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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 3 December 2024

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

National Insurance Contributions

1. **Chris Law** (Dundee Central) (SNP): If she will make an assessment of the potential impact of the National Insurance Contributions (Secondary Class 1 Contributions) Bill on the cost of delivering public services. [901579]

3. **Rebecca Smith** (South West Devon) (Con): What assessment she has made of the potential impact of the proposed increase in employer national insurance contributions on public sector organisations. [901581]

The Exchequer Secretary to the Treasury (James Murray): As we set out in the autumn statement, the Government have set aside funding to support the public sector with the additional cost of employer national insurance contributions. The amounts are £4.7 billion in 2025-26, £4.7 billion in 2026-27, £4.8 billion in 2027-28, £4.9 billion in 2028-29 and £5.1 billion in 2029-30. The Government plan to update Parliament on allocations by Department as soon as possible.

Chris Law: Labour's national insurance increase will cost Dundee city council a minimum of £7.3 million, while across Scotland an additional £500 million will be incurred, rising to £750 million when indirect employers such as GP practices are included. Labour promised to reset the relationship with the devolved Administrations, so, ahead of Scotland's Budget this week, will the Minister confirm that the full cost of the national insurance contributions increase to the delivery of public services in Scotland will be reimbursed?

James Murray: The funding for the impact on public sector organisations includes funding for the devolved Governments, which is allocated through the Barnett formula in the usual way. It is the responsibility of the devolved Governments to manage devolved workforces. Might I say that if the bill is somewhat higher in Scotland, that may be due to the Scottish Government's decisions about the size of the public sector?

Rebecca Smith: A major housing association serving not only Plympton, Plymstock and Ivybridge in my constituency but the rest of Plymouth and other parts of Devon and Cornwall will have to shoulder three quarters of a million pounds in increased national insurance contributions. That is money that could have

been spent on new homes for some of the most vulnerable in my constituency. How will the Minister reassure my constituents patiently waiting for much-needed social housing when they realise that they will have to wait longer because of the Chancellor's decisions?

James Murray: We recognise that the decision on national insurance contributions is a tough one, but we also recognise that it was necessary for the Chancellor to set out a Budget that included a record set of promises on home building. We are set to build 1.5 million homes over the course of this Parliament, investing in social and affordable housing. That is what will benefit the hon. Member's constituents who need a decent home.

Bill Esterson (Sefton Central) (Lab): The shadow Chancellor was touring the TV studios this morning to say that the Conservative party did nothing wrong in government. Will my hon. Friend confirm that the reason for the changes to national insurance is precisely to plug the £22 billion gap that the Conservatives caused and to ensure that our constituents can get a hospital or GP appointment?

Mr Speaker: I think that fits with the question, somehow.

James Murray: My hon. Friend is absolutely right. The problem with Conservative Members is that they are all happy to say that they want more funding for the NHS; they are just not prepared to pay for it. What they need to realise is that, in government, we have to take tough decisions to ensure that we can fund public services and fix the public finances.

Neil Duncan-Jordan (Poole) (Lab): What reassurance can the Minister give to hospices such as Julia's House, which serves my constituents, which are concerned by the planned increase in national insurance contributions and the impact that will have on the services they provide?

James Murray: As my hon. Friend will know, many hospices are independent charities and therefore will be able to access the employment allowance, which we have doubled to £10,500 a year, as well as the other wider tax reliefs in the tax system for charities, such as business rates relief and gift aid. Of course, hospices often have statutory obligations with the NHS as well, so I suggest that hospices discuss their contracts with their integrated care boards.

Mr Speaker: I call the shadow Minister.

Gareth Davies (Grantham and Bourne) (Con): Later today, the House will vote on the Government's £25 billion national insurance tax hike. To avoid any uncertainty when we vote, will the Minister confirm exactly which public sector organisations will be compensated?

James Murray: If the shadow Minister would like to know which public sector organisations will be compensated, he could look at what his Government did with the health and social care levy, because the definition of public sector organisations—it is a regularly cited definition—is set out through the Office for National Statistics. We will reimburse Departments and other public sector organisations.

Gareth Davies: There was so little information in that response—the civil service will be very proud of the Minister. He will not say who will be spared by the Chancellor's tax raid, but we know that working people will be made to pay—the Office for Budget Responsibility has said so; the Institute for Fiscal Studies has said so; even the Resolution Foundation has said so; and working people know so. Why is it that Labour always leaves office with unemployment higher than when it entered office?

James Murray: I do not think the shadow Minister listened to my response to the previous question, in which I set out very clearly the definition of the public sector for the purposes of national insurance contributions. Look at what the OBR has said: yes, it recognises that we are asking businesses to contribute more and that this will have an impact, but it also says that the employment level will rise from 33.1 million to 34.3 million by 2029, meaning an increase in the employment level over this Parliament.

Mr Speaker: I call the Liberal Democrat spokesperson.

Daisy Cooper (St Albans) (LD): Citizens Advice in St Albans supports some of the most vulnerable people to access public services. It says that the changes to national insurance contributions will

“hit hard because we employ mostly part-time staff and the change to the threshold means we go from paying nothing to the full amount for each staff member. The increased rebate is intended to offset the NIC for small organisations but does not for us because so many of our staff are part-time.”

Will the Chancellor look again at the impact of the national insurance contribution changes on part-time workers?

James Murray: We recognise that we have taken a tough decision to increase the rate and broaden the base through changes to the secondary threshold. I welcome the work done by the organisation mentioned by the hon. Lady in her constituency, but perhaps the need for advice would be less if public services were stronger. One of the reasons we are taking these difficult decisions on taxation, welfare and spending is precisely to ensure that these public services can provide the service that people need.

Daisy Cooper: We all want to see stronger public services. According to Hightown Housing Association, the estimated extra total cost of the national insurance contribution changes will be £860,000 per year—money that would allow the association to pay the interest on a loan of around £17 million, which would pay for around 60 social homes. Will the Chancellor say whether she will conduct an impact assessment of these national insurance contribution changes on the number of social homes?

James Murray: The Liberal Democrat spokesperson began her question by saying that we all want public services; the problem is that not all of us in this Chamber are prepared to pay for them. That is exactly why we have to take difficult decisions to ensure that we can fund our ambitious plans for the NHS, education and indeed housing. The impact of the impact assessment is published in the tax information and impact note, which is published alongside the legislation, which I am sure

the hon. Lady will have seen. It comes down to the basic point that we have to make tough decisions on taxation if we want to fund those public services.

Affordable Housing

2. **David Williams (Stoke-on-Trent North) (Lab):** What fiscal steps she is taking with Cabinet colleagues to increase the supply of affordable housing. [901580]

The Chancellor of the Exchequer (Rachel Reeves): At the Budget, the Government announced major steps towards delivering a once-in-a-generation increase in social housing, including a £500 million boost to the affordable homes programme, increasing annual spend to £3.1 billion. The Government will set out future grant investment beyond the current affordable homes programme at phase 2 of the spending review.

David Williams: In Stoke-on-Trent and Kidsgrove there are many historic buildings that are lying dormant, and they have done so for a very long time. What steps will the Chancellor take to help to bring these beautiful buildings back into use as affordable homes for local people?

Rachel Reeves: Stoke-on-Trent has a proud industrial history and some beautiful buildings. My hon. Friend makes an important point—I will raise it with colleagues at the Ministry of Housing, Communities and Local Government. The £500 million boost to the affordable homes programme also allows up to 10% of that delivery to come from acquiring existing homes. Social landlords, including some local authorities, can bid for funding to bring empty homes back into use for social housing.

Sir Gavin Williamson (Stone, Great Wyrley and Penkridge) (Con): Many of my constituents have benefited over many years from the right to buy their council homes and social housing, which has given them an important step on to the ladder to home ownership. The discounts in Staffordshire are going to be cut to £16,000. I do not doubt that the Chancellor, like me, wants to help as many people as possible on to the path to home ownership. Will she pledge to review that decision with regard to the impact it will have on so many people, and look at restoring that discount in future?

Rachel Reeves: As the right hon. Gentleman will know, home ownership fell under the previous Government. We are determined to turn that around and ensure that more people, particularly families, get on to the housing ladder. As he has confirmed, the right to buy discounts will continue, but in future every penny of that money will go back into building new social housing, so that more people can have a home of their own and a roof over their head.

Financial Conduct Authority

4. **Bob Blackman (Harrow East) (Con):** If she will make an assessment of the potential implications for her policies of the APPG for investment fraud and fairer financial services' publication entitled “Report on the Call for Evidence about The Financial Conduct Authority”, published on 26 November 2024. [901582]

The Economic Secretary to the Treasury (Tulip Siddiq):

I read that report with great interest and have a lot of sympathy for those who suffered. However, a lot of the incidents described happened a very long time ago. The FCA has made substantial changes in response to those experiences. That does not mean the end of our engagement with the FCA, but we are continuing to hold it to account and it has made changes since the report came to light.

Bob Blackman: The FCA has been completely defensive in response to the report. Since the historical elements quoted by the FCA, 13 major scandals have erupted. I will not intrude on your time, Mr Speaker, because I am sure that you would not want me to list them all, but Woodford Equity, car finance and others have come to light since the details came out. Clearly, there is a need to fundamentally reform the FCA so that victims of scandals are properly compensated and the industry is properly regulated in the way that we would all like to see.

Tulip Siddiq: I understand that lots of people have suffered, as the report explains, which I said I have read. However, I do have confidence in the FCA; I have sent it remit letters outlining what we expect it to do to deliver on its objectives. The FCA is looking at certain things such as its rulebook, which we think is too extensive, to look at rules that no longer need to be applied but, overall, we are working with the FCA closely and we believe that it is trying its best. It is not possible to have a system where nothing ever goes wrong, but we are trying to minimise that and ensure that there is consumer protection. The FCA knows that we are working together to deliver on its objectives.

Money and Pensions Service

5. **Ms Stella Creasy** (Walthamstow) (Lab/Co-op): What assessment she has made of the adequacy of funding for the Money and Pensions Service. [901583]

The Parliamentary Secretary, His Majesty's Treasury (Emma Reynolds): The Money and Pensions Service plays a vital role in supporting individuals to manage their money effectively. Its funding levels are regularly reviewed to reflect demand, inflation and evolving needs.

Ms Creasy: New research from the Centre for Responsible Credit shows that 7.5 million people in this country are going without the debt advice that they need. We are in a cost of living crisis, so services are severely stretched. The Money and Pensions Service underestimates need by excluding people who are behind with their bills. That means that the financial levy that it proposes is not what it needs to be. Since a third of those who need financial help borrow from buy now, pay later lenders, and given the delay in regulating those companies, will the Minister meet me to look at the funding model of the financial levy and what more we can do to ensure that those profiting from exploiting our constituents pay to repair the damage?

Emma Reynolds: My hon. Friend has been a tireless campaigner on this issue. We are reforming buy now, pay later, as the Economic Secretary recently stated in answer to my hon. Friend in the House. The Government

recognise the gap between those who need debt and those accessing it, which is why the Money and Pensions Service is exploring ways to improve accessibility, including through outreach initiatives. We continue to keep a close eye on its funding levels to ensure that they reflect demand.

Tim Farron (Westmorland and Lonsdale) (LD): The Money and Pensions Service does tremendous work to support people in my constituency who come to surgeries in desperate need—particularly those facing crippling debt—as do organisations such as Christians Against Poverty. Would the Government consider putting more money behind the Money and Pensions Service, not just for staffing but for visibility and presence in local communities? Would they consider the proposal that others have made to make our post offices a shop window for Government services in our communities, including such advice?

Emma Reynolds: As the hon. Gentleman knows, the Money and Pensions Service commissions other charities, particularly to work with hard-to-reach vulnerable people. We continue to review its funding and we keep a close eye on the evolving demand and need for its services.

Taxation: Online Multinational Corporations

6. **Lloyd Hatton** (South Dorset) (Lab): What steps she is taking to increase the level of tax paid by online multinational corporations. [901584]

The Exchequer Secretary to the Treasury (James Murray): Ensuring that online multinationals pay their fair share of tax is crucial, so the Government are finalising the implementation of internationally agreed rules for a minimum 15% effective rate globally. As set out in the corporate tax road map, we are seeking an international solution for a fair tax allocation of multinational profits. Meanwhile, the digital services tax ensures that search engines, social media platforms and online marketplaces pay UK tax reflecting a UK-derived value.

Lloyd Hatton: Amazon currently makes hundreds of millions of pounds in profits in the UK each year, and often gets away with paying little to no corporation tax. Meanwhile, high street businesses in Weymouth, Portland and Swanage in my constituency pay their fair share. To level the playing field, will the Chancellor consider further measures to ensure that online giants always pay their fair share of tax? I fear that, without action, our high streets will always be at an unfair disadvantage.

James Murray: My hon. Friend is absolutely right, and supporting the high street is at the heart of our ambitions when it comes to business rates reform. On Second Reading of the Finance Bill last week, in which I spoke, we set out our plans to issue permanently lower tax rates for high street retail, hospitality and leisure properties. That will be paid for through an increase in the tax rate on properties with a rateable value above £500,000, a category that includes the warehouses used by many of the online giants to whom my hon. Friend has referred.

Support for Pensioners

7. **Dr Luke Evans** (Hinckley and Bosworth) (Con): What fiscal steps she is taking to support pensioners. [901585]

The Parliamentary Secretary, His Majesty's Treasury (Emma Reynolds): Thanks to our steadfast commitment to the triple lock, more than 12 million pensioners will benefit from a 4.1% increase in their state pensions next year, and over the course of this Parliament they will be better off by £1,900. Pensioners also benefit from free bus passes, eye tests and prescriptions.

Dr Evans: In September the Government released statistics showing that one in five pension credit claims were not being processed within 50 days, and I raised that in a written parliamentary question, No. 5385. Part of the answer stated:

"The department has secured funding for additional staffing to improve processing times."

Two months later, data has been released showing that the processing of one in four pension credit claims is now taking longer than 50 days. How much funding was given, will more be provided to try to move this forward, and what conversations is the Minister having with the Department for Work and Pensions to ensure that the funding is spent properly, given that it is taxpayers' money?

Emma Reynolds: I am a Minister in both the Treasury and the DWP, so I have conversations with officials about this all the time. We are absolutely determined that those who are eligible for pension credit should be aware that they can apply for it, given our big campaign to raise awareness—only last week we launched a TV campaign on the issue. We have also deployed an additional 500 staff to process those pension credit claims. Thanks to our campaign there has been a 145% increase in the number of claims, which is why the processing is taking a little longer, but we are absolutely focused on speeding it up and ensuring that those who are eligible receive the help they need.

Economic Growth in Rural Areas

8. **Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): What fiscal steps she is taking to increase economic growth in rural areas. [901586]

20. **Helen Morgan** (North Shropshire) (LD): What fiscal steps she is taking to increase economic growth in rural areas. [901598]

The Exchequer Secretary to the Treasury (James Murray): A prosperous rural economy will be underpinned by improvements in rural connectivity and productivity, the availability of affordable energy, access to public services and a thriving farming sector. To that end, the Government are investing £5 billion in broadband connectivity, which will support growth in rural areas across the UK. In addition, we are spending £5 billion for the farming budget in England over the next two years, including the largest amount to be directed at sustainable food production and nature's recovery in our country's history.

Jamie Stone: For generations the grim spectre of highland depopulation haunted the area I come from. I can remember my own father saying, before North sea oil came along, that I would have to go south; to go away. Today we have the Inverness and Cromarty Firth green freeport, and we have the prospect of a space launch in Sutherland. May I ask the Government to consider fiscal means whereby these projects can be assisted? I warmly invite a Treasury Minister to come north to my constituency to see what we are doing and what we have on offer.

James Murray: The Chief Secretary to the Treasury will set out any fiscal measures in due course. I am not sure whether I will get away with committing him to a visit to the hon. Gentleman's constituency, but I am sure that many of us would like to visit it. In fact, I shall be in Scotland in the next few days, but as it is for a Labour party fundraiser, the hon. Gentleman may not want to join me.

Helen Morgan: Rural North Shropshire is home to some great independent businesses that we are looking forward to celebrating on Small Business Saturday this week, but they are held back by the business rates system, which benefits big online retailers and holds back investment not only on the high street but in the countryside. Will the Minister consider a much more radical reform of business rates which takes account of land values, encourages businesses to invest and puts high street retailers on a level playing field with online giants?

James Murray: Until the hon. Lady's last sentence, I thought she was declaring support for our business rates plans, because we are setting out to level the playing field for high street businesses and the online giants. We are doing that by way of a permanent tax cut for retail, hospitality and leisure businesses on the high street, which is paid for by the higher multiplier for those with a rateable value of £500,000 or more—a category that includes the warehouses used by online companies. I look forward to the hon. Lady perhaps contributing towards our "Transforming Business Rates" paper, which sets out our wider ambitions for reform.

Jo White (Bassetlaw) (Lab): The last Government failed to stand up for British farmers in trade agreements and left them vulnerable to flooding, rollercoaster energy costs and poor infrastructure. Can the Minister confirm that this Government will protect British farmers where the last Government failed?

James Murray: My hon. Friend is absolutely right to point out the failures of the previous Government, and to point out that this Government remain steadfast in our commitment to farmers across the country. That is exactly why we have committed £5 billion to the farming budget over the next two years, including the largest ever budget for sustainable food production in our history.

Living Standards

9. **Natalie Fleet** (Bolsover) (Lab): What steps she plans to take to help improve living standards. [901587]

25. Pamela Nash (Motherwell, Wishaw and Carluke) (Lab): What steps she plans to take to help improve living standards. [901603]

The Chief Secretary to the Treasury (Darren Jones): We plan to raise living standards by boosting economic growth to put more money in people's pockets, and by developing a comprehensive strategy on child poverty to give every child the best start in life. Already, the independent Office for Budget Responsibility estimates that living standards will increase during this Parliament, at more than double the pace observed in the previous Parliament.

Natalie Fleet: Fourteen years of Conservative rule meant that we all saw child poverty levels rise. One in five children across the country now grows up in scarring poverty. A quarter of all children in Bolsover live in poverty. Can the Minister please set out the measures that this Labour Government will take to end this travesty?

Darren Jones: I thank my hon. Friend for her question. She will know that this Government, like every Labour Government, are committed to improving living standards right across the country. From 1 April 2025, the national living wage will increase by 6.7% to £12.21 per hour for eligible workers aged 21 and over. That represents an increase of £1,400 to the gross annual earnings of a full-time worker on the national living wage, and is expected to benefit around 3 million low-paid workers. My hon. Friend knows that the Government have set up a ministerial taskforce on child poverty, which will report in 2025.

Pamela Nash: In the Chancellor's first ever Budget, she delivered over £1.5 billion for Scotland this year and £3.4 billion next year—the largest ever block grant settlement in the history of the Scottish Parliament. Unlike the Tories and the SNP, it is clear that this Labour Government are choosing investment over simply managing decline. Can the Minister share with the House a bit more detail about how the Budget will directly impact and improve the lives of people in my constituency of Motherwell, Wishaw and Carluke, and throughout Scotland?

Darren Jones: I thank my hon. Friend for her question. As she said, the Scottish Government's spending review settlement for 2025-26 is the largest, in real terms, of any settlement since devolution began. The Scottish Government are receiving at least 20% more per person than equivalent UK Government spending in the rest of the United Kingdom. That translates to over £8.5 billion more in 2025-26 alone. This Labour Government are delivering for the people of Scotland by giving the Scottish Government the power and money to get on with the job, and it is for the SNP to be accountable for what it delivers for the Scottish people.

Graham Stuart (Beverley and Holderness) (Con): Can the Minister confirm that of the £26.4 billion tax rise through the increase in employer NICs, £19 billion will come directly out of people's pay packets? Secondly, can he confirm that the net amount that the Treasury will actually get from that £26.4 billion after behavioural change and public sector compensation is just £11 billion?

Darren Jones: The right hon. Gentleman seems to have forgotten the cost that working people paid as a consequence of his party's actions in government, with inflation on house prices racing to 11%, the cost of living crisis, higher energy bills and a loss of grip on public spending. People suffered a direct cost in their disposable income because of the actions of the Conservative party. This Labour Government have wiped the slate clean, and we are getting a grip on public spending, fixing the foundations and delivering for working people.

Bradley Thomas (Bromsgrove) (Con): Will the Chancellor admit, as she has already done in the media, that wages will be lower because of her jobs tax?

Darren Jones: This Government's commitment to economic growth will improve living standards for people right across the country. I refer the hon. Member to my previous answer and suggest that his party might want to apologise before trying to lecture this Government on the change that we are delivering.

Economic Investment

10. Darren Paffey (Southampton Itchen) (Lab): What steps she is taking to increase long-term investment in the economy. [901588]

11. Alan Gemmell (Central Ayrshire) (Lab): What steps she is taking to increase long-term investment in the economy. [901589]

15. Mr Mark Swards (Leeds South West and Morley) (Lab): What steps she is taking to increase long-term investment in the economy. [901593]

The Chancellor of the Exchequer (Rachel Reeves): We have brought stability back to the economy, which is the foundation for attracting investment and is vital to our growth mission. We have already launched the national wealth fund, which will mobilise over £70 billion of private investment with an expanded remit for the Office for Investment overseen by the Minister for investment. In October, we welcomed global investors from around the world to London for the international investment summit, where we were able to announce a record-breaking £63 billion of private sector investment into our economy.

Darren Paffey: I have been meeting a number of maritime companies in and around the port of Southampton, and they tell me that the single biggest key to unlocking further investment would be the expansion of the national grid to our city. What steps is the Chancellor taking to secure that vital investment, and will she meet me and local industry leaders to discuss how this would boost our local and national economy?

Rachel Reeves: It was a pleasure to go to my hon. Friend's constituency in June to see the port and the wealth creation and jobs that it is bringing to Southampton. As I set out in the autumn Budget, as well as focusing on the national wealth fund's capital investment in ports, we are committed to accelerating grid connections and ensuring that new network infrastructure is built at pace to unlock investment and growth opportunities. We are particularly focused on driving network build,

including by completing the strategic planning of the energy system needed for 2030, to ensure that projects such as those my hon. Friend has mentioned in Southampton make the progress that they need to.

Alan Gemmell: New green businesses such as XLCC in Ayrshire, a sub-sea cable manufacturer, are seeking long-term investment to create jobs. Recently, my hon. Friend the Member for North Ayrshire and Arran (Irene Campbell) and I visited its training academy in Irvine. What more will my right hon. Friend the Chancellor do to help Scottish businesses such as XLCC to secure long-term investment, and might she visit Ayrshire to see it in action?

Rachel Reeves: I thank my hon. Friend for his question and for the invitation. In October, the Government launched the national wealth fund to mobilise billions of pounds of investment into world-leading clean energy and growth industries. I am pleased that the national wealth fund already announced a £20 million investment in XLCC to support it in moving towards a construction phase. This will support 900 jobs, as well as making a contribution to the UK being a clean energy superpower by strengthening the home-grown energy suppliers that are fundamental to achieving our energy independence.

Mr Swards: As the chair of the all-party parliamentary group for Yorkshire and Northern Lincolnshire, I am always on the lookout for opportunities to encourage investment and growth in our region. That is why I am backing the campaign to put the national infrastructure and service transformation authority in Leeds, and I was delighted that the national wealth fund was put in Leeds. Given these facts, will my right hon. Friend the Chancellor meet me to discuss the opportunities we have to maximise the benefits from the national wealth fund?

Rachel Reeves: I welcome the work that my hon. Friend does on the all-party parliamentary group for Yorkshire and Northern Lincolnshire. As I announced in October, the UK Infrastructure Bank has now become the national wealth fund and it will expand its team and be headquartered in the brilliant city of Leeds, to realise our ambition on the national wealth fund. The national wealth fund will also have a strong regional focus, working with the mayors, including Tracy Brabin in West Yorkshire, so that we can realise the potential of all our regions, including Yorkshire. Further details on the national infrastructure and service transformation authority's governance and location will be confirmed in due course.

Dave Doogan (Angus and Perthshire Glens) (SNP): One of the economic investments that we do not want to see in Angus and Perthshire Glens, or anywhere else in Scotland, is foreign multinationals buying up farms because farmers have given up under the weight of the taxes introduced by this Government. This would destroy local supply chains and make larger farms that are less responsive to consumer demand. What has the Chancellor seen in her impact assessment of the agricultural property relief changes to allay those fears?

Rachel Reeves: One of the current challenges, as the hon. Gentleman will know, is that agricultural property relief is often used for tax avoidance. People are buying

farmland not because they are family farmers but because they do not want to pay any inheritance tax. That is why we are reforming the system to bring in much-needed money to fund our public services, and to have a fair system with a 50% discount to inheritance tax paid on agricultural property and a 10-year period to pay that inheritance tax, interest free.

Pippa Heylings (South Cambridgeshire) (LD): Last week, I joined a biotech boot camp in South Cambridgeshire. Although the investors and entrepreneurs recognise and welcome the research and development budget announced in the Budget, they said it is a reduction from 2021. Does the Chancellor recognise that we need to increase investment in R&D to encourage long-term investment in our leading services?

Rachel Reeves: We were really pleased to announce an R&D budget of more than £20 billion at the autumn Budget. This is important to funding and accelerating R&D not just in the hon. Lady's constituency but across the country. Combined with the corporate tax road map, as well as the commitment to continuing funding for Horizon, our universities and great innovators can look to the future with confidence.

Josh Babarinde (Eastbourne) (LD): Local leisure and sports facilities, such as the Sovereign centre where I learned to swim, deserve more long-term investment. I want Eastbourne to be able to invest its £20 million from the towns fund in such facilities, but it will not be unlocked by the Treasury until 2026. Will the Chancellor commit to accelerating the unlocking of that funding, so that we can invest in facilities for local families and people in Eastbourne much sooner?

Rachel Reeves: I agree it is important that all children learn to swim, especially in our coastal communities. We had to make difficult decisions at the Budget, but I am happy to try to arrange a meeting between the hon. Gentleman and the relevant Minister to make sure the investment can go ahead at pace.

Business Rates: High Street Retailers

13. **Jonathan Hinder** (Pendle and Clitheroe) (Lab): What steps she is taking to introduce permanent reductions to business rates for high street retailers. [901591]

17. **Connor Naismith** (Crewe and Nantwich) (Lab): What steps she is taking to introduce permanent reductions to business rates for high street retailers. [901595]

24. **Jade Botterill** (Ossett and Denby Dale) (Lab): What steps she is taking to introduce permanent reductions to business rates for high street retailers. [901602]

The Exchequer Secretary to the Treasury (James Murray): To deliver our manifesto pledge, we intend to introduce permanently lower tax rates for high street retail, hospitality and leisure properties from 2026-27. This tax cut must be sustainably funded, so we intend to introduce a higher rate on the most valuable properties—those with a rateable value of £500,000 or above—from 2026-27. The Non-Domestic Rating (Multipliers and Private Schools)

Bill, introduced last month, will enable the Government to deliver these changes, and it will come into effect in April 2026.

Jonathan Hinder: High streets in my Pendle and Clitheroe constituency were hollowed out under the last Conservative Government, with many shops left empty. Small, independent businesses are the backbone of our local economy, employing local people, keeping our towns vibrant and giving them their character and charm. Can the Minister assure me that multinational giants will pay their fair share under Labour, levelling the playing field and enabling our high streets to thrive?

James Murray: My hon. Friend is absolutely right about the importance of small, independent businesses in his constituency, and I am sure his sentiment is shared by Members across the House. Through our reforms, we are setting out to make sure that those properties with a rateable value of £500,000 or more pay so we can have a permanent tax cut for high street business. This category includes the large distribution warehouses used by online businesses, which will make sure that those online businesses make a fair contribution to ensuring that our high streets are the success we all want to see.

Connor Naismith: Ahead of Small Business Saturday, I congratulate St Martha Greek taverna in Nantwich on being the first winner of my Crewe and Nantwich small business of the month competition. Small businesses on our high streets, such as St Martha, regularly highlight business rates as a significant challenge, so what steps is the Minister taking to ensure that they can continue to thrive?

James Murray: May I extend my congratulations to St Martha Greek taverna in Nantwich? Given the time, I am feeling a bit hungry now that we are talking about food. I reassure my hon. Friend that our plans to reform the business rates system would see a permanent tax cut for retail, hospitality and leisure businesses. While I do not know exactly the details or the rateable value of the property in question, I am sure properties like that would be eligible for the cut. It is crucial that we support those much-loved local businesses. I am glad he is doing all he can to champion them, and I look forward to my invite.

Jade Botterill: Many people in my community rely on in-person banking and access to cash. I was pleased to recently open the banking hub in Ossett town centre. Ossett was previously one of the 55 bankless towns in the UK. How are the Government looking to further support those who rely on those services, particularly in towns and rural villages?

James Murray: My hon. Friend is right to highlight the importance to communities of having access to cash and banking services, which is why we have committed to rolling out more banking hubs across the country—100 by the end of this year and a total of 350 through our commitment. We want to work with local communities across the country to deliver that, so that all areas, like Ossett, can benefit from a local banking hub.

Sammy Wilson (East Antrim) (DUP): The heavy burden of business rates and the national insurance contributions that the Government are going to impose

on small businesses is taxing businesses to death. Does the Minister recognise that in doing so, he is going to cause unemployment, higher inflation and lower growth, and that we are heading for higher taxes in future because of the downward economic spiral?

James Murray: As the right hon. Gentleman will see in the National Insurance Contributions (Secondary Class 1 Contributions) Bill that we will be debating this afternoon, we have doubled the employment allowance to help small businesses to employ up to four people earning the national living wage without paying a penny in national insurance. That is dedicated support to help those small businesses, in the context of what, I admit, is a tough decision. If the right hon. Gentleman has a chance to contribute to the debate, he might say whether he supports the extra public services funding that comes from those difficult decisions.

Gideon Amos (Taunton and Wellington) (LD): Businesses like Mr Miles in Taunton High Street are being hit hard by the changes in taxes for hospitality businesses, including the increase in the wage bill and national insurance contributions, and the massive increase in business rates. That business is now considering reducing its opening hours, which would make our high street less vibrant than it should be. One challenge is the £50,000 rateable value limit for the discount, as many high street premises have a rateable value of more than £50,000. Will the Chancellor consider reviewing the limit placed on the business rates discount for small businesses?

James Murray: As the hon. Gentleman will know, we set out our plans for reforming business rates to ensure that retail, hospitality and leisure properties on the high street with rateable values below £500,000 will benefit from a permanent tax cut from this Government. The importance of that tax cut being permanent is that it gives businesses the stability they need to invest and grow. I look forward to his support for our reforms when we vote on them in due course.

Management of Public Finances

14. **Jen Craft (Thurrock) (Lab):** What steps she is taking to help ensure the sound management of public finances. [901592]

The Chancellor of the Exchequer (Rachel Reeves): Sound management of the public finances means spending wisely and not sending money to fraudsters. Today, I have appointed the health expert Tom Hayhoe as our new covid counter-fraud commissioner. As chair of an NHS trust during the pandemic, he saw the urgency of getting personal protective equipment to NHS staff when they needed it. Now he is at his desk in my Department starting the work to investigate the billions of pounds lost to fraud and underperforming contracts, and instead ensuring that that money is where it belongs—in our public services.

Jen Craft: My constituents expect the Government to treat taxpayer money with the utmost respect. However, during the pandemic the Conservatives handed out contracts to their friends and donors and failed to prevent fraud, using the crisis as a cover for their greed. Does the Chancellor agree with me that that money belongs to the taxpayer?

Rachel Reeves: My hon. Friend's constituents in Thurrock are right to be angry about the waste and corruption that happened under the previous Government. That money belongs to the British people and in our public services, not in the pockets of fraudsters taking advantage of a national emergency. Tom Hayhoe will leave no stone unturned in investigating the carnival of fraud that the previous Government presided over, including in PPE contracts, where they recommended any attempts to reclaim that money be abandoned. Letting huge sums of taxpayers' money be wasted would be egregious and I will not tolerate that.

Harriet Cross (Gordon and Buchan) (Con): The Treasury consistently insists that only 500 farms a year will be impacted by the family farm tax. However, the Central Association for Agricultural Valuers calculates that the real number will be five times higher and will include many farms in my Gordon and Buchan constituency. Who is right: the Treasury or the experts?

Rachel Reeves: We have published the detail of how that money is raised, but the numbers from His Majesty's Revenue and Customs are very clear: only a quarter of estates will pay any additional tax. At the moment, the vast majority of agricultural property relief is enjoyed by a very small number of very large and very expensive estates. That is not affordable, and it will not continue.

Brian Leishman (Alloa and Grangemouth) (Lab): I declare an interest: I am a member of Unite the Union. The Grangemouth refinery costs £100 million a year to run, and its economic contribution to Scotland exceeds £400 million per annum. Unite has a credible plan to save the refinery and prevent thousands of job losses. Will the Treasury consider the plan, and meet me, Unite and the refinery owners to discuss its viability and Government intervention for the public good?

Rachel Reeves: I am happy to arrange a meeting between my hon. Friend and the relevant Minister.

Nick Timothy (West Suffolk) (Con): Last week, the Chancellor told the CBI conference that she would not come back
"with more borrowing or more taxes".

Last Wednesday, the Prime Minister hung her out to dry and refused to repeat those words. Will she repeat them today and rule out any more borrowing or any more taxes—yes or no?

Rachel Reeves: At the Budget in October, we had to fill a £22 billion black hole left by the previous Government. We will never have to repeat a Budget like this one, because we will not have to clear up the mess of the previous Government ever again.

Mr Speaker: I call the shadow Minister.

Richard Fuller (North Bedfordshire) (Con): A cornerstone of sound management is economic certainty, but this Government seem to specialise in creating economic uncertainty; most recently they did so by delaying the date for the critical multi-year spending review. It looks like the Chancellor does not have a grip on either her Cabinet colleagues' spending plans or her own plans for public sector productivity. Which is it—or is it both?

Rachel Reeves: The hon. Gentleman talks about uncertainty, but he was a Minister in the Treasury under Liz Truss, when huge damage was done to families' and businesses' finances. Frankly, I will take no lessons from Conservative Members on how to run the economy. We have already done phase 1 of the spending review; phase 2 will begin shortly and be concluded next year, when we will make multi-year settlements on resource departmental expenditure limits and capital budgets for the next few years.

Richard Fuller: The Chancellor may find that in her job, she needs to listen and learn lessons. One of the many criticisms of the last Budget was that the Government fiddled the figures to borrow more money, and still left little headroom for if their forecast went wrong. Since the Budget, business confidence has collapsed, putting further pressure on that headroom. Does the Chancellor have a problem with balancing her books, and will she, like Oliver Twist, be coming back for more?

Rachel Reeves: The hon. Gentleman will know that there is more headroom in our Budget in October than was left by the previous Government. The lesson I have learned is that I will never play fast and loose with the public finances, as the Conservative party did, because when it did, interest rates went through the roof and inflation topped 11%, and families and businesses in our country are still paying the price for its disastrous economic management.

Topical Questions

T1. [901604] **Clive Efford** (Eltham and Chislehurst) (Lab): If she will make a statement on her departmental responsibilities.

The Chancellor of the Exchequer (Rachel Reeves): At the Budget, I wiped the slate clean after 14 years of chaos and mismanagement of our public finances, and I have brought stability back to our economy, so that we can get on with fulfilling our promise of delivering change. That means investing to fix the NHS and rebuild Britain, while ensuring that working people do not face higher taxes in their payslips.

Only through economic growth can we deliver on the promise of change. That is why we have wasted no time in delivering on the Government's No. 1 mission. We have established the national wealth fund, have kick-started planning reforms to boost long-term growth, are developing an industrial strategy, and are announcing reforms for our world-leading financial services sector, including in pensions. I am under no illusion about the size and scale of the challenge that we face, and the struggles of working people. That is why we choose stability and investment. The Conservatives, however, choose chaos, austerity and decline.

Clive Efford: According to the Local Government Association, local government spending on public services is down 42% on what it would have been had it kept pace with demand and costs since 2010. My local authority, Greenwich, faces a £3 million to £5 million gap in commissioned social care costs, and after 14 years of Tory austerity, there is very little headroom to bridge that gap. Does my right hon. Friend agree that local authorities need more assistance to bridge such gaps in the December local government finance statement?

Rachel Reeves: As my hon. Friend will know, in the autumn Budget and phase 1 of the spending review, more than £1 billion was made available to local government, including £600 million for social care. The allocation of that money will be set out in the normal way over the next few weeks, so that local government is funded properly and can deliver the services that it needs to deliver.

Mr Speaker: I call the shadow Chancellor.

Mel Stride (Central Devon) (Con): What a pleasure it is to appear opposite the right hon. Lady for the first time. I was tempted to ask her how things were going, but I did not want to start out by being unkind. I will instead ask this: when she recently pledged to the CBI that she would not raise taxes again, did she mean it?

Rachel Reeves: I welcome the right hon. Member to his place, and look forward to many exchanges with him across the Dispatch Box. At the Budget in October, as he knows, we had to fix a £22 billion black hole in the public finances. Some of that black hole comes from the fact that we are the only G7 economy in which employment is lower than it was before the pandemic, when he was Secretary of State for Work and Pensions, so we had to raise taxes to fund our public services; but never again will we have to repeat a Budget like that one, because we have now wiped the slate clean and drawn a line under the mess created by the previous Government.

Mel Stride: I did not actually discern any answer to my question, so may I put it this way? No. 10 has stated that it is not prepared to stand by the Chancellor's commitment on tax. Is that because No. 10 changed its mind, or because the right hon. Lady spoke without thinking?

Rachel Reeves: No Chancellor of the Exchequer would write five years' worth of Budget in their first five months in post, but I can say that we will never have to deliver a Budget like that again. We took decisions in this Budget in order to wipe the slate clean after the mismanagement, decline and chaos of the previous Government. That required us to make difficult decisions, but we were right to make them, so that we can get going with our plans to achieve growth and reform public services, and deliver the NHS and schools that our country desperately needs.

T4. [901608] **Jacob Collier** (Burton and Uttoxeter) (Lab): The A50/A500 and Branston bridge in my constituency are just two examples of infrastructure projects that need investment. What investment is the Department making to improve our roads and infrastructure?

The Chief Secretary to the Treasury (Darren Jones): My hon. Friend has campaigned extensively on this issue in his constituency. I understand that National Highways continues to develop proposals to improve the A50/A500 corridor through Uttoxeter. That is part of the pipeline of projects for future road investment strategies. He will know that in the Budget, we invested £1.6 billion to maintain and renew the nation's local roads. That includes a £500 million increase in 2025-26 alone.

T2. [901605] **Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): Air ambulance charities deliver life-saving treatment to people every single day, yet they are under threat from the Chancellor's rise in national insurance and taxes. The Lincolnshire & Nottinghamshire Air Ambulance alone will need to find another £70,000 just to pay the national insurance rises. Two weeks ago, local right hon. and hon. Members and I wrote to the Chancellor on this matter, but we have not yet had a reply. I ask her now: will she exempt these vital charities, so that they can continue their vital, life-saving work?

Rachel Reeves: The tax rises in the Budget were used to provide a £22.6 billion uplift in the Department of Health and Social Care budget to ensure that our NHS is properly funded. The NHS will ensure that important services are properly funded, and those allocations will be set out in the normal way.

T5. [901609] **Lee Pitcher** (Doncaster East and the Isle of Axholme) (Lab): I understand that the Chancellor will attend the Great Northern conference today in Yorkshire and the Humber. In the light of that, will she tell us how she will make the most of growth opportunities for our region?

Rachel Reeves: I will head to the Great Northern conference in Hull later this afternoon to speak about the impact of this Government's policies on Yorkshire and the wider north of England. We are supporting local leaders and communities through integrated settlements, are investing in the trans-Pennine route upgrade, East West Rail and High Speed 2, and are reshaping public services.

T3. [901606] **Helen Maguire** (Epsom and Ewell) (LD): The owner of Horton pharmacy in Epsom has raised concerns about the financial burden that increased employer national insurance contributions will place on community pharmacies. Pharmacies provide frontline care, and without support, their viability and the accessible healthcare that they offer could be at risk. That will add pressure to an already strained national health service. Will the Chancellor reconsider and exempt community pharmacies from the increase?

The Exchequer Secretary to the Treasury (James Murray): Primary care providers have yearly negotiations with the Department on what services they provide and what money they are entitled to. More broadly, the reason why we are, in the Budget, taking difficult decisions about national insurance and other matters is precisely to fund the NHS, so that we have the health service that our country needs and deserves.

T6. [901610] **Peter Lamb** (Crawley) (Lab): Crawley's public services, not least its schools and the NHS, are set to benefit significantly from the measures set out in the Budget. Does the Minister agree that Opposition parties cannot have it both ways, claiming to support the investment in our local public services while rejecting every one of the measures necessary to fund them?

Rachel Reeves: In the past four weeks since the Leader of the Opposition was elected, the Conservatives have made £7 billion of commitments to cut taxes, but with no idea of how they would cut public services to afford

them. I do not know how they will vote on national insurance, but we can see pretty quickly how they ended up leaving us a £22 billion black hole.

Damian Hinds (East Hampshire) (Con): The single most important factor in raising living standards, driving income equality and improving children's life chances is having a job. Why is the Chancellor disregarding that fundamental truth, with tax policies that will actively harm employment, particularly youth employment?

James Murray: If we look at the OBR forecasts for this Parliament, employment will increase from 33.1 million to 34.3 million. The right hon. Gentleman talks about youth employment. I suggest that he read our "Get Britain Working" White Paper, which sets out in detail what we will do to help get young people, and people suffering from ill health, back into work.

T7. [901611] **Tristan Osborne** (Chatham and Aylesford) (Lab): Last week, the House passed the Second Reading of the Tobacco and Vapes Bill, and I was proud to walk through the voting Lobby with my hon. Friends. This Government are committed to implementing the vaping products duty, which complements the Bill, to safeguard our young people. Will the Minister confirm whether the Government are considering using a digital platform tax for that duty?

James Murray: As my hon. Friend set out, the Government confirmed the introduction of a vaping products duty to ensure that young people and non-smokers do not take up vaping. Registration for the duty will open on the digital platform from 1 April 2026, and the duty will take effect from 1 October that year.

Stephen Gethins (Arbroath and Broughty Ferry) (SNP): On economic black holes, the Labour Mayor of London thinks that Brexit punched a £40 billion black hole in the public finances. A very simple question for the Chancellor: has leaving the EU been a net positive or a net negative for the public finances?

Darren Jones: The Government have no overall estimate of the impact of the UK's exit from the EU, but the OBR has projected a 4% drop in productivity in the long term. That is why we are starting negotiations with the EU to improve trade in our mutual interest.

T8. [901612] **Graeme Downie** (Dunfermline and Dollar) (Lab): The previous Government left a mess of £22 billion for us to clean up following their short-term decisions and absolute lack of investment in services. This Government are taking a different approach, with long-term investment for our economic success. Will the Chancellor work with me to find the £3 million of long-term investment in the port of Rosyth that is required to bring back a ferry between Rosyth and Dunkirk? That would bring 51,000 passengers a year to Scotland and take 8.1 million km of freight traffic off the road, and it has the support of large local employers such as Mowi and Amazon.

Darren Jones: The Government recognise that ports are an important route to growth, which is why the national wealth fund will deploy at least £5.8 billion

into five priority manifesto sectors, including ports. I would be happy to meet my hon. Friend to discuss that specific constituency issue in due course.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): WealthTek was placed into administration by the Financial Conduct Authority after losing £80 million of its clients' money. FCA-appointed administrators are now deducting fees from victims' compensation. My constituents Dominic Knights and his wife have between them lost thousands of pounds. What is the Treasury doing to safeguard the £85,000 compensation limit?

The Economic Secretary to the Treasury (Tulip Siddiq): The FCA is held to account by the Government and Parliament, but Treasury Ministers cannot comment on individual cases, and the Treasury has no stake in the operational issues of the FCA. I am very happy to meet with the right hon. Lady and the FCA to discuss that matter, but let me be clear: the FCA is an independent regulator.

