon. Member for North East Bedfordshire challenged me on it—we feel strongly that residential freeholders deserve far more certainty about the circumstances in which communal areas and amenities on privately owned estates should be adopted by local authorities, and by water companies in the case of sewage infrastructure, and the timescales within which such adoption should take place.

Let me be clear that we sympathise with local authorities that are reluctant to adopt roads and common services of poor quality. However, some authorities refuse to adopt areas and amenities, most commonly roads, that are built to an acceptable standard unless an excessive fee is paid by the developer. There is a general need to drive up built environment standards across new build



estates, so that councils do not have to pick up the long-term cost of repairing and maintaining them. However, we also need further clarity from the Government on if and when local authorities are required to take forward adoption, thereby saving residential freeholders from the type of fees that the hon. Member for North East Bedfordshire referred to in his intervention. Does the Minister agree with us on that point, and if so, can she at least give us a sense of the Government's thinking about what steps might be taken in that regard? I very much look forward to hearing the Minister's response to those questions, and to the debate as a whole.

3.48 pm

**The Minister of State, Department for Levelling Up, Housing and Communities (Rachel Maclean):** It is a great pleasure to respond to this debate and to serve under your chairmanship, Dr Huq.

I start by thanking the hon. Member for North Shropshire (Helen Morgan) for securing this debate on an issue that she feels passionately about. Indeed, many of us feel passionately about it, and it is a testament to the persistence and determination of many colleagues in the House that we are again debating this vital issue.

As the hon. Member did during the recent Opposition day debate, she brought to the House's attention powerful examples from her area; I think that it is particularly on the Brambles estate in Whitchurch where the current system is not working for homeowners. I am hugely frustrated at the situation that those homeowners find themselves in.

I thank my hon. Friends the Members for North East Bedfordshire (Richard Fuller) and for Buckingham (Greg Smith) for the discussions we have had about this issue and for the attention to detail they have brought to our process of scrutinising and preparing the legislation that we very much hope to introduce soon. I will come on to that shortly.

The Opposition Front-Bench spokesperson, the hon. Member for Greenwich and Woolwich (Matthew Pennycook), correctly highlighted the cross-party support on this issue. He has been supportive and constructive in his tone, both today and other occasions. I welcome that, because it makes the case for all of us to pursue the legislation and to ensure that it is brought to the House swiftly.

There was a broad consensus on the need for change. Let me use this opportunity to assure Members that fairness remains at the heart of our ambition for the housing market. We all know that we need to drive up housing supply so that we have the homes that the country needs, but while doing that, we need to ensure that buyers are getting high-quality and safe housing on modern, beautiful estates—if that is what is being built—that they can enjoy for years to come. Unfortunately, too many homeowners who bought their properties in good faith have not had their expectations met.

In the past, as Members have highlighted, it was typical for councils to adopt local infrastructure and shared spaces, but the system has changed in recent years. I recognise that on more and more estates, it is common for the shared spaces to be owned and managed by another party. The ownership of the land varies between developments. On some estates, it is owned and managed by a resident-led management company, often

with the support of a managing agent, which provides expertise and services to the residents in the running of the estate. On other estates, the land is owned and managed by private management companies. Some have connections to the original developers; others are third-party companies.

It is often not down to the homeowners themselves to decide which type of management arrangement is in place on the estate. Commonly, that is set by the developer before any of the houses are sold. Either way, as has been pointed out, homeowners on these estates must pay a charge to cover the upkeep of open green spaces, roads, sewerage, drainage and other shared infrastructure, such as balancing ponds and play areas, which have been highlighted. In such circumstances, we must ensure that homeowners get a fair deal and do not end up in a vulnerable position as a result of these arrangements.

My hon. Friend the Member for Buckingham and the hon. Member for North Shropshire called for local authorities to be compelled to adopt all communal facilities on a new estate. It is worth pausing to consider why that does not happen at the moment. Our current planning arrangements exist to support new developments. When a new development is granted planning permission, the local authority can obtain section 106 planning obligations to secure a commitment from the developer. That means that the local authority does not have to adopt and maintain the land at its own expense. Local authorities no doubt take such financial considerations into account when they make these decisions, but it is up to developers and the local planning authority to agree on specific issues such as timescales for development and appropriate funding arrangements, and it is clear to me that, in a lot of cases that have been brought to our attention, that process is breaking down.

The local authority has powers to ensure that the developer builds and maintains communal facilities to the standards and quality set out in the planning permission. It is worth noting that the maintenance of communal areas, and of roads in particular, can be a significant financial burden. This is why it is right that the decision about adoption should rest with the local authority. The Department for Transport has recently issued guidance on the circumstances in which local authorities should be adopting roads. Again, I note that this can be a fraught area in some situations; I have seen that from my correspondence.

We need transparency. We need a system that consistently delivers clarity to potential purchasers and arms them with information about the arrangements for the maintenance of shared spaces on private estates. That information should be set out as part of the conveyancing process. Many already use the freehold management enquiries form, the FME1, published by the Law Society. I know that the form is used widely across the sector, but I have heard that for some buyers the information was not provided, or perhaps not drawn to their attention, at the point of purchase. That may have been the experience of some of the constituents my hon. Friends and colleagues have spoken about.

If a homeowner is unhappy with the service that they received from their conveyancer or solicitor, and the internal complaints process cannot resolve the issue, the legal ombudsman may be able to help. That needs to happen within six months of the homeowner's final response from their conveyancer or solicitor. My hon.

[*Rachel Maclean*]

Friend the Member for North East Bedfordshire highlighted the issues with buying and selling homes, the process for which in England and Wales can be expensive, time-consuming and stressful. For that reason, we committed to improving the process in the levelling-up White Paper.

We have committed to work with industry to ensure that potential buyers have access to the critical information that they need in an accurate and timely format. That will help them to make an informed decision about whether to purchase a property, reducing the likelihood of the sale falling through. Some of that work is already taking place, but the Government are committed to continuing to create a fair and just housing system for everybody.

Too often, once a homeowner has moved into their home, they are asked to pay charges without an effective breakdown of what they cover. This is a matter of basic fairness and justice. Homeowners deserve to know what they are paying for on their estate. As with leaseholders, a lack of transparency, both at the homebuying stage and when people are settled in their property, leaves homeowners in an unfair and often vulnerable position.

**Helen Morgan:** That is the crux of the matter. If rogue management companies acting in bad faith do not provide that information and do not have an AGM, there is no remedy for homeowners to challenge what they are up to, or to take control of the situation. If those basic Companies Act requirements are not being fulfilled, could there be some legislative remedy for homeowners that does not involve them incurring the enormous expense of going to court? For example, could they take on the management of the company if basic Companies Act requirements are not complied with?

**Rachel Maclean:** I thank the hon. Member again for reminding us of this issue. I hope that she will bear with me, as I am coming on to our intended legislative remedy, through which we intend to drive up transparency for homeowners. Better transparency will help people to be better informed about buying a home on a managed estate and empower them to question or challenge the charges when they are billed. Alongside that, they must have better rights to challenge, as the hon. Member just said.

Freeholders on managed estates are currently at a disadvantage compared even with leaseholders, for whom the system is not perfect by a long way, regarding their ability to challenge costs and poor service. Leaseholders already have certain protections and rights that enable them to hold landlords and management companies to account, yet freehold homeowners have no such equivalent, although they may be paying for very similar services. The situation is clearly unfair, and we are committed to introducing legislation to plug the gap.