T9. [901613] **Steve Yemm** (Mansfield) (Lab): What measures are the Government taking to support small independent retail businesses in town centres such as mine in Mansfield, and will the Chancellor join me in congratulating Mansfield business improvement district on its successful renewal ballot, which was announced last Friday?

Rachel Reeves: I happily join my hon. Friend in welcoming Mansfield's success. We have launched a revamped fair payment code, under which signatories commit to paying their suppliers on time, and the disability finance code for entrepreneurship. That comes on top of reforms announced at the Budget to protect small businesses, such as doubling the employment allowance to £10,500, and our commitment to maintaining the small profits rate and marginal relief at their current rates and thresholds, as well as to freezing the small business multiplier for 2025-26—

Mr Speaker: I call Greg Smith.

Rachel Reeves: And like my hon. Friend, I look forward to small business Saturday this week—

Mr Speaker: Order. [*Interruption.*] No, we are going to have a little talk now, because this is not fair; I have to get all these other Members in. I understand that these are set questions, but questions and answers should be short—it works both ways—otherwise I cannot get Members in and it makes my job impossible. Please work with me.

Greg Smith (Mid Buckinghamshire) (Con): The owners of a 380-acre farm in my constituency have worked out that they would have to spend 40 years paying back the money that they would have to borrow because of the changes to agricultural property relief. When will the Chancellor start listening to farmers rather than hiding behind Treasury figures?

James Murray: We are taking an approach that balances significant tax relief for family farms with the need to fix the public finances in as fair a way as possible. The hon. Gentleman will have seen the data that the Treasury

has put out, based on claims data from His Majesty's Revenue and Customs. It shows how few farms will in fact be affected. The measures are a fair and balanced way to fix the public finances, which we desperately needed to do given our inheritance from the Conservative Government.

Ben Goldsborough (South Norfolk) (Lab): It is vital that we give value for taxpayers' money, yet Conservative-run Norfolk county council's doomed Norwich western link road is costing taxpayers £27,000 per day—that is nearly £50 million so far for not an inch of tarmac. Does my hon. Friend agree that the Norfolk Tories give us Liz Truss not just in Whitehall, but in county hall?

Mr Speaker: Minister, you're running out of road.

Darren Jones: The Government will always support local authorities to deliver good value for money road enhancements to support economic growth and improved connectivity. The Norwich western link road is currently the subject of a live planning application, so I am afraid that I cannot comment further on the specifics.

Rupert Lowe (Great Yarmouth) (Reform): I cannot help but think that this morning has made for rather depressing listening. We hear this repetition about a £22 billion black hole, but we are dealing with very serious matters such as people's employment. Ultimately I hear the Chancellor talking about a central planning agenda, but it is public services that are the problem; they are wasting money, and we must seriously consider that. Will the Chancellor accept, if the economy turns down next year, which it surely will, that she has made a mess of it?

Rachel Reeves: We mention the £22 billion because that is the inheritance that the Government now have to address. We have published a line-by-line account of the £22 billion black hole that the previous Government left. We are now growing the economy through our national wealth fund, our planning reform and our pensions reform, and we are reforming our public services, so that we can deliver for the people we came here to represent.

Clive Lewis (Norwich South) (Lab): As the Treasury team may be aware, there is a growing body of evidence that the growth of the financial sector beyond a certain size has an impact on the economy, particularly the productive economy. Over a 10-year period, it has cost the rest of the economy £4.5 trillion, so how will the Chancellor ensure that a growing financial sector will not harm the Government's wider missions and the productive economy?

Tulip Siddiq: My hon. Friend will know that there is a long-standing debate about the relationship between financial and real economy growth, on which there is no consensus. The Government are clear that we see the financial services sector as a key part of our future economic success. The growth of the UK economy and our wider missions will not be achieved if we do not champion one of our biggest assets—the growth of the UK's financial services sector—and mobilise it towards achieving those goals.

Munira Wilson (Twickenham) (LD): Achieving for Children is the arm's length body of Richmond council that delivers its vital children's services, yet because of the rise in employer's national insurance, it now faces a staggering bill of £588,000 because the employees are not directly employed by Richmond council. When the Chancellor looks at her local government settlement, will she build in reimbursement for councils such as Richmond, or indeed exempt arm's length bodies?

James Murray: As the hon. Member will know, we announced in the Budget an increase in local government funding of 3.2% next year, and the Chancellor announced extra funding for early years providers to deliver Government-funded childcare places, meaning that total funding will be over £8 billion in 2025-26. I look forward to the hon. Member's support for all that extra funding.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Today is International Day of Persons with Disabilities. With a disability employment gap of nearly 30% and a disability pay gap of nearly 14%, how is the Chancellor helping to address those inequalities?

Rachel Reeves: Just today, the Government launched the disability finance code for entrepreneurship—something championed by my right hon. Friend the Secretary of State for Business and Trade—to ensure that people from all types of backgrounds, including those with disabilities, can start and grow their own businesses.

Jim Allister (North Antrim) (TUV): When the Windsor framework was introduced, it was accompanied by the boast that access to the EU single market would result in a huge increase in investment in Northern Ireland. Is the Chancellor aware that Invest NI has reported that there has been no upturn, and is that not because of the barrier presented by the Irish sea border to the bringing of raw materials into Northern Ireland from Great Britain?

Darren Jones: The Government are committed to increasing the flow of investment to every nation and region of the United Kingdom, and we will continue to work with the Northern Ireland Executive to deliver that for the people of Northern Ireland.

Ukraine

12.38 pm

Priti Patel (Witham) (Con) (*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if he will make a statement on the war in Ukraine.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Catherine West): The UK's support for Ukraine to defend itself against Russian aggression is ironclad. In July this year, the Government committed to provide Ukraine with £3 billion of military aid every year for as long as needed. In October, we announced that the UK Government would provide a further £2.26 billion as the UK's contribution to the \$50 billion G7 loan, earmarked as budgetary support for Ukraine's military spending. This will be provided in addition to our bilateral military aid. We are also stepping up and speeding up delivery of our military support.

The UK is also leading the way in terms of pressure on Russia and Putin's war machine. To date, we have sanctioned over 2,100 individuals and entities under the Russia sanctions regime. Sanctions have deprived Russia of over \$400 billion since February 2022, equivalent to four more years of funding for the invasion. Putin's problems are growing, with 700,000 casualties to date, voluntary recruitment down 40% and an unsustainable war economy. Russia has been forced to rely on Iran for missiles and on the Democratic People's Republic of Korea for foot soldiers.

Our support to Ukraine is a core UK national interest. A Russian victory would diminish the west's global standing, create a zone of instability on our eastern flank, and embolden Putin and other autocrats. This could require cold war levels of defence spending. On 19 November, we passed a grim milestone—1,000 days since Putin launched his full-scale invasion. Millions of Ukrainians have been displaced from their homes or forced into exile, and as we know from our constituencies, we have homes full of Ukrainian families.

The Prime Minister has made it clear that we need to double down on our support for Ukraine. As the Foreign Secretary told the United Nations Security Council last month, we stand with the people of Ukraine during this terrible period of its history. It is wonderful to have cross-party support for that, and for the support that the UK will deliver for as long as it takes until Ukraine prevails, to ensure that this can never happen again.

Priti Patel: Thank you, Mr Speaker, for granting this urgent question. Following the Prime Minister's comments yesterday, we need some clarity from the Government on their approach to Ukraine. At the Lord Mayor's banquet, the Prime Minister said that it was important to

"put Ukraine in the strongest possible position for negotiations so that they can secure a just and lasting peace on their terms".

We can all agree that Ukrainians must be able to determine their own future. I am sure the Minister recognises that the language used by the Prime Minister yesterday evening at the Lord Mayor's banquet about negotiations is new.

On 21 November in the House, the Prime Minister made no reference to negotiations for peace, stating:

"We have consistently said that we will do what it takes to support Ukraine and put it in the best possible position going into the winter",

and that

"Russia could roll back its forces and end this war tomorrow."—[*Official Report*, 21 November 2024; Vol. 757, c. 373.]

As the Minister pointed out, the Foreign Secretary stated here on 19 November:

"The final truth is that Putin has no interest in a just peace."—[*Official Report*, 19 November 2024; Vol. 757, c. 163.]

We all agree that putting Ukraine in the strongest possible position to counter Russia's illegal invasion is right. We are all proud in this House, across this Government and the previous Government, of how we have led on that support to Ukraine and its people. However, if the Government are framing that through the lens of negotiation, does the Minister believe that that represents a departure from the current approach and from the statements issued in this House?

The Minister will herself have seen President Zelensky's latest remarks about NATO membership. It is important for NATO to speak with one voice on these matters, and this unity is absolutely crucial, so can the Minister update the House on the Government's current position on Ukraine acceding to NATO?

We all continue to see more appalling brutality from Putin, with his pummelling of civilians and Ukraine's energy systems constantly as winter kicks in, which is starting to hurt the people of Ukraine. The misery that that could inflict is the most atrocious form of psychological and physical warfare. The UK has led so much on Ukraine, so can the Minister confirm whether the Government are looking at what more can be done to protect Ukraine's energy infrastructure? Can she reassure the House that we will keep on doing everything we can do to support the defence of freedom in Ukraine?

Catherine West: I reassure the right hon. Lady that there is no change in the UK position. We have always said that we will support Ukraine to achieve a just peace on its own terms. The PM has been clear, including in his speech last night, that

"we must continue to back Ukraine and do what it takes to support...self-defence for as long as it takes",

because it is for Ukraine to determine its position in any future discussions. Putin cannot be trusted—Russia has violated multiple previous agreements—and the clearest path to peace is for Russia to withdraw its troops from Ukraine tomorrow and respect Ukrainian borders.

On the NATO membership question that the right hon. Lady poses, Ukraine's place is in NATO. The allies agreed in Washington on 10 July that Ukraine is on an "irreversible path to full Euro-Atlantic integration, including NATO membership",

and the UK fully supports that goal.

Mr Speaker: I call the Chair of the Foreign Affairs Committee.

Emily Thornberry (Islington South and Finsbury) (Lab): While Europeans spend barely the cost of two cups of coffee a week on support for the war in Ukraine, 41% of Russia's total expenditure is spent on the war.

They have had to cut social security and raise taxes to pay for the war effort. While speculation about the future of the war is understandable in the current circumstances, it is really important that we remain firm. Does my hon. Friend agree that we must remain steadfast in our support for Ukraine? We stand with Ukraine.

Catherine West: The Chair of the Foreign Affairs Committee, and its members, heard from the Foreign Secretary last week about the UK's steadfast support for Ukraine and our strong friendship. I am sure my right hon. Friend the Select Committee Chair is aware of that given all the Ukrainians who are based in homes in her constituency, and I reassure her that we will be steadfast and keep the support going for as long as it takes.

Mr Speaker: I call the Liberal Democrat spokesperson.

Helen Maguire (Epsom and Ewell) (LD): We are watching with grave concern the most recent developments in Ukraine, and the attacks on its energy networks at the weekend show that Putin has no concern for non-combatants. The use by Russia of a hypersonic missile and the alleged change in Russia's nuclear doctrine are clear efforts to intimidate Ukraine's partners. Does the Minister agree that we must stand firm in our support for Ukraine?

President-elect Trump has said that he will end the war within 24 hours, and Vice President-elect Vance has said that Ukraine must give up its territory in negotiations, but ceding any territory will only give the wrong signal to other autocratic regimes around the world. We must urgently repair our broken relationship with our European allies to ensure that we act united in support of Ukraine, regardless of Trump's potential actions. What is being done to strengthen the UK's commitments and contribution to European collective security to support Ukraine?

We support the Bill to release the interest on frozen Russian assets that are held in the UK to help Ukraine, but will the Minister commit to work with allies to mobilise the principal, not the interest, on more than \$300 billion of assets, so that there is a plan B if America withdraws financial support?

Catherine West: I thank the hon. Lady for her meaty contribution. On energy, the UK has provided more than £370 million for energy security and resilience in Ukraine through grant, in-kind support, and loan guarantees. That includes £64 million to support Ukraine to repair, protect and replace energy infrastructure targeted by Russian strikes. There is nothing worse than seeing families in darkness during conflict.

On Russian assets, we are pleased that our sanctions regime has respect across the globe. That began under the previous Government and enjoyed cross-party support throughout the last Parliament, and it continues to enjoy support. Our best legal minds are designing out the fraud and kleptocracy that for so many years has dogged our economy—that is a personal priority of the Foreign Secretary. Right down to the proceeds of Chelsea football club, we are fighting every inch to ensure that money from those assets goes straight back into supporting Ukrainians.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): I agree wholeheartedly with the Prime Minister's comments last night that we need a just and lasting peace for Ukraine on its terms, and in any negotiations that should be the central position. Following the election of President Trump, what discussions have the Government had with our international partners about the potential impact of that on Ukraine, especially given reports from Kursk in Russia that certain troops are holding on to their positions, waiting on the outcome of the incoming Trump Administration's thoughts on negotiations?

Catherine West: I thank the Chair of the Defence Committee for his questions. We are all watching closely what is happening in Kursk, and we are extremely concerned by the additional forces from the Democratic People's Republic of Korea, who are estimated to be around 10,000 in number. It is so sad to see the strong potential for those young men to be victims of this war. We are also aware that it will be a tough few months while we re-establish our joint working with all partners across the US, the UK and Europe, but of this we can be sure: it is not a good sign or a good message for anyone to see that an aggressive invasion, such as Putin's invasion across the borders of Ukraine, can somehow be the right thing or that it can be successful. We must use all our diplomatic tools across the Chamber to speak to friends in the UK and the US who have great friendships with the people of Ukraine and to continue to make the case for the men, women and children of Ukraine.

Sir Julian Lewis (New Forest East) (Con): It is excellent to see all Front-Bench spokesmen, including the Minister, so united on this question. Does she accept that Putin has made his attitude to the independence of Ukraine—namely, that it should cease to exist as an independent nation—crystal clear, and therefore any enforced treaty to which he is a signatory is utterly and completely worthless?

Catherine West: The right hon. Gentleman makes an important point about the psychology of this conflict. It is why it is so important, particularly in these desperate winter months, that we remain firm. I commend him and others for all their work on the all-party parliamentary group on Ukraine, and all their work on security and intelligence, to provide that important, dedicated cross-party support to Ukraine. In the end, we know that it is for Ukraine to determine its position on its future, its just peace and its vision for its own people, but we will be behind the Ukrainians so that they know we can be relied on.

Alex Sobel (Leeds Central and Headingley) (Lab/Co-op): I was heartened to hear the Minister say that we would support the self-defence of Ukraine for as long as it takes. One of the most important aspects of that is the development of new military technology, particularly through joint ventures between the UK and Ukraine on areas such as drones and unmanned aerial vehicles. One such example is the Black Arrow project. The first stage of that project has been completed and the drones have been manufactured, but they have been stuck here since May this year, because no export control licence has been granted. Will the Minister implore her colleagues in the Department for Business and Trade to facilitate

[Alex Sobel]

those licences quickly, as those drones will help not just the defence of Ukraine, but our sovereign manufacturing capability for defence?

Catherine West: I commend the chair of the all-party parliamentary group on Ukraine not just for his very long train trips across Ukraine to visit and offer his support, but for his technical knowledge. If he will give me permission, I will write to him with details of exactly where the project is at, so that he can give reassurance to all of his many followers in Ukraine.

Vikki Slade (Mid Dorset and North Poole) (LD): Today, the BBC is reporting a Russian submarine sailing between Japanese islands and close to Taiwan. Last month, we had reports of a Russian ship being monitored by HMS Cattistock near our own UK waters. How concerned should we be that Russia is flexing its muscles? Will the UK be stepping up its direct support to Ukraine and making our troops, particularly our Royal Navy, ready for additional patrols and potential direct involvement to defend our allies and our shores?

Catherine West: I thank the hon. Lady for her detailed knowledge and her question. We know that the Euro-Atlantic and Indo-Pacific work closely together on all these Navy questions. I would not want to give anything specific away at the Dispatch Box that might help President Putin, but it is good to see that she is monitoring that. It is so important that we continue to work together, whether that is through the training of forces on the ground, air defence or Navy assets.

Johanna Baxter (Paisley and Renfrewshire South) (Lab): It is clearly more important than ever that the UK works closely with our European friends and allies as we face the common threat of Russian aggression. Can my hon. Friend outline how the Government intend to strengthen co-operation with the EU on the security challenges that we all face?

Catherine West: My hon. Friend will be aware that just last week, Germany made an important announcement about continuing military support. There has been a step change, particularly in light of the importance of the defence of Europe. Having a war on European soil is so instructive, and I think people are slowly coming to the table. It is clear that the UK has a real leadership position, and that is why the EU-UK security pact work is so important. The Europe Minister, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), is working hard to develop that. As Members will be aware, we have just announced more collaboration with Germany where possible, and specifically in relation to Ukraine. In general, the UK has so much to offer the EU in that regard. We know that the ongoing conversations we are having more holistically about EU-UK relations are enriched by our defence capability.

Stephen Gethins (Arbroath and Broughty Ferry) (SNP): I congratulate the shadow Foreign Secretary, the right hon. Member for Witham (Priti Patel), on securing this urgent question, and I thank the Minister for her statement. We are just past the anniversary of when Ukraine voted for independence. To remind everybody, every single part of Ukraine voted for independence. Does she

agree, and will she remind any incoming Administration anywhere—perhaps in the United States—that the territorial integrity of Ukraine is set in international law and must be respected?

Catherine West: The key words are “respecting borders”, and that is where the neocolonial philosophy of President Putin, as he laid out originally in that seminal essay before the war, shows how completely at odds with the modern viewpoint he is. Yes, we will support Ukraine on its vision of its own borders, its own strength and its own sovereignty.

Fred Thomas (Plymouth Moor View) (Lab): It can feel, with Russian submarines recceing our waters, with North Korean troops fighting for Russia and with Iranian drones causing the death of Ukrainians, that Russia wants a bigger war. We must deter it. That is why we must absolutely drive a victory for Ukraine—a total victory. Does the Minister agree with me and General George Marshall that the best way to win a war is to prevent it in the first place?

Catherine West: I thank my hon. and gallant Friend for his service to the UK and for his intimate knowledge of what it actually means to be at war, and therefore to talk about deterrence. I am committed, as is the whole Front-Bench team, to working as closely as possible on all the international friendships and treaties and the pressure that we can bring to bear, so that we can achieve a lasting peace together and be behind Ukraine as it steps forward into a very uncertain future.

Richard Foord (Honiton and Sidmouth) (LD): One aspect of support that the UK could offer Ukraine is expired medical equipment and dressings. A charity based in Axminster in my constituency, called Medics4Ukraine, has just got back from Odesa. It has been training municipal workers, and it says that it needs dressings, haemostatic dressings and gauzes. Will she speak to her counterparts in the Department of Health and Social Care to see whether some of the expired items could be released for that purpose?

Catherine West: I refer the hon. and gallant Gentleman to the discussion in the Adjournment debate last night on medical assistance in conflict. The UK has an enormous amount of resource in that area. I will certainly look into what is possible and write to him with what we are already doing in relation to Ukraine.

Jonathan Davies (Mid Derbyshire) (Lab): I very much welcome the statement, the ongoing commitment we have seen from this Government and the co-operation with the previous Government on Ukraine, because it is not just about security in Europe, as these things are in our self-interest. May I impress on the Minister that if Ukraine is allowed to fall, it will not just be a European problem? So much grain that is grown in Ukraine finds its way to Africa. If Ukraine falls, people in Africa will starve, too.

Catherine West: I thank my hon. Friend for making an important point. We all watched two summers ago with bated breath as the Black sea grain negotiations occurred, and the impact of missing out on that important agricultural wealth in Ukraine, and the deleterious effect it had on developing nations, were of concern to all in

this House. He is right to speak about the knock-on effects of conflict. We must redouble our efforts to stop that happening.

Sammy Wilson (East Antrim) (DUP): Many of the Ukrainian refugees living in my constituency have expressed relief and gratitude that there has been continuity of policy in still supporting Ukraine with the change of Government. But at a time when Russia is finding that its economy is affected by the war and is having to rely on Iran, China and Korea to continue the war, does the Minister think it unwise to start talking of negotiations about land and so on, which will only encourage Putin and his regime? Should we not be talking about increasing the resolve of our partners, giving military support and seizing Russian assets to let Ukraine use them?

Catherine West: There is no change in the UK position; we have always said that we will support Ukraine to achieve a just peace on its own terms. The Prime Minister has been clear, including in his speech last night, that we must continue to back Ukraine and do what it takes to support its self-defence for as long as it takes.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): The Chair of the Foreign Affairs Committee made a strong case about the financial pressure that Russia finds itself in. What additional pressure can we place on Russia? Are there any plans to introduce a sanctions Bill?

Catherine West: I thank my hon. Friend, the Chair of the Work and Pensions Committee—we have a good showing of Select Committee Chairs in the House today. I reassure her that the UK has imposed measures on over 2,100 individuals and entities, the most wide-ranging sanctions ever imposed on a major economy. Most recently, we have imposed sanctions against 69 vessels in Russia's shadow fleet transporting Russian oil outside G7 sanctions. May I say how pleased I am—I am sure that I speak for everybody across the House—that through our leadership on sanctions, with our best legal minds, we have managed to bring in all those financial penalties against the aggressor?

Jim Shannon (Strangford) (DUP): I thank the Minister for her answers. President Zelensky has been clear that NATO membership must mean article 5 including the entirety of Ukraine territories. What discussion has the FCDO, and perhaps the Minister, had with our NATO allies to ensure that that is the case? Will she commit in particular to discussing the issue with the current and incoming US Secretaries of State to ensure that a co-ordinated approach is taken on behalf of Ukraine?

Catherine West: As the hon. Member is aware, Ukraine's place is in NATO; it has said so itself. He supports that principle. Allies agreed in Washington on 10 July that Ukraine is on an irreversible path to full Euro-Atlantic integration, including NATO membership. Of course, the UK fully supports that goal. The hon. Member plays an important role in that because in the US there are important Irish counterparts, or those who might have heritage there, who will want to hear from him to lay out the case for supporting Ukraine.

Jacob Collier (Burton and Uttoxeter) (Lab): Given the NATO Secretary-General's recent warning about a growing alliance between China, Russia, Iran and North Korea, will the Minister clarify what work the UK is doing to counter that threat?

Catherine West: As my hon. Friend might have gathered, it is from a position of weakness that those countries are being relied on to shore up support. That is why it is so important that we look holistically at our sanctions regime, which cannot be just about the current conflict. It must also be about how we stop the Iranian military juggernaut and how we look at the military industrial complex, which works across all sorts of different regimes. That is why it is also so important to understand how the economies of the DPRK can tip into Russia and for us to work with countries who support us and do not support that particular access so that we can win the argument as well as the battle.

Mr Mark Swards (Leeds South West and Morley) (Lab): I am grateful to the Minister for the clarity she has brought to the urgent question. I do not think anyone in the House agrees that Vladimir Putin can be allowed to get away with taking even a single inch of territory in Ukraine, and I do not think that anyone is not alive to the danger of giving people like that what they want—they always come back for more. Given those facts, will she confirm that we will back Ukraine for as long as it takes, and that any eventual deal will be completed entirely on Ukraine's terms and not on Russia's?

Catherine West: Of course. That is why we have supported Ukraine as it has made the case for wanting to be in NATO and as it has made the case for being as close as possible to friends in Europe. That is why we have supported the Ukrainians in their requests for either military or non-military aid. That is why we have implored others, even as far away as the Indo-Pacific, to assist in this push to ensure that there is as much support as possible to stand up to bullies.

Georgia

1.5 pm

Stephen Gethins (Arbroath and Broughty Ferry) (SNP) (*Urgent question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if he will make a statement on the outcome of the parliamentary elections in Georgia.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Catherine West): I thank the hon. Gentleman for his question. Following the elections in Georgia on 26 October, the Minister for Europe, North America and the Overseas Territories, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), made clear our support for the findings of the OSCE office for democratic institutions and human rights' election monitoring mission preliminary report on the election. That report highlighted a range of concerns, including frequent breaches of voter secrecy, procedural inconsistencies and reports of intimidation and pressure on voters, which had a negative impact on public trust in the process. This has seriously damaged Georgia's international reputation. I hereby reiterate our call on the Government of Georgia to implement the recommendations issued by the OSCE monitoring mission after the publication of its final report.

Georgia and the UK have enjoyed a long history of close bilateral relations, and we have fully supported Georgia's Euro-Atlantic aspirations in line with the strong will of the Georgian people and previously supported the Georgian Government's reform agenda. However, since gaining EU accession status almost one year ago, several measures introduced by the Georgian Government have taken the country on a harmful trajectory away from European values, and we have seen an increase in anti-western rhetoric by the Government.

The Minister for Europe, North America and the Overseas Territories spoke to Georgian Foreign Minister Darchiashvili on 9 October to relay the UK's concerns about the introduction of a law on transparency and foreign influence and a law on family values. On 11 October, we reiterated our concern as to how that contributed to pressure on civil society and human rights. Those actions undermine Georgian citizens' clear ambition for a modern, inclusive Euro-Atlantic future and jeopardise the UK's close partnership with the Georgian Dream Government. People in Georgia are making clear their opposition to Georgian Dream's decision to pause the country's further moves towards a European future.

I am deeply concerned by reports of excessive use of force by Georgian police against protesters exercising legitimate democratic rights. This morning, the Minister for Europe, North America and the Overseas Territories released a statement condemning the use of brutal force that has continued over recent days. We have called on the Georgian authorities to de-escalate the situation and reverse their harmful trajectory away from European values. Continued steps away from democratic norms and freedoms will serve only to harm Georgia's international reputation and risk fundamentally damaging relations with Georgia's friends and partners. The UK Government have already decided to review their relations with the Georgian Government, including by freezing our annual Wardrop strategic dialogue until we see signs of a reversal of this anti-democratic slide.

Stephen Gethins: First, thank you for granting this urgent question, Mr Speaker. As you will be aware, people across the Chamber have friends in Georgia, who will be reassured that we have taken the time to discuss this matter. I refer the House to my entry in the Register of Members' Financial Interests as a trustee of the John Smith Trust, which has done fantastic work in Georgia and elsewhere. I hope you do not mind me mentioning that.

Georgia is a country in which I have lived and worked; I know that other colleagues have done so as well. Like others in the Chamber, I care for it deeply. I thank the Minister for her statement. I highlight the work that she mentioned of her ministerial colleagues, the excellent work of the embassy in Tbilisi, and UK-based international non-governmental organisations, who have done fantastic work for years.

We have been so disturbed in the aftermath of the elections. The dangers of destabilisation in Georgia are acute when 20% of Georgia's territory is still under Russian control—it is occupied.

Further to her statement, will the Minister tell us what discussions she has had with European partners over Georgia's EU accession, which is vital to its long-term stability, and what work is ongoing to ensure that the rule of law is enshrined and fortified and to protect the freedom of the media and journalists and the freedom to protest? Finally, having visited the border with Russia recently, I ask the Minister what work is being done to ensure that Georgia maintains sanctions on Russia regardless of the Administration in Tbilisi.

Catherine West: I thank the hon. Gentleman for his commitment to and intimate knowledge of Georgia. I underline the importance of his points on the freedom of the press—we need to know what is happening—and the freedom to protest. Emotions were running high following the election campaign, but police brutality is never acceptable. It is so important that people who wish to be able to express their views safely. I thank him for putting that on the record.

On the discussions the Minister for Europe, North America and the Overseas Territories has had, the hon. Gentleman underlined the importance of UK support for the democratic process and spoke about the irregularities during the election campaign, which worried us, as partners during the election proceedings. As he will be aware, we have called for an investigation into those irregularities so we can be clear that the results were correct. We have taken the decision to pause our discussions at a political level until there is more stability; in that time, we will see how things develop with the forming of the new Government, and so on. The hon. Gentleman is right to lay out his concerns. We will relay them not just from ourselves as a Government, but from this Parliament.

Mr Speaker: I call the Chair of the Foreign Affairs Committee.

Emily Thornberry (Islington South and Finsbury) (Lab): I read with some alarm the reports about the Georgian elections, including a report by the OSCE on vote buying, multi-voting, Russian disinformation and intimidation. Is the Minister aware that the European Parliament passed a motion last Thursday stating that the elections had been neither free nor fair, and should be rerun? Is the British position the same?

Catherine West: I thank the Chair of the Foreign Affairs Committee for her intimate knowledge of the elections in Georgia. Our current position is to monitor the situation. We are looking carefully at what our European partners say, but we are also encouraging the Georgian authorities to determine any complaints, as there have been a number of complaints about irregularities. We are clear that all irregularities should be thoroughly investigated. In addition, we are calling for demonstrations to be peaceful, an end to any police brutality, the exercise of restraint, and respect for the process of the formation of a new Government. While we are not calling for a rerun of the election, we want to know the outcome of the investigation into those irregularities.

Mr Speaker: I call the Opposition spokesperson.

Wendy Morton (Aldridge-Brownhills) (Con): I am grateful to the Minister for her remarks so far. The shocking and disturbing scenes in Georgia have been hard for all to witness, and I note the statement put out by the Foreign Office this morning. We share the Government's deep anxiety over the situation in Georgia.

What is happening in Georgia matters. From the law on foreign influence to election irregularities and the excessive use of force in recent days against protesters and journalists, we are witnessing Georgia being dragged down a dangerous path. It matters for the Georgian people, for our important bilateral relationship, and for the wider Euro-Atlantic community, which sincerely seeks closer ties and a deeper friendship with Georgia. Our clear and unambiguous aim should be to support the Georgian people, and that includes their desire for a future rooted in the Euro-Atlantic community.

Will the Minister confirm she has told her Georgian counterpart, in no uncertain terms, that they need to tone down the aggressive rhetoric, de-escalate the situation on the streets and stop blaming others for the current tensions? Will she also commit to pulling every diplomatic lever to support the Georgian people as they go through this dark period?

Finally, and more broadly, I will circle back to the question I asked last week at Foreign Office questions, because this is a clear example of the dangers of Europe becoming a more contested space. Will the Minister urgently come forward with a plan that builds on the work of the previous Government to be more muscular in leveraging our soft power, so that we can counter attempts to sow division and instead bang the drum for the Euro-Atlantic community? We need to demonstrate to countries in Europe and around the world that a partnership with us, and choosing democracy and openness, is the best route to prosperity.

Catherine West: We believe that the Georgian authorities must investigate all irregularities and reverse the declining commitment to democracy, as the right hon. Lady has laid out. We fully support Georgia's Euro-Atlantic aspirations, in line with the strong will of the Georgian people. Georgia is a valuable international security partner in the south Caucasus with which we enjoy a long history and close bilateral relations. We are therefore redoubling our efforts to connect with Georgians, to encourage restraint and peaceful demonstrations, and to encourage the investigation of those irregularities, so that there can be no doubt about what actually happened

at the recent elections. The UK remains resolutely committed to Georgia's independence and territorial integrity within its internationally recognised borders.

The right hon. Lady asked about soft power. Of course, in this House we all know the importance of soft power. That is why we are working hard with the British Council and groups that support democracy and young people in different democracies. Following 14 difficult years for soft power in the UK, when all funding was drained away from our important soft power organisations, that is also why we are seeking to rebuild our reputation for soft power, where perhaps we have stepped backwards a little over the past few years.

Joe Powell (Kensington and Bayswater) (Lab): My Georgian friends and colleagues in civil society, with whom I have worked for many years, are calling this a Maidan moment for the country. Protesters have been brutally assaulted, and there have been reports of journalists being hospitalised. Given that many Georgian Dream officials have ties to the UK, will the Minister say whether, if this continues, the full range of Government tools will be considered? Sanctions, visa bans or financial restrictions, for example, would hit those responsible where it really hurts.

Catherine West: I thank my hon. Friend, who chairs the all-party parliamentary group on anti-corruption and responsible tax, for his pointed question and his support for freedom of the press. We know that journalists must be free to report the facts. Although he tempts me to speculate, he knows that I will not go there on any future sanctions arrangements; we always keep those quiet until we make the announcement, for obvious reasons. He commented on the backsliding on freedom of the press and on the links between Georgia and the UK, which we will certainly investigate. If he has specific questions or concerns in relation to those matters, could he write to us so that we can investigate?

Mr Speaker: I call the Liberal Democrat spokesperson.

Calum Miller (Bicester and Woodstock) (LD): The suspension of Georgia's EU accession process is the latest troubling step taken by the pro-Russian Georgian Government, and I welcome the assurance that the Government are pressing for the investigation of irregularities in that election. However, the use of excessive force against protesters and journalists is unacceptable. Political and democratic rights should be protected, and free and open political protests must be permitted.

What further steps can the UK Government take to raise these issues with the Georgian Government? The US has decided to suspend its strategic partnership with Georgia. I heard the Minister say that the Government are pausing UK engagement, so will she tell the House under what conditions she would follow the US and go further to formally suspend the UK's strategic partnership?

Finally, the UK and the EU must speak with one voice in opposing democratic backsliding and Russian interference in Georgia. How is the Minister strengthening the UK's dialogue with our EU partners to roll back Russian influence and support democratic groups in Georgia?

Catherine West: I thank the Liberal Democrat spokesperson for his fulsome questions. With regard to our involvement in the region, we backed and paid for

[*Catherine West*]

observers for the election period. We are waiting to hear about the investigation into irregularities. The current UK position is that, due to our growing concerns over Georgia's negative Euro-Atlantic trajectory—going away from the EU—and democratic backsliding, including on the laws on transparency, foreign influence and family values, in June the UK decided to freeze the annual Wardrop UK-Georgia strategic dialogue and defence staff talks. We use a suspension initially because we want to appear reasonable, and we want Georgia to be reasonable back, but that does not preclude future more definitive actions if necessary.

Sir John Whittingdale (Maldon) (Con): The Minister will be aware of widespread reports of vote buying, ballot stuffing and carousel voting—people voting multiple times—in the Georgian election. It comes just a few weeks after very similar reports from Moldova where, again, there was massive electoral interference. What more can we do to help countries that are trying to move away from Russia's orbit and become more democratic, and to stop Russian interference in those elections?

Catherine West: The right hon. Gentleman has a long history of raising these sorts of concerns in the House, and I thank him for it. The Georgian Government showed no sign of taking seriously the need to make the progress that the UK wanted. Indeed, they took retrograde steps, harming progress towards EU membership and passing laws to designate NGOs and media outlets operating in Georgia that receive more than 20% funding from abroad as agents of foreign influence—of course, an excuse to crack down.

On the right hon. Gentleman's points about coercing voters and an atmosphere of pressure on civil society, in response, the opposition parties refused to take up their seats. We are watching very carefully. The Minister for Europe, North America and the Overseas Territories, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), has spoken to Tbilisi, and our excellent mission there is monitoring very carefully and reporting back on a daily basis on the formation of the new group. If the right hon. Gentleman emails the Minister, he will give him a blow-by-blow description.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): What kind of conversations are the Government having with counterparts in Georgia to ensure that the right to assemble and the freedom to protest are being respected?

Catherine West: I thank the relatively newly elected Member for his question. Those of us who participate in elections all know how emotional they can be, but that is no excuse for police brutality should protestors want to protest about coercion during the elections, how the elections took place or the result itself. I am very pleased that the hon. Gentleman has raised in the House today the importance of restraint and of pushing back against the atmosphere of pressure on civil society. It is particularly disheartening to see young people, who are so excited about a more open and hopeful future, freedom of the press and freedom to associate, being cracked down on in the way that they have been.

Brendan O'Hara (Argyll, Bute and South Lochaber) (SNP): I congratulate my hon. Friend the Member for Arbroath and Broughty Ferry (Stephen Gethins) on securing this urgent question. Last week the European Parliament called for a re-run of the elections, describing them as being neither free nor fair, and accusing the ruling party of being fully responsible for democratic backsliding in Georgia. Why have the UK Government not gone as far as the European Parliament in calling for a re-run of the elections? Will the Minister commit to sharing the evidence that she gets on electoral irregularities? What representations has the FCDO made to the Georgian ambassador to the UK about the road that the people of Georgia are being forced down?

Catherine West: I thank the hon. Member for his question and for his general interest in foreign policy matters in this House. He will be aware that the Minister for Europe, North America and the Overseas Territories, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), made clear the UK's support for the findings of the preliminary report of the OSCE Office for Democratic Institutions and Human Rights election monitoring mission. The Government supported the programme with 50 observers to the elections. The report highlights irregularities, but while the investigation into those electoral irregularities is ongoing, the reasonable position to take is to wait for it to be completed so that we can understand exactly what went on and how much coercion there was. As a result, we would speak to our interlocutors—the Georgian ambassador and our mission in Tbilisi—about impressing upon Government figures the impact on Georgia's international reputation of having a whole lot of young people protesting in the public squares.

We have called on the Government of Georgia to implement the recommendations of the monitoring mission after the publication of the report, so that we can base our policy on the facts in that report. As I explained to the Chair of the Foreign Affairs Committee, my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), we do not have an identical position to European partners. We want to take a reasonable position and ask questions, but that does not preclude taking firmer action later if we remain concerned about how the Government are formed following this election.

Jim Shannon (Strangford) (DUP): I thank the Minister again for her answers. Freedom, liberty and democracy are vital for Georgia to have an unfettered, stable Government, and so that people can express themselves without violence. It is clear that Russia has negatively influenced the election and the Government. How can our Government work in tandem with those who want democracy, as every Georgian citizen wants and deserves? Does the British embassy in Tbilisi have enough staff and resources to respond to all the British citizens in Tbilisi? What advice is given to them—do they stay; what should they do?

Catherine West: I thank the hon. Member for his ongoing commitment to freedom and peaceful relations and his interest in keeping the UK's reputation for supporting democracies so alive in this House. Our mission in Tbilisi will be watching or reading this urgent question, including his concerns and questions. It is so important to support Georgia's Euro-Atlantic aspirations, in line with the strong will of the Georgian people over

the past few years, particularly in the light of the conflict in Ukraine, which is in its neighbourhood. That is why we have been such a strong supporter of democratic reforms over many years, working with Parliament, civil society, independent media and the Government to support reforms and Georgia's continued progress towards membership of the Euro-Atlantic community.

The mission in Tbilisi is well resourced. We have excellent professionals there, working very closely to understand the exact investigation into the irregularities of the election, trying to see what is happening with the formation of the new Government post-election, calling for restraint so that those battles on the squares do not turn into any form of police brutality, but retain that vision of freedom and democracy.

Pippa Heylings (South Cambridgeshire) (LD): I have met young Georgians here in the UK who are watching with desperation, fear and depression as legislation on foreign influence restricts their rights, the media and organisations dealing with all sorts of development rights. They are also seeing their colleagues brutally repressed on the streets as they try to have freedom of association and to keep what is enshrined in their constitution—movement towards EU accession—as it is being ripped away from them. What can the Minister say to those young people? Will she and the ambassador be open to meet them? They are in a terrible state of anxiety right now.

Catherine West: I thank the hon. Lady for her concern. I thank her, too, for her impassioned plea for peaceful expression of political views and for the UK to play its role in supporting not only that vision for freedom, but a stable assessment following the election, acting on the information and investigation material that have come forward from the report. Of course we supported the election observers, so we need to listen to what they say as a result of those investigations. Let me also thank the hon. Lady for her condemnation of the brutal and excessive force used against protesters and journalists. I will certainly pass on her exhortation to be on the side of those with vision and those who wish to freely express their point of view.

UK Supply Chains: Uyghur Forced Labour

1.30 pm

Sarah Champion (Rotherham) (Lab) (*Urgent Question*): To ask the Secretary of State for Business and Trade if he will make a statement on the links between the UK's supermarket supply chains and Uyghur forced labour.

The Minister for Trade Policy and Economic Security (Mr Douglas Alexander): The UK addresses forced labour in global supply chains under section 54 of the Modern Slavery Act 2015, which requires commercial businesses that operate in the UK and have a turnover of £36 million or more to report annually on the steps they have taken to prevent modern slavery in their operations and supply chains. The purpose is to provide transparency, whereby businesses monitor their supply chains with rigour, are open about their risks and mitigations, listen to their workers, and act when they do find issues.

In addition, the Department for Business and Trade takes a number of steps to address forced labour within UK supply chains. We negotiate and implement forced labour and modern slavery provisions within our free trade agreement programme, the developing countries trading scheme allows for the suspension of preferential trading arrangements on grounds of serious violation of labour rights, and UK Export Finance reviews environmental, social and human rights risk factors for transactions in the scope of its policy. We regularly engage with business and international partners in respect of both domestic and international tools to combat forced labour.

On Xinjiang specifically, we will continue to stand firm on human rights where China continues to persecute and arbitrarily detain Uyghurs and other predominantly Muslim minorities. The UK Government also expect, encourage and support UK businesses to undertake due diligence so that human rights and environmental issues are considered in their operations and supply chain relationships, in line with the OECD guidelines on responsible business conduct.

Sarah Champion: I thank the Minister for his statement, but, with the greatest respect, what he has described is clearly not working.

Yesterday's "Blood on the shelves" BBC investigation has rightly shocked the British public. Tomato products sold in UK supermarkets, with labels informing British customers that purées were "Italian made" or "produced in Italy", were actually linked to slave labour in the Xinjiang Uyghur autonomous region. Our weak and confusing product label regulation has allowed linguistic sleight of hand to occur with, one can only assume, the aim of misleading consumers. I have to push the Minister: what more evidence is required to prove that we need stronger labelling standards that give consumers more information on the sourcing countries of pre-packed products?

In the Uyghur region, egregious human rights abuses are taking place every single day, all underpinned by a system of state-imposed forced labour. It is estimated that several hundred thousand people are involved in the production of tomatoes against their will. The

[Sarah Champion]

United Nations has reported forced labour, torture and abuse. Survivors of the tomato fields cite having to meet impossible daily quotas, with physical torture such as electrocution used as punishment for failing to meet those targets, yet tomato products created using these barbaric practices line the shelves of our supermarkets and are sold as if they had been produced in a completely different country.

Sadly, this investigation is just the latest in a long line of reports showing that UK supply chains are awash with Uyghur forced labour products. Clothing, steel and solar have a serious dependency on Uyghur forced labour. The Modern Slavery Act is itself currently unfit for purpose. Current laws mean that companies are legally allowed to self-regulate, as human rights due diligence is optional for UK companies. We are now an outlier on legislation to prevent human rights abuses. The United States has enacted important legislation, as has the European Union, but the UK, once again, is a global outlier when it comes to slave-made goods.

I urge the Government to work with me to implement stronger legislation, improve our labelling standards and champion human rights. To supermarkets, I say, "All of you are complicit in putting profits above human rights, and I hope that the British public do the right thing and make their mark through their pockets and their wallets."

Mr Alexander: Let me first pay tribute to my hon. Friend the Member for Rotherham (Sarah Champion) for the consistency and focus that she has brought to this issue. It is not a new worry for her. I assure her that I shared that concern yesterday morning when I heard the reports and the allegations that were levelled in relation to tomato paste, and I also assure her that the Government will approach the company in question to try to establish more clearly the exact facts that underlie those deeply worrying reports.

I think we are again in complete agreement about the egregious character of the human rights abuses taking place in Xinjiang province. I am glad to say that the Prime Minister in his most recent meeting with President Xi Jinping, and indeed the Foreign Secretary in his recent meeting with his counterpart, specifically raised the issue of human rights in China, notwithstanding our willingness to engage directly with the Government of that country.

As for the work that we are doing, the formal position of the Government remains that we expect all companies to conduct business responsibly, in line with the OECD guidelines for multinational businesses on responsible business conduct and the UN guiding principles on business and human rights.

My hon. Friend mentioned the legislation that has been passed in the United States. In the United States, the European Union, Canada and Mexico, legislation has been introduced or is in the process of being introduced specifically for import bans to prevent such goods from entering their markets in the first place, and I assure my hon. Friend that we are reviewing the impact of those measures to inform what should be the UK's approach.

Madam Deputy Speaker (Judith Cummins): I call the shadow Minister.

Dame Harriett Baldwin (West Worcestershire) (Con): I congratulate the hon. Member for Rotherham (Sarah Champion) on securing the urgent question. Let me also welcome the Minister back to Parliament, as well as to his place on the Front Bench.