Let me come on to what we intend to do, which I am sure Members are keen to hear. We intend to create a new statutory regime for freehold homeowners based on the rights that leaseholders have. We will give homeowners the right to challenge the reasonableness of the estate management charges at the first-tier tribunal, and the right to change the provider of management services by applying to the tribunal to appoint a new manager. That will be an important power when a

homeowner is unhappy with the service that they are receiving and there is a significant failure by the estate management provider in meeting its obligations.

The hon. Member for North Shropshire mentioned existing homeowner rights, which will depend on the ownership of the land and the terms of the transfer. People should seek independent advice on the options available to them. For example, if a management company is not complying with its obligations, homeowners may be able to use contract law and make an application to the county court for an injunction for specific performance. That will require the management company to comply with its obligations.

Resident-led management companies are independent companies to which residents are appointed as directors. Sometimes the articles of association, which set out how the company will run, will specify that homeowners are automatically part of the company and so can vote at the AGM. Homeowners may also be able to call extraordinary general meetings, and they can apply for an injunction for specific performance if the company is not complying with the articles of association of any management agreement. But we know we must do more, which is why we will consider introducing a right to manage for freehold homeowners. That will follow from our consideration of the Law Commission's report and recommendations on changes to the right to manage for leaseholders.

It is not only estate management charges that need to be reasonable. As I mentioned in last week's Westminster Hall debate, the principle must also apply to the administration fees that individual homeowners may face in their dealings with estate management companies. Therefore, we will legislate to require that all administration charges must be reasonable, which will mean that they may be challenged at the first-tier tribunal.

I want briefly to mention the Competition and Markets Authority's house building market study.

**Richard Fuller:** Before the Minister moves on from charges, I wish to make the point that I made earlier, although she may not wish to comment now. If those changes are made, is it the Government's intention that people who have been charged excessively, or can make the case that they have been, prior to that legislative change will be provided with access to those tribunal options?

**Rachel Maclean:** My hon. Friend's point is very much in my mind. He is right to make it—he has made it to me multiple times—because it is a very important point. While the legislation is being prepared, I cannot comment specifically on the individual measures that will be in it, but I have no doubt that when we bring it forward, he will probe and challenge every part of it. I very much hope that we can achieve a successful situation at the end of that process.

In February, the Competition and Markets Authority launched a market study on house building, as part of which it will examine the fairness of estate management fees charged for unadopted roads and amenities. It will make recommendations about policy and regulatory changes. My hon. Friend the Member for North East Bedfordshire may be interested to find out about those.

There is also an issue of redress in relation to the fit and finish of residents' homes on new estates. Invariably, the problems are the result of inadequate quality control. People have encountered unfinished roads, half-built playgrounds and a lack of recourse to resolve those issues, all of which are unacceptable. We have been clear that new housing developments should be finished on time and to a high standard. If things go wrong, homebuyers must be treated promptly and fairly.

There are existing routes to redress, which we are strengthening through the Building Safety Act 2022. We have included a provision for a statutory new homes ombudsman, which will make developers more accountable and make it easier and simpler for new home buyers to seek redress when things go wrong. We are considering the arrangements for the statutory scheme and are working on the next steps, which we will set out in due course. In the meantime, the independent New Homes Quality Board has established the voluntary new homes ombudsman service, which launched last autumn. It can handle complaints from homebuyers about new homes built by developers that have registered, and it is 100% free for homebuyers to use.

Let me turn finally to the most important matter for hon. Members: the timing of these changes. Unfortunately, I do not have much to add to what I have already said, which is that legislation for the next Session will be set out in the King's Speech. Everybody in the Chamber will have heard the Secretary of State and I say that it is our intention that the King's Speech will contain a Bill that will address the issues that have rightly been raised. That remains our priority.

Fairness needs to be at the heart of the housing system. The arrangements for the upkeep of open spaces and roads on freehold estates should always be clear to potential homebuyers, and costs charged must be transparent and reasonable. Homeowners need to have access to redress when things go wrong and be empowered to hold their estate management companies to account. That is why we remain committed to legislating as soon as we can. I thank all colleagues for their consistent

advocacy and campaigning on this vital issue, which, as has been said, affects a million people around the country.

4.5 pm

**Helen Morgan:** I thank the Minister and the shadow Minister, the hon. Member for Greenwich and Woolwich (Matthew Pennycook), for their comments, and I thank the hon. Members for North East Bedfordshire (Richard Fuller) and for Buckingham (Greg Smith) for coming along for the graveyard shift on a Thursday afternoon. I also thank you, Dr Huq, for chairing the debate.

The Minister's comments are welcome. I am particularly pleased to hear that freeholders will be given equivalent rights to leaseholders to go to the first-tier tribunal. She has heard today, as I am sure she has in other debates on the subject, that for the people who are trapped in these situations, what should have been their dream purchase—a new build home that comes ready-made, without the need for renovation or extensive work—and something they hoped would be simple has turned into a nightmare. We really cannot have legislation soon enough.

The hon. Member for Buckingham made a really good point about what should be considered standard shared areas that should be adopted by the council, and what might be considered over and above and normally subject to the arrangements we have been discussing. I agree with him and urge the Minister to consider making it mandatory for councils to adopt the things we consider to be standard—the roads, pavements and streetlights, for example. The hon. Member for North East Bedfordshire made some good, practical comments on transparency, which I certainly support. I urge the Minister to take those on board too, and to bring legislation forward as soon as possible.

*Question put and agreed to.*

*Resolved,*

That this House has considered freehold estate management fees.

4.7 pm

*Sitting adjourned.*





# Written Statements

*Thursday 13 July 2023*

## CABINET OFFICE

### Senior Civil Service Pay

**The Minister for the Cabinet Office and Paymaster General (Jeremy Quin):** I am today announcing the Government's decision to accept the recommendations of the Senior Salaries Review Body (SSRB) on pay for the senior civil service (SCS) for 2023-24.

The Government received the SSRB's 2023 report on 8 June 2023. This will be presented to Parliament and published on gov.uk.

The Government greatly value the independent expertise and insight of the SSRB and are accepting in full its recommendations on SCS headline pay for the 2023-24 pay round.

This year, the SSRB has recommended:

An across-the-board increase for all SCS of 5.5% from 1 April 2023, and a further 1% of the SCS pay bill for pay anomalies to be directed at progression increases for those lower in the pay ranges who are delivering in role and demonstrating expertise; and

Setting the following pay ranges from 1 April 2023, based on increases to the minima of £2,000 for SCS1 to SCS3 and permanent secretaries, and retaining the existing maxims:

SCS pay band 1: £75,000 to £117,800.

SCS pay band 2: £97,000 to £162,500.

SCS pay band 3: £127,000 to £208,100.

The recommendation to raise the permanent secretary pay minimum from £150,000 to £152,000 will be considered by the Permanent Secretary Remuneration Committee in due course.

In reaching this decision, the Government have very carefully considered the advice and justifications provided by the independent SSRB. This is the highest award for the SCS for many years and today's announcement strikes the right balance between fairness and affordability for the taxpayer, the Government priority to halve inflation, and the need to maintain an effective senior civil service that is able to recruit and retain the best senior talent to support the Government's priorities.

[HCWS940]

## CULTURE, MEDIA AND SPORT

### Women's Football Review: Final Report and Recommendations

**The Secretary of State for Culture, Media and Sport (Lucy Frazer):** The Government have made significant progress in recent years to advance and support women's sport. The Lionesses' success at the women's Euros helped make 2022 a landmark year for women's sport, with the country's first major football trophy since 1966. Our efforts are focused on specific critical areas, most notably girls' access to equal provision of sports in

school. The Government are determined to build on the momentum and passion stirred by the Lionesses' victory, and are committed to supporting women's football and women's sport to flourish.