As the hon. Lady said, the human rights abuses taking place against the Uyghurs in Xinjiang are egregious. In government we took robust action, leading international condemnations and sanctioning individuals and an entity involved to tackle the problem at source. We also took further measures to ensure that British companies were not involved, including the introduction of export controls and financial penalties for organisations that fail to meet their obligations under the Modern Slavery Act. Those measures must be retained, and indeed reviewed, to ensure that British companies and consumers do not indirectly support the human rights abuses.

The Minister said that the new Government were committed to the measures introduced by the last Conservative Government. He also mentioned that two weeks ago the Prime Minister held a bilateral meeting with President Xi. In the read-out from No. 10, however, there was no explicit mention of human rights abuses in Xinjiang, which is disappointing. Can the Minister elaborate on exactly what was said at that bilateral meeting? Were human rights abuses against the Uyghurs in Xinjiang explicitly raised? If the Minister decides to meet his Chinese counterpart, will he commit himself to explicitly raising those human rights abuses? Indeed, will all Ministers across the Government always raise this issue in all their bilateral meetings?

The Government made a manifesto commitment to carry out an audit of our relations with China. Can the Minister confirm that the audit will cover trade and the issue of goods in the UK supply chain that are produced in Xinjiang? Can he tell us whether the impact of the accelerated roll-out of electric vehicles and solar panels and the 2030 decarbonisation target will also be audited? Given the Government's so far unsuccessful mission to grow the UK economy, will the Minister agree that that growth must not come at the price of restricting our condemnation of human rights abuses in China?

Mr Alexander: I thank the Opposition spokesperson for her characteristically kind and generous words in welcoming me back to Parliament and, indeed, the Dispatch Box.

There is a tension between the first two questions we have heard, with my hon. Friend the Member for Rotherham observing that there is a need for radical transformation in the legislation and, on the other hand, the Opposition spokesperson asserting that it is adequate, although she drifted into demanding a review of her own legislation after only five months in opposition. We should try to find common ground, rather than score points.

I assure the hon. Lady that the Government stand firm on human rights, including in Xinjiang, where China continues to persecute and arbitrarily detain Uyghurs and other predominantly Muslim minorities. That includes raising our concerns at the highest levels with the Chinese Government, and co-ordinating efforts in international fora to hold China to account for human rights violations.

The hon. Lady asks specifically about where the treatment of the Uyghurs has been raised as a human rights issue. During the recent session of the Human Rights Council in September, the UK signed a US-led joint statement on Xinjiang, called out China's persecution of Uyghurs and restriction of civil society, and urged China to engage meaningfully with the Office of the United Nations High Commissioner for Human Rights and to implement the recommendations made in its assessment. Where possible, the Government also conduct independent visits to areas of major concern and support non-governmental organisations in exposing and reacting to human rights violations. On previous occasions when I have visited China as a Government Minister, I have of course raised the issue of human rights, and I will continue to endeavour to do so.

On the hon. Lady's rather ungenerous observations about the growth mission, it is perfectly possible for a Government to set themselves a clear ambition to raise the UK economy's trend rate of growth, and to continue to be a strong and powerful advocate for human rights in China and elsewhere.

Joe Morris (Hexham) (Lab): Like many, I was very concerned to see the report to which my hon. Friend the Member for Rotherham (Sarah Champion) referred. Does the Minister agree that forced labour is a threat to supply chains and to the resilience of our economy not just in our food sector, but across our entire economy?

Mr Alexander: I am in full agreement with my hon. Friend. For businesses to be able to invest and thrive, they need confidence in their supply chains, which is why the Government are establishing a new supply chains taskforce. The taskforce will work to assess where supply chains that are critical to the UK's economic security and resilience, including those in the growth sectors identified in the industrial strategy, could be vulnerable to disruption. The taskforce will ensure that the Government work with business to address the risks, including by exploring wide-ranging policy solutions and other mitigations.

Madam Deputy Speaker (Judith Cummins): I call the Liberal Democrat spokesperson.

Daisy Cooper (St Albans) (LD): May I, too, congratulate the hon. Member for Rotherham (Sarah Champion) on securing the urgent question, and welcome the Minister back to Parliament and to his place?

Food labelling and food safety are among the most important issues for our diet and for our health. They allow consumers to make informed choices, and to ensure that food is safe and consistent with consumers' ethical and moral beliefs. I am very pleased to hear the Minister say that the Government will look at the impact of legislation in the US, the EU and other countries, particularly where it may involve import bans on products that have been produced using forced labour. May I press him to tell us the timetable for doing that review?

Mr Alexander: I thank the hon. Lady for her observation, and for the characteristically calm wisdom with which she spoke about issues on which I think there is a high degree of consensus across the House. Given that we have been in government for five months, it is appropriate that we review the effectiveness of the Modern Slavery

Act, which, in its day, was clearly a pioneering piece of legislation that commanded support across the House. In that sense, the review and the desire to understand the impact of the Act are informed by more recent innovations, such as those in the United States, the EU and Canada. I can assure the hon. Lady that alongside the trade strategy that we are publishing and the industrial strategy that we aim to publish in the spring, we are already carefully considering the critical elements of other legislation and seeing whether there is scope for strengthening the approach taken by the UK.

John Slinger (Rugby) (Lab): Does my right hon. Friend agree that self-regulation, to which my hon. Friend the Member for Rotherham (Sarah Champion) referred, is often a euphemism for minimal or, indeed, no regulation? Is he confident that current legislation is sufficient to compel businesses operating in the UK to address the risks of modern slavery and, most importantly, the risks to the human rights of the people being exploited?

Mr Alexander: Notwithstanding the concerns that have been expressed in the Chamber about the existing statutory framework, we need to send a clear and unequivocal signal that no company in the United Kingdom that operates under the existing statutory framework should have any forced labour whatsoever in its supply chain. There are already rules in place to compel companies to publish statements demonstrating that they have met their very clear legal obligations, not least in relation to the exploitation of which my hon. Friend speaks.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I welcome the right hon. Gentleman to his place, and I congratulate the hon. Member for Rotherham (Sarah Champion)—she is my hon. Friend in this case—on raising a really important issue. I also welcome another person on the Government Front Bench, who will remain nameless—I am sure that *Hansard* will pick them out.

The problem with all this is that it does not seem to matter who is in government; the Foreign Office and other Departments try to block everything to do with slavery. I was one of the people who drove through the Modern Slavery Act 2015, which we know is long past its sell-by date with regard to modern slavery. I tried to co-operate with the Government when they were in opposition, and we need to change the law, because we have real problems with net zero. Right now, we have polysilicon arrays coming in from Xinjiang in massive quantities, and nothing is being done about it. This is not just about Xinjiang; there are a quarter of a million people from Tibet in forced labour.

The only way to address the issue is to do what we did with the Health and Care Act 2022, which we amended to ensure that the Department of Health and Social Care had a duty to eradicate slavery. In America, supply chains are checked using forensic science provided by Oritain, but we do not do any of that. Will we move towards checking all supply chains, and put legislation in place to make it a criminal offence to have anything to do with slave labour?

Mr Alexander: Let me pay tribute to the right hon. Gentleman for his sustained effort on, and interest in, these issues. It has come at some personal cost; he has

[Mr Douglas Alexander]

received criticism from foreign Governments. He is an example to us all in this Chamber in his willingness to speak up for human rights without fear or favour.

On his point, first, I see the answer as involving enforcement of the current legislation. It is important to reaffirm that legislation is clear about companies' mandatory obligations, regardless of whether they import from Xinjiang or elsewhere. Secondly, as I have said, we intend to look carefully at whether lessons can be drawn from other jurisdictions, notwithstanding the good efforts of the right hon. Gentleman and many others in this Chamber at the time of the initiation of the Modern Slavery Act.

Imran Hussain (Bradford East) (Ind): Earlier this year, the Global Legal Action Network and the World Uyghur Congress filed a legal case against the National Crime Agency's decision not to investigate suspected forced-labour goods from Xinjiang. That led to a landmark ruling, which established that any goods suspected of being linked to Uyghur forced labour can be considered criminal property when offered for sale in the UK. What measures have the Government taken in the light of that landmark decision? What protection is there, and what accountability measures are in place, in instances where UK businesses are still involved with goods produced from forced labour?

Mr Alexander: It is important to draw a distinction between the legislative approach taken by some jurisdictions, which have named countries and provinces where there is abuse of human rights, and the statutory foundation for the way that British business is expected to conduct itself, not least in relation to modern slavery and threats to the supply chain. Notwithstanding the ruling of which the hon. Gentleman speaks, the obligations on companies predate that ruling and are set out very clearly in the Modern Slavery Act.

Dame Karen Bradley (Staffordshire Moorlands) (Con): When the Modern Slavery Act was introduced in 2015, section 54 was indeed world leading. We were the first developed country to introduce any such legislation, but other countries have overtaken us. For many years, I have raised the US's "hot goods" provisions, which have been referred to today. May I urge the Minister to look at introducing a form of regulation that would put the onus on the importer to prove that no forced labour was used to make a product before it was allowed to enter the UK supply chain, as happens in the US?

Mr Alexander: I pay tribute to the right hon. Lady for the work that she has done—and to others for their work—both during and after the passage of the Modern Slavery Act 2015. The Government recognise that the landscape has changed since the Act was introduced, and we are committed to tackling modern slavery through a holistic Government and society approach that places victims and survivors of this serious crime back at the centre of our work. I can assure her that we are considering all the Home Affairs Committee's recommendations on this issue, which were recently published, and we will issue our response to its report in due course. In addition to that, we are considering what elements of other legislation are relevant to the Modern Slavery Act. I am

willing to accept responsibility for the past five months, but I am conscious that she has been making these pleas for longer than that, and that her questions might be better directed to those on her side of the House.

Jonathan Davies (Mid Derbyshire) (Lab): I welcome the urgent question and the response from the Minister, because the oppression that the Uyghur people face is absolutely appalling and shameful. The changing nature of supply chains and of retail means that this will be an evolving issue. Can I encourage the Minister to keep those relationships under review, and to reach out to retailers and distributors, so that our response changes in the light of the situation that we face?

Mr Alexander: My hon. Friend makes a powerful point, which is that we want to do this with business, rather than to business. Of course there is varied conduct and there are varied levels of adherence to requirements in the business community, and particularly in the retail sector, but my sense is that overwhelmingly, responsible retailers want to get this right, as surely as there is consensus in this House that we need to get this right. We will listen carefully to the voice of retailers. As he recognises, just-in-time goods, fast fashion, logistics and supply chains are rapidly changing and evolving. Notwithstanding our willingness to engage with business, we have to recognise that sadly, some businesses will not accept a voluntarist approach and will need statutory regulation if we are to systematically address the exploitation about which so many of us are concerned.

Brendan O'Hara (Argyll, Bute and South Lochaber) (SNP): Further to the question from the right hon. Member for Staffordshire Moorlands (Dame Karen Bradley), the US State Department has reported that products from clothing to pharmaceuticals, and everything in between, have been tainted by slave labour, and they have found their way into homes and businesses around the world. In 2021, President Biden signed the Uyghur Forced Labor Prevention Act, which said that

"all goods, wares, articles and merchandise mined, produced, or manufactured wholly or in part"

in Xinjiang could not enter the United States unless the importer could prove that what they were importing had not been produced by slave labour. Given that UK regulations are simply ineffective, will the Government look to introduce something similar to the US provisions in the UK, and put the onus on importers, rather than consumers?

Mr Alexander: The hon. Gentleman is absolutely right. Since 2022, the US has been operating an import ban targeting goods from Xinjiang under the Uyghur Forced Labor Prevention Act. The Act sets out a rebuttable presumption that goods made in Xinjiang or produced by certain listed entities use forced labour. It is right to recognise that the State Department bears the significant cost implications of that. We as a Government certainly view import controls as one of the range of tools that could be used to tackle forced labour in global supply chains, and that is why we continue to engage with like-minded partners—Governments and businesses—to figure out exactly what is the most effective response.

Sir Julian Lewis (New Forest East) (Con): Is not the root of the problem

the fact that successive British Governments, from David Cameron's onwards, have been willing to cuddle and cosy up to a communist totalitarian state, while trying to preserve some pretence of distancing themselves from direct human rights abuses? In reality, is it not the case that as long as we try to have major economic relations with a totalitarian state, it will always be possible for that state to divert the slave labour products to its domestic economy and export the other products to us? So that action is really only a fig leaf, isn't it?

Mr Alexander: The right hon. Gentleman brings many years of experience to the bilateral relationship between the United Kingdom and China, and he will find no disagreement on this side of the House when he calls out the disastrous foreign policy mistakes of the former Member for Witney. We seem to have ended up with the worst of both worlds in relation to China. First, there was a credulous naivety during the so-called golden era, when the then Chancellor and Prime Minister did not recognise the appropriate national interests of the United Kingdom. This was followed by a period when the United Kingdom, almost uniquely, seemed to be in the deep freeze. The last time a Prime Minister of this country met President Xi Jinping was, I understand, under the former Member for Maidenhead. Our approach was neither clear-eyed nor capable of communicating influence; nor did it allow us to raise human rights issues in the way that we wanted to.

The responsible course for a British Government is to recognise the complexity of the bilateral relationship, and the fact that there are significant trade dependencies and geopolitical challenges. The right and responsible course is the approach that has been taken since 4 July. The Prime Minister had a meeting with Xi Jinping a couple of weeks back, but clearly said that engagement

will be pragmatic, and based on a clear-eyed sense of where Britain's national interest lies. Alas, we have not seen that clarity or that steady stewarding of the British national interest over the past 14 years, but I am relieved that, through the Foreign Secretary and the Prime Minister, we have brought a different dimension to the relationship in the last five months.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): My constituents are angry that this Government want to cover Lincolnshire's beautiful countryside with solar panels, ruining the landscape and damaging food security, but they are particularly horrified to hear that many of those solar panels could be produced using slave labour. The Minister has talked about increased import controls as a way of preventing that. When does he plan to introduce them, and what are the further measures that he alluded to?

Mr Alexander: I am not sure that I am in agreement, notwithstanding the high degree of consensus in the House, with the hon. Lady's opposition to solar farms. We believe that the essential transition to a net zero economy requires not only onshore wind but, as my right hon. Friend the Secretary of State for Business and Trade has made clear, offshore wind, on which the United Kingdom is rightly a leader, as well as onshore solar. We are simply in disagreement if the hon. Lady's argument is that we should oppose solar farm development. That being said, she is entirely right to recognise that the net zero transition should not be at the cost of any latitude on the clear provisions of the Modern Slavery Act. It is mandatory rather than voluntary. That legislation was introduced by our predecessors, and we are considering it carefully in the light of change in other jurisdictions, but it none the less places clear obligations on those seeking to import to the United Kingdom.

Deputy Speaker's Statement

Madam Deputy Speaker (Judith Cummins): I am sorry to have to remind Ministers once again of the requirement for major new policy announcements to be made in the House in the first instance, not to the media. This afternoon's statement has already been the subject of extensive coverage in the print and broadcast media, as well as in a long piece on the Home Office website. Hon. and right hon. Members on the Government Benches were quick to criticise Ministers in the previous Government for this kind of behaviour. Mr Speaker has made it clear that he intends to hold them to the same high standard now that they are in government. The Home Office seems to have a particular problem with making media announcements before Ministers make statements to the House. Mr Speaker will write to the Prime Minister to remind him of the rules. I also remind the Home Secretary that it is open to Mr Speaker to grant an urgent question on any subject, on any day.

Tackling Stalking

1.58 pm

The Parliamentary Under-Secretary of State for the Home Department (Jess Phillips): First and foremost, Madam Deputy Speaker, I must apologise, for myself and on behalf of the Government, and I am sure that your words, spoken on behalf of Mr Speaker, have been heard by all.

With permission, I will make a statement on the action that this Government will take to improve the response to stalking. Depression, anxiety, fear, trouble sleeping and loss of confidence. These are just some of the ways that stalking can ruin lives. Victims are subjected to an onslaught of psychological and emotional terror that can go on for months or years. And even if the perpetrator is caught and the stalking comes to an end, the impact of being tormented day after day and night after night persists. For many victims, it never leaves them.

I am sure the whole House will agree that it is unacceptable for anyone to suffer in this way. This is a serious threat, and one that affects a substantial proportion of the population. According to the latest statistics, in England and Wales, one in seven people over 16 has been a victim of stalking at least once in their lifetime. Alas, I think that the statistics would be even higher in this House. Given the scale and impact of these crimes, it is right that we ask ourselves whether enough is being done to stop them and, when they occur, whether we are responding effectively. I am afraid that the answer on both counts is no.

In September, following a joint investigation, His Majesty's chief inspector of constabulary, the Independent Office for Police Conduct and the College of Policing published a report in response to a super-complaint on stalking made by the Suzy Lamplugh Trust. The report found

"significant changes are needed to improve the police response".

I have heard first-hand accounts of stalking victims who have not been listened to, or who have even been told that they should be "flattered" by their stalker's actions. This is totally unacceptable, and it has to change.

The report on the super-complaint made nine recommendations to the Government, and today I will update the House on the actions we intend to take in response. We will introduce a power to issue multi-agency statutory guidance on stalking, which will set out for the first time a robust framework for how frontline professionals should define stalking and better work together. We will review stalking legislation to determine whether and how the law can be changed. And we will improve our understanding of the operation of the current law by publishing more data on stalking offences.

We will also make good on our manifesto commitment to give victims the right to know who their online stalker is. The House may be surprised to hear that victims do not already have this right.

The broadcaster and activist Nicola Thorp told me about how she was stalked and abused online by a stranger whose identity she did not know. Her stalker set up almost 30 social media accounts to send her a constant stream of violent and misogynistic messages. Her ordeal was made worse when she was told by the police that, although they knew who her stalker was,

they could not tell her, even after he was arrested. Nicola had to continue living with that fear, looking over her shoulder and not knowing whether the person near her was her stalker, until she finally saw him in court. That is not right, and she is not the only victim to have endured this. Nicola is with us today, and I pay tribute to her activism for change.

I take this opportunity to pay tribute to my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) who, unfortunately, is busy chairing the Foreign Affairs Committee. She heard about Nicola's story when we were in opposition, and she worked with her to develop a new policy that is coming to fruition today.

Inspired by Nicola, and with thanks to my right hon. Friend, the Government will introduce statutory "right to know" guidance that will set out the process by which the police should release identifying information about anonymous stalking perpetrators to victims.

We are also acting to ensure that the risk posed by perpetrators is managed, and that the causes of their behaviour are addressed. We will legislate to enable the courts to impose stalking protection orders, of their own volition, which can impose restrictions and positive requirements on those who pose a risk, on conviction and on acquittal. These orders are currently available only where the police make an application to the magistrates court. And we will publish national standards for stalking perpetrator programmes that seek to engage with perpetrators to address the behaviours that are leading to stalking offences. This will help to ensure these programmes are evidence-based and consistent.

Taken together, our package will strengthen the system so that victims have the protection they need and the support they deserve. I have seen at first hand the good work being done in some forces. I recently visited Cheshire constabulary, which has a multidisciplinary team of police, psychologists and probation officers working effectively together. We need to see all forces taking this sort of action.

We will ensure that stalkers are robustly targeted, with effective arrangements in place to address the root causes of their behaviour, like in Cheshire. And we will respond to concerns that frontline professionals' understanding of stalking is still not where it needs to be, and that stalking legislation may not be working as intended.

These are important first steps, but I emphasise to the House that we are in this for the duration, because only through a sustained effort will we achieve the change that is so badly needed.

Before I finish, I pay tribute to organisations such as the Suzy Lamplugh Trust and the wider National Stalking Consortium, and to brave victims like Nicola who have spoken out and campaigned for change. Their tenacity and persistence have been instrumental in getting us to this point, and I am grateful to them for all that they have done and continue to do. We will work closely with them and other key partners as we progress our mission to halve violence against women and girls in a decade.

Through that mission, we will show stalkers and other offenders that they have nowhere to hide. We will stand with victims and survivors so that they know that they are not alone. We will work relentlessly to give everyone the peace of mind they deserve as they go

about their lives, whether they are at home, online or anywhere else. Our streets belong to the law-abiding majority, and under this Government they always will.

I commend this statement to the House.

Madam Deputy Speaker (Judith Cummins): I call the shadow Minister.

2.5 pm

Matt Vickers (Stockton West) (Con): I thank the Minister for her statement, and for advance sight of it. We welcome the Government's announcement on stalking and remain committed to working with Members across the House to do everything we can to tackle violence against women and girls.

I pay tribute to Nicola Thorp for sharing her experiences, which are harrowing to hear. I cannot even imagine the fear and worry that she will have gone through during this ordeal. Speaking up takes a great deal of courage, and I cannot thank her enough for bringing this situation to light.

I also thank the Minister for all she has done throughout her career to ensure that women and girls who have encountered violence of all kinds receive the support and care they need. I also pay tribute to her for speaking up about her own experiences as a victim of stalking.

As my hon. Friend the Member for Rutland and Stamford (Alicia Kearns) said in a previous debate, we must also discuss the role of men in these incidents, as the evidence shows that men are more likely to be the perpetrators of violence against women and girls. Furthermore, we must not forget the large number of male victims, who overwhelmingly experience violence at the hands of other men too.

The previous Government made real progress on this issue. We launched our tackling violence against women and girls strategy to increase support for victims. We elevated violence against women and girls to a crime type that police leaders must treat as a national threat. We ensured that victims can always access professional support. We doubled the maximum sentence for stalkers from five to 10 years, keeping behind bars for longer those who devastate their victims' lives. We also made stalking a specific offence, to ensure that women and girls are protected and to show beyond doubt that stalking is a crime. We know that the most harmful illegal online content disproportionately affects women and girls, and that is why the Online Safety Act 2023 requires platforms to proactively tackle illegal content such as harassment, stalking, controlling or coercive behaviour, extreme pornography and revenge pornography.

It is not right that victims have to live in fear because they are not allowed to know who their stalker is, so I welcome the Government's announcement that the police will be able to reveal the identity of online stalkers under the new "right to know" powers. I am pleased that the courts will be able to impose stalking protection orders directly at conviction or on acquittal, if there is enough evidence to suggest that there is still a risk to the victim. We also welcome the announcement that multi-agency statutory guidance on stalking will be introduced so that professionals know how better to work together to tackle this issue.

We know, however, that there is still much more to do to tackle not only the crime of stalking but violence against women and girls. I welcome the Government's

[*Matt Vickers*]

pledge to halve the rate of violence against women and girls in a decade, as it is a significant target. The Minister has confirmed that the Government are still working towards this target, but will she confirm that the target has not disappeared from the Government's priorities? Could she also set out what metrics will be used for measuring the rate of violence against women and girls and, therefore, the Government's success against the target?

Members across the House, and people across society, must work together to stop violence against women and girls. We welcome the Government's actions on stalking, and we want to work with them to eradicate this crime once and for all.

Jess Phillips: I thank the hon. Gentleman for his support and the tone in which he has approached the issue. I do not know where the idea that the Government have dropped their mission to halve violence against women and girls has come from, so I will say as clearly as I can: it is still the mission of the Government to halve violence against women and girls within a decade. That mission is not something that only the Home Secretary and I fought for, with people rolling their eyes at us; it comes right from the top, from the Prime Minister. The subject is an obsession of his, so the mission has not gone away and the hon. Gentleman need not worry.

On how we will measure the success of our mission, the prevalence of violence against women and girls is currently measured by the crime survey for England and Wales. That will be our key headline metric for measuring the ambition to halve VAWG. The Office for National Statistics is producing a combined violence against women and girls prevalence measure that will include domestic abuse, sexual assault and stalking, because the data is not necessarily collected like that at the moment. There will be not just a headline metric but many metrics and tests sitting underneath it, such as for female homicide, femicide, repeat domestic abuse victims and the prevalence of sexual harassment, which will inform a suite of measures. The hon. Gentleman is right that the previous Government's efforts in the House and on the statute book were not without care or attention to violence against women and girls, but the difference that that made on the streets is questionable. We need robust measures to ensure that the nice words that we write on goatskin actually mean something.

Jo White (Bassetlaw) (Lab): I welcome the Minister's statement, but the simple act of blocking on social media can incentivise a determined stalker, creating huge levels of vulnerability, violation, fear and loss of control for their target, or even multiple targets. Social media provides the perfect disguise. Who knows if their stalker is sitting on their phone around the corner or tapping on a computer on the other side of the world? Will the Minister advise me on the work that she is doing with the Department for Science, Innovation and Technology on that very important matter?

Jess Phillips: To be completely clear, what is illegal offline is also illegal online. Today, the Government are announcing how we will make stalking protection orders more robust. Such orders can be used to tackle online

stalking as much as any other type of stalking. The Online Safety Act includes stalking offences in the list of specified priority offences. As my hon. Friend says, in Nicola Thorp's case, her stalker thought the cloak of anonymity would protect him. The tech companies have the capability to identify such people, but we need to ensure that they are working with the police, and that the police are working with the victim, so that everybody can be kept safe.

Madam Deputy Speaker (Judith Cummins): I call the Liberal Democrat spokesperson.

Lisa Smart (Hazel Grove) (LD): I thank the Minister for advance sight of her statement, which I welcome. Stalking is a horrific crime that impacts every aspect of the victim's life, threatening their mental health, wellbeing and, all too often, their physical safety. Far too many people, in particular women and girls, face that pervasive threat, so I welcome the developments that the Minister has announced today, particularly around improving the police response to stalking. That will be vital for rebuilding women's trust in policing.

Sadly, I have first-hand experience of the topic. From my own knowledge, the police can find it easier to deal with such crimes via harassment legislation, rather than stalking legislation. Police often assume that the perpetrator is a former partner when the conditions of a restraining order are breached, for example, thereby failing to recognise the wide range of circumstances that can lead to these frightening situations.

We should not take a one-size-fits-all approach to stalking, because that could leave a legal hole for victims when the stalking is not related to domestic abuse or a previous relationship. I would welcome some more detail from the Minister on whether the Government's plan will include better training for police officers and 999 call handlers to ensure that when a stalking victim comes forward, the response is always sensitive, effective and personalised.

It is right that the Minister is considering how best we can hold perpetrators to account, so I would welcome further details on how she is working with the Ministry of Justice to tackle the Conservatives' legacy of criminal court backlogs, which will be the only way to truly ensure that stalking victims get the swift justice they deserve. No woman should face the fear of being targeted by a stalker, and it is absolutely right that we work across the House to make that a reality.

Jess Phillips: The hon. Lady is exactly right about a lack of faith in resources, which is exactly what led to the super-complaint being made. She is right that there is a 60:40 split between non-stranger stalking, including after previous domestic abuse or a relationship, and other stalking. We have to get it right for people who have experienced either type of stalking, because the experience is the same.

The National Police Chiefs' Council is engaging with 43 police forces to co-ordinate the response to the recommendations of the super-complaint. Police chiefs are required to publish an action plan setting out how they will respond; some have already done so. I pay massive tribute to Cheshire and to the Met, which has an amazing multi-agency system. I will be monitoring forces' progress to ensure they respond. We will be reviewing the offences in sections 2A and 4A of the

Protection from Harassment Act 1997. As the hon. Lady rightly points out, those offences sit within harassment legislation. As somebody who has brought a number of harassment charges, I know that sometimes the charge that appears on the sheet does not feel like the one of which I have been the victim.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): I thank the Minister for her statement, which will be welcome news to any victim of stalking. I thank her for her relentless work on the issue, which I know has personally affected her. I also thank my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) for all her work on the matter.

My local police force will welcome the news in the statement. I will be out with my local police on Monday evening, on a walk with women and girls, with the aim of reducing violence and enabling women to talk about their experiences of violence and stalking. The measures set out by the Minister will be welcome news to everybody in my constituency of North Warwickshire and Bedworth.

Jess Phillips: Speaking as someone who is local to North Warwickshire and Bedworth—well, local by the standards of the House—it is very pleasant to hear my hon. Friend's accent, which is not too dissimilar to mine.

I look forward to working with police forces across the country to ensure that the right service is available to all victims of stalking the first time they come forward, whether they are male or female, as the shadow Minister pointed out. I look forward to working with my hon. Friend and any Member of the House who also wishes to take part.

Sir Julian Lewis (New Forest East) (Con): I congratulate the Minister on taking office. Will she elaborate on what the root of the problem is when it comes to not knowing who is doing electronic stalking or harassment? Does the main problem lie with the internet companies, or does it lie with the police, who sometimes think that privacy is such an absolute right that misbehaviour does not vitiate it?

Jess Phillips: I suspect the truth lies somewhere in between. In Nicola's case, the police were able to find out information about the stalker from a series of anonymous accounts, some of which were pretending to be women, but the problem arose because of privacy, as the right hon. Gentleman suggests. Police forces are worried about being bogged down in red tape, so what we will put on the statute book, in statutory guidance, is essentially a power flowing from the Home Secretary to tell police forces that they can provide information, because in such circumstances safeguarding is a perfectly legitimate reason to override privacy.

Peter Swallow (Bracknell) (Lab): The victims of stalking will know that intense, unsettling feeling, whether that is as they pass through a dimly lit underpass and feel someone following them or when they are being followed online. I thank the Minister for highlighting the importance of tackling stalking wherever it takes place. Will she outline how the new "right to know" guidance will reassure and empower victims and help protect them from further abuse?

Jess Phillips: From speaking to many victims, I know that stalking causes a lack of peace of mind. Other forms of violence against women and girls are all equally bad, but there is something deeply psychological about being stalked and feeling as if you have to change your behaviour and go to different places. The right to know who a stalker is, first and foremost, is about being able to rule out people a victim knows. Most women in our country know that they are more likely to be abused by somebody they know, so they would be second-guessing all the time and being driven further mad by the anonymity of that stalker. Even without any justice outcome, therefore, empowering those women and giving them back power and control over the situation is a gift of something that has been taken from them.

Jess Brown-Fuller (Chichester) (LD): I thank the Minister for bringing the statement to the House today. I am sure she will join me in thanking a local charity, My Sisters' House, which supports women in Chichester and Bognor specifically with relationship breakdown stalking, among other things. As its staff said to me when I spoke to them, anything that puts the rights of victims above the rights of abusers is a positive step in the right direction.

The Minister cites the great example of Cheshire Constabulary, which is setting a leading standard in its approach to the protection and welfare of victims. She also recognised that we need to see all forces taking that sort of action. However, with each police force acting independently and priorities being set by police and crime commissioners, how will she ensure that victims do not experience a postcode lottery in the support they receive?

Jess Phillips: The hon. Lady points out something very pertinent. I often like dealing with Scotland because there is one police force. I am not suggesting that for England, and nor are the Government, just to be clear—I worry that civil servants might be writing down some of the things I say.

The hon. Lady makes a very good point. Having really good police forces and really good sexual violence responses in Avon and Somerset is no good to the people of Birmingham, is it? It cannot carry on in that way. One thing that has to be done, as part of the Government's mission to end violence against women and girls and halve it within a decade, is to look at how we deal with police standards and monitor exactly what police forces are doing. It feels a little bit like the centre has taken its eye off the ball on that in the past number of years. We will not solve the problem if we start having a great service in urban areas but people are still left wanting in Chichester and other places.

Mr Jonathan Brash (Hartlepool) (Lab): I welcome today's statement. I think the House can agree that there is no better champion to deliver on this issue for those who desperately need it than my hon. Friend the Minister.

A constituent of mine has raised a harrowing case of stalking, whereby the perpetrator, in order to avoid justice, has simply fled the country, yet the stalking continues. Does the Minister agree that borders cannot be a barrier to justice on this issue and will she meet me to discuss that specific case?

Jess Phillips: I absolutely will meet my hon. Friend. I have dealt with many extraterritorial cases in the space of violence against women and girls in my time as a Member of Parliament, so I am more than happy to try to help in any way that I can on that case. On borders, under the Online Safety Act, if it is illegal here but is not happening here, it is still illegal. It does not matter where in the world it is happening.

Madam Deputy Speaker (Judith Cummins): I call Liz Saville Roberts.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr iawn, Dirprwy Lefarydd. I welcome the measures announced today. I also want to take the opportunity to pay tribute to Rhianon Bragg, who I understand the Minister has met. She has been a tireless campaigner, in spite of extraordinary and horrific experiences. I also pay tribute to the Suzy Lamplugh Trust and its work.

I welcome what the Minister said about Cheshire constabulary; I visited the unit there. Specifically in Wales, for us to be able to establish multi-agency units within police forces, we will have to recognise that part of the membership, such as the psychologists, will be funded at a devolved level through health. Can she assure me that that will be possible for the four forces in Wales?

Jess Phillips: First of all, I must pay tribute to Rhianon. If Members of the House are not aware of her case, what she has been through is harrowing and she continues to campaign. We pay such tribute to all those who speak up to try to make things better for other women, even if in their cases that ship has sailed. That is an amazing thing.

I want to assure the right hon. Lady that there should be nothing stopping the same multi-agency situations happening in Wales any more than anywhere else where local health authorities give out funding. We will never solve the issue of violence against women and girls unless every part of Government, including at delegated, local level, takes responsibility. That is certainly a postcode lottery at the moment.

John Slinger (Rugby) (Lab): I am grateful to my hon. Friend for her statement and for discussing the broader issues with hon. Members in a Westminster Hall debate last week. Women and girls will have seen from today and previous efforts that they have a dedicated champion in the Minister.

There have been several important announcements by the Government in recent days to tackle violence against women and girls, which is obviously perpetrated mainly by men. Can the Minister set out any further details about how the Government are working across Departments to drive down those despicable crimes and embed a culture of taking action wherever we can?

Jess Phillips: I am mindful that sat here on the Front Bench with me now is the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Bethnal Green and Stepney (Rushanara Ali). She has frequently attended meetings alongside us in the Home Office to discuss how local authorities and housing interact with the lives of victims of domestic abuse and those fleeing other forms of abuse and violence.

Government Departments working together on this issue should no longer just be about a piece of paper that gets written. There has to be firm commitment, and it has to come from the very top. In the last urgent question today, we heard about a previous Prime Minister's commitment to tackling modern slavery, which led to a world-leading change in that space. That was because it came from the centre. I can assure my hon. Friend that, from the very centre of this Government, there is a desire to make sure that we get this into the mainstream of every Government Department—although I am struggling to make this about fish and fisheries, but I will find a way.

Claire Young (Thornbury and Yate) (LD): I welcome the proposals. I was talking to a constituent earlier today who feels that the family courts are not only enabling her ex-partner to continue abusing her, including following and harassing her, but are undermining the criminal case against her former partner. Will the Minister commit to looking at the role of the family courts in cases where the perpetrator is a former partner so that we can build on the proposals to better support people in those situations?

Jess Phillips: I thank the hon. Member for her question. First, let me pay tribute to my hon. Friend the Member for Pontypridd (Alex Davies-Jones), who is my equivalent in the Ministry of Justice, which leads on the family courts. All I can say about the family courts, which came up in the very first mission board with regard to violence against women and girls, is that we will not solve the issues of domestic abuse or child abuse in our country—we will not go anywhere near to solving them—unless we look at those family courts.

Jonathan Davies (Mid Derbyshire) (Lab): I welcome the Minister's statement. In 2021, a young woman was killed by her stalker in Derbyshire—I will not mention her by name in this House because, given the urgent nature of this statement, I have not had the opportunity to reach out to her family. It was found that she had reported the stalker to the police. The inquest found a number of missed opportunities to take action against that person. Is it possible to have a means of capturing when things have gone wrong—in public bodies or in the police—and embedding that as a means of driving improvement elsewhere? Furthermore, online providers and social media companies are failing in this space. Will she use her weight to tell them to get their house in order, and if they do not, can we legislate for it?

Jess Phillips: I thank my hon. Friend for his question. I give him credit for the sensitivity that he showed in dealing with that case in his constituency. It is very important that we always seek the consent of a victim or a victim's family. That does not always happen in this place.

On his first point, I am not sure about the case that he cites, but the I am happy to talk to him about it. In the case of a death of an intimate partner or a previous intimate partner, there would normally be a domestic homicide review, but that would not necessarily happen in the case of a murder by a stranger, where stalking was involved, although it could. This is about how we deal with the findings of a domestic homicide review or a serious case review. Like many people, I am a bit sick

of hearing the words “lessons will be learned” over and over again, and then find that the same lesson has to be learned by the same local area just three years later. How we use the findings of those reviews to change things is definitely something that we will focus on. I will use all of my weight—however diminished it might be—to ensure that our online tech companies are on board with the safeguarding that we require.

Luke Taylor (Sutton and Cheam) (LD): For far too long, stalking victims have been let down by a fragmented and inadequate legal framework. The current system, which separates stalking into multiple offences, places an unbearable burden on victims to gather and present their own evidence to secure the harsher penalties under section 4A of the Protection from Harassment Act 1997. This creates the concept of a perfect victim—those forced to meticulously prove the devastating toll that stalking has taken on their lives before justice is served. Although I am encouraged by the review of stalking legislation that is being conducted, will the Minister confirm that this will also consider the pros and cons of creating a stand-alone stalking offence, which would help to ensure that victims are protected and that perpetrators are held accountable without forcing victims to prove their worthiness of justice?

Jess Phillips: I agree with the hon. Gentleman. The thrust of the super-complaint was not dissimilar to what he suggests. He is absolutely right about the confusion between a 2A and 4A offence and the element of proof that a victim has to provide, often in front of the perpetrator, who can find it quite delicious to hear how awful things have been for the victim. We will work with all the stalking organisations and the brilliant Victims’ Commissioner in London to make sure that, when we look at the legislation, those things are all taken into account.

Tom Hayes (Bournemouth East) (Lab): I welcome these tough new measures against stalkers and the protections for victims. Before I was elected to this place, I ran domestic abuse services, so I must confess to feeling a little irked by the shadow Minister, who tried to sow seeds of doubt about the Government’s commitment to tackling violence against women and girls, particularly as this new measure is being introduced in the House. I hope that it was a throwaway comment, rather than the start of a sustained campaign against the Government. I want to ask about the importance of bringing together

public bodies. We know that there must be an integration of criminal justice services, third sector organisations and support services. Will the Minister outline how, at a local level, these measures will lead to the integration of those responses?

Jess Phillips: I thank my hon. Friend for the opportunity to once again say, “I am not sure where that has come from,” but I am always happy to dispel it—I love the idea that anybody could question our commitment, or certainly my commitment. Not that I think the shadow Minister was doing that.

On the multi-agency statutory guidance, local areas will have a duty to bear it in mind. Some Members here today have visited the amazing services in Cheshire. What we need to do is to show the absolute benefits of that approach to local areas and to local health service providers specifically with regard to the psychological services that are required in the system. Properly run multi-agency services in this space always make a difference. But, as somebody who has sat on many multi-agency services over the past 14 years, as my hon. Friend has, I have seen many partners leave the table as a result of the years of austerity.

Madam Deputy Speaker (Judith Cummins): I call Tim Roca for the final question.

Tim Roca (Macclesfield) (Lab): I was glad to hear the good work of Cheshire police being commended in my area. May I also put on record my admiration for Nicola Thorp? Her terrifying ordeal at the hands of a man who had created 30 online accounts to stalk and abuse her should shock all of us. As we come to the end of the statement, may I ask the Minister to join me in paying tribute to her?

Jess Phillips: I would be absolutely delighted to do so. I consider Nicola to be my friend now, but the first time that I had ever heard of her was on the Petitions Committee in this House. It was my late, dear friend, Jo Cox, who had called me up to say, “We all have to come to work wearing flat shoes,” not recognising that I always wear flat shoes. This was because Nicola had started a protest about being forced, as a woman, to wear high heels in her temporary job. This was not Nicola’s first endeavour in activism, and I am absolutely certain that it will not be her last. She inspired Jo Cox, who inspired many of us, and so I pay absolute tribute to her.

Elections (Proportional Representation)

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

2.37 pm

Sarah Olney (Richmond Park) (LD): I beg to move,

That leave be given to bring in a Bill to introduce a system of proportional representation for parliamentary elections and for local government elections in England; and for connected purposes.

We are experiencing an unprecedented political moment in this country. Our most recent general election, in July this year, returned a Government with the second biggest majority of seats of any Government since the second world war, but on the lowest share of the vote ever recorded for a winning party. The first-past-the-post voting system used in UK parliamentary elections has delivered two thirds of the seats in the House of Commons to the Labour party, which attracted just one third of the votes cast. Thanks to first past the post, nearly 60% of people who voted in the general election in July are not represented in Parliament by the candidate that they voted for. This is the most disproportionate election result that this country has ever seen.

We are also seeing record levels of disillusionment with the political process, with citizens becoming increasingly disengaged. This is reflected in the fact that turnout in the 2024 general election was the second lowest since 1918, at just under 60%. Over 40% of registered voters in the UK thought so little of the political process that they did not think it worth expressing a preference for one candidate over another.

There are many urgent and pressing challenges facing the UK today, but it is essential that the vast majority of its citizens actively support the mechanisms by which the decisions are made to address them. Increasing levels of disengagement threaten our ability to respond both to immediate challenges and to longer-term issues.

The Liberal Democrats believe—and have always believed—that a fair voting system is an essential bedrock of a functioning democracy. Democracy has proved to be the most effective and enduring governing system because it relies on a broad base of support across the population. A faulty voting system delivering a majority Government on a minority vote undermines democracy and its ability to deliver effective government. That is why I am presenting this ten-minute rule Bill. In the face of growing worldwide threats to democratic Governments and institutions, the UK needs to urgently reassert the value of participative democracy as an essential component in peaceful and prosperous societies. To do that, we need to respond to the democratic challenges that have emerged in our own country by adopting the provisions in the Bill.

Alex Sobel (Leeds Central and Headingley) (Lab/Co-op): Will the hon. Member give way?

Sarah Olney: With pleasure.

Madam Deputy Speaker (Judith Cummins): Order. I remind hon. Members that interventions are not taken during the ten-minute rule speech.

Sarah Olney: Apologies, Madam Deputy Speaker.

The Bill would introduce a system of proportional representation for parliamentary elections and local government elections in England. Liberal Democrats have been calling for the introduction of a single transferable vote system whereby candidates on a ballot paper are ranked according to the voter's preference. That system would protect the critical local link between MPs and their constituencies, which is valuable in connecting individual voters with the Parliament that makes decisions on their behalf. Constituency MPs understand the specific issues that voters in their seat are experiencing and can connect them to the broader issues facing the country. A system of STV would preserve that aspect of our current system, but would also ensure that MPs enjoyed the broad support of the majority of their electors.

In the most recent general election, the number of MPs elected to this Chamber with more than 50% of the votes cast in their constituency was just 96—a decrease from 421 in the 2019 election and 476 in the general election before that. Ten of our colleagues in this Parliament were elected with fewer than 30% of the vote of their constituents who turned out. Far fewer MPs today can say they have the support of the majority of their constituents, or even a broad base of support, than ever before.

Proportional electoral systems have been used successfully for elections in the UK's devolved Parliaments and Assemblies since the turn of the century. One of the advantages of adopting STV for all local elections in England, as well as general elections, is that it is already in use in two of the four nations that make up the UK. Now Welsh councils also have the power to adopt STV if they wish, it may soon be three out of the four nations. Proportional representation through an STV system is not alien to the UK; millions of people across the country are already familiar with voting in that way. The use of proportional systems that retain a close constituency link across the UK makes Westminster's use of first past the post the outlier rather than the norm.

Changing the voting system for UK parliamentary elections is not the only thing that needs to be done to restore democratic engagement in this country. The shambles of the last Conservative Government created a crisis for democracy. Thanks to their cronyism, rule breaking, and sleaze scandals, public trust in Government is worryingly low. Successive Conservative Prime Ministers acted without integrity and treated Parliament and the people with disdain. In the previous Parliament, the Conservatives weakened the independence of the Electoral Commission and introduced disproportionate voting systems for mayoral elections in England and the undemocratic voter identification scheme.

The Liberal Democrats believe that public confidence in democracy is vital for effective and functioning Governments and that, consequently, we must take all possible steps to rebuild public trust in politics. We will continue to call on the Government to scrap the voter ID scheme and will hold them to account for their conduct in office. But the most effective change we can make to clear up the mess the Conservatives left is to change the voting system and ensure that the voices of voters across the British Isles can properly be heard.