The fan-led review of football governance, conducted in 2021, recommended that "given the many, but interconnected, issues affecting a meaningful future for women's football needing to be addressed and resolved successfully, the future of women's football should receive its own dedicated review".

In response, the Government launched the independent review of the future of women's football in September 2022 to examine the strategic priorities for the development of the game. The review has been chaired by former England and Great Britain professional footballer Karen Carney MBE.

Today the Government have published the final report which sets out the recommendations of the review. The report reflects hundreds of hours of evidence and engagement and the passion of those who contributed in their desire to make women's football a sport that enhances the lives of women and girls in England. It examines in detail the opportunities and challenges for the women's game across the elite game and the wider pyramid. It considers girls' experiences of participating in, and watching, football, and the key issues from grassroots clubs through to the professional game. The review makes ten strategic recommendations:

1. The new entity tasked with running elite women's football should not settle for anything less than world leading standards for players, fans, staff, and everybody involved in the women's game.
2. The FA needs to fix the talent pathway in order to create generation after generation of world beating Lionesses.
3. Both the women's super league and women's championship should become fully professional environments designed to attract, develop and sustain the best playing talent in the world.
4. The FA should urgently address the lack of diversity across the women's game—in both on and off pitch roles.
5. The FA, Premier League, EFL and broadcasters should work together to carve out a new dedicated broadcast slot for women's football.
6. Clubs must better value and support their fans—the FA should raise minimum standards to enforce this.
7. Government must deliver on recent commitments around equal access to school sports for girls.
8. Everyone involved in funding grassroots facilities must come together to increase investment in order to accommodate meaningful access for women and girls.
9. The FA, Premier League and Football Foundation should work together to make sure that women and girls are benefiting from funding flowing into facilities across the pyramid.
10. The FA should leverage the handover of administration of the top two tiers of women's football to even more acutely focus on grassroots clubs and the women's national league.

I thank those who contributed to the review, whether through the call for evidence or engagement sessions. I also take this opportunity to thank Karen, the Chair and her panel of experts for their hard work and dedication.

Women's football can be a sport that genuinely enhances the lives of women and girls in England, and has the ability to offer a unique and accessible environment for all types of fans. I agree that it has the opportunity to become a world-leading sport that can pave the way for women's sport across the world. Football will need to carefully consider the recommendations made in this report.

The Government welcome the work of the review and will now consider the detailed recommendations before providing a full response in the autumn.

I have deposited a copy of the report in the Libraries of both Houses.

[HCWS937]

## TREASURY

### Fiscal Risks and Sustainability Report 2023

**The Chancellor of the Exchequer (Jeremy Hunt):** The Office for Budget Responsibility's (OBR) Fiscal Risks and Sustainability Report (FRS) [CP 870] has been laid today. It examines three main risks to the public finances through chapters on inactivity and health, energy and debt sustainability, as well as providing an update on the other risks in its fiscal risks register. This fulfils the OBR's obligation to examine and report on the sustainability of, and risks to, the public finances as laid out in the Charter for Budget Responsibility. I would like to thank the OBR's staff and the Budget Responsibility Committee for their efforts in producing this report.

As the OBR highlights in its report, the UK has, in common with other countries around the world, experienced a "rapid succession of shocks" in recent years. Putin's illegal war in Ukraine has contributed to a surge in energy prices, driving higher inflation across the world. Central banks are raising interest rates to get global inflation under control, which has pushed up the cost of borrowing for families, businesses and Governments. The Government have acted to support households and businesses through these shocks, including most recently through energy support schemes and targeted cost of living support, while taking fiscally responsible decisions that ensure the public finances are on a sustainable footing and avoiding adding to inflationary pressure.

The FRS highlights the importance of tackling economic inactivity, as helping more people into work also reduces pressure on the public finances. The Government have already started to take action to address the rise in inactivity, including through the labour supply package announced at spring Budget 2023, which includes the new 30 hours a week of free childcare for working parents of nine-month to two-year-olds and a new disability employment programme. The OBR forecasts that this package will increase employment by 0.3% by 2027-28, with an overall impact on GDP of around 0.2% in the same year. This is the largest upward revision the OBR has made to potential output within its forecast as a result of fiscal policy decisions since its creation in 2010. In June, the NHS in England published the first ever long term workforce plan, which was developed by the NHS and backed by the Government. It sets out a path to put staffing on a sustainable footing and improve patient care and the Government are backing this plan with more than £2.4 billion funding over the next five years to deliver this planned transformation in NHS training and recruitment.

While energy prices have fallen back recently, they remain above pre-pandemic levels following Russia's invasion of Ukraine. In response, the Government are providing £94 billion of cost of living support, including direct help for energy bills across 2022-23 and 2023-24. Indeed, the OBR acknowledges in the FRS that the

"level of fiscal support with energy costs provided in the UK has been among the most generous in Europe".

To increase the UK's resilience to future energy price shocks, the Government are committed to transitioning to clean energy sources and is working to deliver tangible progress while bringing down energy bills. Between 1990 and 2021, the UK has cut emissions by 48% whilst growing the economy and decarbonising faster than any other country in the G7. The Government committed £30 billion of domestic public investment for the green industrial revolution at spending review 2021, as well as £6 billion for energy efficiency at autumn statement 2022 for the next spending review, and up to £20 billion for carbon capture usage and storage announced at spring Budget 2023. Over 80,000 green jobs across the UK economy are currently being supported or are in the pipeline as a result of new Government policies and spending since November 2020. What really matters is not just public investment, but total public and private investment. Since 2010, public and private investment alongside consumer levies has seen investment of £198 billion in our green industries. The Government have set out detail on the policies and programmes to reach net zero, including via the net zero strategy 2021, the net zero growth plan 2023, and specific sectoral strategies.

In common with many advanced economies, the UK's level of debt remains elevated following recent global shocks, including the pandemic and energy prices. As the OBR highlights, Government spending on servicing this elevated level of debt is rising due to higher inflation and rising borrowing costs. The OBR notes that higher inflation will not erode the real value, or "inflate away", debt. This highlights why it is important to deliver on the Prime Minister's priority to get debt falling and to control borrowing to avoid adding inflationary pressures and risk prolonging higher inflation. That means taking difficult but responsible decisions on the public finances, including public sector pay, because more borrowing is itself inflationary.

While the start of this century has seen an increased frequency of global shocks as outlined above, there are also a wider set of risks to the public finances that the Government need to remain mindful of, which the OBR outlines in its fiscal risks register. The Government will respond to the FRS at a subsequent fiscal event, to provide an update on the actions being taken to mitigate the risks identified by the OBR.

[HCWS939]

## DEFENCE

### Armed Forces Pay

**The Secretary of State for Defence (Mr Ben Wallace):** I am today announcing the Government's decision on pay for the armed forces for 2023-24.

The Government recognise that armed forces personnel continue to work with great professionalism and personal sacrifice to protect the nation, securing our allies, supporting Ukraine and aiding our own civilian authorities. On 19 June 2023 the MOD published "Agency and Agility: Incentivising people in a new era—a review of UK Armed Forces incentivisation" by Rick Haythornthwaite. While MOD is still studying the report's recommendations, it provides a compelling vision for improving the proposition to those who serve and those who may consider serving in the future.



In the meantime, the 2023 pay award plays a vital role in continuing to support retention and wider recruitment for a smaller but increasingly highly skilled armed forces, while ensuring this is affordable within the context of broader defence priorities.

The Government received the armed forces' pay review body (AFPRB) report on 2023 pay for service personnel up to and including 1-star rank on 25 May 2023. This has been laid before the House today and published on gov.uk. The senior salaries review body's (SSRB) 2023 report which includes recommendations for the senior military has been laid today by my colleagues in the Cabinet Office.

The Government value the independent expertise and insight of the AFPRB and the SSRB and takes on board the recommendations outlined in the report.

The Government are accepting the AFPRB's and SSRB's recommendations in full for the 2023-24 pay round. Building upon the 2022-23 pay award, which was the biggest percentage uplift in 20 years for service personnel, this year's pay award goes beyond that level, rightly recognising the vital contributions of service personnel in the interests of the nation, as well as the ongoing cost of living pressures facing service households.

The headline award recommended by the AFPRB is for a consolidated increase in base pay for all members of their remit group (including medical and dental officers up to and including three-star) of 5% plus a further consolidated increase of £1,000 for all full-time UK regular personnel with a pro-rata increase for other cohorts in their remit group. The Government are accepting this recommendation in full.

This approach rightly targets the highest pay increases towards our junior service personnel, providing effective pay increases of between 9.7% for the most junior ranks and 5.8% for officers at one-star rank.

The SSRB have recommended that all members of the senior military (two-star rank and above), should receive a 5.5% consolidated increase to base pay. The Government are accepting this recommendation in full.

The Government are partially accepting the AFPRB's recommendations on charges for accommodation. The AFPRB recommended a 4.5% increase to the top level of service families accommodation (SFA) and single living accommodation (SLA) charges. The Government accept the AFPRB's recommendation for SLA charges. However, SFA charges will remain fixed at the 2022 rates throughout FY23-24 and not be increased in line with the rental element of CPI as expected. This decision has been taken by the Defence Secretary in recognition of the significant underperformance of the Future Defence Infrastructure Services (FDIS) accommodation delivery contract since its introduction in April 2022.

In addition to the pay award, the MOD has continued to freeze the daily food charge for our personnel, and the availability of free wrap-around childcare is increasing across Defence with families able to save around £3,400 per child per year. Any service families facing hardships, of any kind, should approach their welfare officer so that further support can be discussed.

While both pay awards are above the MOD'S original levels of affordability, this pay award has been made affordable by reprioritising spending within the existing Defence budget, ensuring that we continue to recognise that our people are our most important asset. It is

affordable in the context of the spending review 2020 settlement which saw a £24 billion cash increase to the Defence budget, the largest sustained increase since the cold war, and the further £5 billion over the next two years provided at spring Budget 2023. It is consistent with the Government's priority to halve inflation.

The complete recommendations of the AFPRB for pay round 2023 are as follows:

A headline consolidated increase in base pay for all members of their remit group (including medical and dental officers) of 5% plus a further consolidated increase of £1,000 for all full-time UK regular personnel with a pro-rata increase for other cohorts in their remit group.

Officers commissioned from the ranks (OCFR).

Agreed to MOD'S proposals for OCFR pay from 1 April 2024:

Introduction of a two-year pay dwell on commissioning, mirroring that required under pay 16 for direct entry officers moving from OF1 to OF2;

Reduction of the minimum pay rise on promotion from OF2 to OF3, from 5% to 2%, mirroring wider policy and reducing the standstill period required by some who promote above increment level OF3-01; and

To re-establish a more cost-effective bridge following pay 16 changes, cut the uppermost OCFR pay increment (increment 15), and introduce five new OCFR pay increments below increment 1, creating a new 19-increment OCFR pay spine.

### Cyber

Agreed to the introduction of competence-based cyber payments from 1 April 2023 at the following levels: level 2 £6,000; level 3 £15,000 and level 4 £25,000.

### Recruitment and retention payments (RRP).

Agreed with MOD'S proposals to increase levels 1 to 3 of RRP (Hydrographic) to £4.04, £6.60 and £7.63 respectively (Levels 4 to 6 are unchanged) and to bring forward the next review of the RRP.

Agreed with MOD'S proposals to increase the initial and enhanced rates of RRP (Mountain leader) to £19.85 and £23.75 respectively.

That the following rates of RRP should increase by 5.8% from 1 April 2023 in line with the main pay award recommendation: RRP (Flying), RRP (Flying crew), RRP (Diving), RRP (Submarine) (including submarine supplement and engineer officers supplement), RRP (Nuclear propulsion), RRP (Special forces), RRP (Special forces communications), RRP (Special reconnaissance), RRP (Special intelligence), RRP (Special communications), RRP (Parachute) (including RRP (High altitude parachute), RRP (Parachute jump instructor), RRP (Explosive ordnance disposal), RRP (Weapons engineer submariner), RRP (Naval service engineer) and RRP (Nursing).

### Compensatory allowances

All rates of compensatory allowances should increase by 5.8% with effect from 1 April 2023, in line with the main pay award recommendation.

### X-factor

No change to the rate of X-factor at 14.5%.

That the rates of X-factor for service personnel of OF5 and OF6 rank, regular personnel on flexible service, full time reserve service of all commitments, part time volunteer reserves and military provost guard service are unchanged.

That the rates of X-factor for the Royal Gibraltar Regiment Regulars should increase from 6.5% to 11.5%.

That the rates of X-factor for Royal Gibraltar Regiment Reserves should increase from 3.25% to 5%.

### Volunteer reserves training bounty

That the rates of the volunteer reserves training bounty should increase by 5.8% from 1 April 2023 in line with the main pay award recommendation.

### Defence medical services—Pay for medical and dental officers (MODO)

A consolidated uplift of 5% for all ranks within the MODO cadre, with a consolidated increase of £1,000 for all full-time UK regular personnel and a pro-rata increase for other cohorts from 1 April 2023.

Agree in principle to the introduction of a bespoke pay spine for allied health professionals in the initial unified career management group (degree and diploma qualified), targeted for implementation in January 2024, in conjunction with changes to terms and conditions.

That the value of clinical excellence awards should increase by 5.8% from 1 April 2023 in line with the main pay award recommendation.

### Accommodation charges

That service family accommodation (SFA) combined accommodation assessment system band A charges should increase by 4.5% (in line with the CPI annual rents for housing component at November 2022) from 1 April 2023. This recommendation would affect the rents of lower bands differently, as they are set in descending increments of 10% of the band A rate.

This recommendation is not being accepted and instead SFA charges will be frozen at 2022 rates.

That furniture charges (for all SFA types) should increase by 4.5% (in line with the CPI annual rents for housing component at November 2022) from 1 April 2023.

This recommendation is not being accepted and instead charges will be frozen at 2022 rates.

Single living accommodation (SLA) rental charges for grade 1 should increase by 4.5% from 1 April 2023, with increases of 3% to grade 2, 1.5% to grade 3 and no increase to grade 4 accommodation.

That charges for standard garages and carports should increase by 4.5% from 1 April 2023, with no increases for sub-standard garages and substandard carports.

This recommendation is not being accepted and instead charges will be frozen at 2022 rates.

### The SSRB has recommended the following:

That all members of the senior military should receive a 5.5% consolidated increase to base pay.

That there should be no change to the current pay arrangements for medical officers and dental officers (MODOs):

Two-star MODOs should continue to be paid 10% above the base pay at the top of the MODO 1-star scale, plus X-factor.

Three-star MODOs should continue to be paid 5% above the base pay at the top of the MODO 2-star scale, plus X-factor.