I am glad to know that support for electoral reform comes from not only the Liberal Democrat Benches but across the House. I am pleased that Labour Members in particular agree that we need proportional representation

after voting overwhelmingly in favour of PR at their conference two years ago. More importantly, recent polling shows that a majority of the British public are in favour of scrapping first past the post and moving to proportional representation. The all-party parliamentary group for fair elections was launched last week with the support of over 100 MPs. Its report “Free But Not Fair” highlights many of the structural issues that have led to the decline of public trust in politics and engagement with elections.

We must take urgent action to protect democratic processes and institutions in the UK from threats here and abroad. We need to listen to the warning bells sounded by the general election that the citizens we seek to serve, and who must abide by the laws we pass, are becoming disenchanted with the political process. If we want to continue to be a beacon of democracy across the world, we must ensure that it serves its purpose in giving a voice to the people and delivering prosperity and stability. We cannot do the latter if we fail to do the former.

First past the post is a broken and unfair system. This summer, the Labour party won a landslide election victory, securing 63% of seats in the House of Commons in return for just 34% of the vote. The system leaves millions of voices unheard and creates a divisive, adversarial political climate where collaboration is discouraged and accountability is often sidestepped. The Liberal Democrats have long championed proportional representation, advocating for a voting system where every vote truly counts. We must modernise our electoral system, create a fairer process to engage voters, listen to the needs of our constituents and rebuild trust in politics.

2.45 pm

Lewis Cocking (Broxbourne) (Con): I support continuing with the first-past-the-post system. When our constituents arrived at their polling station on 4 July, they knew what to expect: if their chosen candidate received more votes than any other, that is who would be elected as their MP. There is elegance to this simplicity. In our democracy, the person who wins the most votes in each of our 650 constituencies wins the seat. It cannot be denied that voters would be confronted with a far more complicated system if any type of proportional representation were to be introduced.

Crucially, after the election, every one of our constituents knew who to turn to if they wished to contact their Member of Parliament. For me, that is the most important feature of our democratic system. In a more proportional system, such as the single transferable vote system advocated by some across the House, constituencies would be represented by multiple Members of Parliament from various parties. Clearly, that would polarise our communities, and voters might contact only the MP they had voted for, which would absolve us of our duty to represent all our constituents. It would be far too difficult for voters to get to know the several politicians representing their area, and to hold them to account at the next general election. Constituents struggling with complex issues may already have exhausted other options. We do not want to make them ask which MP they should contact as well.

First past the post creates a strong connection, for good or bad, between residents and their representatives. Under our current system, I can represent my home of

Broxbourne. Every one of my neighbours—whether they have an issue with their housing, their pension or anything else—knows who to turn to. There is a clear link that would simply be lost under a more proportional system. Having a sole representative for a small constituency allows each of us in this place to remain grounded, and ensures that every corner of our United Kingdom is properly represented.

There is also a simplicity and stability in the results that emerge from our first-past-the-post general elections. For the most part, first past the post produces Governments with clear workable majorities that can last the full length of their term. Voters want strong Governments who can deliver the policies in their manifestos, not the chaos of constant disagreement and repeated elections. Under proportional representation, the party that receives the most votes does not automatically or quickly form the next Government. Instead, as we are seeing now in Ireland, political parties go behind locked doors to do deals among themselves. Discussions last for months after the general election has taken place—that is plainly undemocratic—and voters are given no further say. When a coalition agreement eventually comes, it satisfies no one.

Under the first-past-the-post system, each party presents its policies to the British people at the general election. That is the basis on which votes are cast in our general elections. In first-past-the-post elections, it is clear who will be in power and who will be in opposition. As we saw in the recent general election, it is possible for voters to change who governs them if that is the choice they wish to make.

Finally, I remind the House that the British people have made clear their opposition to proportional representation. In 2011, 13 million people voted to remain—sorry, to retain. [*Interruption.*] It was less people than voted for that. In 2011, 13 million people voted to retain the first-past-the-post system, and at the last general election neither of the largest two parties proposed a change in the electoral system. For those reasons, I think it would plainly be wrong to make any changes to elections in the United Kingdom.

Question put (Standing Order No. 23).

The House divided: Ayes 138, Noes 136.

Division No. 52]

[2.50 pm]

AYES

Akehurst, Luke
Alaba, Mr Bayo
Al-Hassan, Sadik
Allister, Jim
Amos, Gideon
Anderson, Lee
Aquarone, Steff
Arthur, Dr Scott
Babarinde, Josh
Baker, Richard
Barron, Lee
Beavers, Lorraine
Bennett, Alison
Berry, Siân
Blake, Olivia
Blake, Rachel
Brewer, Alex
Brown-Fuller, Jess
Burgon, Richard

Campbell-Savours, Markus
Cane, Charlotte
Carmichael, Mr Alistair
Chadwick, David
Chamberlain, Wendy
Chambers, Dr Danny
Chowns, Ellie
Coghlan, Chris
Collins, Tom
Collins, Victoria
Cooper, Andrew
Cooper, Daisy
Creasy, Ms Stella
Dance, Adam
Darling, Steve
Darlington, Emily
Davies, Ann
Dean, Bobby
Denyer, Carla

Dickson, Jim
Dixon, Anna
Duffield, Rosie
Dyke, Sarah
Eshalomi, Florence
Farron, Tim
Foord, Richard
Forster, Mr Will
Franklin, Zöe
Gardner, Dr Allison
George, Andrew
Gibson, Sarah
Gilbert, Tracy
Gilmour, Rachel
Glover, Olly
Goldman, Marie
Gordon, Tom
Green, Sarah
Hall, Sarah
Harding, Monica
Hayes, Tom
Heylings, Pippa
Hinchiiff, Chris
Huq, Dr Rupa
Hurley, Patrick
Jardine, Christine
Jarvis, Liz
Jogee, Adam
Jones, Clive
Kohler, Mr Paul
Lake, Ben
Lewis, Clive
MacCleary, James
MacDonald, Mr Angus
MacNae, Andy
Maguire, Ben
Maguire, Helen
Martin, Mike
Maskell, Rachael
Mathew, Brian
McDonnell, rh John
McMurdock, James
McNally, Frank
Medi, Llinos
van Mierlo, Freddie
Miller, Calum
Milne, John
Mohamed, Abtisam
Mohamed, Iqbal
Moon, Perran
Moran, Layla
Morello, Edward

Morgan, Helen
Munt, Tessa
Murray, Susan
Myer, Luke
Naish, James
Niblett, Samantha
Olney, Sarah
Onwurah, Chi
Opher, Dr Simon
Paffey, Darren
Pakes, Andrew
Payne, Michael
Perteghella, Manuela
Platt, Jo
Prinsley, Peter
Ramsay, Adrian
Ranger, Andrew
Reid, Joani
Riddell-Carpenter, Jenny
Robertson, Dave
Roca, Tim
Roome, Ian
Russell, Mrs Sarah
Sabine, Anna
Savage, Dr Roz
Saville Roberts, rh Liz
Slade, Vikki
Slaughter, Andy
Smart, Lisa
Sobel, Alex
Stainbank, Euan
Stevenson, Kenneth
Stone, Will
Taylor, Luke
Thomas, Cameron
Tice, Richard
Turmaine, Matt
Voaden, Caroline
Welsh, Michelle
Whittome, Nadia
Wilkinson, Max
Wilson, Munira
Witherden, Steve
Woodcock, Sean
Wrigley, Martin
Yang, Yuan
Yasin, Mohammad
Young, Claire

Tellers for the Ayes:
Mr Tom Morrison and
Jamie Stone

NOES

Abbott, Jack
Anderson, Stuart
Argar, rh Edward
Asato, Jess
Athwal, Jas
Bacon, Gareth
Baines, David
Baldwin, Dame Harriett
Barros-Curtis, Mr Alex
Bedford, Mr Peter
Bishop, Matt
Blackman, Bob
Bool, Sarah
Brackenridge, Mrs Sureena
Brandreth, Aphra
Burke, Maureen

Caliskan, Nesil
Campbell, Mr Gregory
Cartlidge, James
Cleverly, rh Mr James
Cocking, Lewis
Collier, Jacob
Coutinho, rh Claire
Cox, rh Sir Geoffrey
Cross, Harriet
Davies, Gareth
Davies, Mims
Davies, Shaun
Dewhirst, Charlie
Dinenage, Dame Caroline
Dollimore, Helena
Dowden, rh Sir Oliver
Duncan Smith, rh Sir Iain

Duncan-Jordan, Neil
Easton, Alex
Eccles, Cat
Edwards, Lauren
Ellis, Maya
Entwistle, Kirith
Evans, Dr Luke
Ferguson, Mark
Ferguson, Patricia
Fortune, Peter
Fox, Sir Ashley
Francis, Daniel
Freeman, George
French, Mr Louie
Gale, rh Sir Roger
Gardner, Dr Allison
German, Gill
Glen, rh John
Glindon, Mary
Grady, John
Grant, Helen
Harris, Rebecca
Hayes, rh Sir John
Hendrick, Sir Mark
Hinds, rh Damian
Hoare, Simon
Holden, rh Mr Richard
Holmes, Paul
Hudson, Dr Neil
Hunt, rh Jeremy
Johnson, Dr Caroline
Jopp, Lincoln
Josan, Gurinder Singh
Kruger, Danny
Lam, Katie
Lamb, Peter
Lamont, John
Leigh, rh Sir Edward
Lockhart, Carla
Lopez, Julia
Lowe, Rupert
Mak, Alan
Malthouse, rh Kit
McAllister, Douglas
McDonagh, Dame Siobhain
McEvoy, Lola
Midgley, Anneliese
Mohindra, Mr Gagan
Moore, Robbie
Morton, rh Wendy
Mullan, Dr Kieran
Mullane, Margaret
Murrison, rh Dr Andrew

Naismith, Connor
Norman, rh Jesse
Obese-Jecty, Ben
O'Brien, Neil
Onn, Melanie
Onwurah, Chi
Patel, rh Priti
Paul, Rebecca
Philp, rh Chris
Pinto-Duschinsky, David
Rankin, Jack
Robertson, Joe
Rosindell, Andrew
Rutland, Tom
Shanker, Baggy
Shannon, Jim
Shelbrooke, rh Sir Alec
Simmonds, David
Smith, Greg
Smith, Nick
Smith, Rebecca
Smith, Sarah
Spencer, Dr Ben
Spencer, Patrick
Stafford, Gregory
Stride, rh Mel
Stringer, Graham
Stuart, rh Graham
Sullivan, Kirsteen
Swann, Robin
Swayne, rh Sir Desmond
Tapp, Mike
Taylor, Alison
Taylor, Rachel
Thomas, Bradley
Thomas, Fred
Timothy, Nick
Trott, rh Laura
Tufnell, Henry
Turmaine, Matt
Vickers, Martin
Vickers, Matt
Wheeler, Michael
Whittingdale, rh Sir John
Wild, James
Williams, David
Wilson, rh Sammy
Wood, Mike
Wright, rh Sir Jeremy

Tellers for the Noes:
Sir Julian Lewis and
Blake Stephenson

Question accordingly agreed to.

Ordered,

That Sarah Olney, Wendy Chamberlain, David Chadwick, Sorcha Eastwood, Marie Goldman, Richard Foord, Tim Farron, Ed Davey, Christine Jardine, Dr Al Pinkerton and Daisy Cooper present the Bill.

Sarah Olney accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 January 2025, and to be printed (Bill 138).

National Insurance Contributions (Secondary Class 1 Contributions) Bill

Second Reading

Madam Deputy Speaker (Judith Cummins): The reasoned amendment in the name of Mel Stride has been selected.

3.5 pm

The Exchequer Secretary to the Treasury (James Murray): I beg to move, That the Bill be now read a Second time.

In her Budget statement on 30 October, the Chancellor set out the difficult decisions that we as a Government have been prepared to make on welfare, spending and tax. Those decisions were not just difficult but necessary, given the fiscal irresponsibility and economic mismanagement that had become hallmarks of the previous Government. We inherited a mess, so those decisions were needed to fix the public finances, fund the NHS and other public services and deliver economic stability. We have been determined to take those decisions while protecting working people. That is why our Budget made no changes to income tax, the rate of VAT, or the amount of national insurance that working people pay. As a result of our Budget, people will not see a penny more tax on their payslips.

Dave Doogan (Angus and Perthshire Glens) (SNP): Is the Minister seriously suggesting that, with the best brains in the Treasury on hand, he does not understand that it is a moot point whether someone has a higher national insurance contribution in their payslip, or whether their wages are suppressed and the job that they were going for is not there anymore, because the employer cannot afford to increase their payroll due to this national insurance increase?

James Murray: We recognise that we are asking businesses to contribute more, and that this will have impacts, but it will be up to individual businesses to decide how to respond to these changes. The one thing that we know for certain is that if we had chosen a different path—if we had followed the previous Government and increased income tax or national insurance—that would have led to a tax on people's payslips. It would have led to the amount of money in people's pockets going down, which would have broken our manifesto promise.

Imran Hussain (Bradford East) (Ind): I apologise for intervening so early in the debate, but a number of my small businesses, charities and voluntary sector organisations have raised concerns and asked for clarity. Can the Minister outline what safety nets and other measures for support are available to small businesses, charities and voluntary sector organisations?

James Murray: I thank my hon. Friend for his question. I will get to the detail of the Bill in a moment, but I can briefly reassure him that the Bill doubles the employment allowance, which will go from £5,000 to £10,500. That means that small businesses and charities are protected; they can employ up to four people on the national living wage without paying a penny in national insurance. In the context of the tough decisions that we had to take in this Bill, that is important protection for small businesses and charities.

Wendy Morton (Aldridge-Brownhills) (Con): Does the hon. Gentleman not accept that in the UK, the definition of a small business is one that employs fewer than 50 employees and has an annual turnover of less than £10 million? Thanks to his changes and political choices, thousands of small businesses across the country will face the decision of whether to keep staff on or lay them off.

James Murray: We know that the tough decision that we have had to take will have impacts—we have been up front with people about that—but we also know that over half of all employers will pay no more or less national insurance than they did before. We acknowledge that this decision will have an impact, but we believe that it is the right decision. I will explain why that is.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): It is clear that the Government are working hard to get this right, but may I press the Minister on the point about the employment allowance? What he says about doubling the threshold is welcome, particularly when it comes to childcare provision, and we all want an expansion of childcare places. He will be aware that the employment allowance doubling that he is talking about will apply to state-provided childcare places, but not to private and co-operative nurseries. Some 85% of places are in private and co-operative nurseries, so will he look at extending the employment allowance that he is giving to state nurseries to private and co-operative nurseries, so we can support the expansion of childcare?

James Murray: I thank my hon. Friend for her question, but eligibility for the employment allowance is not changing. It is the same as it was before, and we are maintaining that provision. On protecting small businesses and charities, the crucial thing for us is the doubling of the employment allowance. In individual cases, I would recommend that organisations get the right advice, but the eligibility criteria for the employment allowance will not change as a result of the Bill.

Sammy Wilson (East Antrim) (DUP): Will the Minister give way?

James Murray: I will, one more time, and then I will make progress.

Sammy Wilson: Is not the fact of the matter, despite what the Chancellor has said, that businesses have been abandoned? There is no safety net for them. To use the words of the Chancellor,

“What we have done with the increase in employer national insurance is leave it to the business to work out”.

Businesses are bearing the brunt of this, and it is really too bad. As far as the Chancellor is concerned, they will have to grin and bear it.

James Murray: I am sorry, but there are tough decisions that we have to take, and there are difficult decisions that businesses will have to take. The only people to have abandoned businesses were the Conservatives when they were in government. They abandoned any pretence of economic stability, fiscal responsibility, and supporting businesses to invest and grow. That is the difference between the Opposition and the Government.

Several hon. Members *rose*—

James Murray: I will make some progress, and take more interventions shortly. For me, keeping the promises on income tax, employee national insurance and VAT is crucial, but making those decisions and needing to get our country back on track has meant that other tough decisions in the tax system have been necessary. That is why, at the Budget, we took the decision to increase national insurance contributions from employers, while, as I mentioned to my hon. Friend the Member for Bradford East (Imran Hussain), increasing protections for small businesses and charities. It is those measures that the Bill seeks to introduce.

I will set out the detail of how the Bill seeks to achieve that. First, it increases the main rate of employer secondary class 1 national insurance contributions from 13.8% to 15%. It decreases the secondary threshold for employers—the threshold above which employers begin to pay employer national insurance contributions on their employees' salary—from £9,100 to £5,000. At the same time, as I have mentioned to hon. Members, the Bill increases the protection for small businesses by more than doubling the employment allowance from £5,000 to £10,500. That increase in the employment allowance, alongside the removal of the £100,000 eligibility threshold, means that all eligible businesses will be able to employ four full-time workers on the national living wage without paying any national insurance contributions.

Mr Angus MacDonald (Inverness, Skye and West Ross-shire) (LD): Is the Minister aware of the complete disaster this will cause for Scottish hospitality businesses? We do not have business rates relief, as businesses do in England Wales. We have a very large number of young people in the hospitality sector. For example, for someone working part-time for 25 hours a week on the minimum wage, their salary is £15,912, and the national insurance has just gone up by 74%. This is wiping out the hospitality industry in Scotland.

James Murray: I recognise that the decision we are taking will have impacts, and in some cases it will mean that employers have to take difficult decisions. We are, however, reforming business rates to help retail, hospitality and leisure on the high street, so I would suggest that the hon. Member speaks to the Scottish Government about their doing something to support businesses in the same way; I cannot speak on their behalf.

Taken together, the measures, should the Bill pass, will mean that 865,000 employers pay no national insurance at all next year, with over 1 million—more than a half of all employers—paying the same or less than they did previously. I have been clear, however, that I recognise that there will be impacts on some employers as a result of the changes. While many small businesses and charities will be protected through the employment allowance increase, others will have to contribute more.

Dr Luke Evans (Hinckley and Bosworth) (Con): The Minister talks about protecting businesses or charities, but hospices, for example, employ many more than four people. I cannot think of one hospice that does not employ more than four people. How will they be protected?

James Murray: I thank the hon. Gentleman for his question. That will depend on the exact set-up of the hospice, but typically hospices are independent charities,

so they will be able to use the employment allowance against their national insurance contributions liability. They will also be able to access the other tax reliefs in the system that benefit charities, such as business tax relief and gift aid relief, which we have maintained in the Budget. We have taken the decision to maintain—

Clive Lewis (Norwich South) (Lab) *rose*—

Wendy Morton *rose*—

James Murray: Members will have to wait a second so that I can answer this question.

We will maintain the charitable reliefs in the system, such as business tax relief and gift aid relief. However, it is important to recognise that the decisions we have taken overall mean that over half of all employers will not pay any more or will pay the same national insurance as they did before. Their national insurance bill will be the same or less than it would have been otherwise.

Clive Lewis: Many of us in this House appreciate the work that my hon. Friend's team are doing to unpick the mess we inherited, but one thing that has been pointed out is the need for better targeting. I have been talking to social enterprises and small businesses in my constituency. Social enterprises often do things that charities may do, but are considered as small businesses, although they do not get the same tax reliefs as charities. They also provide critical services in my constituency and in constituencies around the country. Is there not a better way to target micro-businesses and social enterprises to enable them to better manage what is quite a tough Budget for some of them?

James Murray: We recognise that tough decisions had to be taken throughout this Budget, but that is exactly why we have balanced the difficult decisions on the rate of national insurance and the decrease in the secondary threshold with the increase of the employment allowance, which helps small businesses and charities. There is no way that we can get through the measures announced in the Budget, and say that there will not be any difficult decisions for organisations or businesses to have to take. We are being up front about this. It is a tough decision for the Government to have to take, and it will mean that businesses must take difficult decisions as well. However, it is essential that we do this to fix the public finances, get our public services back on their feet and restore the economic stability that was squandered by the Conservative party.

Christine Jardine (Edinburgh West) (LD): How does it help morale and positivity among small businesses, which will be vital to economic growth, if some of them are going to see their salary bills double? An employer in my constituency—not quite a small business, but a medium-sized business—is facing crippling increases in the salary bill. How will it help growth if those companies go to the wall and we lose jobs?

James Murray: The hon. Member focuses on the national insurance contributions changes, which is rightly the focus of this Bill, but I urge her to look at that in the context of everything else the Government are doing, not least the employment allowance doubling that I have mentioned. There is also our decision to freeze the small business rates multiplier as it applies in England, our

decision to introduce permanently lower retail hospitality and leisure rates for businesses on the high street in 2026-27, and the decision in our corporation tax road map to maintain the small profits rate and other allowances from which small businesses can benefit. I urge her to understand that what we are doing on national insurance is taking a tough decision to fix the public finances, while at the same time providing the stability that businesses need to invest and grow, and that is the way to move our country forward.

Tom Hayes (Bournemouth East) (Lab): Does the Minister agree that many people who want to work have struggled to do so because of poor health? They are unable to get access to a doctor, a hospital appointment or a dentist appointment—to a whole range of appointments—and as a consequence they have been forced out of work when they want to be in work, earn a living and get dignity from work. With the changes that the Government are bringing forward, we will see investment in our NHS and our public services that will help people to get the appointments they need to return to work. Does he agree that this investment is much needed and a good thing for our economy?

James Murray: I thank my hon. Friend for his intervention, and he is right. He points out why we are taking these difficult decisions, and why it is so important to fund public services and fix the public finances. Healthy businesses need a healthy NHS, healthy businesses need a healthy workforce and healthy businesses need public services to be functioning so that they can maintain their investment and grow the economy. I am sure that my hon. Friend, and other Members, will have seen the Government's "Get Britain Working" White Paper, which sets out the barriers that ill health puts in the way of people being economically active. We are determined to challenge that and to help people who are able to get back into, and stay in, work. That will be a mission of this Government.

Several hon. Members *rose*—

James Murray: I will make a bit of progress; I have been generous in giving way.

The choice that we have taken is difficult; it is not one that we have taken lightly. As I have fully acknowledged in the Chamber, the impacts of this measure will be felt beyond businesses, as the Office for Budget Responsibility has acknowledged. Let me put the decision in context and say what we could have done instead. We could have reversed the previous Government's cuts to employee national insurance. Those cuts were simply not honest because they were based on a forecast that the OBR said would have been "materially different" if the true extent of the last Government's cover-up had been known. We made a commitment to not increase the taxes that working people pay, and we have delivered on that promise and made a different choice.

Sir Desmond Swayne (New Forest West) (Con) *rose*—

James Murray: I will give way; I am being too generous I think.

Sir Desmond Swayne: The manifesto said that Labour would not increase rates of national insurance contributions. The Minister is perfectly entitled to use the argument,

"We never realised that it was this bad, so we have had to change what we said we would do", but to pretend that Labour has not resiled on its manifesto promise is pure sophistry.

James Murray: In fact, it is both things: it is true that we have kept to our manifesto pledge of protecting working people by not increasing income tax, the national insurance that working people pay or VAT; at the same time, the situation is far worse than we thought it would be when we won the general election, with the £22 billion black hole and the fact that the OBR said that its forecast would have been "materially different" in March, had it known the true extent of the previous Government's cover-up. Those are facts that the OBR put out there and from which we cannot hide.

Stuart Anderson (South Shropshire) (Con): I believe the Minister is misleading the House—*[Interruption.]* Inadvertently. The OBR did not say the words "cover-up" so will he correct the record?

James Murray: I said that the OBR said that its forecast would have been "materially different" had it known what the previous Government did not share with it at the time of its March forecast. I have been absolutely clear, and I suggest that the hon. Gentleman reads the OBR forecast as it might be illuminating—

Stuart Anderson *rose*—

James Murray: No, I will not give way again. It might be illuminating for him to read the OBR forecast and understand what it says about the previous Government's relationship with it, how much information was not shared, and how that impacted on its forecast going into the election.

Several hon. Members *rose*—

James Murray: I will make some progress as I want to explain why we are taking this tough decision, and why it is so important that we take this decision now, as set out by the Chancellor in the Budget. Revenue raised by measures in the Bill will play a critical role in enabling the Government to fix the public finances, restore economic stability in a fiscally responsible way, and get the NHS back on its feet.

Pippa Heylings (South Cambridgeshire) (LD): Will the Minister give way?

James Murray: I will make some progress.

We know how crucial economic stability is for businesses taking investment decisions, and as I said to my hon. Friend the Member for Bournemouth East (Tom Hayes), we know how crucial it is for businesses to have a healthy NHS. As a result of measures in the Bill, as well as wider measures announced in the Budget, the NHS will receive an extra £22.6 billion increase in resource spending to deliver 40,000 extra elective appointments a week. That is urgently needed to get the NHS back on its feet. The increase in funding will be done within our tough fiscal rules—new rules that will bring an end to borrowing for day-to-day spending, something that the previous Government never achieved or even aimed for.

Wendy Morton: The hon. Gentleman refers to the NHS, and I believe the NHS and hospital trusts will receive an exemption to the increase in national insurance contributions. Given his clear passion for the NHS, will he look again at the impact that his rise in national insurance contributions will have on air ambulances? Under the current proposals air ambulances, like hospices, will face a huge increase in their costs.

James Murray: The way that we are approaching the reimbursement of employer national insurance costs for Departments and public sector employees is similar to what the previous Government did with the health and social care levy. It means that money goes to Departments, local governments, and public sector employees directly to help compensate for the increase in employer national insurance. For other people who are paying employer national insurance, if they have a contract with the public sector they are treated as contractors or private organisations. If they have concerns about their cost base they should talk to their sponsoring Department, the NHS, or whoever they have a contract with, so that those considerations can be taken into account in the round. It was the same for adult social care, and it is the same for other organisations that are funded through the public sector.

Munira Wilson (Twickenham) (LD): Let me pick up on the point about local authorities and public services. I pressed the Minister on that this morning during Treasury questions, and I fear he did not give me a clear answer. Richmond council, my local authority, delivers children's services through an arm's length body called Achieving for Children. As a result of these measures, with all the employees who deliver services for vulnerable children in Richmond upon Thames, it faces a bill of £588,000 in employer's national insurance. Will the Minister assure local authorities up and down the country that operate similar models for delivering services that these arm's length bodies will be exempt from the national insurance rise? Otherwise he will be damaging the very public services that he claims to be investing in today.

James Murray: We are protecting public services by providing relief directly to Departments and other public sector employers. Third parties, private organisations, or those who have a contract with the public sector are dealt with differently and they should approach their local council, or whoever is sponsoring them, to talk about their funding arrangements. I might draw the hon. Lady's attention to the fact that local government financing is increasing by 3.2% next year as a result of decisions that this Government have taken. I expect she would probably support that increase in funding, but sadly she does not have the guts to support what we need to do to raise the money in the first place.

Damian Hinds (East Hampshire) (Con): On the £22.6 billion for the NHS, or the figure just mentioned for local government, have the Minister or his officials calculated what the numbers would be, net of the national insurance cost? Those bodies—the national health service and local government—carry on with exactly the same services as before, but now face extra bills for national insurance contributions. Have they done the maths?

James Murray: In the statistics put out by the Government at the time of the Budget, a specific amount is earmarked directly for Departments and public sector employers. That amount is effectively netted off against the amount that will be available for net spending in public services. For other organisations, such as third parties that contract with the NHS, there should be a conversation between the person under the contract and the contracting organisation to consider pressures in the round. As I said, this is in the context of, for example, the local government budget going up by 3.2% next year, and a huge amount of extra investment in the NHS, with £600 million going to local authorities in England to help deal with social care pressures. That is the context of the decisions that we had to take and pressures in the round.

Christine Jardine: I thank the Minister for giving way again. What about GP surgeries?

James Murray: GP funding for 2025-26 will be confirmed by the Department for Health and Social Care in the usual way as part of the GP contracting process, and it will consider all the pressures on GPs in the round.

I will make some progress, because the points we have made are clear. It is important for me to look also at what the Opposition might do, given the important vote today on these tax changes, which are necessary to raise funding for the NHS and other public services. I would like to think that the Opposition might join us today, back our plans to provide extra funding for the NHS and support this Bill to help pay for it. It seems though, from an article in *The Sunday Times* in the name of the shadow Chancellor, the right hon. Member for Central Devon (Mel Stride), that that may not be the case. In that piece, he wrote that the Conservatives apparently

“want to provide further funding for the NHS.”

Sadly, they refuse to take the tough decisions to pay for it.

I note that in that article, the shadow Chancellor rehashed the discredited pledge from the recent Conservative manifesto to make £12 billion of welfare savings, which the Institute for Fiscal Studies politely described at the time as being “difficult in the extreme.” Perhaps he missed the admission from his predecessor, the right hon. Member for Godalming and Ash (Jeremy Hunt), during the election campaign that those welfare cuts were in fact not new, and the money had already been spent. Either way, it is hard to fathom why the new shadow Chancellor would rest his first intervention on a pledge from a manifesto that led to his party losing nearly 250 seats. It only serves to underscore the fact that the Conservatives are getting further and further away from being a credible Opposition by the day.

We recognise that the decision to increase employer's national insurance will have impacts. Although measures in this Bill will help to protect small businesses and charities, other measures mean that larger businesses and organisations will have difficult decisions to take. Let me be clear, however: the Budget was a one-off and a once-in-a-generation event. The difficult decisions we took meant that we were able to wipe the slate clean of the previous Government's fiscal irresponsibility and economic mismanagement. Public services now need to live within their means and the means we have set them for the rest of this Parliament. The Budget delivered

stability and fiscal responsibility, meaning that our focus can now be resolutely on boosting investment and growing the economy. That fiscal responsibility is possible only when we take tough decisions. This Bill makes it clear that this Government will not shy away from tough decisions and that we will do what is right in the circumstances we face. I commend it to the House.

3.30 pm

Richard Fuller (North Bedfordshire) (Con): I beg to move,

That this House declines to give a Second Reading to the National Insurance Contributions (Secondary Class 1 Contributions) Bill because it breaks the manifesto commitment of the Labour Party not to increase National Insurance; and will lead to lower growth, lower wages for working people, fewer jobs and the closure of businesses.

Today we turn to the latest chapter in this Government's book of economic incompetence, which is their choice to increase employers' national insurance contributions—Labour's job tax on workers across the UK. Today's measures are the major reason that the public's immediate reaction to the Budget was negative, with YouGov polling the day after the Budget showing that nearly twice as many people thought it would leave the UK worse off than thought it would be better off. When it came to judging each of the many measures in the Budget in turn, today's proposal to increase national insurance was rated the second worst decision of all in the Budget, just behind hiking bus fares by 50%. Back in October, 47% of the public thought Labour's job tax was the wrong thing to do, but as employers have spelled out the impact of Labour's job tax, the public's view has soured further. In polling last Monday, those saying that this measure is wrong have increased from 47% to 57%. The public know that the Labour Chancellor has got this choice wrong.

Dr Luke Evans: The shadow Minister is an astute man, and he has picked up on some of the indices of concern. One of those is the economic confidence index, which in October was -52. In November, it was -65. That is the second lowest figure on record since the pandemic in 2020. If we had an eminent economist running the Treasury, they would be able to see that this is a bad idea for businesses and the country.

Richard Fuller: Obviously it would be useful to have people with business experience in the Cabinet, if they are going to levy taxes on business. Sadly, the Government do not have that. My hon. Friend's point about business confidence and the reaction from businesses goes to what the Minister was trying to say in his summing up about what the Conservative party would do. The way we raise more taxes is by enhancing business confidence, so that they invest, grow and make profits that can be taxed. This Budget has done precisely the opposite. Each and every day since the Budget, confidence in the financial competence of this Labour Government has been ebbing away. Less than one in four of the public now believe that this Government are handling the economy well.

Mark Ferguson (Gateshead Central and Whickham) (Lab): The hon. Gentleman appears keen on polling. Can he talk us through the polling for Liz Truss and Kwasi Kwarteng's Budget?

Richard Fuller: To be fair, my former colleague did not last quite as long as the lettuce, and the public made their judgment clear on that and many other issues at the general election. The hon. Gentleman's point is fair, but it is not particularly relevant to the decisions he will be asked to vote on today. Hospices in his constituency will know how he votes. GPs in his constituency will know how he votes. Charities in his constituency will know how he votes. I will be interested to see whether he votes with his conscience or with the party line.

Less than one in four of the public now believe that the Government are handling the economy well. It is not just the public who have lost faith in the economic competence of His Majesty's Treasury; it is the Prime Minister himself, who apparently on Thursday will ditch the ambition for the United Kingdom to be the fastest-growing economy in the G7, removing at a stroke one of the key planks of Labour's economic plans. The Bill will add to that lack of faith in this Labour Government, because this measure to raise national insurance contributions directly contradicts Labour's election promise not to increase taxes on working people.

In the election campaign, the Prime Minister, the Chancellor and the entire Labour Treasury team, including the Minister, repeated the phrase from their manifesto, which stated:

"Labour will not increase taxes on working people, which is why we will not increase National Insurance, the basic, higher, or additional rates of Income Tax, or VAT."

Yet today, with the election behind them, increasing taxes on working people is exactly what Labour is proposing to do.

The shadow Minister is shaking his head.

The Economic Secretary to the Treasury (Tulip Siddiq): You're the shadow Minister.

Richard Fuller: I am terribly sorry—the Minister. He shakes his head and says that it is not true. Let me turn to one of his favourite independent economic groups, the Resolution Foundation, whose analyst James Smith said, "Even if it"—the employers national insurance change—

"doesn't show up in pay packets from day one, it will eventually feed through to lower wages...This is definitely is a tax on working people, let's be very clear about that."

Jonathan Davies (Mid Derbyshire) (Lab): It is a little wearisome to listen to the Opposition talk about taxes on working people. We have the highest income taxes since world war two because they did not increase the thresholds, and in 2011 VAT went up to 20%, which was a massive tax on working people. I would like to hear what the shadow Minister has to say about that.

Richard Fuller: The hon. Gentleman talks about the Conservative record. Shall I talk to him about our record on national insurance? In 2010, when Labour was last in office, it broke the economy and left a note saying that there was no money left. We did have to increase national insurance rates—but not by as much as is proposed today. Thereafter, we increased national insurance thresholds with inflation; these proposals do not do that. We introduced the employment allowance, which admittedly the Government are increasing. We then introduced national insurance reliefs for young workers. We increased national insurance income thresholds

[Richard Fuller]

in 2022, 2023 and 2024. That is the Conservative record. We do not believe in the jobs tax: we do not think it helps growth, and we do not think that it will increase taxation.

Sir Desmond Swayne *rose*—

Richard Fuller: I will make a bit more progress and then give way to my right hon. Friend.

If the Minister does not like the Resolution Foundation's judgment on this tax, he should just listen to the Institute for Fiscal Studies, which said:

"Simple economic theory suggests that the incidence of employer NICs and employee NICs should be the same, at least in the long run. It is likely that the long-run incidence of both employer and employee NICs is predominantly on employees".

The measures in the Bill represent by far the largest part of the tax grab in the October Budget. The Treasury Red Book assesses that these measures will raise £23.7 billion in the next financial year, rising to £25.7 billion, but the Minister knows that behavioural changes means that they will actually raise substantially less; the IFS estimates about £16 billion.

I note that in the Red Book there were three opportunities for this jobs tax to be referred to as "Delivering on our Promises". There is:

"Delivering on our Promises—New Policy to Close the Tax Gap",

"Delivering on our Promises—Collecting Tax That is Due"

and even the catch-all:

"Delivering on our Promises—Other Manifesto Tax Commitments",

but the increase in national insurance contributions cannot be included in any of those, because Labour politicians hid their intentions from the British voters at the election.

Paul Waugh (Rochdale) (Lab/Co-op): The hon. Gentleman refers to the history of the Tory party on national insurance. Can he tell us why he and his party voted for the health and social care levy, which put up national insurance for employees not so long ago?

Richard Fuller: That is a very odd question when the Minister himself has said that the objective today is to provide more money for the health service. I guess I will think about what the hon. Gentleman has asked.

Clive Lewis: Will the hon. Gentleman give way?

Richard Fuller: I will be very happy to give way, but I will make some progress first.

If we take the Government at their word that their intention is to raise funds for public services, this measure is an inefficient way to do so. Under the provisions of the 1992 Acts on social security provision, only a proportion of the moneys raised by this form of taxation will be allocated to public services; the vast majority is essentially hypothecated to the national insurance fund. Will the Minister tell us what proportion of the moneys raised by the Bill will actually be allocated to the national health service? Will he also advise us of why the Chancellor chose this particular tax, which, uniquely, will burden the economy with far more in taxes levied than will actually end up going to support public services?

Employers large and small across the United Kingdom have been pleading with the Government to reverse this measure, letting them know about the impact it will have on jobs and on wages; the particularly harsh impact it will have on female workers and on young people starting out in their careers; the vulnerability of our hard-pressed hospitality businesses and high street retailers; or the pre-Christmas pleas of our charities, hospices and GPs about the way their contribution to public services has been completely ignored. Has the Minister been listening to the voices of people who actually have experience of running a business, creating jobs or delivering public services, who are telling him about the negative impact the Bill will have on jobs and pay, and even on their own viability, or has he been turning a deaf ear?

Dr Luke Evans: Is it not the biggest slap in the face for people listening to this that when Labour uses "working people", it cannot define that term? Pub landlords and people working in charities are by definition working people—they are of working age and earn a living—and they will now be hit by this tax, which will have such a detrimental impact on their livelihoods. Is that not a disgrace?

Richard Fuller: I have been listening to questions from Members who believe that this is "not a tax on working people" asking for exemptions from it. When we hear that these taxes are being levied on hospices, charities, GPs and small businesses, we cannot help but believe that Labour thinks that people work only when they work for the Government. The truth of the matter is that working people work in many institutions across the country—in small businesses, large businesses and in the third sector—as well as for the Government. This Government are taxing working people.

Clive Lewis: I think sometimes, listening to the Opposition, it is as if that money goes into a complete black hole. Those billions are not just going to go into public services like health, education and social housing; we are also putting that money into people's pockets—into the pockets of nurses, doctors, engineers and builders—who will then spend their money in those businesses. It is called the multiplier effect. That money will go back into our economy, rebuild our public services, which the Conservatives destroyed, and go into the pockets of people through the economy. What's not to like?

Richard Fuller: The hon. Gentleman asks, "What's not to like?", but just a few minutes ago he was saying what he did not like in the Bill. He said he wanted exemptions that the Minister was not prepared to give him; I think his dispute is not with me, but with his hon. Friends on the Front Bench.

The British Retail Consortium—another section of the economy—wrote to the Chancellor detailing the costs of the measures to retailers: £0.57 billion from the rate increase and £1.76 billion for the reduction in the national insurance contributions threshold. It spelled out the consequences:

"For any retailer, large or small, it will not be possible to absorb such significant cost increases over such a short timetable. The effect will be to increase inflation, slow pay growth, cause shop closures, and reduce jobs, especially at the entry level. This will impact high streets and customers right across the country.

Ms Polly Billington (East Thanet) (Lab): I would just like the hon. Gentleman to apologise for the fact that all the things he has just outlined are the impact of his Government's kamikaze Budget in 2022.

Richard Fuller: Since the hon. Lady is reviewing history, she should look at the Bank of England review by Bernanke, commissioned under the last Government, which looked at the impact on interest rates in the UK compared with other countries and included that period. She will see that the real impact of those changes on interest rates was no different from any other year. The UK stayed in exactly the same place every year. There is a difference between facts and reality and what the Labour party thinks is history.

Ms Creasy: Will the hon. Member give way?

Richard Fuller: No, I am drawing my speech to a close, because plenty of people wish to speak.

UKHospitality is also concerned. It estimates that our pubs, clubs, hotels and restaurants will have to stump up £1 billion more because of the Bill. It points out that for a typical staff member aged 21 or over earning the national living wage and working 38 hours a week, the jobs tax will increase by 53.9%, from £1,863 to £2,869. Does the Minister honestly think that that will not mean job cuts in the hospitality sector?

The Government claim to have shielded the public sector from the jobs tax, but the reality is murkier. Many of our GPs will have to stump up more money, and our hospices and charities will have to find more money. As we approach the Christmas season, will the Minister give some hope to our charities, voluntary groups, GPs and hospices, and say that they, too, will be exempt from Labour's jobs tax?

The Labour party in government is stumbling badly. I know from my own experience that no amount of resets will inspire confidence, and certainly not when a Prime Minister is forced into a reset within five months of taking office. The Labour party in government is also getting a reputation for a series of cruel policies motivated by socialism based on hate. The removal of winter fuel payments for the elderly was cruel. The family farm tax, penalising British farmers who have toiled in our fields for generations, was cruel. Today's jobs tax, attacking businesses, charities, GPs, hospices and employment opportunities and growth is cruel, too. I urge all Members of this House to support our amendment.

3.47 pm

Luke Murphy (Basingstoke) (Lab): For too long, this country has suffered from irresponsible and short-sighted fiscal management from Conservatives, saddling working people with the bill for their broken promises, incompetence and chaotic approach to governing. They hiked taxes for working people to record rates and left behind a £22 billion black hole in the public finances. Then, to add insult to injury, the Conservatives spend their first few months in opposition washing their hands of 14 years of failure in power. That changed on 30 October when my right hon. Friend the Chancellor of the Exchequer gave a historic Budget, which led to this Bill. The Budget delivers the swift action needed to repair the immediate fiscal crisis and a long-term plan to repair our public finances, while also laying the foundations for a decade of national renewal.

We heard a lot from the shadow Minister, the hon. Member for North Bedfordshire (Richard Fuller), and no doubt we will hear much from Opposition Members, about the Bill. But really, the gist of their argument is that they want all the benefits of the Budget, but have no idea how to pay for it. Boris Johnson may no longer be the leader of the Conservative party, but his belief in cakeism lives on. On cake, they are pro having it and pro eating it.

The right hon. Member for Richmond and Northallerton (Rishi Sunak) attempted at first to wean the party off its cakeism addiction. Running in the first leadership context, he told his party not to believe in

"comforting fairytales that might make us feel better in the moment, but will leave our children worse off tomorrow".

But under his leadership, the Conservatives once again succumbed to the fairytale of cakeism. That is why they lost the general election. The hon. Member for North Bedfordshire spoke of polls, but he will remember that they lost an election just a few months ago because they could no longer handle the challenges of the world as it is. They ducked the hard choices and, in opposition, they continue to duck them and to drift away from reality.

Back in the real world, let me remind the House what this Government are delivering, funded in large part by the Bill. They are delivering £25.6 billion in increased NHS funding, ensuring that our health service can meet rising demand and creating 40,000 more elective appointments every week. They are delivering more teachers, and investing £1 billion in special educational needs provision. They are investing billions in surgical hubs and diagnostic scanners. There is a further £1.5 billion to rebuild crumbling schools and ensure that every child learns in a safe environment. Those are investments that Conservative Members must surely support.

Mr Angus MacDonald: Does the hon. Gentleman not agree that the impact of this measure is hitting the most vulnerable businesses and the most vulnerable charities throughout the United Kingdom? Surely a much better way of raising the money—which I can understand is needed—would be to raise corporation tax, or to increase taxes on, for instance, social media or the very largest companies.

Luke Murphy: The Bill, and the Budget, protect the smallest businesses, as the Minister has already explained. It is disappointing to hear the hon. Member sharing the Conservative party's cakeism. Opposition Members must surely support the investments that the Bill will deliver, but if they oppose the Bill, how do they propose to fund them? Turning up at the supermarket with a long shopping list but no means to pay does not work in real life, and it does not work in government either.

The Conservatives have clearly learnt nothing from their kamikaze mini-Budget of 2022. Perhaps they believe that cakeism has just not been tried properly. This Government, by contrast, have taken the tough but fair decisions to protect working people, invest in our NHS and rebuild our public services. For too long the burden of tax has fallen on working people, but under this Government, larger businesses and the richest will pay a little more in tax to help fund the NHS and other public services on which working people rely. Where the Conservatives would either cut public services or pick the pockets of working people, this Government are

[*Luke Murphy*]

asking those with the broadest shoulders to pay a bit more to help repair our broken public services—broken over the last 14 years. This Bill will help to deliver on the priorities of my constituents in Basingstoke, who will be able to see a doctor when they need one, and schools will be able to deliver the best—

Pippa Heylings: Will the hon. Member reassure the GPs in my constituency, in Harston, Comberton, the Eversdens, Melbourn and Queen Edith's, who have sought reassurances that the Government do not intend to threaten the viability of thousands of NHS general practices through these charges?

Luke Murphy: I am not sure that it is for me to give reassurances—it is probably for Ministers to do that—but what I can do is repeat what the Minister said earlier: the Government will bring forward the settlement for GPs in the usual way.

Dr Luke Evans: Part of the biggest problem that I have with the way this is being done, looking at the NHS as a whole, is that while at the front door of primary care the raising of national insurance contributions means that GPs do not want to recruit, at the back door social care is also being hit by the increase. It is all very well protecting the centre—the hospitals—but the biggest problem is system-wide, in that both the back door and the front door are jammed shut. How will the Bill resolve that? This is the practicality that the Labour party must explain to the health services, because they are asking the same question and it is going unanswered.

Luke Murphy: Both the back door and the front door of the NHS have been broken over the last 14 years, so we will take no lectures from the Conservatives about the state of the NHS or the impact of policies.

The protection of small business is also built into the Bill. The increase in the employment allowance to £10,500—as the Minister said—and the expansion to all employers mean that 250,000 employers will pay less national insurance, and that 820,000 employers will see no difference in their national insurance bills. That will ensure that these changes fall only on the businesses with the broadest shoulders. This Government continue to champion entrepreneurship and wealth creation, boosting public investment by more than £100 billion over this Parliament.

Monica Harding (Esher and Walton) (LD): My constituency has a higher proportion of business owners, entrepreneurs, and high-growth enterprises and start-ups than many others. One of them wrote to me this week to say that they will cut their operations, and that the Budget has crashed any incentive or possibility for businesses to grow. Does the hon. Member agree that this Bill does not protect businesses or the workers they employ, and does not leave any hope for economic growth?

Luke Murphy: I take it that the hon. Lady must oppose the large investment in public services that the Government are proposing, and that she opposes the Government's industrial strategy, which is one of the ways we will grow the economy. I remind Opposition Members that workers in small and large businesses

depend on the NHS. As others have already said, many workers have continued to be out of work, which has a massive impact on our productivity. We should make no apologies for investing in our public services.

Munira Wilson: The hon. Gentleman keeps accusing those of us on the Liberal Democrat Benches of not supporting public sector investment. We have championed it, and we have said that the big multinationals—the big banks and the social media giants—should bear the brunt. Just yesterday, at the Small Business 100 reception here in Parliament, the owners of Shambles, a popular family-run restaurant in Teddington, told me that the impact of the Budget on them next year will cost £50,000 to £60,000. What are they doing? They are freezing all recruitment for the next few months. How will that deliver the growth that the Labour party is apparently desperate to achieve?

Luke Murphy: As I have already said, we are protecting small businesses through this Bill and we have an industrial strategy. We are delivering record levels of public investment in the economy, and I doubt very much that the measures that the hon. Lady set out would deliver the kind of funding that this Bill will deliver. We need serious investment to fix the mess left by the previous Government.

We are providing businesses with certainty through a corporate tax road map, as others have said, and upholding our commitment to maintain corporation tax at the lowest rate in the G7. I am proud to support the investment in our country, in our NHS, in education and in rebuilding the infrastructure on which hard-working people across our country rely. We are bringing the funding needed to kick-start a decade of national renewal. While the Conservatives sit back to have their cake and eat it, this Government have acted decisively to invest strategically and build for the future.

Several hon. Members *rose*—

Madam Deputy Speaker (Caroline Nokes): Order. Members will be able to see that a significant number of people wish to contribute to this debate. A time limit of six minutes will be imposed after we hear from the Liberal Democrat spokesperson.

3.57 pm

Daisy Cooper (St Albans) (LD): This Saturday is Small Business Saturday. It is an opportunity for every single one of us to celebrate the fantastic small businesses in our constituencies—businesses that are the engine of our economy and the backbone of our communities.

We know that behind every single business there is a story. Either it is a family business that has passed through the generations and evolved, or it is a start-up that was somebody's life's dream, but behind every story there is blood, sweat, tears and hard work. This Saturday, as we all go around our constituencies meeting and greeting small business owners, we only need to scratch the surface of even the most successful business to know that they are very worried about the impact of the Budget, particularly the rise in employer's national insurance contributions. We have heard from many of them already, and we know what the impact will be: they will suppress wages, freeze recruitment and, in the worst cases, shut up shop.

Rightly, the Government keep talking about growth. We all want economic growth, but this particular tax will undermine growth, not unleash it. We have all heard from GPs, dentists, hospices, social care providers, charities that are commissioned to provide health and care, and public health programmes. They are all incredibly worried. None of them has been given a guarantee that the money being taken away with one hand through the rise in employer's national insurance contributions will be given back through the renewed contracts with the NHS. We oppose this tax, but if the Government will not reverse it, we urge them at the very least to exempt health and care providers.

Dr Evans: We have heard a number of times from the Prime Minister and the Chancellor, and even from the Exchequer Secretary to the Treasury today, that allocations will be made in the usual way, but we are six weeks on from the Budget and health services are trying to decide what to do now. They cannot wait.

Daisy Cooper: I agree with the hon. Gentleman that GP services, dentists and hospices are having to make decisions now on freezing recruitment and not providing wage increases, so there is real urgency to this measure.

The changes go beyond health and care. They will also affect early years providers and education providers, at a time when we should be reducing the costs of childcare and care services and supporting parents back into work. The measure will undermine that. I have heard from housing associations, Citizens Advice and hospitality companies that the pressure from this measure will make life incredibly difficult for them. Hospitality in particular relies on a lot of part-time workers, and the changes to national insurance contributions will have a terrible effect. Many of them tell me that at the moment—before the changes have taken effect—employer national insurance contributions liability is incurred only once a part-time worker starts earning £9,100 per annum. That is 15 hours a week on the current national minimum wage. Once the changes take effect, however, liability will be incurred at only £5,000 per annum, or the equivalent of 7.5 hours a week on the new national minimum wage. That will disincentivise small businesses from taking on part-time workers. Let us be honest: many people can only work part time because they are picking up the pieces of a broken health and social care system.

Graham Stuart (Beverley and Holderness) (Con): The hon. Lady is making a powerful speech. Someone coming back from a mental health crisis who manages to get one day's work a week—that may initially be all that they can manage—will, under this so-called Government of workers, find themselves hit by the measure and so will be less likely to be employed. Also, most of the cost of the measure will come out of their wages.

Daisy Cooper: I thank the right hon. Gentleman for that point. Many people work part time, for all sorts of reasons. They could be coming back from a period of poor mental health. They could be returning to work after bringing up their children. They could have a fluctuating health condition, be recovering from surgery or, as I was saying, be picking up the pieces of a broken social care system, having become a family carer. We all know these people. They live among us. They are our

friends, our neighbours and our family members. Many people need to work part time in order to contribute to the economy and be productive, and it is also good for their self-esteem.

A number of Labour Members have rightly challenged the Conservatives on how they would pay for this investment in the NHS, and they are right to do so, because the Institute for Fiscal Studies gave a damning account of the Conservatives' manifesto. It said that it contained

"giveaways paid for by uncertain, unspecific and apparently victimless savings."

Also, the Conservatives could not say where the £20 billion-worth of cuts could come from, so Labour Members are right to point to the fact that the Conservatives have not answered that question. We should hold their feet to the fire on that point, because we heard time and again in the run-up to 4 July that everything was broken and that the Conservatives had driven our economy into the ground and left our public services on their knees.

By contrast, we Liberal Democrats have set out how we would fund many of these services. The Labour party says that its measures will amount to £28 billion for investment in health and social care, or at least in the NHS, but the Office for Budget Responsibility says that once the amount is adjusted for behaviour changes and public sector rebates, it comes to only £10 billion. We have suggested a number of measures and, in the spirit of constructive opposition, I urge Labour Members to look at them, if not for this Budget, then at least for the next.

If the Government had reversed the Conservatives' tax cuts for the big banks, that would have raised £4 billion a year. If they had doubled the remote gambling duty, that would have raised up to £900 million a year. If they had trebled the digital services tax, that would have raised £2 billion a year. We have pointed to examples of ways that the Government could have raised funds from those with the broadest shoulders. In the spirit of constructive opposition, I urge Labour colleagues to look at those measures.

Luke Murphy: The hon. Lady has cited the IFS, which said of the Liberal Democrat manifesto that "there are clear risks that their package of tax measures would not raise the £27 billion a year that they claim."

The IFS also described some of the measures as "a bad idea economically." Confronted with a Bill promising actual investment and delivering actual money, will the Liberal Democrats really oppose it?

Daisy Cooper: The fact remains that the IFS said that our proposals for capital gains tax, which would raise £5 billion, go in "a sensible direction". I recognise that the IFS does not like our proposal for share buy-backs, but other think-tanks are available. Indeed, the Social Market Foundation and the Institute for Public Policy Research support our online gambling proposals. A broad range of think-tanks support a number of measures in our manifesto. As I said, in the spirit of constructive opposition, I urge Labour Members to look at those ideas.

I finish where I started. This Saturday is Small Business Saturday, and small businesses will shoulder a disproportionate burden from the increase to national insurance contributions. We urge the Government not

[Daisy Cooper]

to proceed with this measure, but if they do, they should, at the very least, exclude health and care providers, which are essential to getting health and care back on their feet.

4.6 pm

Dr Jeevun Sandher (Loughborough) (Lab): It is a pleasure to be called to speak in this incredibly important debate. On 30 October, the Chancellor delivered a Budget that will rebuild the foundations of our broken economy through public investment paid for by tax revenues. We are proud that those revenues will be raised from both the largest businesses and the wealthiest individuals. Public investment will be paid for by those who can best afford it, to benefit us all and make our nation more prosperous.

We entered office with the worst economic inheritance since 1945, after years of under-investment—the lowest rate in the G7—years of failure, the worst fall in wages since Napoleon, and years of chaos. In 2022, we built fewer onshore wind farms in England than we had Conservative Prime Ministers.

The Conservatives left our nation far weaker than they found it—a nation where 3 million people are too sick to work because one in 10 nursing jobs is unfilled; a nation where one in three young people fails maths GCSE because around half of our schools do not have the maths teachers that they need; the nation with the highest energy bills and inflation, because we have the worst-insulated homes in western Europe. That is what we were elected to change.

As well as having a mandate to rebuild this nation, we were also elected to rebuild hope by creating a country that, once again, gets better rather than worse.

Graham Stuart: In the spirit of hoping for growth, the hon. Gentleman will be interested to know that I sent a survey to all the businesses in my constituency. Perhaps we are an outlier, but 95% of businesses in Beverley and Holderness said that they expect things to be worse as a result of the Budget. It might be different in the hon. Gentleman's constituency, especially if he stays at home.

Dr Sandher: I politely suggest that the right hon. Gentleman should not set up a polling company, as that is not an effective sampling strategy. Deary me. Where do I start?

Anyway, we are insulating our homes and hiring more nurses and teachers—and yes, we will pay those nurses and teachers enough money to keep them, because that is what responsible Governments do. All that investment needs to be paid for. That is why we are raising national insurance contributions for the largest employers, with £3 out of every £4 raised coming from the largest 2% of businesses. That will raise some £23 billion of investment that every family and business will benefit from. Crucially, we are raising that money while protecting the smallest businesses.

Mr Angus MacDonald: The hon. Gentleman keeps talking about the largest businesses, but the Government are completely wiping out small and medium-sized businesses across the whole hospitality and retail sector.

This is a catastrophic piece of legislation. He talks about a kamikaze Budget; we are considering a kamikaze Budget right here, today.

Dr Sandher: Not only are we protecting the smallest businesses by raising the employment allowance, but there will be business rates relief for the hospitality businesses to which the hon. Gentleman refers.

Christine Jardine: Does the hon. Gentleman understand how frustrating it is for Liberal Democrat Members to be told that this is the Scottish Government's problem? It is not the Scottish Government's problem; it is the problem of Scottish businesses if they are being hit by national insurance contribution increases without business rates relief. We are tired of hearing that this was a tough decision; it was an easy decision that is tough for businesses.

Dr Sandher: It is the responsible decision to invest in this country's foundation, so that we get the doctors, nurses and teachers that we all need, and to insulate our homes.

Adrian Ramsay (Waveney Valley) (Green): I share the hon. Gentleman's aspiration for getting more funding into the NHS. On Friday, in the debate in this House on supporting people at the end of life, hon. Members from across the Chamber highlighted the importance of getting more funding and support for palliative care, but Sue Ryder warns that financial pressures, such as the rise in national insurance contributions, could force closures of crucial hospices, which patients desperately need. Noting the wider case that the hon. Gentleman is making, would he join me in urging the Government to review and revisit the impact that the measure will have on health and care providers, and the wider voluntary sector?

Dr Sandher: The Government will set out exactly what the health and care budgets will be before next April, and the investment will go towards improving the health and care system that we and our loved ones rely on. All the money that is being invested in the health service, our teachers and elsewhere across the economy needs to be raised—and, yes, we are raising it from the largest employers.

By increasing the employment allowance, we are protecting the smallest businesses. Half of businesses will pay the same national insurance or less. A quarter of a million of the smallest businesses will see their national insurance tax bill fall. From tax revenue, we will invest in our people and our places to ensure that they can thrive, building on public investment in our infrastructure and our services.

Countries that grow the fastest are not simply those that tax the least. If all we needed to do to create prosperity was cut taxes to their lowest level, Somalia would be richer than Sweden. However, IKEA is not about to relocate to Mogadishu. The countries that grow the fastest are those that raise a return on investment. Returns are higher when businesses have the roads that they need to transport their goods, workers have the skills that they need to produce more, and all of us have cheaper electricity and well insulated homes. Those are the decisions that we have made, and were proud to make, in this Budget.

Across the Atlantic, in the United States, we have seen a multi-trillion dollar investment package, which helped to deliver the fastest growth in the G7. There were new roads, new factories and new clean energy projects from Wisconsin to Wyoming. That public investment led to the fastest post-pandemic recovery in the G7, whereas we had one of the weakest. That is why, here at home, we are investing to raise returns; investing in our schools, our NHS and home insulation to make us better educated and healthier and to get energy bills down for all and for good

Sean Woodcock (Banbury) (Lab): Opposition parties have spent an awful lot of time attacking various measures in the Budget. Does my hon. Friend agree that if they are going to do that, they need to point out which investment—money to our schools or to hospitals—they would not provide to alleviate their concerns?

Dr Sandher: I entirely agree with my hon. Friend. If Opposition parties wish to criticise the tax rise on the largest businesses and the wealthiest individuals, they must set out what services they will cut and who will not get a GP appointment or the teachers that are needed.

We are investing to raise returns. Investing in our schools, NHS and home insulation makes us better educated and healthier and gets energy bills down for all of us. That investment is paid for through tax revenue. The principle behind which we raise that is simple yet powerful: it is about collective contribution for collective benefit, sharing in the rebuilding of our nation and, of course, the rebuilding of hope.

Madam Deputy Speaker: I assure Members that we have now resolved the problem with the clock and that there is a six-minute time limit. I call Stuart Anderson.

4.16 pm

Stuart Anderson (South Shropshire) (Con): It is a pleasure to speak so high up on the list and to follow the hon. Member for Loughborough (Dr Sandher). I believe I will have different views from him in this jobs tax debate.

Manifesto commitments are very important. As politicians, we go out to the public and tell them what we are going to do. I heard time and again the phrase, “We will not raise taxes”, which Government Members will finish with “on working people”—I will come to the definition of “working people” shortly—so why are we now in a debate discussing national insurance contributions and how they will rise?

I have a couple of questions for the Minister. When the Chancellor looked at the figures and the OBR forecast, did she either not spend enough time on them, or did she not understand them? I am keen to understand that. Also, in the access talks, when Labour sat with the civil service, they were told about everything that was happening. At what stage did they then realise that the figures were completely different? They were not. Labour was able to see behind the scenes and the Chancellor had a full view, through which they could go to the British people and tell them they would not raise taxes—yet here we are today with a debate on raising taxes for working people.

I met a group of working people—I define them as working people—made up of almost every publican in Ludlow. They deal in hospitality at the highest level, given that Ludlow is the fine food capital of the UK;

indeed, I invite Members to come and see that great quality. I sat with those members of the hospitality industry. Some had been in it for a few years and many for a decade or two. They knew the trade in South Shropshire and know hospitality exceptionally well, having worked year on year and created a great reputation. They are at the stage where their turnover is the same, their footfall is roughly the same, but they cannot see, as of next April, how they can make a profit. We can argue backwards and forwards about what we think. I am listening to my constituents, in a town, who almost unanimously agree that they cannot see a way forward when the Budget comes into play next year.

Chris Curtis (Milton Keynes North) (Lab): Under the last Conservative Government, 10 pubs closed every single week. Before the hon. Member talks about our record, will he apologise for the record of the last Conservative Government, which was incredibly damaging to businesses, particularly hospitality businesses, across the country?

Stuart Anderson: I thank the hon. Member for his intervention. I am pretty sure the Chancellor has just said, “Hold my beer, I will make that 20 pubs a week.”

My constituents are really struggling with this Budget. They cannot see a way forward and are pleading with me to lobby the Government to say that this will not work for them. These are people who know what works for them inside out. They do not own massive businesses, but many of them employ more than four people. They may not have the broadest shoulders, but they have worked for many years to make things work. Businesses are struggling not just in Ludlow, but across my constituency. Small Business Saturday is coming up, and I am hearing business after business saying that they are finding it impossible to see a way forward next year.

Luke Myer (Middlesbrough South and East Cleveland) (Lab): The hon. Member is talking about small businesses. Last week, I was proud to host members of the Federation of Small Businesses here in Parliament, who welcomed the Budget, particularly the increase in the employment allowance, which will see the smallest businesses benefit—25,000 of the smallest businesses better off now than they were before the Budget. Are they wrong?

Stuart Anderson: I am pretty sure that the Federation of Small Businesses has not welcomed the national insurance rise on small businesses. I am happy to look at that, but I am convinced that no small business is enjoying a rise in employers’ national insurance contribution rates.

Finally, I have a question for the Minister. Does she believe that the Chancellor will still be in her position when this Bill comes into play—if it is voted through tonight?

4.22 pm

Paul Waugh (Rochdale) (Lab/Co-op): My hon. Friend the Exchequer Secretary rightly said that this Bill was about tough decisions. The Conservative party used to be about taking tough decisions. We may not have liked them, but we respected them because we thought that they were doing things in a pragmatic and consistent

[Paul Waugh]

way. Earlier this year—in my former life as a journalist—I interviewed the former Chancellor, Ken Clarke. He said this about tax:

“I didn’t have a fixation on taxation. Taxes sometimes have to go up. Taxes sometimes have to go down. It depends on the needs of the macroeconomy and the public need...And, yes, I raised taxes quite frequently and I cut some taxes...I made my mind up on what was necessary.”

Sadly, that Tory party is long gone, replaced by the libertarian ideological collaborators of chaos whom we see on the Opposition Benches. Worst of all, their sums simply do not add up, and, as a result, it has been left to Labour to clean up the mess they left behind.

The economic situation that we inherited in the summer was much worse than anyone anticipated, so much so that Richard Hughes of the Office for Budget Responsibility said that Treasury Ministers “failed their statutory duties”. He told the Treasury Committee that there was about “£9.5 billion worth of net”—

spending—

“pressure...which they did not disclose to us...which under the law, and under the Act they should have done.”

That is what he said to the Treasury Committee. If the hon. Member for Grantham and Bourne (Gareth Davies) wishes to dispute his words, will he please get up and say so?

I remember that Liz Truss and her Cabinet, some of whom are now in the shadow Cabinet, were in favour of fracking. Well, her mini-Budget certainly fracked our economy. It was a high pressure injection of debt-fuelled tax cuts made in the hope of extracting hidden growth. Instead, it created an earthquake on the money markets and led to rocketing mortgage bills that many are still feeling the aftershocks of today.

One thing that struck me most about that “Kami-Kwasi” Budget—yes, I do claim copyright on that phrase—was that the alleged tax cutters on that day were actually increasing the tax burden for millions through fiscal drag. Yes, buried away in that growth plan was the continuation of the previous Government’s plans to freeze tax thresholds, and they all backed that massive increase in the tax burden. I am pleased to say that this Government will end that fiscal drag act in 2028, uprating personal thresholds in line with inflation once again.

The chaos did not end with the Truss-Kwarteng double act, who drove themselves and the economy off a cliff like the Tory “Thelma & Louise”. Sadly, even the normally sensible right hon. Member for Godalming and Ash (Jeremy Hunt) put his own last desperate tax cuts before public services. His spending plans were incredible in that they lacked credibility.

Graham Stuart: On a point of order, Madam Deputy Speaker. I would never dare to tread on your toes, but perhaps something is wrong with the electronic equipment because the screen says that this is a national insurance debate, rather than some generalised debate. I sympathise, though, with the hon. Gentleman and other Labour Members for not wanting to talk about their own policies—they would rather slag us off.

Madam Deputy Speaker (Caroline Nokes): The right hon. Gentleman will be aware that that was not really a point of order. I am sure the hon. Member for Rochdale

(Paul Waugh) is getting to the point on the Second Reading of the National Insurance Contributions (Secondary Class 1 Contributions) Bill.

Paul Waugh: I am, indeed, coming to exactly that point, because this is set in the context of what the Tories left behind. The clear trajectory of their last Budget was to squeeze day-to-day public spending to just 1% above inflation every year until 2029. That carried dire implications for every unprotected Department—up to £20 billion of cuts a year. The Resolution Foundation calculated that that would be the equivalent of three quarters of the cuts of the austerity years—austerity 2.0.

Sadly, there is no evidence that the former Chief Secretary to the Treasury, the right hon. Member for Sevenoaks (Laura Trott), left her own note for her successor. If she had, it surely would have read, “I’m afraid to tell you there is no money for public services.” If the Conservatives had won the last election, what would that have meant in practice? My right hon. Friend the Health Secretary revealed that when he took office, he was told that the NHS was facing such large deficits it would have to cut 20,000 appointments and operations a week. Thanks in part to the national insurance rises in the Bill, he can now deliver on our manifesto commitment to provide 40,000 extra appointments every week, with our investment in mental health services treating an extra 380,000 patients.

Dr Luke Evans: Is the hon. Member aware that the Royal College of General Practitioners said that it will cost 2.2 million appointments just to service the NIC payments that must be made? How does that resolve our service provision in primary care?

Paul Waugh: The Health Secretary said that he will address that in due course, and I am sure that he will before April, as my hon. Friend the Member for Ealing North (James Murray) set out. The hon. Member for Hinckley and Bosworth (Dr Evans) may want to answer the question I put to the Conservative Front Bench. If they are so opposed in principle to national insurance rises, why did they support the health and social care levy in 2021? The hon. Member voted for it, as did the hon. Member for South Shropshire (Stuart Anderson) and the right hon. Member for Beverley and Holderness (Graham Stuart)—why? They cannot tell me why because they know they are being inconsistent.

Dr Evans: Will the hon. Member give way on that point?

Paul Waugh: If he would like to explain why he voted for it, yes.

Dr Evans: Absolutely. Does the hon. Member realise that we had to deal with that because the amount that we had to borrow in 2010 was £158 billion? For the pandemic, it was £400 billion. That is the kind of thing that the Conservatives have had to deal with that led to the difficult decisions. We were on track to have the fastest growing economy, which has now been trashed by decisions taken by Labour.

Paul Waugh: In the process, you left us with a massive structural deficit.

Madam Deputy Speaker: Order. That is the second time the hon. Gentleman has done it: I have left nothing.

Paul Waugh: Forgive me, Madam Deputy Speaker. Labour is the party taking tough decisions today and refusing to duck the issues that the Conservatives were so timid to grasp, from planning reform to energy security, from welfare reform to removing tax breaks for the richest.

In the past four weeks, the Conservatives have made £6.7 billion of commitments to cut taxes, but they have not said which public services they would cut to fund them. But the most damning indictment of their low-pay, low-growth, low-investment, low-productivity economics was the model that totally failed. In 1964, the outgoing Tory Chancellor Reggie Maudling bumped into James Callaghan and said,

“Good luck, old cock. Sorry to leave it in such a mess.”

It is a shame that the current Tory party cannot earn up to their own failures with a similar sense of regret or humility.

4.29 pm

Ben Lake (Ceredigion Preseli) (PC): It is a pleasure to follow the hon. Member for Rochdale (Paul Waugh). I rise to relay some of the concerns that have been raised with me by constituents and businesses. They are concerned not only about the impact of the Bill's proposals on small businesses in my constituency, but about the provision of public services there.

It has been interesting to listen to various opinions on this matter, but I will begin by pushing back on the implication made by some that the changes in the Bill will not have an impact on small businesses. The fact is that the Office for Budget Responsibility estimates that from 2026-27 onwards, 76% of the total cost of the increased employer national insurance contributions will be passed on through lower real wages. That tells us not only that there will be an impact on businesses, but that contrary to what has been suggested by some in the Chamber, there will be an impact on workers.

Much has been said about the impact on businesses, and I very much agree with those concerns, but I will concentrate my remarks on the impact on public services in Wales. It is worth noting that 30% of the Welsh workforce is employed in the public sector—a much higher proportion than the rest of the UK—so the proposed increase in employer national insurance contributions equates to some £380 million. Clearly, the Bill will therefore have significant consequences for the provision of public services, and it remains unclear whether the additional Government support—or the reimbursement—will meet the increased cost.

Local authorities across Wales already face budget shortfalls of over half a billion pounds. At a time of significant budgetary pressure, Ceredigion county council—one of the county councils in my constituency—estimates that the increase in NICs will total over £4 million in one year alone. Communities deserve assurances that essential services will not be further jeopardised because funding gaps are exacerbated by the changes in the Bill. Can the Minister confirm that the full cost of the increased national insurance contributions will be reimbursed to local government in Wales? Furthermore, will that additional support be recurring? The last thing

we want is for additional costs to be covered in years one, two and three, only for local government to face a funding cliff edge after that.

In addition to the direct cost to public authorities, for which the Government have suggested they will provide additional support, we should also bear in mind the other organisations—public and third sector organisations—that are integral to delivering many of the public services that we consider valuable to society. Social care providers are one example. They care for the vulnerable and help to alleviate pressure on the NHS, yet the cost of the NICs increase could be devastating for them. Care Forum Wales estimates that the cost to its members across Wales will total a staggering £45 million. I heard what was said from the Treasury Bench about additional support being allocated in the usual way, but I would like to know how that additional cost will be allocated to Wales. I understand that, in their conversations with the Welsh Government, the Government in Westminster are discussing the additional costs of only the public sector organisations that will be reimbursed directly. There are other examples in the third sector, including citizens advice bureaux, which, although they provide invaluable support to some of the most vulnerable in society, are facing significant additional costs without there being any talk of Government support.

Graham Stuart: The hon. Gentleman may have noticed that the OBR had to amend the numbers that it produced after the Budget because it had reduced the cost of compensating the public sector and social care by around £800 million a year. Does he, like me, want the Minister to clarify whether the Government intended to put nearly £1 billion extra into social care costs, and when it was decided, and by whom, that they should not go ahead and should leave social care in the parlous position it now finds itself in?

Ben Lake: I very much agree. I hope that the Minister will return to that in her summing up.

I labour the point about the third sector and public sector organisations that do not stand to receive reimbursement from the Government because they are so crucial to delivering many of the public services that we have heard so much about in the debate. There is a real risk that if our social care hubs, hospices, dentists and GPs are not adequately reimbursed, all the Government will do is erode the value of the investment that they claim to be making in those services.

I could also say a little bit about the university sector. Higher education is a very important sector in my constituency: Ceredigion Preseli is home to two universities, Aberystwyth University and the University of Wales Trinity Saint David. Both organisations are currently facing very difficult times, as are most higher education institutions, and both state that they will be dealing with quite significant additional costs next year when the Government's proposals come into force. There is no talk of additional support for those institutions, so I worry very much that we will lose the incredible economic contribution they make to my constituency, let alone their important social and cultural contribution.

Luke Murphy: Is the hon. Member about to come on to the part where he welcomes the largest real-terms settlement for Wales since devolution?

Ben Lake: I am very grateful to the hon. Gentleman for his intervention—we have been blessed with many of his contributions this afternoon. With the Barnett formula, I am not going to thank the hon. Gentleman's Government for a larger settlement, because that settlement is only a function of spending decisions made to address the needs of public services in England. If they had proposed a reform of the Barnett formula to make it a proper needs-based formula, I would very much congratulate the hon. Gentleman and his Government on doing so.

We all recognise the need to raise revenue to meet the challenges facing our economy. We have heard some alternative suggestions this afternoon—the Government could well have decided to look again at corporation tax, or at least to tackle businesses on the profits they make. Other proposals that the Government might have considered include changes to capital gains tax; for example, a full equalisation of capital gains tax rates could raise £14 billion a year. There has also been no mention by the Government of exploring a wealth tax on the ultra-rich. It is not fair that wealth inequality continues to grow at the expense of our public services and communities. It has been suggested by some that a 2% tax on assets over £10 million, which would target the top 20,000 richest people in the country, could raise £24 billion.

I fear that the proposals in this Bill will have a significant impact on both the workers and the businesses in my constituency, as well as—quite importantly—the provision of public services. We have already heard in this debate many alternative proposals that the Government could have implemented, but decided not to.

4.37 pm

Ms Polly Billington (East Thanet) (Lab): The decision we are taking today to raise employer's national insurance contributions is a difficult one, but ultimately, it is the right choice. The situation we inherited from the last Government was so dire that it means tough choices need to be made. Asking larger businesses to pay a little more so that we can fix our broken services is a fairer option than asking working people—who already face the highest tax burden since the second world war—to pay more.

My case today is not only a moral case, but an economic one. People who think public services are a drain on the economy fail to understand how those public services make our economy function. I am reminded of a 70-year-old woman I met on the doorstep in East Thanet who was told she would have to wait 16 weeks for an initial scan to find out whether she had cancer, or the mother who had to drive around east Kent in the dark before Christmas to get medical treatment for her child who was suspected of having meningitis, because she could not register her child at a GP practice. Healthcare in east Kent is on its knees. This year, East Kent hospitals trust, which runs the Queen Elizabeth The Queen Mother hospital in Margate, recorded the highest number of 12-hour waiting times in England. When polled, only 45% of its staff said that they would be happy for a loved one to be treated at that trust—what an indictment.

I am prepared to accept that problems like this have existed for longer than 14 years in coastal constituencies such as mine. The NHS crisis is particularly acute in

coastal communities such as East Thanet, as highlighted by a 2021 report by Chris Whitty entitled "Health in Coastal Communities". We have some of the worst healthcare outcomes in England, with a higher rate of major diseases and a lower life expectancy, so this funding is essential for healthcare outcomes in East Thanet and in coastal communities across the country. There is a real need for a coastal communities healthcare strategy, but I challenge the Opposition to say how they would fund our NHS and improve health outcomes in coastal communities. They want all the benefits of the Budget, but they will not back the measures to deliver those benefits. They need to take some responsibility for the situation we find ourselves in.

There are structural problems that we can put down to the last 14 years of Tory Government. Chronic mismanagement of the NHS and years of underfunding have left the health service crying out for help. Shifting public health responsibilities to local authorities makes sense and moving healthcare to where people live is an essential reform, but doing that while cutting real-terms funding for local authorities has been a disaster.

This is not just about making a moral argument for free healthcare at the point of use. I hope that argument has been won across most of society and in this place. This is an argument about people being able to contribute to the economy. We cannot have growth with a sick workforce and a failing healthcare system. This is about the people who are using savings to go private, or having to take time off work because they cannot afford to pay and are too sick to work. There are shift workers trying to earn money and waiting weeks for a doctor's appointment, and small business owners working through healthcare issues when they should be getting treatment, because they cannot afford to take time off. Nobody says that this does not have an economic impact.

Dr Roz Savage (South Cotswolds) (LD): I know that difficult decisions have had to be made, but I have been talking to small business owners. I am particularly thinking of the owner of a chain of convenience stores in Lechlade, and the difficult decision he is having to make of which of his part-time workers he is going to lay off in the run-up to Christmas. Should not the difficult decisions be those of the big tech companies about whether they actually pay their fair share of corporation tax? Should they not be the really tough—

Madam Deputy Speaker (Caroline Nokes): Order. If the hon. Lady wishes to speak later in the debate, she is very welcome to do so, but interventions have to be short, and we have a lot of people to get in.

Ms Billington: I thank the hon. Lady for her intervention. I agree that if we are to revive the high street, we will need to make sure that the online giants pay their way, and I look forward to making that argument in the future.

I refer again to the 70-year-old woman I met on the doorstep in East Thanet who was told she had to wait 16 weeks for a potential cancer diagnosis. She also told me that this is impacting on her ability to provide childcare for her family. We sometimes do not appreciate the impact on society and our economy of having an inadequate healthcare system, but it has an enormously wide-ranging impact. Raising national insurance

contributions on employers is a difficult choice, but given our economic inheritance and the dire state of our NHS, it is the right one.

Do the Opposition think we should not increase NHS funding by £25.6 billion or that we should not recruit 6,500 new teachers for our schools? If they agree with these investments, how do they suggest we pay for them? There is a choice—stability, investment and reform, or chaos, incompetence and stagnation. I urge the House to support these measures to fund the NHS that the economy desperately needs.

4.42 pm

Ben Obese-Jecty (Huntingdon) (Con): The Government have repeatedly claimed that this is a tax on businesses, not a tax on working people, and how wrong they are. They are not only wrong, but deeply disingenuous to the people we represent who will see prices increase, their chances of employment become more difficult, and many businesses having to wind down or restrict their operations.

The owner of the Barley Mow pub in Hartford wrote to me expressing his concerns and frustration at the lack of detail the Government have provided about support for the hospitality industry. This echoes the representations made by UKHospitality, which has said that

“the tsunami of employment costs coming in April will ultimately do more to hamper growth than incentivise it. Increases to employer NICs and wages will make it harder for businesses to support employment and invest in their businesses.”

I would like to hear from the Economic Secretary, when she sums up, why the Government want the amazing pubs, restaurants and catering businesses in Huntingdon to suffer this unfair, ill thought through and deeply unpopular jobs tax.

The British Retail Consortium wrote to the Chancellor expressing its grave concerns about the impact this will have on the businesses it represents, with our largest supermarket chains having to pass on these costs to consumers, and that is before we talk about the impact of this Budget on farmers, but I am sure Labour Members will have plenty to say about that tomorrow.

Not only will businesses with high numbers of lower-paid workers be impacted, but I have received many emails from GP surgeries and hospices that are terrified about what this means for them. I pay tribute to the Cambridgeshire local medical committee for the work it has done in raising the fact that the average GP surgery in Huntingdon, with just under 14,000 patients, will face increased costs, with the minimum wage and national insurance changes, of approximately £48,000. That money is equivalent to the salary for three and a half sessions of a newly qualified GP, one full-time equivalent nurse, and almost two full-time healthcare assistants. Added to that, a GP who has served Huntingdon for 30 years told me that the increased costs might see many practitioners hand back their contracts. Who will suffer from that? The staff of Moat House surgery or Grove medical practice who could be out of jobs, and the patients of Priory Fields or Brampton surgeries who might lose their GPs.

Dr Duncan Outram and Dr Barbara Uszycka have a combined 62 years of service in the NHS, 50 of which have been serving Huntingdon. They told me that the estimated black hole of £37,000 is causing great concern

not only about their future plans, but because it risks more young professionals leaving the NHS. GPs serve our communities in the most amazing way and they are a key part of medical care for so many of us. The impact that the measure will have on NHS provision is deeply damaging and must be reviewed. We must protect the NHS to ensure that our constituents get the care they need, but this policy does the opposite.

Added to the list of those concerned are hospices, which are already so overstretched. Despite being a key part of end of life care, they are terrified about the impact of this measure on the amazing care that they offer. Furthermore, we have hardly heard what it would mean for our armed forces. Although we constantly hear from the Government that they are prioritising national security, we do not know what the potential impact of this provision would be on the MOD's budget. All that shows that the Government are rushing into implementing something, without any detail about what the impact will be in so many areas.

In conclusion, I urge the Government to rethink and have the moral courage to take ownership of their mistake. If they go ahead with this policy, we will see people lose their jobs, businesses be unable to expand, care provision stretched even further, and working people suffering. The Government should go back to their manifesto and say no to back-door stealth taxes on working people.

4.46 pm

Andrew Lewin (Welwyn Hatfield) (Lab): The Budget delivered in this House a few weeks ago was a Budget for growth, investment and public services. It was a Budget delivered by a Chancellor who was direct about the scale of the challenge that we inherited from the Conservative party, and who was clear and optimistic that we can build a better country, but only with honesty and clarity about how we raise the revenue we need. The increase in employer national insurance contributions will raise £25 billion. That is a choice made by this Labour Government, but it was the only responsible choice available to us on discovering the depth of the damage done over the last 14 years.

Graham Stuart: The cost to the economy is over £25 billion, but the net cost, having adjusted for behavioural change and compensating the public sector, is more like £10 billion or £11 billion. Does he regret that this particular vehicle was chosen? It damages the economy, it will take nearly £20 billion out of people's wages, and it raises only £10 billion or £11 billion. It is about the worst tax imposition we could think of.

Andrew Lewin: I do not regret the vehicle we have chosen. I have faith in the figures in the Red Book. Interestingly, I have heard colleagues on the Opposition Benches cite the OBR, and that is from the same party who, just two years ago when it was in government, wanted to get rid of the OBR and not listen to expert voices at all. Indeed, I remember them saying that they had “had enough of experts”.

We have heard lots of supposedly deep concern for business from Conservative Members. Of course that was not so much of an issue for the former Member for Uxbridge and South Ruislip, who as Prime Minister told his Government to “eff business”. Or indeed for his successor, the former Member for South West Norfolk.

[Andrew Lewin]

Her one fiscal event as Prime Minister was called a “mini-Budget”, but the lasting damage that it did to our economy was anything but small—markets in turmoil, higher mortgage repayments for thousands of my constituents in Welwyn Hatfield, debt rising, debt interest payments up, and of course not even a hint of an apology.

As for the most recent Administration, I am sorry not to see the shadow Chancellor in his place. During the election campaign I hugely respected how many times he hit the airwaves of TV and radio stations to defend the manifesto that the Conservatives put to the country. For a verdict on that manifesto I defer to Paul Johnson, director of the Institute for Fiscal Studies, who said:

“What the manifesto did not tell us was where the £10 to £20 billion of cuts to spending on unprotected public services...might come from. This manifesto remains silent on the wider problems facing core public services.”

The Labour party will not stay silent on the problems facing our public services. Opposition parties can choose fantasy economics; we choose a change to national insurance to fund the rescue and reform that our public services need. That change starts with paying our public servants properly. When I go through the Lobby to support this national insurance Bill, I will think of the serving members of the armed forces, who received a 6% pay rise from this Labour Government, the biggest in 22 years. I will think of the extra money in the pockets of the police, who faced down the shocking disorder in our communities across the country this summer. I will think of Daisy and Jake, the two paramedics I joined on a shift in Hertfordshire a few months ago.

Stuart Anderson: Has the hon. Member spoken to anyone in his constituency who is not in the public sector?

Andrew Lewin: Absolutely. I speak to businesses day in, day out. Those businesses say to me, “Thank goodness we have had a change in government after the past 14 years.” I will return to Daisy and Jake, because I would like to put them on the record. I joined those two paramedics on a shift in Hertfordshire. They are extraordinarily dedicated public servants finally receiving an overdue boost to their incomes.

I also think of our teachers. I have visited a different school in Welwyn Hatfield in almost every week of this job, and it is invariably the highlight of my week to meet such dedicated staff and inspiring pupils. At the same time, it is evident how many schools are stretched to their limit and beyond. This change to national insurance helps to fund a billion in extra revenue for the special education needs and disabilities budget and, further, it makes sure that we can recruit 6,500 additional teachers across the country.

Everyone in this House has a choice today. Members can choose to oppose the Bill and by doing so confirm that they are not serious about the public finances or our public services, or they can support it, and back our nurses, the police, the fire service, teachers and our serving military personnel. I will back this Bill as I backed the Budget. Together, they are the foundation on which this Government will deliver on our manifesto and drive the change our country so badly needs.

4.51 pm

Adam Dance (Yeovil) (LD): I welcome some of the measures introduced in the Budget, such as more investment in the NHS to start repairing all the damage done to our local health services by the Conservatives. However, the increase to employer national insurance contributions is the wrong decision and will have a serious impact on key sectors and services across the country.

A few examples of such negative impacts stand out. First, on local authorities, I was glad to hear from Somerset council that it believes it will be fully compensated in the settlement for its share of the increase in employer national insurance contributions this year, but as the Minister knows, Somerset council works with care organisations and care homes to provide care for more than 5,000 people. As their share is not covered, those companies will need to increase their charges to Somerset council, impacting hugely on the council finances. Will the Minister commit to supporting the council with those extra costs?

Secondly, many community pharmacies that provide essential services in my constituency and across the country, affecting everyone, are struggling with existing financial pressures. The community pharmacy sector has faced a decade of funding cuts, and the NHS workload has increased. We have already lost 1,200 pharmacies from our communities since 2015. However, as independent contractors, pharmacies will not be exempt from the rise in national insurance. How does the Minister expect pharmacies to continue to support communities and the NHS when yet more pressure is being placed on them?

Finally, the Government have made funding and supporting access to nurseries a priority, which I welcome, but raising the national insurance rate for employers could worsen the shortfall of nursery funding, with parents having to pay. The Early Years Alliance said that 95% of childcare providers were set to increase fees, as the Government did not mitigate the national insurance contributions increase and the rise in the minimum wage. Will the Minister commit to supporting nurseries too?

In conclusion, raising national insurance is a tax on jobs that will deal a hammer blow to small businesses and struggling care providers. Should the Government not look to raise money by reversing the Conservatives’ tax cuts for big banks or by asking social media giants to pay their fair share, rather than burdening sectors that provide essential services to our communities?

4.54 pm

Jim Dickson (Dartford) (Lab): It is real pleasure to rise in support of the Bill and to follow excellent speeches from Labour Members setting out eloquently why the Bill is necessary. As the House has dissected at length in recent weeks in the debates following the Budget and last week’s debate on the Finance Bill, which I was happy to take part in, the public finances that the Government have inherited are clearly in an incredibly parlous state—that is probably the politest description that anyone has used today. I want to outline briefly why the Bill is necessary and how it will protect and promote small businesses across our country.

The Bill forms part of a long-term plan to fix the foundations of our public expenditure and provide much-needed support to public services, which we must

have if all our constituents are to receive the support they need. The measures in the Bill on national insurance cannot be seen in isolation; they are part of a range of actions announced at the Budget, including abolishing non-dom tax loopholes, extending the levy on oil and gas companies, and reforming stamp duty land tax.

The Bill represents not the easy choice so often taken by the Conservatives, who self-evidently failed to fix the roof while the sun was shining, while still putting up taxes to their highest levels for 70 years. It represents the tough choices that are necessary to get us back on an even footing. The measures contained in the Bill are in large part how the new Government will begin to address the need to cut NHS waiting times, which we all know were at record highs before the devastation caused by the covid-19 pandemic, as well as the crises in our courts, local government, social care and our schools among other areas.

I want to focus in particular on how small businesses are protected in this legislation as well as more broadly on the measures announced at the Budget. Small businesses are the lifeblood of our economy across our country, and particularly so in my constituency. One of the great pleasures of the last few months has been to visit and meet the people who run small businesses across Dartford, in Swanscombe, Greenhithe, Longfield and other places.

I want to quote the Federation of Small Businesses, since it has been mentioned in the debate. In response to the Budget, and recognising that it was a tough Budget, it stated:

“Increasing the employment allowance for small businesses by a record amount is a very welcome move and we’re pleased the Chancellor has heard us loud and clear.”