In the last five years the armed forces have received a cumulative pay award of 14.9%. It is hoped that, combined with the 33% of service personnel also benefiting from incremental pay rises, the increase to starting salaries (after training) to £23,496 and the freeze on SFA and food charges, this represents a fair settlement for the armed forces and demonstrates how much the Government value their service and families.

The attachment can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2023-07-13/HCWS943/>.

[HCWS943]

## EDUCATION

### Teacher Pay Award

#### **The Secretary of State for Education (Gillian Keegan):**

The 33rd report of the School Teachers' Review Body (STRB) is being published today, setting out their recommendations on teacher pay from September based on evidence provided from statutory consultees, including teaching unions.

I am pleased to confirm that the Government have today accepted the STRB's recommendations for 2023-24 teacher pay awards in full. This means that teachers and leaders in maintained schools will receive an increase of at least 6.5%, the highest STRB award in three decades. This comes on top of the increases already received last year, and for many teachers will also be accompanied by additional pay rises due to progression, recognising the hard work of our teaching profession. Further information about the implementation of this can be found in the annex to this statement.

These recommendations also include higher uplifts to starting salaries outside London, which mean that as of September, the Government will have delivered its manifesto commitment of starting salaries of £30,000 or more for teachers in all areas of the country.

The award is fully funded, and we will be providing an additional £525 million of funding in 2023-24, and £900 million in 2024-25. That is equivalent to the full costs of the pay award over 3.5% which our evidence states is affordable to schools nationally, and in line with the evidence the Government submitted to the STRB. This Government are committed to living within its means and delivering value for the taxpayer, and therefore we are reprioritising within the Department for Education's existing budget to deliver this additional funding to schools, while protecting frontline services. The award is consistent with the Government priority to halve inflation.

This support is being provided in respect of mainstream and special schools, as well as school-based early years and post-16 provision. Every school will benefit from this additional funding. We have also published details of its distribution (which can be found at the following link: <https://www.gov.uk/government/publications/teachers-pay-additional-grant-2023-to-2024>) providing schools with the information they need to finalise their budgets. I recognise that this will not mean that no school will face financial challenges and I will also extend the support currently available to individual schools facing the most difficult financial circumstances by up to £40 million.

This support comes on top of the £2 billion a year provided for schools in our autumn statement. As a result, the core schools budget will now total more than £59.6 billion in 2024-25, its highest ever level, in real terms per pupil, as confirmed by the independent Institute for Fiscal Studies.

I am also announcing today other measures to promote recruitment and retention across schools which remains a priority for this Government. We will convene a workload reduction taskforce to explore how we can go further to support trust and school leaders to minimise workload for teachers and leaders. We want to build on previous successes and aim to reduce working hours by

five hours per week. We also plan to reinsert a revised list of administrative tasks that teachers should not be expected to do into the school teachers' pay and conditions document (STPCD).

We know that flexible working opportunities can help to recruit, retain, and motivate teachers and leaders and help promote staff wellbeing. Last month we appointed seven flexible working ambassador multi-academy trusts and schools to offer practical advice to school leaders on implementing flexible working and we are currently in the process of recruiting more. This is part of a wider programme, funded by the Department, to help embed flexible working in schools and trusts.

[HCWS942]

## ENVIRONMENT, FOOD AND RURAL AFFAIRS

### Air Quality Update

**The Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey):** Air quality in the UK has improved significantly in recent decades. We have seen a decrease in emissions of major air pollutants: for instance, emissions of fine particulate matter (PM<sub>2.5</sub>), the most damaging pollutant to human health, decreased by 10% between 2010 and 2021. Reductions in these pollutants have produced significant benefits for our health and environment.

These significant reductions in emissions mean that the UK as a whole has achieved the current domestic and international emission reduction commitments for emissions of nitrogen oxides, sulphur dioxide and non-methane volatile organic compounds. The UK has also achieved the emission reduction commitments for ammonia with the inclusion of an approved adjustment. The latest figures for other pollutants are published on Gov.uk.

We remain committed to further reducing these levels. This year we have strengthened our stringent standards by setting two legally binding long-term targets for England to reduce concentration levels and exposure to PM<sub>2.5</sub>. The figures published today show our continued progress to delivering on these targets: the maximum concentration levels measured have decreased to 12 micrograms per cubic metre. They also confirm that, as we said at the time of publishing the targets, while we would like to see quicker progress, in certain parts of the country this is not realistic.

We have set out our ambitious pathway to improve air quality through the environmental improvement plan and air quality strategy. These documents recognise the essential role of local authorities and set out our progress in meeting our air quality objectives across a range of sectors including from domestic use, roadside emissions, agriculture and industrial processes.

Including:

- phasing out the most polluting solid fuels burnt at home, requiring National Highways to work with local authorities on their local air quality action plan to tackle roadside emissions from the most polluting roads,
- continuing to help local authorities develop and implement local N02 reduction plans and to support those impacted by these plans,
- rolling out the UK 'Best Available Technique' system, by which industry and regulators are able to collaborate to improve standards, technologies and methods in industrial processes,

incentivising ammonia reduction, through our new farming schemes by investing £34 million in slurry storage infrastructure in 2023 and an additional £31 million, a proportion of which is for equipment that will help reduce ammonia emissions, allocating £4 million to Innovate UK to develop products or services which reduce air pollution emissions from domestic burning and agricultural practices, and expanding the PM<sub>2.5</sub> monitoring networks across England.

Air quality in England is improving and we have set out an ambitious pathway in the environmental improvement plan to drive down pollution further. As required under the Environment Act 2021, I will provide a further update to the House on our progress in 2024.

[HCWS934]

## FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

### Human Rights and Democracy Report 2022

**The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell):** My noble Friend the Minister of State for the Middle East, North Africa, South Asia and United Nations, Lord Ahmad of Wimbledon, has made the following written ministerial statement:

I have today laid before Parliament a copy of the 2022 Foreign, Commonwealth and Development Office report on human rights and democracy (CP number 886).

The report monitors human rights developments overseas in 2022 and, 75 years on from the signing of the Universal Declaration on Human Rights, demonstrates the Government's continuing commitment to promote and defend human rights and open societies. This includes our work to stop sexual violence against women and girls in conflict, and our actions to promote media freedom and freedom of religion or belief, all with a particular focus on the vulnerable. The report also highlights the UK's work with the international community in 2022 to bring Russia to account for its atrocities in Ukraine.

The UK remains resolute in our commitment to protect and promote human rights and to use the international system to hold perpetrators to account for their human rights violations.

[HCWS944]

## HEALTH AND SOCIAL CARE

### Doctors' and Dentists' Remuneration

**The Secretary of State for Health and Social Care (Steve Barclay):** The 51st report of the Review Body on Doctors' and Dentists' Remuneration (DDRB), the 45th report of the Review Body on Senior Salaries (SSRB), and the 36th report of the NHS Pay Review Body (NHSPRB) are being published today. The reports will be presented to Parliament and published on gov.uk.

This is further to Staff Council accepting the offer made to "Agenda for Change" staff, which was announced to the House on 3 May 2023.

I am grateful to all the chairs and members of the DDRB, SSRB and NHSPRB for their reports. I am accepting their pay recommendations in full, recognising the vital contribution that NHS staff make to our country.



The DDRB has recommended a 6% increase to national salary pay scales, pay ranges or the pay elements of contracts for all groups included in their remit this year, with a further consolidated uplift of £1,250 for doctors and dentists in training.

The SSRB recommended a 5% uplift for very senior managers (VSMs) and executive senior managers (ESMs) for 2023-24, and that an additional 0.5% of the ESM and VSM pay bill in each employing organisation is used to address pay anomalies.