Ben Obese-Jecty: You state—

Madam Deputy Speaker (Caroline Nokes): He!

Ben Obese-Jecty: Sorry, Madam Deputy Speaker. The hon. Member stated that he has spoken to constituents and many small businesses across his constituency, but he quoted the Federation of Small Businesses. Could we hear from businesses that he has spoken to as to how this measure benefits them?

Jim Dickson: The businesses in my constituency feel that the most important thing is to have a good trading environment, and I am happy to report that they feel that if we have support for public services and economic growth, the trading environment will be right for them.

The FSB also said:

“Against a challenging backdrop, today’s Budget shows a clear direction in business policy now for the whole of this Parliament to target support at small businesses, rather than big corporates—prioritising everyday entrepreneurs working in local communities in all parts of the country.”

That is thanks to the choice that the Labour Government have made to protect small businesses by increasing the employment allowance, as has been said, and expanding it to all eligible employers.

It must also be seen alongside the Government’s plans to rebalance business rates and new measures announced in September, which I very much welcome, to support small businesses and the self-employed by tackling the scourge of late payments, which, according to the Smart Data Foundry, cost small and medium-sized enterprises

£22,000 a year on average and, according to research by the Federation of Small Businesses, lead 50,000 businesses to close each year. Taken on balance, the measures to assist small businesses and the measures to invest in public services make this a Budget that is positive for our country and will help to rebuild our economy.

4.59 pm

Bradley Thomas (Bromsgrove) (Con): There appears to be a glaring omission on the part of the Government: without a thriving private sector, there is no public sector to fund at all. I wish that Labour would acknowledge that much more vehemently and clearly than it appears to.

The Government talk a lot about public services and how the proposals they have put forward in the Budget will support a thriving public sector, but we do not hear about the public sector needing to deliver much more, in terms of productivity gains. If we keep throwing money into public services without a serious plan for structural reform, we fail every single stakeholder—the taxpayer, and, if we are talking about the NHS, the patient and the doctor.

Rachel Blake (Cities of London and Westminster) (Lab/Co-op): We have heard a lot this afternoon about investment in the public sector and what the proposals will do to small businesses, but we have not heard the Opposition recognise that this country needs a healthy workforce. The Bill proposes a sustainable and manageable approach to funding that healthy workforce. Will the hon. Gentleman describe to the House how damaging the previous Government’s treatment of the workforce was, and the long-standing and growing number of people claiming out-of-work benefits? Does he not see that the Bill will make a sustainable contribution?

Bradley Thomas: I think the hon. Lady misses the point that I am making. If we are to have a thriving, sustainable set of public services, it is not just a case of funding them; we need structural reform, so that we can deliver the best-quality services at the point of need. Take the NHS as an example. It is fundamentally different from how it was at its inception. People live longer and suffer from different illnesses. It is incumbent on Government, the whole of the public sector and this Parliament to focus on how money is spent to deliver value for money for everyone involved.

A few weeks ago, the Chancellor said that businesses that were concerned about the impact of proposals in this Budget should “cut their cloth accordingly”. Well, the same should apply to Government. Every single one of us should challenge Government to spend our money much more effectively. Once we do that, the tax burden will come down, and when that happens, we can pass on those savings. It is those savings that will ultimately underpin and provide the foundation for an economy that will grow and incentivise businesses across the board.

The Government talk a lot about the climate and the context that they inherited, but they repeatedly fail to acknowledge covid—one of the biggest public finance interventions this country has seen, which took place only a few years ago.

Tom Hayes: I agree that there needs to be reform of the NHS alongside this investment, and I welcome the point that the hon. Gentleman is making. In a recent speech,

[Tom Hayes]

the Secretary of State set out what some of those reforms could be; I would welcome hearing what the hon. Gentleman thinks the reforms to go alongside the investment ought to be. Would he acknowledge, too, that one of the reasons why the NHS was in such a difficult position when dealing with the pandemic was that it was starved of funding and left under-prepared?

Bradley Thomas: Absolutely not. I do not agree with the hon. Gentleman. Under the previous Government, the NHS received record levels of funding. The Government have committed additional funds to the NHS, but they have not put forward a productivity improvement plan. The Government are unable to deliver structural reforms because they are in the pocket of their union paymasters. They have zero incentive at all to structurally reform the public services that they claim to care about so dearly. I touched on covid and the financial climate that this Government inherited. Over 14 years, the previous Government delivered 800 jobs per day. The previous Government also delivered a direct cut of £900 in national insurance to the pocket of every “working person”.

Governing is about choices. In this Budget, the Government are borrowing £40 billion of additional spending. In reality, we are seeing the same old tax-and-spend Labour. Let us look at some of those choices. National insurance contributions are up. The Chancellor said that NIC increases for employers would be a jobs tax. The Institute for Fiscal Studies said that would be a straightforward breach of the manifesto. Rate relief is down. A typical pub is paying £6,000 more in business rates per annum. There is the family farm tax, which I desperately hope this Government will do a U-turn on, and the education tax.

Let us look at the impact of all those decisions. The economy is flatlining—there was 0.1% growth in quarter 3. Inflation is up, from 1.7% to 2.3%. There was a 64% increase in business closures the week after the Budget. Asda has said that the Government’s decisions in the Budget risk price rises. John Lewis has said that it is worried about the impact of the national minimum wage increase. Two thirds of businesses claim that they are looking at freezing recruitment or making job cuts. We have already heard hon. Members talk about the impact on the charity sector. In fact, during this debate, I received an email from YMCA, which said that because of the increase in national insurance that it will have to pay in Worcestershire, it will look to freeze all recruitment and probably make redundancies. It will not be able to give a pay award to any of its staff, and it will look at cutting services. That is damning. We see from the Government an ideological pursuit of a policy that is really a false economy. Labour is failing the very working person that it claims to be protecting.

5.6 pm

Olivia Bailey (Reading West and Mid Berkshire) (Lab): I have been an MP for five months. I have had some wonderful moments in my constituency and in this place, but there have also been some tough and sobering moments. One of those was soon after the election, when I sat here listening to the Chancellor’s statement on the public spending inheritance. I heard about the huge hole in the public finances, the promises made

without the money to pay for them, a promised new hospitals programme with no money behind it, and promised compensation for miscarriages of justice and promised funding for Ukraine that were not in the Conservatives’ budget. I was truly shocked by the sheer scale of Conservative economic mismanagement and—I will admit—I was intimidated by the sheer scale of the challenge to put it right.

Stuart Anderson: Has the hon. Member seen a breakdown of the £22 billion black hole? Because I have not.

Olivia Bailey: The hon. Member should go on Google.

In the months that have followed, I have been proud that this Government have been willing to make the hard choices necessary to protect our economic security, and have taken the long-term decisions necessary to fix the foundations of our country and finally prioritise our broken public services. We are investing in the NHS, rebuilding our crumbling classrooms and recruiting thousands of teachers to end the era of government by press release and empty promises. That is why I support this legislation.

Paul Holmes (Hamble Valley) (Con): The hon. Lady stated that she was intimidated by her Budget. I should imagine that is very true—

Olivia Bailey: I did not say that.

Paul Holmes: Okay. Well, was she intimidated by her Budget? I take it that she would be intimidated by the growth that has been revised downwards, by business confidence crashing, and by private sector employers stating that they will have to let employees go because of the red tape put on businesses, all through this Government’s Budget.

Olivia Bailey: I ask the hon. Gentleman not to twist my words. I very clearly said that I was intimidated by the sheer scale of the mess that the Conservative party left our economy in, and the hard conversations I have had to have with my constituents because of how much harder that has made it to make things better for them.

Some of the bigger businesses in my constituency will find the changes difficult, and I thank those who have shared their views with me, but I believe that this was a fair choice, given the situation that we are in. Small businesses in my constituency will benefit from the changes, and there is also the benefit to all of us from our significant investment in public services. Hairdressers, beauticians, cleaners, independent shops and artisan bakers—the lifeblood of Reading West and Mid Berkshire—will stand to benefit from the expanded employment allowance, which will allow them to employ the equivalent of four full-time workers on the national living wage without paying any national insurance contributions on their wages.

Businesses in my constituency will also benefit from our reforms of business rates, our action to tackle late payments, our significant investment in roads and infrastructure, our plan to restore our high streets, our commitment to the lowest corporation tax in the G7, and, of course, our cast-iron commitment to protecting economic stability and growing our economy.

As we heard from my hon. Friend the Member for Basingstoke (Luke Murphy), the Conservatives want to have their cake and eat it. They say that they support investment in our public services, but they do not say how they would pay for it. They have perfected faux outrage, but they crashed the economy and left a huge mess for us to clean up. They are yet again unwilling to make tough decisions in the national interest, but we will not repeat their mistakes. We will fix the foundations of our economy and our public services, working hand in hand with our great British businesses, and we will get our future back on track.

5.10 pm

Dave Doogan (Angus and Perthshire Glens) (SNP): What is the café owner, the hotelier, the mobile mechanic, the gardener, the florist and—dare I even say it?—the farmer, if not an ordinary working person? The Government's false prospectus and their dubious cleavage between who is and who is not an ordinary working person is the snake oil that will be their undoing sooner rather than later. I also inform Treasury Ministers, which I really should not have to do, that when they refer to a business consisting of four or five people, they are referring to a microbusiness, not a small business. One would really expect the Treasury to be able to make such a distinction.

The Scottish Government pointed out last week that Labour's raid on national insurance would leave a shortfall of at least £200 million in Scottish public sector finances. Labour's own figures show that the cost to Scotland of the national insurance increase will be over £500 million, including a cost of £191 million to Scotland's NHS, and that is corroborated by the Fraser of Allander Institute, which has estimated that the Scottish Government will be left with a £500 million shortfall as a result of these taxes. In my constituency, Perth and Kinross council is facing a £5.4 million recurring pressure, while Angus council faces a £5 million pound pressure. When indirect employees such as those in childcare settings, general practices, colleges or social care are included, the figure in Scotland rises to £750 million pounds, for which we have been offered £300 million in compensation. It is absolutely scandalous. In Scotland, which has more top universities per head of population than any other nation in the world, the university sector is under tremendous pressure. And what of the private sector? The bill for Scotland—the gross quantum by which it will be penalised by this fiscal misadventure—is £2 billion, and the private sector is on the hook for £1.25 billion of that, which is entirely unacceptable.

While we are talking about what is happening to Scotland, wouldn't it have been nice if some of the Scottish Labour MPs had turned up for the debate to speak up for their constituents? *[Interruption.]* Perhaps one who was not a parliamentary private secretary, and did not have to be here.

About 600,000 people in Scotland are employed in the public sector, making up 22% of the workforce, as opposed to about 17% in the UK as a whole. That means that exposure in Scotland is even greater. The Fraser of Allander Institute has said that the UK Government appear to be applying Barnett consequential to the public sector compensation for increased NICs,

although public sector employees are not uniformly distributed between Scotland and rest of the UK. It notes:

"The UK Government has set aside £4.7 billion to compensate public sector employers",

although the institute says that "it remains unclear" how they have done that. It says that

"The size of the Scottish devolved public sector is 547,000, which is 9.2% of all public sector employment in the UK".

That is a consequence of Scotland's geography, and of political decisions that have been made in Scotland. I am not shying away from that; far from it. I am proud of it.

The Westminster Government have increased the Scottish block grant for 2025-26 by £3.4 billion, which comes with a £2 billion clawback. That is devolution in a nutshell. The increase in national insurance will prove disastrous for wages, public services, businesses and growth in Scotland. Ahead of Scotland's Budget tomorrow, it is vital for the UK Government to reconsider their approach and fully fund this Labour national insurance raid.

The OBR has said that it believes most of the increase in national insurance will be passed on to workers and consumers in the form of lower wages and higher prices—you do not need to be an economic wizard to work that out—and the Institute for Fiscal Studies has warned that the move will increase the cost of employing a worker in the bottom fifth of earners by 4%, compared with around 1.5% for workers in the top fifth of earners. As such, it is clear that this intervention will hit lower-paid workers worst and increase the risk of fewer jobs being available in the marketplace.

Business owners have said that they are now rethinking expansion plans for 2025 or delaying planned investments. In a joint letter earlier this month, 81 of the biggest retail names in the UK warned the Chancellor that her Budget

"will make job losses inevitable, and higher prices a certainty."

The chief executive officers of Sainsbury's, Asda and BT are all talking about rises in their operating costs, which will have to be funded somewhere, most likely through price rises.

The British Medical Association has described the national insurance increase as an

"existential threat to NHS General Practice".

GPs are already struggling with a recruitment crisis and staff shortages at a time of growing demand and increasing pressures, and a survey of care home providers in Scotland found that nearly half of them are noting the very real possibility of service closure as a result of the increase in national insurance. Similarly, charities are negatively affected.

This measure is dysfunctional in a literal sense. It will not deliver what the Government hope; rather, as we all know and the Government should know, it will reduce growth, suppress wages, cost jobs, lower recruitment, increase inflation and lower living standards. What kind of Government would carry out such a calamitous act of economic self-harm? Well, we know: this kind of Government. I look forward to voting against this Bill tonight.

5.16 pm

Mark Ferguson (Gateshead Central and Whickham) (Lab): In the recent autumn Budget—it might feel like a long way away, but it was only a few weeks ago—the Chancellor made a decision to change the system of employer’s national insurance contributions. The purpose was to make the largest businesses make a contribution to fund the public services on which working people and businesses rely.

As part of the changes to national insurance, we have increased the employment allowance to £10,500, explicitly to protect small businesses. The changes mean that a quarter of a million employers will see the amount of national insurance that they pay get cut.

Richard Tice (Boston and Skegness) (Reform): Does the hon. Gentleman seriously consider a GP surgery in my constituency with seven doctors and six members of staff to be one of the largest businesses, even though it is suffering from tens of thousands of pounds in extra costs and will have to lay people off, which will reduce capacity?

Mark Ferguson: I thank the hon. Gentleman, because he makes an excellent point that I was hoping to come to later in my speech. The previous Government cut national insurance, and do you know what was also cut? The number of GPs in my constituency. It is more complicated than Members pretend; it is not “national insurance vs. GPs”. If it were that simple, I would have more GPs, not less, in Gateshead Central and Whickham. I would urge those who were enthusiastically cheerleading the previous Government to take a moment to think about that.

Chris Vince (Harlow) (Lab/Co-op): It is right to say that politics is far more complicated than soundbites. The previous Government, alongside their coalition partners, brought in austerity, which had a huge impact on small and medium-sized businesses, because it affected the spending power of working people. Does my hon. Friend agree?

Mark Ferguson: I thank my hon. Friend for making that point. It is always worth reminding Members of all shades and stripes of the existence of the coalition Government. Quite often I hear the Liberal Democrats talk about 14 years of terrible decisions, but I am afraid that they have to own five of those years.

We have not heard the Opposition thank this Government for increasing the minimum wage—the words are “thank you”, by the way—to £12.21 an hour. As we have seen, when we increase the minimum wage and put more money in the pockets of working people of all stripes, we see more money spent on high streets and in local communities, and more thriving local businesses. I have been meeting local businesses recently, including Prism Coffee in Saltwell park—it does an excellent flat white, by the way—the Rare Drop in Low Fell, which has an absolutely fantastic selection of beers and cheeses, and my next-door neighbour, the owner of Creations and Alterations, who can do some work on your suit.

But what people in Low Fell have been speaking to me about recently is crime—retail crime and crime on our high streets—and we are going to tackle that by raising money and spending more on the police so that they can be not only a visible presence in our communities

but solve crimes. For too long, break-ins have been ignored, and that is a fundamental problem for businesses. If they are having to spend £1,400 on getting shutters for their shop on the high street, that is a fundamental hit to their bottom line. If they are having the back door of their business kicked in every night of the week, whether money is stolen or not, that it is pushing up their insurance premiums and it is a hit to their bottom line. How do we tackle that? With more police on the streets, and we will fund that with this national insurance increase.

Dave Doogan: The Government will receive £10 billion from this intervention in the tax regime. How many times are they going to spend it?

Mark Ferguson: I thank the hon. Member for his point. This is what is known as a balanced Budget, and we on this side of the House are going to do something remarkable. The amount of money that we raise will match the amount of money that we spend. I know that might seem alien to some of those on the Opposition Benches, but that is what we are going to do.

Damian Hinds: Will the hon. Gentleman give way?

Mark Ferguson: No, I have been more than generous in taking interventions so far.

It is amazing to see the anger that has been generated among Conservative Members. Let us remember their record, because it is important for the context. In government, they doubled the national debt, stagnated wages—which is awful for businesses, by the way, especially small businesses that rely on local people spending money—and caused a cost of living crisis. Their own Prime Minister, Liz Truss—remember the name?—delivered a Budget made up of £45 billion of unfunded tax commitments and crashed the value of the pound to its lowest ever value against the dollar. The British people suffered, waiting lists soared, schools crumbled, buses did not come on time or at all and we waited hours for ambulances or years for surgery.

I am concerned about GPs, because I am sick of people having to call at 8 o’clock every morning to demand an appointment for themselves or for their child, only to be told that there are no appointments that day. This Government will invest in our NHS to tackle the GP crisis, because that is what hurts working people. When people are unwell, when people cannot go to work and when there is crime in their communities, that has an impact on business. It is false to say otherwise, and we cannot continue having this debate. We are taking a balanced and, in my view, reasonable position, which is why I will be voting for the Bill this evening. We raise taxes and we spend the money on things that are good for society. We cannot pretend that we can do good things for society without raising the taxes to pay for them.

Like many Labour Members, I have a huge amount of experience of opposition. I have never sat on the Opposition Benches and I do not want to sit on them any time soon, but I have a huge amount of experience of the business of opposition, and I would gently offer some advice that I doubt will be taken. You are going to have to do a lot better than this if you want to convince—*[Interruption.]* Sorry, Madam Deputy Speaker, I do

apologise. The Conservatives will need to do a great deal to convince the British people that they have heard the lesson that was given to them in July. If they continue in this vein of listening to only one side of the conversation—the one that they want to hear—they might not like the answer they get.

5.23 pm

Joe Robertson (Isle of Wight East) (Con): It is the job of any Government to grow the economy and grow jobs. The best way of delivering money for public services is to grow the tax base without having to increase taxes, so it is hardly surprising that the Chancellor wrapped up her bad Budget as a growth Budget. Unfortunately, when she unwrapped it at the Dispatch Box, it was nothing of the kind. The Treasury's own analysis said that growth would peak at 2% next year, and then fall for the rest of the decade. The OBR's analysis said that the Budget was inflationary. It is bad for the economy and it is bad for the businesses that we rely on to grow our tax base for public services.

I turn now to public services, particularly health and social care. The Chancellor knows—and knew—that the increase in national insurance contributions will be devastating for healthcare, which is why she exempted the NHS, but that shows an extraordinary lack of understanding of how healthcare is delivered in this country. The NHS directly delivers a part of healthcare that is free at the point of use, but much of the rest is delivered indirectly through contracting, via partnerships such as GP practices, charities such as hospices, and businesses such as pharmacy, dentistry and social care providers. The NHS cannot exist without those key healthcare services, none of which shares in the exemption from the national insurance contribution rises.

The chief executive of Hospice UK has said that that means charitable income raised by hospices to the tune of £30 million will be taken in national insurance contributions to fund the NHS, which does not properly fund hospices in the first place. The British Dental Association wrote to the Secretary of State to ask whether there has been an impact assessment of the effect of national insurance contribution rises on the finances of dentists. The answer was that no impact assessment had been done. The Government do not even understand the effects of their Budget and these national insurance contribution rises on healthcare in this country.

For two local hospices just outside my constituency, Mountbatten Isle of Wight and Mountbatten Hampshire, which serve my constituents, the combined effect of these national insurance contribution rises and the pay rises for nurses, for which the NHS will not pay the hospices, is £900,000 of costs, with not a penny promised or delivered through the contract with the integrated care board.

It is all very well for Labour Members to say that this Budget will deliver for the NHS, but that is not much good when it will put further pressure on GP practices, pharmacies, hospices, dentistry and social care. If those services crumble, the NHS will not be able to continue in its current form, so I urge Labour Members to press the Secretary of State for Health and Social Care to get on with his reforms to properly fund GPs, hospices, pharmacies and dentists before they have to make tough decisions that will mean redundancies and job losses.

Several hon. Members rose—

Madam Deputy Speaker (Ms Nusrat Ghani): I have just calculated how to get everybody in before we run out of time, and I will have to drop the time limit to four minutes.

5.28 pm

Mr Mark Swards (Leeds South West and Morley) (Lab): It is clear to everyone on this side of the House that the measures in the Bill are a vital step towards securing the long-term stability of the public finances. We are not prepared to continue with the fiction that no difficult decisions are required to balance the books. Unlike the Conservatives, this Labour Government are not interested in more decline, more austerity or forcing the poorest in society to pay for the previous Government's mistakes.

The decisions that we are taking are not easy. Increasing employer national insurance contributions to 15% is not easy. Reducing the secondary threshold to £5,000 is not easy. And, of course, constituents are absolutely right to ask me why this is happening. Well, that question would be best answered by the Conservatives.

The Conservatives crashed our economy, mortgage rates went through the roof, and billions of pounds of taxpayers' money was wasted on a failed asylum system and on dodgy covid contracts. They promised the victims of the infected blood scandal that they would be compensated, but they did not put a single penny aside for it. They promised the same for the sub-postmasters. They promised 40 new hospitals, but they did not allocate anywhere near enough money to deliver them, and they are still pretending that they would not have given a single penny in pay rises to our public sector workers.

The Conservatives spent the national reserve three times over in the first three months of this financial year, and all before calling an election they expected to lose, so somebody else could clean up the mess. They chose to govern not in the national interest, but in their own interest. Some Conservative Members have been brave enough to come to the House today and remind us of their great legacy, but I have to tell them that 14 years of failure and a £22 billion black hole, leaving our nation on the brink of bankruptcy, is their legacy.

By making changes to national insurance contributions, we will be able to provide the funding to public services that is desperately needed, including, but not limited to, investing £25 billion in our NHS, recruiting 6,500 new teachers and providing local authorities with £600 million for social care.

Patrick Spencer (Central Suffolk and North Ipswich) (Con): On that point, will the hon. Gentleman give way?

Mr Swards: I will not, as I want to ensure everybody gets in.

In addition, we are committed to protecting small businesses by increasing the employment allowance to £10,500. We are blessed in Leeds South West and Morley with hundreds of small businesses, right across the constituency, from Queen Street in Morley, to Wortley, and back again to Ardsley. I can say to many of them that the changes will mean that many small businesses will pay the same or less than they do now.

[Mr Sewards]

We will not run away from the difficult decisions—we back our country to succeed. Given the obvious opposition of Conservative Members to the measures, I ask them, how will they pay for our public services? Perhaps I need to give way at this point.

Patrick Spencer: I serve on the Education Committee with the hon. Gentleman, and I wonder what he will say to people who work in the education sector, many of whom are low paid and running schools that support teaching assistants to work with children with special educational needs and disabilities. They now face a bigger wage bill because of the measures the Government are introducing. Will the hon. Gentleman address those points?

Mr Sewards: In the minute remaining to me, I gently say to the hon. Gentleman that he needs to have a word with the Leader of the Opposition. The simple truth is that she has welcomed the positive spending plans that we have put forward in the Budget, but has rejected every revenue-raising measure we have suggested.

We are going to take the tough decisions, including those set out in the Bill, to fix the foundations of our economy and restore our public finances. The choice is pretty clear: a Labour Government who invest in our country's future or a Conservative party still obsessed with fantasy politics based on saving the party, not our country. The choice is clear, and I know which side I am on.

5.32 pm

Steff Aquarone (North Norfolk) (LD): Since the changes to national insurance were announced in the Budget, I have been contacted by constituents from a whole load of different sectors who have said how worried they are about the changes.

I have had deeply concerned GPs tell me about the impact the changes will have on their already overstretched budgets. Local dentists, of whom there are already far too few, have said the changes make it even harder for them to deliver treatments under the current NHS dental contract. Small business owners, who, as we have heard, are the backbone of much of the local economy, especially in North Norfolk, are worried the changes might push their slim profit margins into the red.

I want to raise the plight of a very important part of the North Norfolk business economy: our small cultural venues. I heard recently from Debbie, who runs the much-loved Sheringham Little Theatre, which might be little in name but is big in impact. Sheringham Little Theatre has nurtured the careers of dozens of young theatre performers, as well as technicians, writers and directors. It is a fantastic venue to put on productions, and was supported by one of North Norfolk's most famous residents, the late and great John Hurt. As a registered charity, Sheringham Little Theatre also provides volunteering opportunities that are vital to reducing social isolation and supporting the local community. The changes in the Budget are a cause for serious concern to Debbie and her team. They have been able to secure fundraising in the past for exciting new projects and capital investment, but now they will need to raise thousands of pounds in donations just to keep the lights on.

Even in commercial venues, the pressure of a blanket increase in employer national insurance is threatening jobs and entire venues. Cromer pier is one of the most famous icons in North Norfolk, and is 2024's pier of the year. Even with a commercial operator, who has brought it from loss making to net revenue generating for the local council, these changes risk shuttering Europe's last end-of-pier theatre.

The lack of protection for arts and cultural venues is hugely demoralising for both those venues, and prevents them from making new investments and providing more opportunities locally. North Norfolk's creative industry is incredibly exciting and growing at pace. The loss of venues and organisations such as the Little Theatre would be a hammer blow for a blossoming sector in my constituency. Our small cultural and arts venues contribute so much to North Norfolk, both through the joy they bring with their events and through their contribution to our local economy. They are crucial to our tourism industry as well.

Unlike those on the Conservative Benches, the Liberal Democrats are happy to share our alternative solutions when it comes to our concerns with the Budget. Rather than imposing a blanket pre-profit tax such as this, why do the Government not try a tech tax, tighten up on tax havens that are still Crown dependencies or disallow brand licensing as a deduction against profits by global corporations? Where we were once promised radical reform, we have ended up with hope-crushing, growth-stifling jobs taxes. It cannot be fair that organisations such as Sheringham Little Theatre are forced to struggle while billionaire tech barons such as Elon Musk and others continue to sit on great hoards of taxable revenue.

I hope the Government will listen to the Liberal Democrats' proposals and go back to the drawing board to make their plans fairer for everyone. Unfortunately, the Bill punishes small businesses, burdens local authorities and adds even more strain to our health services. I will vote against it this evening.

5.35 pm

Tom Hayes (Bournemouth East) (Lab): As a new Member of Parliament, I was looking at the shadow Minister, the hon. Member for North Bedfordshire (Richard Fuller), when he was responding to the Minister, and trying to figure out why he looked so familiar. I realised that it was because he was Liz Truss's Economic Secretary to the Treasury; the person who had to go out and defend Liz Truss's mini-Budget. I therefore wonder why this new Conservative party led by a new person is sending out Liz Truss's Treasury Minister to respond to a Labour Budget that is mopping up some of the mess created by her. When I realised that, it got me thinking about how much we should be listening to the Conservative party. This is a party that, in its contributions today, has shown no desire to learn a lesson from the election or listen to voters who were so damaged in their incomes and their lives by the Government we have replaced, but only a desire to play politics at its worst. The Conservative party has done that rather than actually scrutinise what this Government's Budget is intended to achieve.

It is worth reflecting on what has happened over recent years. The economy crashed, mortgages were sent through the roof and an early election was called to avoid the Conservative party having to deliver the Budget.

There were covid contracts that cost this country millions and a £22 billion black hole; that is what this Government are having to respond to.

Stuart Anderson: As this is such an important topic, why are there fewer than half a dozen Back-Bench Government MPs here to discuss it? It is not important enough to get their Benches full?

Tom Hayes: I have literally just said that this debate should not be about party politics, but about the scrutiny of this Government's Budget. Instead of asking questions about the nature and substance of the Budget, the Opposition are resorting to party politics. [*Interruption.*] As my hon. Friend the Member for Harlow (Chris Vince) says from a sedentary position, we could list debates such as the Grenfell Tower inquiry debate yesterday, during which Conservative Members were deserting their Benches.

The burden of tax has fallen on working people for far too long under the Conservatives. Working people have suffered in many more ways, too: they have been unable to get the NHS appointments they want, the mortgages they want and all the services they should be entitled to. When I have knocked on doors in Bournemouth East and spoken with thousands of people over the last two years, the overwhelming feeling has been of hopelessness. It is the feeling that nothing ever changes in politics because there is a constant back and forth between our Benches about unimportant things rather than a focus on what those people actually want.

People want an NHS that will truly deliver. They want the 40,000 additional appointments a week. They want the billion pounds that is being invested in SEND. They want the £600 million going into social care. They want the £22 billion going into our NHS to start to fix the problems that have been ongoing for 14 years. I say to Opposition Members that if they are dedicated to their constituencies, if they care deeply about putting our public services back on track, and if they care about an economy that grows so that we have private businesses supporting our investment in the public sector, they should be voting with the Government tonight. I am disappointed to see so many of them saying that they will not be doing so.

Damian Hinds (East Hampshire) (Con): We are the Opposition. You are the Government.

Tom Hayes: We are the Government taking decisions in the national interest. The Conservatives are the Opposition taking decisions on behalf of their party's interest. That is why, I am afraid, the Conservatives will not be coming back into power any time soon. They are not prepared to listen to what voters want, they are not prepared to take the tough decisions, and they are not prepared to come to the table, be constructive and try to put right the problems that they have created.

We have a long road ahead to put our NHS, our economy and our public finances back on track, but this is a Government with a historic majority and a historic mandate to serve our nation's interest. I call on those on the Opposition Benches—obviously not the Conservatives—to support this Government in what we are doing, because, together, we can put this country back together.

5.41 pm

Damian Hinds (East Hampshire) (Con): We have a mission-led Government. I am not sure whether anybody knows exactly what that means, but we do know what the mission is meant to be: delivering for working people. But I am afraid that the Government have forgotten how working people become working people. It is the people—the other people—who employ them. All of us in this House want excellent public services, but it is only the Conservatives who understand that to get excellent public services, business needs to generate the wealth. The Government have a bit of a “four legs good, two legs bad” mantra that sees business as a cash cow to be milked to pay for the public sector. They have forgotten that fundamental dependency. They have even messed up the “four legs good, two legs bad” theory, because they seem to have forgotten that a very large part of what delivers our public services is people—people who are not directly employed by the public sector.

Let us take nurseries as an example. We have had another mission this week on early years education, which I welcome, but it will be hampered in its delivery by this national insurance contributions rise. Then there are the universities. They received a bonus of £390 million from a fee increase a couple of weeks ago, but they will be paying £400 million in extra national insurance contributions.

I have also heard from many GPs across my constituency in East Hampshire, who see the Government giving with one hand and taking away with the other. The Minister says that the Government will take care of this in the settlement for GPs, which is fine, but it should have come on top of what they should have been doing for GPs anyway. Lord Darzi and the Secretary of State have been talking about increasing the focus on primary care. We know how the Treasury works when it is making its spending allocations to Departments; things will be tucked in under that settlement, so we need to see it rise. How do the Government think GP practices plan? Here we are in December, and the new financial year starts at the beginning of April. Do Ministers not think that, in the national health service, general practitioners need certainty now about what is going to happen?

The wider point is this: the Treasury can reimburse GPs, but it cannot reimburse the private sector. Ultimately, there is no such thing as a tax on business. Taxes can only ever ultimately fall on people. They fall on the owners of that business, the customers of that business, or the employees of that business. The analogy for the Treasury reimbursing GP practices for their increased costs is the employees of a private company reimbursing their employer for that cost. It is they who will ultimately pay. Economists are united in saying that employer national insurance contributions are only ever, in the end, seen in lower wages or lower employment figures. The Government talk about difficult decisions, but difficult decisions are the ones that employers will be faced with: do I cut down my wage settlements or do I let people go?

Jim Shannon (Strangford) (DUP): Not more than half an hour ago, I met a businessman from Northern Ireland whose firm employs 1,200 people. He said national insurance contributions will cost the firm almost £1 million a year. The cost will ultimately be passed on in its food prices, which will rise by between 15% and 20%, and the

[Jim Shannon]

ordinary man or woman on the street will pay for it. Does the right hon. Gentleman agree that that is where the Labour party has got this wrong?

Damian Hinds: The hon. Gentleman is quite right. This is not some trivial increase that is easy for an organisation to absorb. While 1.2 percentage points may not sound like much, with the serious decrease in the threshold at which it starts being paid, it is a lot of money. The cost of employing the average worker on medium earnings goes up by £900. For a 21-year-old on the legal minimum wage working full time, the cost goes up by £770. Moreover, it is regressive because it will fall more harshly on people at the lower end of the wage spectrum and on people who are part time. It cannot be seen in isolation; it must be seen alongside all the other things the Government are doing. Of course, the national living wage has risen. That increase is a good thing in itself, but the effect compounds with the other measures being taken.

Two of the three volume employer sectors in this country—retail and hospitality—are also seeing a massive reduction in the business rates relief they are getting next year. When unemployment hits, young people are always hit first and most, and that will be true again. It will hit those furthest from the labour market, those who need most help, those coming back to work after a long period and those who were ex-offenders. I sometimes wonder if Ministers talk to each other about the contradiction and irony of one of them producing a document called, “Get Britain Working” while their colleague is hellbent on doing the opposite.

5.46 pm

Dan Tomlinson (Chipping Barnet) (Lab): It is good to speak in this important debate. This is an issue of much importance, in part because it touches on trust in politics. We know from looking at the datasets that trust in politics has fallen to a record low in this country. People sadly do not trust politicians any more to deliver on the commitments they set out in their manifestos and to bring the change necessary to improve our public services. That is the data we can see, and we can see it because of the decisions of the Conservative party.

Patrick Spencer: Does the hon. Member not think that the fact the Labour party went into the last general election promising not to raise taxes on working people might be part of the problem?

Dan Tomlinson: We have stuck to the commitments we made in our manifesto, and that is why the British people will see over the months and years to come that they voted for change and investment in our public services, and that is what this Budget makes possible.

When we came into power in July, we faced a difficult economic inheritance. I wish we had taken power in more benign circumstances, but Opposition Members will know that public sector debt had increased to 100% of GDP—the same size as the economy—and trillions of pounds, constraining our ability—[*Interruption.*] They are chuntering from the Front Bench, but it is true that public sector debt increased to 100% of GDP—a massive increase on the Conservatives’ watch—making

it more difficult for us to manage the public finances in a sustainable way, which is what we want to do and what they failed to do.

We also took over after 14 years of failure on productivity and wage growth. If wages had grown in line with the pre-financial crisis trend, families in my constituency and constituencies across the country would not be £100 or £200 better off a year; each worker would be £10,700 better off a year.

Stuart Anderson: On productivity, all the public sector wage increases that have been given since the Government have been in power come with no productivity requests or increases. How does the hon. Member square that circle?

Dan Tomlinson: I think we will see productivity increases in the NHS, because part of the reason that it has struggled for productivity in recent years is that it has not had the necessary investment, so doctors and nurses have not had the beds and capital expenditure that they need in their hospitals. I have been to Barnet hospital in my Chipping Barnet constituency and spoken to the chief executive of the trust. They were clear that what has happened nationally, and has filtered through to their hospital, is that capital spending budgets have been raided to fund day-to-day spending, and that has made it more difficult for the NHS to be productive. More beds and £3 billion for scanners and other capital equipment will make a difference to productivity in the NHS. [*Interruption.*] Conservative Members know that that is the case.

Let us just go back to the inheritance that the Labour Government face. We have high public debt, low productivity and wage growth. Our economy has also been hampered because the Conservative party has made it much more difficult for us to trade with our nearest neighbours. That has been bad for competition and productivity across the country. I could go on about the economic inheritance, but I do not wish to make hyperbolic statements or overdo it; we can just look at the facts presented to the Labour Government.

Bradley Thomas: When the Conservative Government headed by David Cameron were elected in 2010, the circumstances that they faced following Labour’s trashing of the economy meant that it took two and a half to three years to get the public on board. That stands in great contrast to what happened this summer, when Labour inherited good economic circumstances, with the economy growing and inflation down. In fact, has the electorate not been deceived?

Dan Tomlinson: The economy was not growing at a fast pace when we took over; we were growing slower than five other G7 countries in the quarter before the Conservative party lost power. That is the truth. Conservative Members can deny it if they want, and come up with a fancy way to analyse the economic statistics in order to claim that we were the fastest-growing economy in the G7, but in the final quarter before they lost office—and in 2023—we were growing slower than five other G7 countries. We were growing faster than other countries in 2022 only because we were recovering from the pandemic. They know that that is the case.

I fear that, in their stance today, Conservative Members are again covering themselves in the pong of the Liz Truss Administration. That Administration made the mistake of not making efforts to balance day-to-day public spending and tax increases. That is what caused interest rates to rise and the economy to be in much turmoil. The Labour Government are ensuring that increases in day-to-day spending are matched by increases in tax revenues—[*Interruption.*] I said increases in day-to-day spending are being matched by tax revenues.

Damian Hinds *rose*—

Dan Tomlinson: I will give way.

Madam Deputy Speaker (Ms Nusrat Ghani): Order. The hon. Gentleman has already taken two interventions, and the clock will now continue to run for every subsequent intervention that he takes, just in case he was not aware of that and wants to take this intervention from Mr Hinds.

Dan Tomlinson: Maybe I will take further interventions when I speak in tomorrow's debate, Madam Deputy Speaker, because I know that many Members still wish to speak.

In my final 13 seconds, let me conclude by saying that the risk for the Conservative party is that it forgets the importance of managing the public finances, which gives us the economic stability from which growth can come. By voting against the Government, Conservative Members will make that more difficult, and will signal that they do not wish to have economic stability and growth.

5.53 pm

Sammy Wilson (East Antrim) (DUP): The Bill represents a major breach of the promises made by the Government when they stood for election. The previous speaker, the hon. Member for Chipping Barnet (Dan Tomlinson), was right: people should be cynical, and people are cynical about the way in which politics is sometimes conducted in this country. He talked about his amazement at the anger expressed from the Opposition Benches. I assure the House that, were the situation reversed—with the Conservative party on the Government Benches, introducing measures that the Office for Budget Responsibility, the IFS and everybody else said would hurt ordinary working people—Labour Members would be incandescent with rage.

That is the whole point. A promise was made: "We will not tax working people." At the end of the day, when people have to pay for their goods, their shopping and so on, it really does not matter to them whether their income has been reduced as a result of direct taxation being taken out of their pay packets in the form of income tax, or whether it has been reduced indirectly by taking the money from their employer. In turn, as the IFS, the OBR and others have said, that will impact on real wages. As the IFS pointed out, it will especially impact the real wages of the lowest paid—that is the whole point. We can play with words, but the truth of the matter is that a tax increase has been imposed on employers, and the OBR says that in 76% of cases, the impact on wages will be felt by ordinary working people. That is a broken promise, no matter how we look at it.

The Government's excuse has been that they will try to alleviate that impact. People have talked about different sectors so far in the debate, and I am not going to go through all of them, but let us just look at two examples. The first is small businesses. We are told that they can deal with the impact because they are geniuses. What will they do? They will increase productivity. Funnily enough, the public sector is to be protected—the Government are not looking for any increases in productivity there.

We are told that small businesses will find ways of decreasing their expenditure, but funnily enough, the Government are actually looking for ways of spending more money. They are spending £9 billion on a quango, Great British Energy. The Secretary of State for Energy Security and Net Zero came back from COP29 and told us that the Government were now committed to giving £300 billion away to foreign Governments for climate change, but he would not even tell us how much the Government were going to pay out to those Governments. For the nationalisation of the railways, again, there is an open cheque book. We are told that there are no alternatives. Businesses have to find alternatives, but the Government happily spend the revenue that they are taking.

Then, of course, the social care sector and GPs are told, "Go to the NHS and renegotiate your contract." The NHS does not have to pay the national insurance rise itself—it is exempt. Do we really believe that when the GPs and the social care sector go to the NHS and say, "We want to renegotiate our contracts," the NHS is going to say, "Oh, you need money for national insurance? There you are—take it." All the excuses have been given today: we are told that there is no money, but it can be spent on other things. We are told that the social care sector and GPs can renegotiate, and that the private sector will be inventive. Let us see some invention by the Government, rather than broken promises.

5.57 pm

Jess Brown-Fuller (Chichester) (LD): Thank you, Madam Deputy Speaker, for the opportunity to share the concerns that my constituents and businesses in Chichester have raised with me since the announcement in the Chancellor's Budget that employer's national insurance contributions would be increased.

First, I would like to acknowledge the Labour Government's inheritance from the previous Government, and recognise that tough decisions need to be made to rebuild public services, especially our health service. The Liberal Democrats welcome the proposed increase to employment allowance, but the blanket increase in the rate of secondary class 1 contributions across all sectors is going to make things harder for GPs, social care providers, charities and local authorities in my constituency and across the country. Those sectors have had a tough time for years, struggling with rising energy costs and higher interest rates, with thousands of care providers on the brink of bankruptcy, NHS dentists already delivering some NHS treatments at a financial loss, and charities already grappling with underfunded public sector contracts.

West Meads GP surgery is one of the smaller practices in Bersted in my constituency. It is looking at increased costs of at least £25,000, which will mean a reduction in staffing hours. The GP who wrote to me said:

"This is a first and will certainly impact on patient care if not addressed."

[*Jess Brown-Fuller*]

The same can be said for Witterings Medical Centre, another practice that is already operating under extraordinary demand. The added costs will exacerbate strain in the system, because overstretched and under-resourced GPs will lead to an increase in hospital admissions, overwhelming NHS capacity at a time when it already cannot cope. The Government's treatment of GPs as private entities excludes them from the employment allowance support, and if we do not fix the front and the back door of our national health service, the middle—our secondary care, our hospitals—will continue to bear the burden.

St Wilfrid's hospice echoes these challenges, citing the inequity in exemptions being granted to NHS services, but not to charities providing similar health-related services. The hospice predicts a bill increase of £175,000. That would pay for four nurses, who could be out in the community providing care for the most vulnerable. The predicted national impact of this rise on the charitable sector is £1.4 billion. While I am on the topic of charities, I would like briefly to mention Stonepillow, a charity that supports individuals experiencing homelessness and with compound needs. It has seen a doubling of demand since 2018—it serves 1,000 clients annually—and it reports needing to find an additional £150,000 every year to continue offering its service.

The Secretary of State for Health and Social Care talked of moving the health model in this country from treatment to prevention and from hospital to community, but the increase in NICs directly undermines the ability to do that, if GPs have to reduce their services, if more dentists move further away from NHS contracts, if social care staff lose their jobs when their small and medium-sized care providers go bankrupt, and if community pharmacies, a key pillar in the NHS ecosystem, face spiralling debt and struggle to keep pace with operating costs.

In the interests of constructive opposition, I am not minded to bring problems without solutions. The Chancellor could have chosen to raise the money needed through the much fairer tax changes laid out in the Liberal Democrat manifesto during the general election, such as the reversal of the Conservative tax cuts for the big banks, doubling the rate of gaming duty paid by online gambling services or a fairer reform of capital gains tax. If I had more than 10 seconds left, I would give many other reasons why I am unfortunately unable to support this Bill on Second Reading.

6.1 pm

Rupert Lowe (Great Yarmouth) (Reform): I start by reminding the House of a prescient analogy of Winston Churchill's:

"For a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle."

This national insurance increase and threshold cut is simply a tax on jobs in the private sector. It will result in less employment, fewer bonuses, smaller pay rises and higher prices—and for what? To fund a state that is out of control and shows no regard for taxpayers' money. That is exemplified by the Department for Work and Pensions, which hands out money like confetti, without the requisite disciplines. The answer is to radically cut

the size of the state and release the innate creativity of the British people. What we need is less state, less tax, less bureaucracy and more prosperity. Will the Government accept full responsibility for the suffering that this tax increase will inevitably cause to our working people?

6.3 pm

Alison Bennett (Mid Sussex) (LD): On Saturday evening, I was lucky to attend Sussex Chorus's performance of Handel's "Messiah" at St Andrew's church in Burgess Hill. There was a collection at the end for the St Peter and St James hospice, which looks after many people in Mid Sussex. As I put my donation in the bucket, the lady holding the bucket thanked me, and she told me that her husband had spent his last days at St Peter and St James. When she realised that I was the local MP, she grasped my hand tightly, and said, "You have to do something about NICs." I said that I had been trying to, and had been raising the matter in the Houses of Parliament, but having not been heard so far, I will raise it again today.

Our hospices and social care providers do hugely difficult, often invisible work. They look after the weak, the vulnerable and the dying, but these organisations are themselves even more vulnerable than they were as a result of the Government's proposed changes to employer national insurance contributions, announced in the Budget. That jobs tax jeopardises the quality and reach of the services that will be available in my constituency and across the country. The children's hospice charity Together for Short Lives estimates that the rise from 13.8% to 15% in April 2025 that was announced in the Budget will increase costs for children's hospices, which provide lifeline care to seriously ill children, by nearly £5 million annually. Combined with inflation, falling local NHS and council funding, and uncertainty around the NHS children's hospice grant, this policy risks reducing or even closing essential services. In the social care sector, MHA, which supports more than 17,000 older people across 80 care homes, 59 retirement communities, and 43 community based hubs, estimates that it will face an additional £4.6 million in costs in the first year alone.

Graham Stuart: Will the hon. Lady give way?

Alison Bennett: I would like to make progress. Around 18,000 private social care providers operate in the UK. We must help them to help those in need, and we cannot afford to put up more barriers for them. How can we expect those providers to survive if we impose higher taxes on them? This is not making the most of an opportunity for long-term positive change; I am sad to say that it is squandering it.

The Government could have found better ways to raise the necessary funds. They could have reversed tax cuts for big banks, increased digital services taxes, or even reformed capital gains tax to ensure that the wealthiest pay their fair share. My Liberal Democrat colleagues and I have repeatedly urged the Government to exempt social care providers and hospices from the tax rise, and I do so once again today. Let us do right by those who work tirelessly to support and protect our most vulnerable, and in doing so, let us build a healthcare system fit for the future.

6.6 pm

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): Government Members have talked about difficult choices. Not taking away the winter fuel payment from people, or voting to remove the two-child cap, might also have been difficult choices, but instead they have been easy targets. This Bill adds to those easy targets.

The Bill, presented under the guise of fiscal responsibility, is a thinly veiled austerity measure that will disproportionately burden Scotland and undermine our ability to deliver vital services to our citizens. The increase in employer national insurance contributions is touted by the Government as a necessary step to bolster public finances. However, closer examination reveals the stark reality: the increase will lead to a significant shortfall in Scotland's public sector funding. We will be left grappling with the fact that the UK Government undervalued the cost of the measure by at least £200 million.

Scottish Government figures, corroborated by independent analysis from reputable institutions such as the Fraser of Allander Institute, paint a grim picture. The national insurance hike will cost Scotland more than £500 million, including a staggering £191 million burden on our already stretched NHS. That figure rises to an alarming £750 million when we factor in indirect employees in sectors such as childcare, GP practices and social care—sectors vital to the fabric of our society.

In Moray West, Nairn and Strathspey, a local firm with a number of care homes across the north of Scotland faces an £800,000 bill. It provides vital services to the community. To give another example, a local dentist has said that the increased cost of employment as a result of the Bill may force them to go private to recoup those costs. Finally, the Bill is a double whammy for GP practices. They face the national insurance hit, but by dint of being designated a public service, are not eligible for employment allowance.

The UK Government's paltry offer of £300 million in Barnett consequential is simply not enough to bridge the gap, and it fails to account for Scotland's proportionally larger public sector, which employs 22% of the workforce, compared with 17% in the UK as a whole. Among other reasons, that is because in Scotland, we already have a publicly owned and managed rail service, and a publicly owned and managed water service. The funding disparity is a clear indication that the UK Government have given scant consideration to the unique needs and circumstances of Scotland. That includes the disregard demonstrated in the winter fuel payment debacle, which exposes a pattern of neglect, regardless of which party occupies the Government Benches. It is exactly this pattern of neglect and lack of understanding of Scotland by successive UK Governments that strengthens the case for Scottish independence, and for our ability to take decisions for ourselves, like every other normal country, on the delivery of public services and taxation that impacts us.

The impact of the Bill goes far beyond mere budgetary concerns. It will have a ripple effect across our economy, harming businesses, stifling growth and ultimately hurting the very workers it purports to protect. The Office for Budget Responsibility has cautioned that the increase will likely lead to lower wages and higher prices; effectively, the burden will be passed on to consumers, and the purchasing power of hard-working families will be eroded. We urge the UK Government to reconsider this damaging

Bill, to fully fund the cost of this tax hike to public services in Scotland, and to engage in a meaningful dialogue with the Scottish Government, so that Scotland's interests are protected.

Madam Deputy Speaker (Ms Nusrat Ghani): We have two remaining Back-Bench contributions. Colleagues who have contributed to the debate should consider making their way back to the Chamber before the wind-ups.

6.10 pm

Sarah Dyke (Glastonbury and Somerton) (LD): I rise to share my concerns about the unintended consequences of this tax hike on small businesses, GPs, social care providers and farm businesses. The arguments about the damage that the previous Government left are well rehearsed, and significant effort is needed to rebuild public services and repair public finances, but this measure will do just the opposite. As GPs and the vast majority of care providers are private, they will not benefit from the compensation that the Chancellor will give to the NHS and other public sector employers to cover the cost of this tax increase.

Langport surgery in my constituency told me that it faces an additional cost of £45,000 a year, due to the national insurance rise. It said:

"at a time when general practice is facing workforce shortages, higher costs could make it even harder to hire and retain staff, directly impacting patient access"

to good-quality care. The impact on social care providers could also be severe; six in 10 of the UK's care home beds are provided by companies that could go bankrupt if they experience even a mild economic shock. I have been discussing these difficulties with Wincanton Cares, a support and advice group for people needing care in south-east Somerset. It is concerned that care home closures may well happen, as the funding model is so precarious.

I am also worried about the impact that the measure could have on small businesses, which are the foundation of the Government's growth agenda. In advance of Small Business Saturday, I have spoken to many businesses in Glastonbury and Somerton, including Topline Glass based in Ilton. It described the Budget as a triple whammy of increased NICs, wage rises and business rate increases. The OBR has estimated that the increases to employer NICs will reduce potential output by 0.1%, while the costs to businesses will lead to lower wages and profits. The Government should have instead listened to Liberal Democrat calls to raise money through fairer tax changes, such as reversing the Conservative tax cuts handed to big banks, increasing the digital services tax to 6%, doubling the rate of remote gaming duty paid by online gambling companies, and fair reform of capital gains tax, so that the 0.1% of ultra-wealthy individuals pay their fair share.

Many farming and agricultural businesses will also be hit by this tax rise. In addition, farming businesses will now be subject to increased NICs, further stretching their budgets. The CEO of the Nature Friendly Farming Network has stated that the increase in national insurance will be a big concern for businesses that rely on a large workforce to pick, process and package food. As farming yields very slim returns, those added costs will likely be passed on to consumers, pushing up food prices and disproportionately affecting those least able to afford high-quality, UK-produced food.

[Sarah Dyke]

The likely increase in the cost of UK food would inevitably lead to a reliance on cheaper imports, particularly from countries with lower production and welfare standards, undermining UK farmers and potentially increasing climate-related harm elsewhere. Driving down food security and pushing up prices is damaging to national security. The Government have an opportunity to look again at these measures that damage British farming. If they will not, they will not be forgiven.

6.14 pm

Liz Jarvis (Eastleigh) (LD): I am grateful for the opportunity to contribute to this important debate. I have previously raised in the Chamber the impact that increased employer national insurance contributions will have on GPs, dentists, pharmacies and care providers in my constituency of Eastleigh. I have also been contacted by many owners of small businesses who are hugely concerned about the impact that changes to employer national insurance contributions will have on their businesses. That includes the early years sector, which plays a crucial role in supporting working families and the wider economy. Providers who operate on tight margins and with a limited ability to adjust income face unique challenges. For a sector that is already under immense financial pressure, this added burden feels short-sighted and risks undermining the stability of a service that families rely on so heavily.

Crestwood pre-school in my constituency serves local families by providing care and education for children aged two to five. As a charity-run pre-school, it is already stretched to its limits, despite huge fundraising efforts. Clare, the manager of Crestwood, wrote to me explaining how the increase in employer national insurance contributions will add tens of thousands of pounds to its annual costs. Those are funds that it simply does not have.

I have also heard from Forest Footsteps Childcare in Chandler's Ford, another early years provider in my constituency. Erin, who opened the centre in 2022, is worried about how she will manage the extra costs. She calculated that the new national insurance plans for employers' contributions along with the rise in the national minimum wage will cost her approximately £13,000 a year more. While she is showing remarkable resilience, she told me that some providers have been less fortunate and already closed their doors.

The YMCA Eastleigh nursery and community centre has also shared its concerns. It told me that the combined impact of these changes will cost the nursery and community centre an extra £95,000 a year. This is a problem being acutely felt across the whole sector.

These stories are not unique. Across the country, nurseries, pre-schools and childminders are warning that rising employer national insurance contributions coupled with inadequate Government funding will lead to higher fees for parents, reductions in staff pay and closures in those essential early years settings, which would not only harm working families but risk deepening the staffing crisis in the sector. What reassurance can the Minister give early years and childcare providers in Eastleigh and across the country that they will not be adversely affected?

Raising employer national insurance is a tax on jobs that will hurt small businesses and essential services. The Government must reconsider their approach. The early years sector, primary care and small businesses are not staffed by those with the broadest shoulders. This weekend we have Small Business Saturday, a chance to celebrate the incredible work of small businesses, who do so much for our communities. They need our support. The Government must think again and support working families. They must rethink this unhelpful policy.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the shadow Minister.

6.18 pm

Gareth Davies (Grantham and Bourne) (Con): It is a great pleasure to wind up the debate on behalf of the official Opposition. I pay tribute to and thank all colleagues from both sides of the House for their contributions. I will try to touch on some of their points as I go through.

Just nine months ago, I opened the Second Reading of a Conservative national insurance Bill that cut taxes for millions of working people across the country. Today, we have before us a Labour national insurance Bill that will take the tax burden to the highest levels in history on the backs of working people. That is the stark difference that a Labour Government make, but it is not the change that people voted for.

Nine months ago, the Economic Secretary to the Treasury told the House that the then Opposition supported our tax cut, but barely three hours later, she and her Labour colleagues remarkably failed to vote for it and back up their words with actions. Now we know why: it is Labour's playbook to say one thing as loudly as possible and then do the exact opposite as quietly as it can.

Stuart Anderson: On the Government's tax policy, does my hon. Friend think it is concerning that the Chancellor today refused to rule out further tax rises in future Budgets?

Gareth Davies: Absolutely. We all heard what the Chancellor said at the Confederation of British Industry conference. It is remarkable that the Prime Minister will not back up her words, and even more remarkable that the Chancellor herself would not back up her words today at Treasury questions.

The British people see the Bill for what it is: the biggest broken promise of them all, and there are plenty to choose from. It is a good job the Chancellor has experience on a complaints desk, because, quite frankly, there are quite a lot coming in at the moment—not least from the business community, as my hon. Friend the Member for South Shropshire (Stuart Anderson) highlighted so well in his speech. Before the election, the Chancellor embarked on what she referred to as the "smoked salmon offensive" with British business; now the election is over, she has dropped the smoked salmon and is focusing on just being offensive.

Today's Bill will introduce tax rises on working people in business that were never declared before the election. It is a double whammy, as the Federation of Small Businesses has said in Lincolnshire: it introduces not

just the rate rise, but a reduction in the threshold. This tax is the only major tax that is paid exclusively by working people. It is a £25 billion tax rise on jobs. The OBR makes it clear that by 2027, 76% of the total cost of this tax increase will be passed on to working people through lower wages and higher prices, as the hon. Member for Angus and Perthshire Glens (Dave Doogan) said in what I thought was a very thoughtful speech for the SNP.

As I said at Treasury questions this morning, the OBR says this is a tax on working people; the IFS says this is a tax on working people; even the Resolution Foundation says this is a tax on working people. By anyone's measure—be in no doubt—this is a manifesto breach the public will not forget. That is clear.

What is not so clear any more is what this Labour party stands for. The Budget was an attack not just on working people, but on the very lowest paid working people, according to the IFS. This is a fundamentally regressive policy, leaving many out in the cold and giving businesses no choice but to freeze hiring and freeze wages. It will hit others, too. It will hit the doctors and the nurses working in general practice and social care, as my right hon. Friend the Member for East Hampshire (Damian Hinds) set out in his speech. It will hit charities and voluntary organisations, with Marie Curie expecting that it will cost the charity £3 million next year alone—all part of a £1.4 billion bombshell to hit all charities next year. It will hit hospices, homeless support groups and disability charities, which are all warning they face reducing headcount and limiting services. This is not what the British people voted for.

Dave Doogan: Is the hon. Gentleman concerned, as many of my colleagues are, that the Government will not give the full details on compensation for the non-core public sector activities that are the lifeblood of the NHS because, if they gave them the compensation that they need, the net benefit from the tax would be so risibly small as to demonstrate that it is utterly pointless and a concoction that could come only from a dysfunctional Treasury like this one?

Gareth Davies: There is really nothing to add to that. The hon. Gentleman made that point in his speech and at Treasury questions—it is a very important point.

In just six months, we have hit the highest tax burden in history. Debt is up, with debt interest payments above £100 billion—for the first time ever—in every year of the forecast. Today's Bill will result in lower wages, higher prices and a tougher employment market. I urge this Government to reverse course, but I will not hold my breath. Instead, I think I can predict what the Minister is going to say. She is going to say three things when she stands up to speak. First, she is going to try to blame the Conservative party—blaming everybody else for this clear political choice. She will not explain the £8 billion on GB Energy—an energy company that will not actually reduce bills or produce any energy—or the £10 billion on public pay splurges that come with no reform on productivity, or £7 billion on rebranding the national infrastructure bank. Perhaps if the Government dropped those pet projects—which will not actually grow the economy—they would have a little more money and would not have to screw with small businesses and make people unemployed.

Secondly, the Minister will forget that she is in government and that I am in opposition. She will ask me what my party would do instead. To that, I simply say that we would fund the NHS well, but we would also reform it.

Dan Tomlinson: Would the shadow Minister increase borrowing or increase a different tax, or are there some public spending cuts that he would like to announce?

Gareth Davies: I hope the British people are listening to this: none of those things. I remind the hon. Gentleman, although he was not here, that NHS spending increased by 45% in cash terms in the last Parliament under a Conservative Government. The issue is not spending—the Labour party will never get this—but reforming the NHS, as my hon. Friend the Member for Bromsgrove (Bradley Thomas) said. It is about growing our economy faster than the Labour party would grow it, according to the OBR, as my hon. Friend the Member for Isle of Wight East (Joe Robertson) said. We would tackle the welfare bill—£12 billion of savings that we set out in government—and we would boost productivity, because if public sector productivity returned to pre-pandemic levels, £20 billion would be saved.

Finally, the Minister will try to suggest that she is bringing stability, even though businesses and consumer confidence have plummeted ever since she and her colleagues took office. Let us remind ourselves of what she means by stability. In just a few months, we have seen a Downing Street chief of staff sacked, a Cabinet Minister resign, a Back-Bench MP quit the party, key manifesto promises like cutting energy bills by £300 completely dropped, a delayed spending review, fiddled fiscal rules and, just this week, complete confusion about whether the Prime Minister will drop his economic growth pledge. It is all so predictable, yet so damaging to our economy. The Bill breaks Labour's manifesto. We cannot back it. We will not vote for it. We urge the Government to think again.

6.27 pm

The Economic Secretary to the Treasury (Tulip Siddiq): It is an honour to close the debate on behalf of the Government. When the hon. Member for Grantham and Bourne (Gareth Davies) loses his seat, he can work as my speechwriter, because he is right that I am going to say all the things he said, but I will come on to that soon.

Let me start by thanking hon. Members for their contributions to the debate. There were some powerful speeches, including from my hon. Friends the Members for Chipping Barnet (Dan Tomlinson), for Bournemouth East (Tom Hayes), for Leeds South West and Morley (Mr Seward), for Gateshead Central and Whickham (Mark Ferguson), for Dartford (Jim Dickson), for Welwyn Hatfield (Andrew Lewin), for East Thanet (Ms Billington), for Rochdale (Paul Waugh), for Loughborough (Dr Sandher), for Basingstoke (Luke Murphy) and for Reading West and Mid Berkshire (Olivia Bailey).

Before I come to the specific points raised in this debate, I want to reiterate the purpose of the Bill. Our priority in the Bill is to restore stability to our economy, repair the public finances to fix our economy, and support long-term economic growth. The Chancellor recognised that to do that, the Government needed to

[*Tulip Siddiq*]

make difficult decisions. That is why under the measures in the Bill, employers are being asked to contribute more. First, the Bill provides for a rise in the rate of employer secondary class 1 national insurance contributions from 13.8% to 15%. Secondly, it provides for a decrease in the secondary threshold for employers from £9,000 per employee to £5,000. Thirdly, it provides for changes to the employment allowance, to increase it from £5,000 to £10,500, and removes the £100,000 eligibility cap, so that the vast majority of employers benefit.

The hon. Member for North Bedfordshire (Richard Fuller) asked at the start of the debate where the extra money raised will go. Let me remind him that the Government uncovered a challenging fiscal and spending inheritance with £22 million of in-year pressure on public finances. We have taken difficult but necessary decisions to fix the foundations of our economy and to fix public services. The Budget provided additional day-to-day funding to stabilise and support public services. Day-to-day funding will now grow at an average of 3.3% in real terms over this year and next, compared to 0.2% under the last Government's plans.

Dave Doogan: A £200 million black hole in the Scottish Government's core finances, rising to £450 million when partner agencies are included—what kind of stability does the Minister think that will bring to public services in Scotland?

Tulip Siddiq: If the hon. Gentleman is patient and listens carefully to my speech, I will come on to the Scottish Government, so he does not need to worry.

The increase in employment NICs raises revenues for the NHS and increases funding for contributory benefits such as the state pension, easing wider pressures on public finances. It is part of the Government's announcement of an additional £22.6 billion of day-to-day spending over two years for the Department of Health and Social Care, including the NHS.

Bradley Thomas: Can the Minister tell the House which decision was harder, giving an inflation-busting pay rise to union paymasters or cutting the winter fuel payment?

Tulip Siddiq: The best decision that we have ever made in government is putting money back into the pockets of working people.

Questions were raised by the hon. Member for Isle of Wight East (Joe Robertson), the hon. Member for Yeovil (Adam Dance) and the Liberal Democrat spokeswoman, the hon. Member for St Albans (Daisy Cooper). The hon. Lady asked a number of questions about the NHS. The Government will provide support for Departments and other public sector employers for additional ER NICs costs only. That will apply to central Government, public corporations and local government. Primary care providers—GPs, dentists, pharmacies and eyecare provider—are valued independent contractors who provide nearly £20 billion worth of NHS services. Every year we consult each sector both about what services they provide and about the money to which providers are entitled in return under their contracts. As in previous years, this issue will be dealt with as part of that process.

Daisy Cooper: I am grateful to the Minister for addressing my earlier questions. Rather than taking with one hand and giving back with the other, would the Minister support moves to exempt all health and care providers?

Tulip Siddiq: The Department of Health and Social Care will confirm funding for general practice for 2025-26 as part of the usual GP contract process later in the year, through consultation with the sector. I understand the concerns about the impact on the healthcare sector, but I can assure the hon. Lady that the Department of Health will continue to engage with GPs, dentists and pharmacists as part of the usual contract process, and that changes in NICs will be taken into account in those discussions.

Let me now turn to the rant, I would say, rather than speech, from the hon. Member for South Shropshire (Stuart Anderson). I was not quite sure what question he was getting to, but he did ask very clearly whether the Chancellor understood the impact of the economic policies that she was making, and whether she would remain in her place. Considering those questions, I wondered what he thought about economics as a whole, so I decided to look into him. Not long ago, he said:

"I have worked with Liz Truss on many occasions...I believe that her economic position...and her parliamentary experience make her the best option to lead our country."

Stuart Anderson: Will the Minister give way?

Tulip Siddiq: With pleasure.

Stuart Anderson: I stand by the comments that I made. [*Interruption.*] I do. I fundamentally believe that Liz Truss would be a better Prime Minister than the one we have now.

Tulip Siddiq: If you will forgive me, Madam Deputy Speaker, I feel that a lettuce would have better judgment.

I turn to the devolved Governments. The Government will provide Departments and other public sector employers with support for additional ER NICs costs only. The funding will be allocated to Departments, with the Barnett formula applying in the usual way. The overall outcome of the Barnett formula is that all the devolved Governments will receive at least 20% more funding per person than the equivalent UK Government spending in the rest of the UK. The Scottish Government will receive £47.7 billion in 2025-26, including an additional £3.4 billion through the operation of the Barnett formula. The Welsh Government will receive £21 billion in 2025-26, including an additional £1.7 billion through the operation of the Barnett formula.

Dave Doogan: The Minister is being very generous in taking a second intervention from me. I realise that the bar for credibility in the Treasury is very low right now, but she hoots and toots about the level of the block grant for the Scottish Government. In what universe does the block grant go down year on year? Of course it is higher than in previous years. Has she got the faintest idea how it works?

Tulip Siddiq: I do have the faintest idea how it works, which is why I am on this side of the House and the hon. Gentleman is on that side. That is why I am a Treasury Minister and he is not, and probably never will be.

The hon. Member for Huntingdon (Ben Obese-Jecty) spoke about hospitality. Without any Government intervention, retail, hospitality and leisure relief would have ended entirely in April 2025, creating a cliff edge for business. *[Interruption.]* I know the truth hurts, which is why the hon. Member for Thirsk and Malton (Kevin Hollinrake) is chuntering from the Opposition Front Bench. Our Government have decided to offer a 40% discount to RHL properties by introducing a cash cap of £110,000 per business in 2025-26, and we have frozen the small business multiplier. This package is worth over £1.6 billion in 2025-26 and is aimed at supporting the most vulnerable businesses, ensuring that over 250,000 RHL properties receive the full 40% support.

Graham Stuart: Will the Minister give way?

Tulip Siddiq: I am reluctant to do so, but I will.

Graham Stuart: I thank the Minister for giving way. The OBR had to issue a correction to table 3.2 in chapter 3 of its report. Originally, there was RDEL compensation for public sector employees and for adult social care. The correction was made to reduce the sums by £800 million, typically per year, for RDEL compensation just for public sector organisations. Why did the correction need to be made, when was it made, and why was the OBR told so late that social care was not getting the support that it clearly needs?

Tulip Siddiq: As far as I am concerned, the current numbers are the correct ones.

Kevin Hollinrake (Thirsk and Malton) (Con): The Minister mentions business rates and the small business multiplier. Will she confirm the continuation of small business rates relief for the rest of this Parliament?

Tulip Siddiq: That is under review, and we will come back to the hon. Gentleman soon.

I turn to the questions from the hon. Member for Eastleigh (Liz Jarvis) about childcare providers. She may be aware that I served on the shadow Education team for a long time. I realise the value of early years providers, and I know that they drive economic growth and break down barriers to opportunity. We have committed to making childcare more affordable and more accessible, which is why we promised in our manifesto to deliver the expansion of Government-funded childcare for working parents, and to open 3,000 new or expanded nurseries by upgrading space in primary schools to support the expansion of the sector. However, I say to the hon. Member that the Government inherited the worst economic circumstances since the second world war, and our first step must be to fix the foundations of our economy. In spite of the challenges, the Chancellor announced in her Budget significant increases to the funding that early years providers are paid to deliver Government-funded childcare places, meaning that the total funding will rise to over £8 billion in 2025-26.

I am grateful to have had this opportunity to respond to the questions that have been raised today. I also want to thank my officials for their work on bringing the Bill to the House. Before I finish, however, I want to answer a question that the right hon. Member for East Hampshire (Damian Hinds) asked in his speech: what is

the mission of this Government? Well, let me tell him. This Government's mission is economic stability, restoring our public services, a thriving workplace, making sure that we have a strong education system and strong public services, putting more money in working people's pockets, and fixing the foundations of our economy. The mission is to rebuild Britain. The Conservatives left a mess, and we will do a better job than them. I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 186, Noes 330.

Division No. 53]

[6.40 pm]

AYES

| | |
|-----------------------------|-----------------------|
| Adam, Shockat | Farron, Tim |
| Allister, Jim | Flynn, rh Stephen |
| Amos, Gideon | Foord, Richard |
| Anderson, Lee | Forster, Mr Will |
| Anderson, Stuart | Fortune, Peter |
| Andrew, rh Stuart | Fox, Sir Ashley |
| Aquarone, Steff | Franklin, Zöe |
| Argar, rh Edward | Fuller, Richard |
| Atkins, rh Victoria | Gale, rh Sir Roger |
| Babarinde, Josh | Garnier, Mark |
| Bacon, Gareth | George, Andrew |
| Badenoch, rh Mrs Kemi | Gethins, Stephen |
| Baldwin, Dame Harriett | Gibson, Sarah |
| Barclay, rh Steve | Gilmour, Rachel |
| Bedford, Mr Peter | Glen, rh John |
| Bennett, Alison | Glover, Olly |
| Bhatti, Saqib | Goldman, Marie |
| Blackman, Bob | Gordon, Tom |
| Blackman, Kirsty | Grant, Helen |
| Bool, Sarah | Green, Sarah |
| Bowie, Andrew | Harding, Monica |
| Brandreth, Aphra | Harris, Rebecca |
| Braverman, rh Suella | Hayes, rh Sir John |
| Brewer, Alex | Heylings, Pippa |
| Brown-Fuller, Jess | Hinds, rh Damian |
| Burghart, Alex | Hoare, Simon |
| Campbell, Mr Gregory | Holden, rh Mr Richard |
| Cane, Charlotte | Hollinrake, Kevin |
| Carmichael, rh Mr Alistair | Holmes, Paul |
| Cartlidge, James | Hudson, Dr Neil |
| Chadwick, David | Hunt, rh Jeremy |
| Chamberlain, Wendy | Jardine, Christine |
| Chambers, Dr Danny | Jarvis, Liz |
| Cleverly, rh Mr James | Jenrick, rh Robert |
| Clifton-Brown, Sir Geoffrey | Johnson, Dr Caroline |
| Cocking, Lewis | Jones, Clive |
| Coghlan, Chris | Jopp, Lincoln |
| Collins, Victoria | Kohler, Mr Paul |
| Cooper, Daisy | Kruger, Danny |
| Coutinho, rh Claire | Lake, Ben |
| Cox, rh Sir Geoffrey | Lam, Katie |
| Dance, Adam | Lamont, John |
| Darling, Steve | Law, Chris |
| Davies, Ann | Leadbitter, Graham |
| Davies, Gareth | Leigh, rh Sir Edward |
| Davies, Mims | Lewis, rh Sir Julian |
| Dean, Bobby | Lockhart, Carla |
| Dewhirst, Charlie | Logan, Seamus |
| Dinenage, Dame Caroline | Lopez, Julia |
| Doogan, Dave | Lowe, Rupert |
| Dowden, rh Sir Oliver | MacDonald, Mr Angus |
| Duncan Smith, rh Sir Iain | Maguire, Ben |
| Dyke, Sarah | Maguire, Helen |
| Easton, Alex | Mak, Alan |
| Evans, Dr Luke | Malthouse, rh Kit |
| Farage, Nigel | Martin, Mike |

Mathew, Brian
McMurdock, James
McVey, rh Esther
Medi, Llinos
van Mierlo, Freddie
Miller, Calum
Milne, John
Mitchell, rh Mr Andrew
Mohamed, Iqbal
Mohindra, Mr Gagan
Moore, Robbie
Moran, Layla
Morello, Edward
Morgan, Helen
Morrison, Mr Tom
Morton, rh Wendy
Mullan, Dr Kieran
Mundell, rh David
Munt, Tessa
Murray, Susan
Murrison, rh Dr Andrew
Norman, rh Jesse
Obese-Jecty, Ben
O'Brien, Neil
O'Hara, Brendan
Patel, rh Priti
Paul, Rebecca
Perteghella, Manuela
Philp, rh Chris
Rankin, Jack
Robertson, Joe
Roome, Ian
Rosindell, Andrew
Sabine, Anna
Savage, Dr Roz
Saville Roberts, rh Liz
Shannon, Jim
Shastri-Hurst, Dr Neil
Shelbrooke, rh Sir Alec

Slade, Vikki
Smart, Lisa
Smith, Greg
Smith, rh Sir Julian
Smith, Rebecca
Spencer, Dr Ben
Spencer, Patrick
Stafford, Gregory
Stephenson, Blake
Stone, Jamie
Stride, rh Mel
Stuart, rh Graham
Swann, Robin
Swayne, rh Sir Desmond
Taylor, Luke
Thomas, Bradley
Thomas, Cameron
Tice, Richard
Timothy, Nick
Trott, rh Laura
Vickers, Martin
Vickers, Matt
Voaden, Caroline
Whately, Helen
Whittingdale, rh Sir John
Wild, James
Wilkinson, Max
Williamson, rh Sir Gavin
Wilson, Munira
Wilson, rh Sammy
Wishart, Pete
Wood, Mike
Wright, rh Sir Jeremy
Wrigley, Martin
Young, Claire

Tellers for the Ayes:
Harriet Cross and
David Simmonds

NOES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
Abbott, Jack
Abrahams, Debbie
Ahmed, Dr Zubir
Akehurst, Luke
Alaba, Mr Bayo
Alexander, Heidi
Al-Hassan, Sadik
Ali, Rushanara
Ali, Tahir
Amesbury, Mike
Anderson, Callum
Arthur, Dr Scott
Asato, Jess
Asser, James
Athwal, Jas
Atkinson, Catherine
Atkinson, Lewis
Bailey, Mr Calvin
Bailey, Olivia
Baker, Alex
Baker, Richard
Bance, Antonia
Barker, Paula
Barron, Lee
Barros-Curtis, Mr Alex
Baxter, Johanna
Beales, Danny

Beavers, Lorraine
Begum, Apsana
Bell, Torsten
Betts, Mr Clive
Billington, Ms Polly
Bishop, Matt
Blake, Olivia
Blake, Rachel
Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)
Bonavia, Kevin
Botterill, Jade
Brackenridge, Mrs Sureena
Brash, Mr Jonathan
Brickell, Phil
Burgon, Richard
Burke, Maureen
Burton-Sampson, David
Butler, Dawn
Cadbury, Ruth
Caliskan, Nesil
Campbell, rh Sir Alan
Campbell, Irene
Campbell, Juliet
Campbell-Savours, Markus
Carling, Sam
Champion, Sarah
Charters, Mr Luke
Clark, Feryal
Coleman, Ben

Collier, Jacob
Collins, Tom
Coombes, Sarah
Cooper, Andrew
Cooper, Dr Beccy
Cooper, rh Yvette
Costigan, Deirdre
Cox, Pam
Coyle, Neil
Craft, Jen
Creasy, Ms Stella
Crichton, Torcuil
Curtis, Chris
Dalton, Ashley
Davies, Jonathan
Davies, Paul
Davies, Shaun
Dean, Josh
Dearden, Kate
Dhesi, Mr Tanmanjeet Singh
Dickson, Jim
Dixon, Anna
Dixon, Samantha
Dollimore, Helena
Dowd, Peter
Downie, Graeme
Duncan-Jordan, Neil
Eagle, Dame Angela
Eagle, rh Maria
Eccles, Cat
Edwards, Lauren
Efford, Clive
Egan, Damien
Ellis, Maya
Elmore, Chris
Entwistle, Kirith
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Fahnbulleh, Miatta
Farnsworth, Linsey
Fenton-Glynn, Josh
Ferguson, Mark
Ferguson, Patricia
Fleet, Natalie
Foody, Emma
Foster, Mr Paul
Foxcroft, Vicky
Francis, Daniel
Gardiner, Barry
Gardner, Dr Allison
Gelder, Anna
Gemmell, Alan
German, Gill
Gilbert, Tracy
Gill, Preet Kaur
Gittins, Becky
Glindon, Mary
Goldsborough, Ben
Gosling, Jodie
Gould, Georgia
Grady, John
Griffith, Dame Nia
Gwynne, Andrew
Hack, Amanda
Hall, Sarah
Hamilton, Fabian
Hamilton, Paulette
Harris, Carolyn
Hatton, Lloyd
Hayes, Helen
Hayes, Tom

Hazelgrove, Claire
Hendrick, Sir Mark
Hinder, Jonathan
Hodgson, Mrs Sharon
Hopkins, Rachel
Hughes, Claire
Hume, Alison
Huq, Dr Rupa
Hurley, Patrick
Hussain, Imran
Irons, Natasha
Jameson, Sally
Jermy, Terry
Jogee, Adam
Johnson, rh Dame Diana
Johnson, Kim
Jones, rh Darren
Jones, Lillian
Jones, Louise
Jones, Ruth
Jones, Sarah
Josan, Gurinder Singh
Joseph, Sojan
Juss, Warinder
Kane, Chris
Kane, Mike
Kaur, Satvir
Kendall, rh Liz
Khan, Afzal
Khan, Naushabab
Kinnock, Stephen
Kirkham, Jayne
Kitchen, Gen
Kyle, rh Peter
Kyrke-Smith, Laura
Lamb, Peter
Lavery, Ian
Law, Noah
Leadbeater, Kim
Leishman, Brian
Lewell-Buck, Mrs Emma
Lewin, Andrew
Lewis, Clive
Long Bailey, Rebecca
MacAlister, Josh
Macdonald, Alice
MacNae, Andy
Madders, Justin
Mahmood, rh Shabana
Malhotra, Seema
Martin, Amanda
Maskell, Rachael
Mather, Keir
Mayer, Alex
McAllister, Douglas
McCluskey, Martin
McDonagh, Dame Siobhain
McDonald, Andy
McDonald, Chris
McDonnell, rh John
McEvoy, Lola
McIntyre, Alex
McKee, Gordon
McKenna, Kevin
McKinnell, Catherine
McMorrin, Anna
McNally, Frank
McNeill, Kirsty (*Proxy vote cast by Chris Elmore*)
Midgley, Anneliese
Minns, Ms Julie
Mishra, Navendu

Mohamed, Abtisam
Moon, Perran
Morden, Jessica
Morris, Grahame
Morris, Joe
Mullane, Margaret
Murphy, Luke
Murray, Chris
Murray, rh Ian
Murray, James
Myer, Luke
Naish, James
Naismith, Connor
Nandy, rh Lisa
Narayan, Kanishka
Nash, Pamela
Newbury, Josh
Niblett, Samantha
Nichols, Charlotte
Onn, Melanie
Onwurah, Chi
Opher, Dr Simon
Oppong-Asare, Ms Abena
Osamor, Kate
Osborne, Tristan
Owatemi, Taiwo
Owen, Sarah
Paffey, Darren
Pakes, Andrew
Patrick, Matthew
Payne, Michael
Peacock, Stephanie
Pearce, Jon
Pennycook, Matthew
Perkins, Mr Toby
Pinto-Duschinsky, David
Pitcher, Lee
Platt, Jo
Pollard, Luke
Powell, rh Lucy
Poynton, Gregor
Prinsley, Peter
Quigley, Mr Richard
Qureshi, Yasmin
Rand, Mr Connor
Ranger, Andrew
Reader, Mike
Reid, Joani
Reynolds, Emma
Rhodes, Martin
Ribeiro-Addy, Bell
Richards, Jake
Riddell-Carpenter, Jenny
Rigby, Lucy
Robertson, Dave
Roca, Tim
Rushworth, Sam
Russell, Mrs Sarah
Rutland, Tom
Ryan, Oliver
Sackman, Sarah
Sandher, Dr Jeevun
Scrogham, Michelle
Sewards, Mr Mark
Shah, Naz
Shanker, Baggy
Shanks, Michael

Siddiq, Tulip
Slaughter, Andy
Slinger, John
Smith, Jeff
Smith, Nick
Smith, Sarah
Smyth, Karin
Snell, Gareth
Sobel, Alex
Stainbank, Euan
Stevens, rh Jo
Stevenson, Kenneth
Stewart, Elaine
Stone, Will
Strathern, Alistair
Strickland, Alan
Stringer, Graham
Sullivan, Kirsteen
Sullivan, Dr Lauren
Sultana, Zarah
Swallow, Peter
Tami, rh Mark
Tapp, Mike
Taylor, Alison
Taylor, David
Taylor, Rachel
Thomas, Fred
Thomas, Gareth
Thompson, Adam
Thornberry, rh Emily
Timms, rh Sir Stephen
Toale, Jessica
Tomlinson, Dan
Trickett, Jon
Tuftnell, Henry
Turmaine, Matt
Turner, Karl
Turner, Laurence
Twigg, Derek
Twist, Liz
Uppal, Harpreet
Vaughan, Tony
Vaz, rh Valerie
Vince, Chris
Walker, Imogen
Ward, Chris
Ward, Melanie
Waugh, Paul
Webb, Chris
Welsh, Michelle
Western, Andrew
Wheeler, Michael
Whitby, John
White, Jo
White, Katie
Whittome, Nadia
Williams, David
Witherden, Steve
Woodcock, Sean
Yang, Yuan
Yasin, Mohammad
Yemm, Steve

Tellers for the Noes:
Christian Wakeford and
Gerald Jones

Question accordingly negated.

Question put forthwith (Standing Order No. 62(2)),
That the Bill be now read a Second time.

The House divided: Ayes 332, Noes 189.