These recommendations are broadly in line with pay growth in the private sector.

#### *Doctors and dentists*

After careful consideration of the pay review body reports, we have decided to accept their pay recommendations in full. In doing so, we have committed to:

uplifting pay points for doctors and dentists in training (c. 67,000 doctors) by 6% plus £1,250 on a consolidated basis;

uplifting the salaries of consultants (c. 55,000 doctors) by 6% on a consolidated basis;

uplifting the pay range for salaried GMPs (c. 15,000 doctors) by 6% on a consolidated basis;

uplifting the pay element of the general dental practitioners contract (c.24,000 dentists) and the minimum and maximum pay scale for salaried dentists by 6% on a consolidated basis;

uplifting the pay scales of specialist and associate specialist (SAS) doctors on pre-2021 contracts (c.6,000 doctors) by 6% on a consolidated basis and uplifting the salaries of SAS doctors on the 2021 contract (c.4000 doctors) by 3% on a consolidated basis on top of the increase for 2023-24 already agreed as part of the multi-year deal.

#### *Senior managers*

After careful consideration, we have decided to accept the pay recommendations of the SSRB in full. In doing so, we have committed to:

Uplifting the salaries for VSMs and ESMs in the NHS by 5%;

Recommending 0.5% of the ESM and VSM pay bill in each employing organisation is used as a pot to address specific pay anomalies.

Additionally, the SSRB recommend that central approval or rejection of proposed VSM or ESM pay is provided within four weeks of submission of the pay case. I agree that improvements should be made to the process, but cannot accept this recommendation in full as the Department will need sufficient time to review and scrutinise any bid we receive.

All pay awards will be backdated to 1 April 2023. This pay award is only applicable to NHS staff in England. The 2023-24 pay uplift for NHS staff directly employed by NHS providers will be funded by NHS England through system allocations.

While it is right we accept the PRB recommendations, this needs to be proportionate and balanced with the manage the country's long-term economic health. Sustained higher levels of inflation would have a worse impact on people's real incomes in the long run, which is why we need proportionate and balanced pay increases as recommended by the independent pay review bodies.

In written and oral evidence to the pay review bodies, the Government set out what was affordable within the NHS spending review settlement. The pay review bodies have recommended pay awards above this level. This Government are committed to living within our means and delivering value for the taxpayer. More borrowing would add pressures on inflation at exactly the wrong

time, risking higher interest rates and higher mortgage rates. We plan to increase the main rate of the immigration health surcharge—to ensure it covers the full healthcare costs of those who pay it, having been frozen for the last three years despite high inflation and wider pressures—to £1,035, and the discounted rate for students, their dependents, those on youth mobility schemes and under-18s to £776. We will fund this pay award through prioritisation within existing departmental budgets and will protect frontline services.

Accepting the full DDRB recommendations is the fair and reasonable way to determine pay for doctors and dentists across the country. Ongoing industrial action should now be urgently called off, to avoid any further unnecessary disruption to NHS services. We expect that the medical trade unions' trade disputes with the Government should cease.

[HCWS946]

## HOME DEPARTMENT

### **Late Night Levy: Commencement of 2017 Changes**

#### **The Minister for Crime, Policing and Fire (Chris Philp):**

The late night levy, introduced in 2011, is a discretionary tool that local authorities may introduce to assist with the costs associated with premises opening between the hours of 12 am and 6 am and which sell alcohol.

Under section 142 of the Policing and Crime Act 2017, several changes to the late night levy were introduced. This will allow licensing authorities the power to apply the levy to late night refreshment premises to assist with the cost of policing the night time economy if they choose to do so and dependent on the outcome of a local consultation.

These changes were not commenced at this time following recommendations from the House of Lords Select Committee which carried out post-legislative scrutiny of the Licensing Act 2003. It requested that the Government delay the commencement of the 2017 Act provisions until they had considered the Committee's recommendations. As a result of these recommendations, the Government committed to consult on the application of the levy to LNR providers prior to commencing the changes that the 2017 Act would make. The consultation was delayed largely due to the pandemic but is now complete. The outcome of the public consultation was to give local authorities the option to offer a 30% reduction to late night refreshment providers that qualify for small business rate relief. This reduction is already available in relation to premises that supply alcohol.

Now that the consultation is complete, we are commencing the wider changes made via the Policing and Crime Act 2017 which will come into effect as of today. These include permitting PCCs the right to request that a licensing authority formally propose a levy and will require licensing authorities to publish information about how the revenue raised from the levy is spent. These changes will make the levy more flexible for local areas, fairer to business and more transparent. The levy will be an optional tool that local authorities can utilise to address alcohol-related crime and disorder.

Updated guidance to reflect the changes will be published on gov.uk.

[HCWS935]

## Police Update

**The Secretary of State for the Home Department (Suella Braverman):** The ninth report of the Police Remuneration Review Body (PRRB) was published today. The review body considered the pay and allowances for police officers up to and including the chief officer ranks in England and Wales. The Government thank the Chair and members for their independent and expert advice.

Our police officers work tirelessly to keep this country safe and play a vital role in society. The Government are grateful for their dedication.

The PRRB has recommended a consolidated increase of 7% to all ranks up to and including assistant chief constables and commanders, with a corresponding increase to London weighting and the dog handlers' allowance; removal of pay point 0 of the constables' pay scale to bring starting salaries for constables up to £28,551; and an increase to pay point 3 of the chief superintendents' pay scale by £2,838 from 1 September 2023 and £2,837 from 1 September 2024. I have accepted these recommendations in full.

The 7% consolidated pay award will support forces to continue to maintain their officer workforce, following the successful recruitment of 20,000 additional officers.

The PRRB considered proposals for a new pay structure for chief constables and deputy chief constables. It recommended it is implemented for new appointments with effect from 1 September 2023, with existing chief constables and deputy chief constables transitioning to the new structure over at least three years. It recommended those transitioning to the new structure receive a pay increase of between 5% and 7%. To ensure the pay differentials between chief constables, deputy chief constables and other chief officer ranks in the Metropolitan Police Service and the City of London Police are maintained, the PRRB further recommended those ranks receive a pay increase of between 5% and 7%.

I have accepted the recommendation to implement a new pay structure in principle, subject to the development of a full and coherent implementation plan. In the interim, all chief constables and deputy chief constables, and ranks above commander in the Metropolitan Police Service and City of London Police, will receive a pay award of 7% in line with that for all other ranks.

As of 31 March 2023, there are 149,572 officers that will receive a consolidated increase of 7% to their pay as a result of the Government's acceptance of the PRRB's recommendations.

In determining the 2023-24 police pay award, the Government have carefully considered the PRRB's report. However, the recommendations the PRRB makes are above affordability and therefore the Government have had to make difficult trade-offs in accepting this award whilst ensuring it is consistent with the Government priority to halve inflation.

Police officers across England and Wales play a critical role in reducing crime and keeping the public safe. The Government are committed to maintaining the additional 20,000 police officers recruited under the police uplift programme, and therefore the Home Office will provide additional funding for police forces over the spending review period of £330 million in 2023-24 and £515 million in 2024-25. This comes on top of the funding confirmed

at the police funding settlement at which we announced that funding available to police and crime commissioners will increase by up to £550 million in 2023-24, including an increase of £174 million in Government grants.

The Home Office will achieve this by striving for offsetting savings in other programmes and working with forces to make efficiencies in meeting these exceptional financial pressures. The independent policing productivity review is due to report to the Home Secretary this autumn, and we expect policing to take all opportunities, including those identified by the review, to improve productivity and maximise the impact of the significant investment made in policing. The Home Office is also working hard to maximise its other income streams in order to reduce reliance on taxpayer funding in other vital areas of delivery.

The PRRB also asks policing parties to bring forward proposals for a review of the existing power of PCCs to increase and decrease base pay of chief constables by plus or minus 10% on appointment. While I am content to receive proposals on this matter, I do not accept the PRRB's recommendation that the Home Office should issue guidance to PCCs advising them against exercising their power to vary starting salaries on appointment until the review is concluded. It is right that PCCs continue to use their discretion while this matter is considered.

The PRRB further recommends the relocation allowance for chief officers is amended as proposed by the chief officer remuneration review; and that the impact of the scheme is reviewed within three years of implementation. I accept the recommendation in principle, subject to the development of more detailed proposals to inform the amendments to the Police Regulations 2003.

I welcome the PRRB's recommendations that: policing parties should bring forward proposals to improve the independence, transparency, and consistency of determining and reporting on chief officer pay and allowances, including proposals on how to place in the public domain on an annual basis a consistent set of data on the total pay and allowances received by each chief officer in each force; and that the National Police Chiefs' Council should provide an interim report by 30 November 2023 on its progress to develop a long-term pay and reward strategy, which should include an update on the work on constable base pay and a back to first principles review of the P-factor.

[HCWS945]

## JUSTICE

### Prison Staff and Judiciary Pay Awards

**The Lord Chancellor and Secretary of State for Justice (Alex Chalk):** I am today confirming the Government decision on pay awards for both prison staff and the judiciary.

#### *Prison staff pay award 2023-24*

Having carefully considered the Prison Service Pay Review Body's (PSPRB) recommendations on the 2023-24 pay award, we are accepting in full the 13 recommendations made by the PSPRB for all staff within their remit for implementation in this financial year. The pay award will also apply to some non-remit group staff within the Prison Service grading structure. Nearly 39,000 staff will benefit from the pay award, based on internal estimates.

I am grateful for the continued hard work and dedication of all Prison Service staff, who play a vital role in helping to rehabilitate prisoners and keep the public safe.

The award delivers headline pay increases of:

7% for prison officer grades (bands 3 to 5)

5% for managerial and prison governor grades (bands 7 to 12)

£2,000 for our lowest paid staff, band 2 operational support grades.

This pay award will be paid this autumn and will be backdated to 1 April 2023.

Accepting all recommendations from the PSPRB in full reflects my commitment to supporting the recruitment and retention of prison staff and recognises the essential contribution they make every day. In recognition of the significant cost-of-living pressures on staff, this pay award especially targets the lowest grades.

The pay award this year has been made affordable by reprioritising spending within the existing budgets, including at the efficiency and savings review, with consideration of the inflationary pressures across the Department's budget, the wider economic position, and alongside the additional cost of the pay award in 2022-23. It is affordable in the context of the Department's spending review settlement, which provided an extra £3.2 billion across this Parliament, taking total funding to £11.5 billion in 2024-25. This award is consistent with the Government's priority to halve inflation and recognises the primacy of investing in people.

I would like to thank the PSPRB for its valuable advice and response to the Government's evidence.

The report has been laid before Parliament today, 13 July 2023. I am grateful to the chair and members of the review body for their report.

#### *Judicial pay award 2023-24*

The Government received the Senior Salaries Review Body's (SSRB) report on 8 June 2023. This will be presented to Parliament and published on gov.uk.

The Government value the independent expertise and insight of the SSRB and have considered the advice in the report.

The recommendation made by the SSRB for the judiciary is for a pay award of 7% for all judicial office holders within the remit group for 2023-24. I have decided to accept this recommendation, which will be applied equally to all salary groups backdated to April 2023.

This award is over double that of last year and will apply to 1,922 salaried judicial office holders. The award will help address judicial recruitment shortfalls, and I have considered affordability and the Government priority to halve inflation alongside the need for ongoing investment into improving the wider criminal justice system.

This increase demonstrates the value the Government place on our independent judiciary and their crucial role as we continue to deliver court reform and tackle the outstanding caseload.

[HCWS941]

## **LEVELLING UP, HOUSING AND COMMUNITIES**

### **Elections Act 2022: Implementation**

**The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Dehenna Davison):** *Statutory guidance on digital imprints introduced by part 6 of the Elections Act 2022*

My hon. Friend the Minister for Faith and Communities (Baroness Scott of Brybrook) has made the following written ministerial statement:

Digital technology is an important tool in political campaigning and having an active online presence has become crucial for political parties and campaigners to connect with the public and get their message heard. The Government are committed to supporting campaigners in making the most of digital campaigning tools, while balancing those needs with the public's legitimate expectation that digital campaigning be more transparent. To this end, the Government recently introduced as part of the Elections Act 2022 one of the most comprehensive "digital imprint" regimes that operates in the world today.

Digital imprints will increase transparency for voters and empower them to make informed decisions about the campaigning material they see online. The new rules will require those promoting certain digital campaigning material aimed at influencing the UK public's views to state who they are and anyone on behalf of whom they are promoting material.

The new rules will, for the most part, apply all year round, UK wide, and regardless of where in the world content is promoted from.

To support compliance with the new regime, the Act includes a provision for statutory guidance to be prepared by the Electoral Commission and be approved by the Secretary of State and Parliament. The Electoral Commission ran a public consultation on an earlier draft version of the guidance towards the end of last year. As set out in the Electoral Commission's response to that consultation, responses were received from a range of groups including political parties, academics and trade unions, and overall, the feedback was positive.

The Government have considered the draft guidance provided by the Commission and are today laying the guidance, with no modifications, before Parliament for approval. This draft guidance offers comprehensive guidance on how to follow the new rules, and will be a useful resource in supporting campaigners, candidates, and political parties in understanding and complying with the new rules. It also offers guidance to the relevant authorities (the police and the Electoral Commission) on the enforcement of the rules. The Government expect this will support the authorities in enforcing the new digital imprint rules effectively including when considering whether to impose a sanction depending on the facts of each case and where it is necessary and proportionate to do so.

If the guidance is approved by Parliament, it will come into force alongside the new digital imprint rules, later this year. To facilitate parliamentarians' access to the guidance, the document has been deposited in the Libraries of both Houses.

[HCWS936]

## **PRIME MINISTER**

### **Intelligence and Security Committee Report: China**

**The Prime Minister (Rishi Sunak):** The Intelligence and Security Committee of Parliament (ISC) has today laid before Parliament a report examining the threat posed by the Chinese authorities and the United Kingdom's response. I welcome the report and thank the Committee for its efforts.

China poses an epoch-defining challenge to the international order. Under the Chinese Communist party (CCP) it is becoming more authoritarian at home and more assertive overseas. We have been clear that our approach to China must therefore be rooted in our national interest and co-ordinated with like-minded partners.



The Committee's inquiry began in 2019 and took the bulk of its evidence in 2020, predating both the integrated review 2021 and the integrated review refresh 2023. These are both comprehensive national security and international policy reviews that considerably strengthen our position on China. The Government have already taken actions that are in line with many of the Committee's recommendations.

The integrated review 2021 articulated the United Kingdom's robust stance towards China. It highlighted China's increasing international assertiveness and identified it as the biggest state-based comprehensive threat to the United Kingdom's economic security. It placed greater emphasis on defending our interests and values while preserving the potential for co-operation on shared interests.

The integrated review refresh 2023 went further still, responding to subsequent changes in the strategic environment. In the IRR, the Government recognised China as a systemic challenge with implications for almost every area of Government policy and the everyday lives of the British people. The IRR also recognised China's size and significance on almost every global issue, and set out the UK's preference for better co-operation, understanding, predictability and stability with China.

Responding to this systemic challenge, the Government committed to:

greater national security protections to safeguard the United Kingdom's people, prosperity and security, including to communities now at home in Britain;

deeper co-operation and closer alignment with allies and partners to push back against behaviours that undermine international law, violate human rights and seek to coerce other sovereign nations; and

engagement with China bilaterally and in international fora to preserve and strengthen open, constructive, predictable, and stable relations.

We are improving our understanding of interference in our society and our values and taking action to address it, whatever its source.

We have passed the National Security Act 2023, which, in addition to helping us meet several of the Committee's recommendations on China, fulfils a number of commitments we made following publication of the Committee's 2020 Russia report. The Act constitutes the most significant overhaul of our national security law in more than a century. It will put us ahead of many of our partners in enabling our law enforcement agencies and the security and intelligence services to deter, detect and disrupt the full range of modern day threats, including from China. In addition to modernising the offence of espionage, it introduces a range of new offences for foreign interference, assisting a foreign intelligence service, sabotage and theft of trade secrets; creates modernised and extended "acts preparatory" offences; and creates enhanced investigatory powers.

The foreign interference offence created by the National Security Act will be added to the list of priority offences in the Online Safety Bill. This means social media platforms, search engines and other apps and websites allowing people to post their own content will have a legal duty to take proactive, preventive action to identify and minimise people's exposure to state-sponsored or state-linked disinformation aimed at interfering with the United Kingdom, including from China.

We set up the defending democracy taskforce in 2022 to lead work across Government to secure the integrity of our democracy. This includes co-ordinating work to ensure the safety and security of our elections; tackling disinformation, working with Parliament on enhanced cyber security measures for parliamentarians; and leading a review into how we can protect diaspora communities in the United Kingdom from foreign attempts at control (so-called transnational repression).

We passed the Higher Education (Freedom of Speech) Act 2023 to further protect our campuses from threats to lawful freedom of speech, whether those relate to China or any other source. We have already appointed the first Director for Freedom of Speech and Academic Freedom at the Office for Students. The remit of this new role is to promote the importance of freedom of speech and academic freedom on campus and to have responsibility for investigating infringements of freedom of speech duties in higher education, with new sanctions or options for individual redress. We are also removing all Government funding from Confucius institutes in the United Kingdom.

We have protected against threats to our economic security, wherever they come from. This includes taking steps to reduce reliance on Chinese technology and secure our critical national infrastructure against interference and evolving cyber threats.

We have tightened our scrutiny of foreign investment in the United Kingdom, through the creation and use of new powers under the National Security and Investment Act (NSIA) 2021, allowing us to take a broader approach than many other countries. Our annual report shows that in 2022-23 we received 866 notifications and issued 15 final orders blocking, unwinding or attaching conditions to deals, of which eight had an acquirer linked to China.

We have banned Huawei from the nation's 5G network, creating one of the toughest telecoms security regimes in the world.

We have reduced Chinese involvement in the civil nuclear sector, including taking ownership of the stake in the Sizewell C nuclear power project previously held by the Chinese state-owned company CGN.

We are committed to removing surveillance technology from sensitive areas of the government estate.

We have created the National Protective Security Authority to help British start-ups, academia and other organisations defend themselves against national security threats, by providing training and advice on how to harden their defences against threats posed by states, including theft of international property, exploiting academic research and deceptive use of professional networking sites to acquire sensitive information.

We signed a bilateral agreement setting out acceptable behaviour in cyberspace with China in 2015. As a responsible cyber power, we will continue to hold China accountable. This includes in July 2021, joining with international partners to publicly confirm that Chinese state-backed actors were responsible for the Microsoft Exchange servers attack that took place in early 2021, as well as other malicious cyber activity.

Our National Cyber Security Centre has shared regular technical advisories, drafted in close partnership with our international partners, to identify and provide the technical insight to detect and remediate specific state-sponsored malicious cyber activity. This includes working with agencies in the United States, Australia, Canada and New Zealand to issue a technical advisory in May 2023 to help organisations detect Chinese state-sponsored activity against critical national infrastructure networks.

We have protected our academic and research sectors and addressed the risk of sensitive technology transfer.

We have led the international community by tightening our export controls regime and adding China to the list of destinations subject to military end-use controls.

We launched the trusted research initiative to secure the integrity of international research collaboration, which is vital to the nation's research and innovation sector.

We have established the Research Collaboration Advice Team (RCAT) to provide tailored advice to researchers and institutions on how to manage national security risks in international collaborations. Since its launch in March 2022, RCAT has

engaged over 130 research institutions and addressed over 350 specific queries, resulting in targeted mitigations of national security concerns.

We have expanded the Academic Technology Approval Scheme (ATAS) to include new areas of sensitive technology and to cover both researchers and postgraduate students. This allows us to tighten the screening of academics and researchers in sensitive fields and avoid transfer of sensitive material and knowledge.

We continue to act in concert with our international partners, including to highlight and address human rights issues.

We have continued to raise concerns about China's human rights violations, including leading international condemnation of China over Hong Kong with G7 and Five Eyes partners, securing joint statements on Xinjiang at the UN and sanctioning Chinese Government officials for violations against Uyghurs and other minorities.

We also introduced a bespoke immigration route for British National (Overseas) status holders from Hong Kong. As of 31 March 2023, we had approved 166,420 applications from BN(O) status holders to live in the United Kingdom. We also have suspended our extradition treaty with Hong Kong and extended our arms embargo on China to include Hong Kong.

To support all this, we have increased investment in the capabilities that help us to understand and adapt to China, doubling funding for these across Government. We have made particular efforts to align our approach with our closest allies and partners, including those in the United States, Europe, Australia, Canada and Japan.

We are grateful for the tireless work of our security and intelligence services to protect national security at home and abroad.

We are not complacent and we are keenly aware that there is more to do.

Wherever China's actions or intent threaten the national interest, we will continue to take swift action. We welcome the Committee and Parliament's scrutiny and the proposals for further action. They are rightly challenging. We are alive to the need to make effective use of the new legislation and powers that we have introduced and to

continue adapting our approach and actions to meet the challenge that China presents. In concert with our international partners we will continue to engage with China to preserve and create space for open, constructive, predictable and stable relations that reflect China's significance in world affairs and to ensure our interests and those of our allies are best advanced.

The Government will consider the Committee's recommendations and conclusions with care to assess where further action should be taken. We will publish a full response in due course and in the usual manner.

[HCWS938]

## TRANSPORT

### Rail Infrastructure Update

**The Secretary of State for Transport (Mr Mark Harper):** Yesterday, Wednesday 12 July, HS2 Ltd announced that its Chief Executive Officer Mark Thurston would step down after six and a half years at the helm of Europe's largest infrastructure project.

I want to thank him for his work over the last six years on progressing Britain's most transformative rail project. He successfully oversaw the start of construction and drove the project to full scale with HS2 supporting tens of thousands of jobs, including apprenticeships, across the country. The Government and I are grateful for his service.

HS2 continues to represent a strategic investment into our national infrastructure, connecting our biggest cities and injecting more innovation and skills into the UK's construction sector.

Mark will leave HS2 Ltd at the end of September this year, when Sir Jon Thompson will become Executive Chair for an interim period while a new Chief Executive is recruited.

[HCWS947]

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**not later than  
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