Division No. 54]

[6.54 pm

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
Abbott, Jack
Abrahams, Debbie
Ahmed, Dr Zubir
Akehurst, Luke
Alaba, Mr Bayo
Alexander, Heidi
Al-Hassan, Sadik
Ali, Rushanara
Ali, Tahir
Amesbury, Mike (*Proxy vote cast by Chris Elmore*)
Anderson, Callum
Arthur, Dr Scott
Asato, Jess
Asser, James
Athwal, Jas
Atkinson, Catherine
Atkinson, Lewis
Bailey, Mr Calvin
Bailey, Olivia
Baines, David
Baker, Alex
Baker, Richard
Bance, Antonia
Barker, Paula
Barron, Lee
Barros-Curtis, Mr Alex
Baxter, Johanna
Beales, Danny
Beavers, Lorraine
Begum, Apsana
Bell, Torsten
Betts, Mr Clive
Billington, Ms Polly
Bishop, Matt
Blake, Olivia
Blake, Rachel
Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)
Bonavia, Kevin
Botterill, Jade
Brackenridge, Mrs Sureena
Brash, Mr Jonathan
Brickell, Phil
Burgon, Richard
Burke, Maureen
Burton-Sampson, David
Butler, Dawn
Byrne, Ian
Cadbury, Ruth
Caliskan, Nesil
Campbell, rh Sir Alan
Campbell, Irene
Campbell, Juliet
Campbell-Savours, Markus
Carling, Sam
Champion, Sarah
Charters, Mr Luke
Clark, Feryal
Coleman, Ben
Collier, Jacob
Collins, Tom
Coombes, Sarah
Cooper, Andrew
Cooper, Dr Beccy
Cooper, rh Yvette
Costigan, Deirdre
Cox, Pam
Coyle, Neil
Craft, Jen
Creasy, Ms Stella
Crichton, Torcuil
Curtis, Chris
Dalton, Ashley
Darlington, Emily
Davies, Jonathan
Davies, Paul
Davies, Shaun
Dean, Josh
Dearden, Kate
Dhesi, Mr Tanmanjeet Singh
Dickson, Jim
Dixon, Anna
Dixon, Samantha
Dollimore, Helena
Dowd, Peter
Downie, Graeme
Duncan-Jordan, Neil
Eagle, Dame Angela
Eagle, rh Maria
Eccles, Cat
Edwards, Lauren
Efford, Clive
Egan, Damien
Ellis, Maya
Elmore, Chris
Entwistle, Kirith
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Fahnbulleh, Miatta
Farnsworth, Linsey
Fenton-Glynn, Josh
Ferguson, Mark
Ferguson, Patricia
Fleet, Natalie
Foody, Emma
Foster, Mr Paul
Foxcroft, Vicky
Francis, Daniel
Gardiner, Barry
Gardner, Dr Allison
Gelder, Anna
Gemmell, Alan
German, Gill
Gilbert, Tracy
Gill, Preet Kaur
Gittins, Becky
Glindon, Mary
Goldsborough, Ben
Gosling, Jodie
Gould, Georgia
Grady, John
Griffith, Dame Nia
Gwynne, Andrew
Hack, Amanda
Hall, Sarah
Hamilton, Fabian
Hamilton, Paulette
Harris, Carolyn
Hatton, Lloyd

Hayes, Helen
 Hayes, Tom
 Hazelgrove, Claire
 Hendrick, Sir Mark
 Hinder, Jonathan
 Hodgson, Mrs Sharon
 Hopkins, Rachel
 Hughes, Claire
 Hume, Alison
 Huq, Dr Rupa
 Hurley, Patrick
 Hussain, Imran
 Irons, Natasha
 Jameson, Sally
 Jermy, Terry
 Jogee, Adam
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, rh Darren
 Jones, Lillian
 Jones, Louise
 Jones, Ruth
 Jones, Sarah
 Josan, Gurinder Singh
 Joseph, Sojan
 Juss, Warinder
 Kane, Chris
 Kane, Mike
 Kaur, Satvir
 Kendall, rh Liz
 Khan, Afzal
 Khan, Naushabah
 Kinnock, Stephen
 Kirkham, Jayne
 Kitchen, Gen
 Kyle, rh Peter
 Kyrke-Smith, Laura
 Lamb, Peter
 Lavery, Ian
 Law, Noah
 Leadbeater, Kim
 Leishman, Brian
 Lewell-Buck, Mrs Emma
 Lewin, Andrew
 Lewis, Clive
 Long Bailey, Rebecca
 MacAlister, Josh
 Macdonald, Alice
 MacNae, Andy
 Madders, Justin
 Mahmood, rh Shabana
 Malhotra, Seema
 Martin, Amanda
 Maskell, Rachael
 Mather, Keir
 Mayer, Alex
 McAllister, Douglas
 McCluskey, Martin
 McDonagh, Dame Siobhain
 McDonald, Andy
 McDonald, Chris
 McDonnell, rh John
 McEvoy, Lola
 McIntyre, Alex
 McKee, Gordon
 McKenna, Kevin
 McKinnell, Catherine
 McMorris, Anna
 McNally, Frank
 McNeill, Kirsty (*Proxy vote
 cast by Chris Elmore*)
 Midgley, Anneliese

Minns, Ms Julie
 Mishra, Navendu
 Mohamed, Abtisam
 Moon, Perran
 Morden, Jessica
 Morris, Grahame
 Morris, Joe
 Mullane, Margaret
 Murphy, Luke
 Murray, Chris
 Murray, rh Ian
 Murray, James
 Myer, Luke
 Naish, James
 Naismith, Connor
 Nandy, rh Lisa
 Narayan, Kanishka
 Nash, Pamela
 Newbury, Josh
 Niblett, Samantha
 Nichols, Charlotte
 Onn, Melanie
 Onwurah, Chi
 Opher, Dr Simon
 Oppong-Asare, Ms Abena
 Osamor, Kate
 Osborne, Tristan
 Owatemi, Taiwo
 Owen, Sarah
 Paffey, Darren
 Pakes, Andrew
 Patrick, Matthew
 Payne, Michael
 Peacock, Stephanie
 Pearce, Jon
 Pennycook, Matthew
 Perkins, Mr Toby
 Pinto-Duschinsky, David
 Pitcher, Lee
 Platt, Jo
 Pollard, Luke
 Powell, rh Lucy
 Poynton, Gregor
 Prinsley, Peter
 Quigley, Mr Richard
 Qureshi, Yasmin
 Rand, Mr Connor
 Ranger, Andrew
 Reader, Mike
 Reid, Joani
 Reynolds, Emma
 Rhodes, Martin
 Ribeiro-Addy, Bell
 Richards, Jake
 Riddell-Carpenter, Jenny
 Rigby, Lucy
 Robertson, Dave
 Roca, Tim
 Rushworth, Sam
 Russell, Mrs Sarah
 Rutland, Tom
 Ryan, Oliver
 Sackman, Sarah
 Sandher, Dr Jeevun
 Scrogham, Michelle
 Sowards, Mr Mark
 Shah, Naz
 Shanker, Baggy
 Shanks, Michael
 Siddiq, Tulip
 Slaughter, Andy
 Slinger, John

Smith, Jeff
 Smith, Nick
 Smith, Sarah
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Stainbank, Euan
 Stevens, rh Jo
 Stevenson, Kenneth
 Stewart, Elaine
 Stone, Will
 Strathern, Alistair
 Strickland, Alan
 Stringer, Graham
 Sullivan, Kirsteen
 Sullivan, Dr Lauren
 Sultana, Zarah
 Swallow, Peter
 Tami, rh Mark
 Tapp, Mike
 Taylor, Alison
 Taylor, David
 Taylor, Rachel
 Thomas, Fred
 Thomas, Gareth
 Thompson, Adam
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Toale, Jessica
 Tomlinson, Dan
 Trickett, Jon

Tufnell, Henry
 Turmaine, Matt
 Turner, Karl
 Turner, Laurence
 Twigg, Derek
 Twist, Liz
 Uppal, Harpreet
 Vaughan, Tony
 Vaz, rh Valerie
 Vince, Chris
 Walker, Imogen
 Ward, Chris
 Ward, Melanie
 Waugh, Paul
 Webb, Chris
 Welsh, Michelle
 Western, Andrew
 Wheeler, Michael
 Whitby, John
 White, Jo
 White, Katie
 Whittome, Nadia
 Williams, David
 Witherden, Steve
 Woodcock, Sean
 Yang, Yuan
 Yasin, Mohammad
 Yemm, Steve

Tellers for the Ayes:
 Christian Wakeford and
 Gerald Jones

NOES

Allister, Jim
 Amos, Gideon
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Aquarone, Steff
 Argar, rh Edward
 Atkins, rh Victoria
 Babarinde, Josh
 Bacon, Gareth
 Badenoch, rh Mrs Kemi
 Baldwin, Dame Harriett
 Barclay, rh Steve
 Bedford, Mr Peter
 Bennett, Alison
 Berry, Siân
 Bhatti, Saqib
 Blackman, Bob
 Blackman, Kirsty
 Bool, Sarah
 Bowie, Andrew
 Brandreth, Aphra
 Braverman, rh Suella
 Brewer, Alex
 Brown-Fuller, Jess
 Burghart, Alex
 Campbell, Mr Gregory
 Cane, Charlotte
 Carmichael, rh Mr Alistair
 Cartledge, James
 Chadwick, David
 Chambers, Dr Danny
 Chowns, Ellie
 Cleverly, rh Mr James
 Clifton-Brown, Sir Geoffrey
 Cocking, Lewis
 Coghlan, Chris

Collins, Victoria
 Cooper, Daisy
 Coutinho, rh Claire
 Cox, rh Sir Geoffrey
 Dance, Adam
 Darling, Steve
 Davies, Ann
 Davies, Gareth
 Davies, Mims
 Dean, Bobby
 Denyer, Carla
 Dewhurst, Charlie
 Dinenage, Dame Caroline
 Doogan, Dave
 Dowden, rh Sir Oliver
 Duncan Smith, rh Sir Iain
 Dyke, Sarah
 Easton, Alex
 Evans, Dr Luke
 Farage, Nigel
 Farron, Tim
 Flynn, rh Stephen
 Foord, Richard
 Forster, Mr Will
 Fortune, Peter
 Fox, Sir Ashley
 Franklin, Zöe
 Fuller, Richard
 Gale, rh Sir Roger
 George, Andrew
 Gethins, Stephen
 Gibson, Sarah
 Gilmour, Rachel
 Glen, rh John
 Glover, Ollie
 Goldman, Marie
 Gordon, Tom

| | |
|------------------------|---------------------------|
| Grant, Helen | Obese-Jecty, Ben |
| Green, Sarah | O'Brien, Neil |
| Harding, Monica | O'Hara, Brendan |
| Harris, Rebecca | Olney, Sarah |
| Hayes, rh Sir John | Patel, rh Priti |
| Heylings, Pippa | Paul, Rebecca |
| Hinds, rh Damian | Perteghella, Manuela |
| Hoare, Simon | Philp, rh Chris |
| Holden, rh Mr Richard | Ramsay, Adrian |
| Hollinrake, Kevin | Rankin, Jack |
| Holmes, Paul | Robertson, Joe |
| Hudson, Dr Neil | Roome, Ian |
| Hunt, rh Jeremy | Rosindell, Andrew |
| Jardine, Christine | Sabine, Anna |
| Jarvis, Liz | Savage, Dr Roz |
| Jenrick, rh Robert | Saville Roberts, rh Liz |
| Johnson, Dr Caroline | Shannon, Jim |
| Jones, Clive | Shastri-Hurst, Dr Neil |
| Jopp, Lincoln | Shelbrooke, rh Sir Alec |
| Kohler, Mr Paul | Slade, Vikki |
| Kruger, Danny | Smart, Lisa |
| Lake, Ben | Smith, Greg |
| Lam, Katie | Smith, rh Sir Julian |
| Lamont, John | Smith, Rebecca |
| Law, Chris | Spencer, Dr Ben |
| Leadbitter, Graham | Spencer, Patrick |
| Leigh, rh Sir Edward | Stafford, Gregory |
| Lewis, rh Sir Julian | Stephenson, Blake |
| Lockhart, Carla | Stone, Jamie |
| Logan, Seamus | Stride, rh Mel |
| Lopez, Julia | Stuart, rh Graham |
| Lowe, Rupert | Swann, Robin |
| MacDonald, Mr Angus | Swayne, rh Sir Desmond |
| Maguire, Ben | Taylor, Luke |
| Maguire, Helen | Thomas, Bradley |
| Mak, Alan | Thomas, Cameron |
| Malthouse, rh Kit | Tice, Richard |
| Martin, Mike | Timothy, Nick |
| Mathew, Brian | Trott, rh Laura |
| McMurdock, James | Vickers, Martin |
| McVey, rh Esther | Vickers, Matt |
| Medi, Llinos | Voaden, Caroline |
| Mierlo, Freddie van | Whately, Helen |
| Miller, Calum | Whittingdale, rh Sir John |
| Milne, John | Wild, James |
| Mitchell, rh Mr Andrew | Wilkinson, Max |
| Mohindra, Mr Gagan | Williamson, rh Sir Gavin |
| Moore, Robbie | Wilson, Munira |
| Moran, Layla | Wilson, rh Sammy |
| Morello, Edward | Wishart, Pete |
| Morgan, Helen | Wood, Mike |
| Morrison, Mr Tom | Wright, rh Sir Jeremy |
| Morton, rh Wendy | Wrigley, Martin |
| Mullan, Dr Kieran | Young, Claire |
| Mundell, rh David | |
| Munt, Tessa | |
| Murray, Susan | |
| Murrison, rh Dr Andrew | |
| Norman, rh Jesse | |

Tellers for the Noes:
Harriet Cross and
David Simmonds

Question accordingly agreed to.

Bill read a Second time.

NATIONAL INSURANCE CONTRIBUTIONS (SECONDARY CLASS 1 CONTRIBUTIONS) BILL (PROGRAMME)

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

That the following provisions shall apply to the National Insurance Contributions (Secondary Class 1 Contributions) Bill:

Committal

(1) The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee, on Consideration and on Third Reading

(2) Proceedings in Committee shall (so far as not previously concluded) be brought to a conclusion four hours after their commencement.

(3) Any proceedings on Consideration and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion five hours after the commencement of proceedings in Committee of the whole House.

(4) Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House, to any proceedings on Consideration or to proceedings on Third Reading.

Other proceedings

(5) Any other proceedings on the Bill may be programmed.—
(Jeff Smith.)

Question agreed to.

NATIONAL INSURANCE CONTRIBUTIONS (SECONDARY CLASS 1 CONTRIBUTIONS) BILL (MONEY)

King's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the National Insurance Contributions (Secondary Class 1 Contributions) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase in the sums payable under any other Act out of money so provided that is attributable to—

(a) increasing the employment allowance for a tax year to an amount not exceeding £10,500, and

(b) the repeal of subsections (4B) to (4G) of section 2 of the National Insurance Contributions Act 2014.—*(Jeff Smith.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Ms Nusrat Ghani): With the leave of the House, I will put motions 4 to 7 together.

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

MEDICINES

That the draft Human Medicines (Amendment) (Modular Manufacture and Point of Care) Regulations 2024, which were laid before this House on 21 October, be approved.

COMPANIES

That the draft Information Sharing (Disclosure by the Registrar) Regulations 2024, which were laid before this House on 22 May 2024, in the last Parliament, be approved.

ENVIRONMENTAL PROTECTION

That the draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024, which were laid before this House on 24 October, be approved.

INCOME TAX

That the draft Scottish Rates of Income Tax (Consequential Amendments) Order 2024, which was laid before this House on 14 October, be approved.—*(Jeff Smith.)*

Question agreed to.

PETITION

Pimping Websites and Paying for Sex

7.7 pm

Kirsteen Sullivan (Bathgate and Linlithgow) (Lab/Co-op): I rise on the ninth day of the United Nations' 16 days of activism against gender-based violence to present a petition on behalf of residents of the United Kingdom on commercial sexual exploitation. The minority of men who pay for sex are fuelling a brutal sex trafficking trade, aided by pimping websites that operate with impunity. The petition states:

"The petitioners therefore request that the House of Commons urges the Government to outlaw pimping websites and paying for sex, and provide support, not sanctions, to victims of sexual exploitation.

And the petitioners remain, etc."

Following is the full text of the petition:

[The petition of residents of the United Kingdom,

Declares that demand from the minority of men who pay for sex is driving the prostitution and sex trafficking trade, and this sexual exploitation is being facilitated by pimping websites that operate with impunity.

The petitioners therefore request that the House of Commons urges the Government to outlaw pimping websites and paying for sex, and provide support, not sanctions, to victims of sexual exploitation.

And the petitioners remain, etc.]

[P003025]

International Day of Persons with Disabilities

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

7.8 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Today marks International Day of Persons with Disabilities—or disabled people, as we often refer to that group. Language is important, so I will use both terms. "Persons with disabilities" is understood internationally, but "disabled people" is often the preferred term in the UK.

This year's theme is "Amplifying the leadership of persons with disabilities for an inclusive and sustainable future," recognising the important role that disabled people have to play in creating a more inclusive and sustainable world. The refrain "Nothing about me without me" emphasises the importance of disabled people not just passively participating in but actively leading decision-making processes that affect their lives. I implore the Government to commit to that.

Disabled people are defined not by their limitations but by their boundless potential, talents and aspirations. Across the globe, they are leading as innovators, creators, athletes, entrepreneurs, educators and advocates, inspiring us with their stories and showing us that a more inclusive world is not only possible but essential. Yet despite progress, significant barriers remain, and the number of disabled people reaching their full potential is still far too low. Many disabled people—children and adults—still face discrimination, inaccessible environments, unequal access to education, employment and healthcare, and worse.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady. The word "champion" is often used, but she has been a champion for disabled people. More work must be done to allow those with disabilities to live, work and travel independently, including through enhanced public transport with lifts and ramps for wheelchair users to get on to planes and the tube. Although this day rightly focuses on the tremendous impact of disabled people in our society, it also highlights failures in society that must be rectified. Does she agree?

Debbie Abrahams: The hon. Member will not be surprised to hear me say that I absolutely agree with him. I will come to the issues on which we need to provide challenge.

Since 2010, disability hate crime has increased almost sevenfold—that is absolutely shocking. Not only are such challenges obstacles for individuals but they limit society. As leaders, we need to demonstrate that we want an inclusive society in which we all thrive, not just a minority. The social model of disability views it as a result of societal barriers rather than a person's impairment or difference, whether of mind or body. If we are truly serious about having an inclusive society, we need to address those barriers. Thirty years on from the Disability Discrimination Act 1995, that work is well overdue.

This year's IDPD theme is particularly significant as it encourages the international community, including the UK, to consider how to remove barriers to enable disabled leaders to develop and thrive.

Steve Darling (Torbay) (LD): I highlight in particular the good work of those at the National Federation of the Blind, who were on the estate today campaigning on floating bus stops. Does the hon. Member agree that the Government need to ban floating bus stops?

Debbie Abrahams: The hon. Member—a fellow member of the Work and Pensions Committee—makes a good point. I am sorry that I was unable to attend that event myself, but I will certainly give that matter some consideration, and I hope that the Government will, too.

More than 16 million people in the UK have a disability—nearly one in four of us—and nearly half of all disabilities are acquired during a person's lifetime. In recognition of that, in 2009 the UK not only became a signatory to the UN convention on the rights of persons with disabilities, which includes 40 articles ranging from education and work and employment to the right to life, but enshrined disability as a protected characteristic in the Equality Act 2010. We should be proud that we as a country have adopted that, but now it is about how we put it into practice, because we have unfortunately gone backwards in many ways.

Despite the important moves that the then Government had undertaken, the austerity brought in by the coalition Government in 2010, and amplified by the Conservative Government in 2015, not only restricted financial and other state support for disabled people—adding further challenges to their lives—but created a culture of fear, particularly for those reliant on social security support who were unable to work. All too often, disabled people were treated as workshy, with the shirker-scrouter narrative perpetuated in policy and practice and, unfortunately, also in our media.

Warinder Juss (Wolverhampton West) (Lab): I congratulate my hon. Friend on securing this debate on International Day of Persons with Disabilities. Does she agree that a lot of the disabilities that we need to be aware of are hidden disabilities such as autism, depression and other mental conditions? We do not see those disabilities directly, but we need to be aware of them, and to deal with issues such as unconscious bias that we sometimes come across.

Debbie Abrahams: My hon. Friend makes such an important point—I absolutely agree. I talked about societal barriers and a social model of disability; we need to recognise that disabilities can also be hidden, so I thank my hon. Friend for pointing that out.

The reality is that most people, disabled or not, try to do the right thing, but as the Joseph Rowntree Foundation has shown, if you are a disabled adult or a disabled child, your family is more likely to be living in poverty or destitution. Things became so bad that in 2016, the then Conservative Government were investigated for having breached the UN CRPD. Following an investigation, the UK Government were found guilty in 2017 of systemic violations. As a UN committee spokeswoman declared, “the committee can confirm that some violations were grave, some others were systematic, and some were both: grave and systematic.”

In particular, the investigating committee found that the rights of disabled people to an adequate standard of living and social protection, to work and employment, and to independent living had been breached.

Jonathan Davies (Mid Derbyshire) (Lab): I recently met with an organisation called Deaf-initely Women, which supports deaf and hard of hearing women in Derbyshire and Nottinghamshire. It became apparent to me that the voices of those women are not being heard in the way that services are designed. I wondered whether my hon. Friend might reflect on that as part of her speech.

Debbie Abrahams: Again, that is a very important point. We have seen the decimation of services—social services, but also those in the charity sector—so my hon. Friend is absolutely right to raise that point.

The investigating committee found that the Government had implemented a policy aimed at reforming their welfare system, and that those reforms had been justified in the context of austerity measures to achieve consolidation of fiscal and budgetary policy. However, the impact assessments conducted by the Government prior to the implementation of several of their welfare reform measures expressly foresaw an adverse impact on disabled people, but those assessments were ignored. Evidence gathered nationally by many disabled people's organisations, charities, academics and many more showed the adverse and disproportionate effects of those welfare reform measures on persons with disabilities.

The impacts on the health of disabled people were also documented in a 2021 report assessing the health effects of the Welfare Reform and Work Act 2016. This should have been a wake-up call for the Government of the day, but unfortunately, even after the tragic deaths of dozens if not hundreds of disabled social security claimants over the past five years, the UN committee published a follow-up report in March this year in which it said that

“no significant progress has been made in the state party concerning the situation of persons with disabilities addressed in the inquiry proceedings”.

That report stated that while some measures had been taken to address the committee's recommendations, there were also

“signs of regression in the standards and principles of the convention”.

As my right hon. Friend the Minister will be aware, the committee has asked for a report by March 2029 to update it on the implementation of those recommendations. I know that he takes this issue very seriously, but despite the introduction of the Disability Discrimination Act 30 years ago, we have seen other areas of discrimination against disabled people. The Office for National Statistics conducted qualitative research that examined the experiences that people with disabilities had with activities, goods and services in the UK. It found barriers including physical access, restrictive building layouts, inaccessible online services, poor information provision and inflexible design of customer services that do not consider accessibility for a broad range of needs.

Our train network does not have level access, about which we heard Dame Tanni Grey-Thompson make a plea in the summer, when what she was put through was outrageous. When I had a presentation on the trans-Pennine route upgrade, I was absolutely shocked to find that the rolling stock, which is yet to be commissioned, is not going to provide level access. It is absolute nonsense that that is not even in the design for that procurement, so we must do better. Given that the new rolling stock

[Debbie Abrahams]

will not be out until 2029, I am hoping there will be time for people to think again, because that is just not good enough.

The difference in education outcomes is also shocking. According to the ONS, only a quarter of disabled people aged 21 to 64 have a degree or equivalent as their highest qualification compared with nearly 43% of non-disabled people. In addition, disabled people are almost three times more likely to have no qualifications than non-disabled people. Disabled people are also less likely to have GCSE grades of C and higher in comparison with non-disabled people. We know that disabled people do not have the same experience of UK schools as their non-disabled counterparts, and that barriers exist for these children across the educational system. I remember doing some work on this in my own constituency, and it was quite shocking to see the difficulties that disabled children face.

The cost of living crisis has hit disabled people harder than the wider population. Many disabled people have vital equipment that is expensive to run. The extra costs are estimated at over £975 a month on average. Imagine if that additional cost was one that everybody had to face, because we would really feel the pinch. A survey carried out by Sense found that 85% of people with complex disabilities are worried about this rising cost of living. If we look at employment, we need to remember that the disability employment gap sits at nearly 30%, as it has for many years. According to the ONS, there are 2.2 million disabled people who want to work but need support to get into work. Disabled jobseekers can face barriers on seeking employment, including from employers who believe that it is too difficult, risky or expensive to hire someone with disabilities. All organisations need to understand the challenges faced by disabled jobseekers.

Richard Baker (Glenrothes and Mid Fife) (Lab): Does my hon. Friend agree that it is unacceptable that only 7% of people with a disability in our country are in paid employment when so many more want to work? Does she also agree that it is vital that, as the Government look to get more people into work, we have equal opportunities and equal access to the workplace for disabled people?

Debbie Abrahams: I absolutely agree, and that is the point I am trying to make. There is a 30% gap between non-disabled and disabled people in work, with so many—as I say, 2.2 million—who want to work and are able to work. We must do better on that, and I know my right hon. Friend the Minister is absolutely committed to doing so. On top of that, we also have the disability pay gap, at nearly 14%, which again has increased. This is just not good enough.

I was really reassured by the statement by the Secretary of State for Work and Pensions on the “Get Britain Working” White Paper last week, with the recognition of what we need to do and how we need to change, and I look forward to seeing how this evolves. I am pleased that the Government will, for example, be introducing disability pay gap reporting, which will help lead the way in addressing the lack of disabled people in senior roles. When I was writing this speech, I remembered when I introduced a ten-minute rule Bill on this point back to 2015. Again, let us try and get this going a little bit more quickly.

Shining a light on inequality in pay encourages organisations to examine critically their hiring, promotion and compensation processes. Again, we all know from our own experience how, if we report something that we find is not working correctly, we are more likely to change things. I know my right hon. Friend recognises that not all disabled people can work, and that we must provide appropriate, timely and adequate financial support for disabled claimants, without a punitive and burdensome application and assessment process. I look forward to the Green Paper on that in the spring. I was heartened by the Secretary of State’s commitment to work with disabled people on that. She used the phrase “Nothing about me without me”, which should reassure people.

At its core, the theme of this year’s International Day of Disabled Persons is all about leadership, and as a nation we are introducing legislation and policy to enable a new generation of leaders with lived experience of disabilities. As a Parliament we must continue to lead by example and ensure that we make the right accommodations and adjustments for disabled colleagues. I am proud that nine of my parliamentary colleagues have declared a disability in this House, but we have a long way to go to being proportionately representative of the population as a whole in that sense.

Nearly four years on from another Adjournment debate I secured, I close my remarks by remembering those disabled people who lived in vulnerable circumstances and were let down by the then social security system. As I said earlier, there are dozens if not hundreds of families affected by the death of a vulnerable claimant, and the book “The Department” by John Pring describes some of those tragic deaths. I have got to know the families of Errol Graham, Philippa Day and Jodey Whiting. Errol Graham was a grandfather with a severe mental illness who starved to death alone in his flat, months after having his benefits stopped. He weighed five and a half stone when he was found. Philippa Day was a young mum who was found dead with a letter beside her from Capita, contracted by the Department for Work and Pensions, refusing her a home assessment visit over her benefits. Jodey Whiting also had poor mental health and other complex needs. She took her own life a fortnight after her benefits were wrongly cut off in 2017. They were appallingly let down by the Government of the day who should have been there for them.

Earlier this year the Equality and Human Rights Commission finally launched an investigation into potential discrimination at the Department for Work and Pensions through failure to protect claimants with learning disabilities or severe mental illness. I pay tribute to the families, charities, organisations, and individuals who constantly pushed on that issue to keep pressure on the EHRC to act. As Chair of the Work and Pensions Committee, I am pleased that we have re-opened the inquiry into safeguarding vulnerable claimants, which was paused due to the general election. Although the Government have changed, and with them has come a change in attitude, the Department’s failure over the last 14 years must be fully examined to ensure that no more vulnerable claimants die. I urge Members to reflect on the past treatment of disabled people, and look ahead at creating a welfare system that, like our NHS, is there for all of us in our time of need.

7.27 pm

The Minister for Social Security and Disability (Sir Stephen Timms): I congratulate my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) on securing this timely debate, continuing her long-standing record, as the hon. Member for Strangford (Jim Shannon) said, as a champion for disabled people in Parliament. I am looking forward to engaging with her regularly as Chair of the Committee, including on the safeguarding work that she rightly highlighted. I agree with her: my Department needs to drive disability inclusion across the whole of Government, remove barriers, and deliver access and inclusion to disabled people across all areas of everyday life.

Samantha Niblett (South Derbyshire) (Lab): On Saturday I was fortunate to meet nine-year-old Alfred. Alfred has cerebral palsy, and his parents fight endlessly to get him the support he needs and is entitled to. He is determined to walk one day, and he recently took his first steps. People can follow his progress on his Team Alfred Facebook page. Will the Minister meet me, Alfred, and his parents to hear of their struggles and of how the system needs to change to make things fair for Alfred and others like him?

Sir Stephen Timms: I am pleased that my hon. Friend has met her constituent, and of course I would be glad to meet her, her constituent and his parents.

Let me set out some of the steps that we are taking towards our goal. First, we are working hard to provide better support for disabled people who want to work. My hon. Friend the Member for Oldham East and Saddleworth rightly referred to the “Get Britain Working” White Paper, published last week, through which we are determined to tackle that stubbornly large disability employment gap that my hon. Friend the Member for Glenrothes and Mid Fife referred to.

We will overhaul jobcentres. We want work, health and skills plans for every area, bringing together jobcentres, colleges, the NHS, local charities and others in each area to equip disabled people for the opportunities there. We will set up a disability employment panel so that we can consult properly with disabled people and their organisations as we firm up our plans for better employment support. As my hon. Friend the Member for Oldham East and Saddleworth said, the refrain is, “Nothing about us without us.”

The White Paper also announced an independent review, headed by Sir Charlie Mayfield, who used to run John Lewis, on how the Government and businesses can provide better support at work for people with disabilities and health impairments. I confirm to my hon. Friend that we fully recognise that some people, through ill health or disability, will not be working, and we will ensure that they have the support that they need, recognising the extra costs that she has highlighted.

Layla Moran (Oxford West and Abingdon) (LD): I congratulate my friend, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), on securing this important debate. Keith, a constituent of mine, is a member of My Life My Choice, a self-advocacy group in Oxfordshire. Its job is to bring the voices of disabled people to MPs and into Parliament, so that they are part of the debate. He wanted me to advocate on his

behalf for high-quality adult social care. That allowed him to play the fullest part he could in our community. The Minister would be welcome to come to Oxfordshire to meet him. It would mean the world to the group. What does he have to say to Keith about adult social care?

Sir Stephen Timms: The hon. Member’s constituent raises an important point. Indeed, I was pressed on that point earlier today by Peter White in an interview that will be broadcast tonight. Our ambition is for a national care service. That is what we are working for, with a long-term plan that sits alongside our long-term plan for the NHS. Her constituent is absolutely right to press us to deliver on that goal.

We fully recognise that we need to adequately support people through the benefits system, but we know that many of those who are out of work through ill health or disability would, as my hon. Friend the Member for Oldham East and Saddleworth said, love to be in a job. At the moment, they face insuperable barriers that prevent that, including at times the benefits system. It is tough to bring up a family on universal credit. If someone can persuade my Department that they are too sick to work, they will receive some extra cash, but then no help at all to return to work. The system should not work in that way, and that is what we are determined to change.

Steve Darling: The Minister talked about barriers; one significant barrier that people with disabilities face is discrimination. Some people who have protected characteristics have the full force of the law behind them when they are discriminated against, but my concern is that people with disabilities do not necessarily have that and have to go through the civil court system. Does he believe that is right?

Sir Stephen Timms: I am glad to be able to tell the hon. Gentleman, who raises an important point, that in the race and disability equality Bill, which my hon. Friend the Member for Oldham East and Saddleworth referred to, we will deliver on our manifesto commitment to disability pay gap reporting for large employers. We will also place the full right to equal pay for disabled people explicitly on the statute book. That will be an important step forward in addressing the concern that the hon. Gentleman expresses. That right is implicit in the Equality Act 2010 already, but we will put it explicitly on the statute book.

Earlier today, I visited Google’s impressive accessibility discovery centre at King’s Cross to look at the latest advances in assistive tech. In our forthcoming Green Paper, I want us to look at what more we can do to support access to assistive technology, which can increasingly support disabled people in work.

Our manifesto committed us to championing the rights of disabled people, working with them. I have started to meet regularly with a range of disability groups, including: the Disabled People’s Organisations Forum England, which is made up of members from more than 40 organisations led by disabled people; the Disability Charities Consortium, which includes nine of the biggest national disability charities; and our regional stakeholder network—nine networks across the country of members of the public who are willing to use their lived experience to improve the lives of other disabled

[Sir Stephen Timms]

people in their area. I also meet the Government's disability and access ambassadors, senior business leaders who encourage improvements to the accessibility and quality of services for disabled people across 20 sectors, from advertising to universities.

We support the British Sign Language Advisory Board, which was set up in the aftermath of Rosie Cooper's British Sign Language Act 2022. We will shortly publish the 2023-24 annual British Sign Language report, which I think is the second such report since the Act was passed, describing what Departments are doing to promote and facilitate the use of British Sign Language in their public communications.

Earlier this year, the equality hub in the Cabinet Office was replaced with the Office for Equality and Opportunity, which will deliver our commitment to breaking down barriers, boosting opportunity and putting equality at the heart of all the Government's missions. I want to work with other Departments across Government, so that disabled people get the support that they need to overcome the daily barriers that they face. Floating bus stops are an important issue that we need to reflect on and work on across Government.

I am pleased to announce today the appointment of new lead Ministers for disability in each Government Department. They will represent the interests of disabled people and champion disability inclusion and accessibility in their Department. I will chair regular meetings with them and encourage them to engage directly with disabled people and their representative organisations as they take forward their departmental priorities. I look forward

to this new group of lead Ministers for disability together driving real improvements across Government for disabled people.

My focus as Minister for Social Security and Disability is primarily on domestic disability policy, but I make the point that I am also responsible for UK implementation of the UN convention, which my hon. Friend referred to—the convention was extended to Bermuda to a few weeks ago—underlining the Government's commitment to protecting and promoting disabled people's rights across the UK and around the world.

A great privilege of my job was to attend the Paralympic games in Paris in August, which was a fantastic event. Earlier today, I attended the launch of the strategy of the Activity Alliance, which brings together disability sports organisations around the country. In its new strategy, it highlights the benefits for society of disabled people being able to be more physically active. One of the things that they want to talk to me about is removing the barriers in the benefit system that sometimes make that extremely difficult.

I very much congratulate my hon. Friend the Member for Oldham East and Saddleworth on bringing forward the debate. I am delighted that we have had good attendance in the House this evening. I look forward to working with her and other Members to ensure that disabled people have the power, the rights and the opportunities that everyone else does.

Question put and agreed to.

7.39 pm

House adjourned.

Westminster Hall

Tuesday 3 December 2024

[CAROLYN HARRIS *in the Chair*]

Critical Minerals: Domestic Production

9.30 am

Perran Moon (Camborne and Redruth) (Lab): I beg to move,

That this House has considered the domestic production of critical minerals.

It is a pleasure to serve once again under your chairship, Mrs Harris. I am pleased to have secured this debate on a subject that I believe is yet to achieve the public and political prominence that it deserves, but that is fundamental to the UK's energy transition, economic security and industrial growth—especially in areas of high deprivation.

What are critical minerals? Strictly speaking, critical mineral is a label given to materials that are deemed to have economic value and that are vulnerable to supply chain insecurity. The term was first used by the United States Government in the 1940s to describe materials crucial to military technologies. In our modern economy, transitioning to net zero to mitigate the existential threat that we all face from climate change, the new generation of critical minerals such as tin, lithium and tungsten are crucial as the global economy shifts from a fossil fuel intensive to a material-intensive energy system. Last week, the British Geological Survey published its critical minerals list, finding 34 different materials crucial to our economy.

Luke Myer (Middlesbrough South and East Cleveland) (Lab): My hon. Friend mentions the critical minerals list; it is my view that the list needs to evolve to keep up with the increasing demands that we face, and to account for the production of minerals that we have in this country. In my part of the world we produce polyhalite, a fantastic crop nutrient fertiliser that has huge potential for our food security. Would he agree that the critical minerals list needs to account for minerals such as polyhalite, so that we can ensure our economy is growing into the future?

Perran Moon: It is essential that there is an ongoing dialogue about the critical minerals list. I attended a conference yesterday with the British Geological Survey, at which it explained how it came up with the critical minerals list. My hon. Friend is absolutely right that we need to focus on those minerals that are crucial to the development of our economy. Those minerals are essential for our batteries, cars, wires, consumer devices and defence applications.

To be clear, critical minerals are the cornerstone of the clean energy revolution—the lifeblood of electric vehicles, wind turbines, solar panels and cutting-edge electronics. In a world where demand for technology grows ever stronger, critical minerals stand as both our greatest challenge and our most brilliant opportunity. Demand is set to massively increase over the next few years and decades, as more consumers buy electric vehicles powered by renewable energy.

I have framed critical minerals as a great challenge as well as an opportunity. That challenge arises because at the moment the UK imports almost all of its critical mineral demand. A number of countries dominate the upstream supply chains, with the top three nations dominating well over three quarters of global output, according to the International Energy Agency. That concentration of production is even higher when it comes to refining operations, where China dominates. By 2030, 85% of lithium will be refined in just three countries. That level of supply chain domination is distinctly undesirable for our decarbonising economy and is much higher than the production concentrations of fossil fuels.

We must diversify our supply chains to achieve greater resource security, including the development of domestic production capabilities. Other large economies such as the US, Canada, Australia, and the EU are working to secure their own critical mineral supply chains, and we must not be left behind in the race to supply security.

Luke Murphy (Basingstoke) (Lab): I apologise for being late, and I congratulate my hon. Friend on securing this important debate. I agree that the market of critical minerals is intensely concentrated in China. Therefore, for security reasons, for economic opportunities and to achieve net zero, it is vital to secure the domestic supply chain. Does he welcome, as I do, the recent memorandum of understanding between Cornish Lithium and LevertonHELM, which produces speciality lithium chemicals, in my constituency? That will help to secure a domestic supply of lithium to support the development of the UK's battery sector, which in turn will help to maintain the competitiveness of our automotive sector.

Perran Moon: I thank my hon. Friend for that intervention and wholeheartedly agree with him. As I will mention later, although I am Cornish and focus on Cornwall, there are benefits to be had throughout the United Kingdom.

Relying unreservedly on international supply chains increases our global carbon emissions and means we cannot ensure a higher level of environmental care and social standards in the extraction and processing of these materials. To mitigate that dependency and build secure localised supply chains, including for electric vehicle batteries, investment in domestic extraction and processing is essential. Establishing our domestic industry would also aid our export capabilities.

Our significant lithium reserves could be upstream of a developed battery industry, in turn feeding into the demand for electric vehicles, which is predicted to increase by 30 times up to 2050. The EU is the main export market for UK cars. In 2027, EU rules of origin will come into force, mandating that 65% of the value of a battery must originate in the EU or UK, or there will be significant additional costs. Developing domestic industry will keep our exports compliant with those rules and will keep us protected against any other rules on environmental credentials.

Let us consider the critical mineral resources that the UK possesses. From my own constituency in the heart of Cornwall to Pembrokeshire in Wales, County Durham, Cumbria, County Tyrone in Northern Ireland and the central highlands of Aberdeenshire, the UK is littered

[Perran Moon]

with critical mineral potential. Most significantly for the green transition, we find reserves of lithium, tin and tungsten in economically viable quantities.

We should also appreciate that those key areas have been mined historically and are all areas of significant socioeconomic deprivation. If we can create an environment for a domestic industry, there is significant potential for wealth to be held in those communities in the form of good, well-paid jobs. I would like to discuss the particular opportunities in Cornwall, with which I am most familiar.

Alistair Strathern (Hitchin) (Lab): My hon. Friend is making a compelling case, not just for the national security implications of critical minerals, but for the welcome huge economic benefits. Given that, does he welcome the Government's commitment to bring forward a new strategy for critical minerals security? Does he agree that that would bring benefits, not just for the regions blessed with the minerals in natural supply, but for companies such as Panther Metals in my constituency, which will be able to deliver a big part of the national supply chain in future?

Perran Moon: I thank my hon. Friend for his intervention and wholeheartedly agree, once again, with the desire for the Government to focus on critical minerals, hopefully developing the critical minerals strategy as a core part of the UK's overall industrial strategy. I will talk more about that later.

Beneath Cornwall lies a mass of granite rock called the Cornubian batholith—that is harder to say at 9.40 am than one would think—in which lithium-bearing mica was discovered in 1825. In recent years, the extraction and processing of that resource has been developed by two enterprises: Imerys British Lithium and Cornish Lithium, as mentioned by my hon. Friend the Member for Basingstoke (Luke Murphy). Significantly, the UK lithium demand is projected to be 80,000 tonnes a year by 2030, with geological reserves in Cornwall covering a significant proportion of that demand over the next few decades. I point out that even though demand is projected at 80,000 tonnes a year, we currently have no domestic supply.

Both companies have received significant investment, and just this year Cornish Lithium opened its first processing facility, refining battery-grade lithium hydroxide, locally in Cornwall. These companies constitute not potential on the horizon, but enterprises employing hundreds of people, generating wealth, developing technologies and working with communities and academics.

The potential in Cornwall is underpinned by a rich depth of mining heritage over thousands of years, with an economic peak in the 19th century, when tin was mined on an industrial scale, before the price collapsed and jobs moved to other places around the world. The last tin mine closed at South Crofty, in the heart of my area of Camborne, Redruth and Hayle, in 1998. When it did, the following words were graffitied on the closed gate:

“Cornish lads are fishermen,

And Cornish lads are miners too,

But when the fish and tin are gone

What are the Cornish boys to do?”

Today, a firm called Cornish Metals is working to reopen South Crofty tin mine; it is draining it of water as we speak, so that work can start again to meet the severe supply shortages of tin worldwide that the global economy now faces. I have been down South Crofty mine myself and, although it must be said that I am not a geologist, I am convinced that the objectives of Cornish Metals can and must be achieved. Lithium gets a lot of deserved attention because of its use in lithium-ion batteries, but tin is as crucial to modern technologies and electrical infrastructure such as solar panels. Cornwall hosts the third highest-grade tin deposits in the world, and it is the highest grade of tin deposit that is not currently mined.

South Crofty and much of Cornwall more generally represent a unique blend of ancient mining heritage, geological reserves and community support. That comes alongside a cluster of companies and expertise in and around educational institutions such as the world-leading Camborne School of Mines and the University of Exeter, based in Penryn, which has more top 100 climate scientists than any other university in the world.

The UK's burgeoning critical minerals industry could be a game changer, helping to relieve pressures on communities such as mine and generating jobs and wealth. With those communities in mind, it is fundamental that domestic production works for local people and the natural environment, so that we do unleash the Cornish Celtic tiger.

As an officer of the all-party parliamentary group on critical minerals, alongside my hon. Friend the Member for St Austell and Newquay (Noah Law), I am in close contact with the industry. We attended the Critical Minerals Association conference yesterday and will attend another industry conference on the future of mining later this week. Industry leaders have made it very clear to me that there is a serious gap in the midstream supply chain for batteries, including magnet development. Much focus is on the upstream, but those gaps must be plugged as well.

Industry is crying out for domestic production guaranteed by the Government, whether as a set tonnage or as a percentage of demand on a sliding scale. That would reassure mining finance, which is relatively risk-averse. In that vein, I ask the Government to consider implementing de-risking financial instruments such as price floors, as well as considering mineral-extraction projects as part of the enterprise investment scheme, which provides tax reliefs for investors supporting small and growing enterprises. The industry suffers from a long development timescale and high up-front costs, both of which need to be considered as the Government tackle this country's industrial and planning issues.

Giving more support to this industry will increase its credibility as a possible career path in the education system. Camborne School of Mines, the UK's only dedicated mining college, and perhaps the world's most famous, offers sector-specific undergraduate courses, but we require greater focus on STEM subjects—science, technology, engineering and maths—at GCSE and A-level, alongside apprenticeships. To conclude—I am sure hon. Members will be relieved to hear that—

Alex Sobel (Leeds Central and Headingley) (Lab/Co-op): Australia is the world's largest lithium producer, but nearly all its lithium is exported to China for battery

production there, and there is very little domestic battery production. Does my hon. Friend agree that the UK, if it follows the path that he wants it to, should not fall into the same trap? We need to have the upstream demand as well as the mining production.

Perran Moon: My hon. Friend is absolutely right. As I mentioned, the risk is that we have a small number of dominant players from areas of the world that are potentially geopolitically sensitive for the UK and the west. It is crucial that we focus on our own domestic critical mineral production, so that we have that security going forward. I entirely agree.

To conclude, critical minerals are the elephant in the room when it comes to energy transition. We must capitalise on UK domestic potential. How we extract the materials, how we capture supply chains and how we develop technologies to recycle critical minerals will only become more important. I have focused on the cluster of businesses in Cornwall, but Northern Lithium, Green Lithium and Weardale Lithium in the north of England represent other acorns of industrial potential that we must support. Northern Lithium is targeting production of over 10,000 tonnes of battery-grade lithium from brines, having secured mineral rights over 60,000 acres. Only last week, Watercycle Technologies from the University of Manchester developed new technology for producing battery-grade lithium from UK source brines.

We have to acknowledge the scale of the challenge at hand in order to generate a rising tide that will lift the whole industry. Critical minerals must form a core part of the Government's industrial strategy, alongside investment in housing in deprived communities, infrastructure around and within key sites such as Falmouth port, and commercial infrastructure such as rail for freight transport and a tin smelter at South Crofty. Currently, tin produced in the UK would have to be shipped to east Asia to be smelted and then shipped back, creating extensive carbon emissions through shipping and offshoring the jobs and infrastructure in the supply chain that we need domestically.

With all that in mind, I ask the Minister: what is the state of the Government's ongoing dialogue with the industry? Do the Government recognise the current geopolitical risks of a world shortfall in the supply of tin, and will the white heat of the UK's critical mineral industry form a key part of the Government's strategy? If we overcome these challenges, we will deliver the UK's critical mineral security, create thousands of jobs in deprived communities and accelerate our drive towards a fossil fuel-free future.

Carolyn Harris (in the Chair): Order. I remind Members that they need to stand if they wish to speak during the debate.

9.48 am

Jim Shannon (Strangford) (DUP): It is a real pleasure to serve under your chairship, Mrs Harris. I am sorry I missed you yesterday, but I am back in line today. It is really nice to be here.

I thank the hon. Member for Camborne and Redruth (Perran Moon) for leading the debate. He made the case for critical minerals enthusiastically, with the evidential base that he clearly has from his constituency. This may not be the most sexy debate, but it is a vital one, because it raises important issues that are often forgotten or not

acknowledged. The hon. Member has done the House a service in introducing the debate, and we thank him for that.

I am aware of the minerals within Cornwall, and the fact that a range of critical minerals are required for numerous industries within the United Kingdom of Great Britain and Northern Ireland. Minerals such as lithium, cobalt and graphite, which have a high risk of supply disruption, are the centre of debates on this issue. It is truly great to be here to give a Northern Ireland perspective, to enable us to play our part as well. The hon. Member for Camborne and Redruth mentioned County Tyrone. He said beforehand that he would mention Northern Ireland, and he did. I will refer to Country Tyrone, and a few others, to add to the debate and hopefully enhance the scope of what we are trying to achieve.

The British Geological Survey published a report in 2023, which identified numerous areas around the UK as prospective areas for critical raw minerals. For Northern Ireland, those areas were in mid-County Tyrone. These critical minerals are essential for the transition to the green economy. Some people think we can ignore the green economy, but we cannot. It is important that it should be central to our policy as we move forward. It is essential for the creation of jobs in the tech, defence and automotive industries.

There are numerous critical minerals that are found in Northern Ireland and have been mined there historically, including iron ore and coal. In 2021, the Department for the Economy back home in Northern Ireland commissioned research into the economic, social and environmental impacts of mineral exploration and mining in Northern Ireland. I know that the Minister is assiduous in her job, so perhaps she would tell us whether there have been any discussions with the Department of Enterprise, Trade and Investment back home, and if so, what they have been about. We can do this together, and it enhances our great Union when we do things together.

The research helped to provide key information on the mineral life cycle in Northern Ireland. Furthermore, it can allow us to work alongside partners in the mainland on the production of critical minerals, which are so important today. We need to exploit—I am loth to use that word, but it is possibly the best—or certainly take advantage of what we have. In addition, salt has been produced at the underground salt mine in County Antrim, and historically lead has been mined across Northern Ireland, including in the Newtownards area in my constituency of Strangford, which I have the pleasure and privilege to represent.

The regional, national and global demand for certain critical minerals has increased dramatically and rapidly, and we face ongoing challenges because of that. The hon. Member for Camborne and Redruth emphasised that clearly in his opening contribution. The extraction and processing of certain minerals has been highly challenging, and can lead to supply constraints and prices rapidly rising. The importance of the issue cannot be underlined enough. The hon. Gentleman mentioned the importance of mining in Cornwall, specifically lithium, which will be paramount to the UK's transition to a better net zero policy and away from fossil fuels. The Minister responded to the hon. Gentleman's question in the main Chamber by stating that the Government are currently looking at the critical mineral strategy. When

[Jim Shannon]

the Minister responds today, perhaps she will indicate just what that strategy is, and how it encompasses all of this great United Kingdom.

It is understood that there are certain areas across the UK that are more prominent in relation to critical minerals, but I would be grateful if the Minister and relevant Departments committed to undertake discussion with their counterparts in the devolved institutions to ensure that areas with potential mineral production, such as mid Tyrone and others in Northern Ireland, can be used to increase UK production. We must do this together. Numerous companies have received Government support for the sector through the automotive transformation fund, and the UK supply chain has a share of up to £1 billion of funding, but the market for these industries remains increasingly competitive. I would be interested to hear from the Minister what could be done to enhance that.

To conclude, it is all about maintaining and building sustainable industries across the whole of the United Kingdom of Great Britain and Northern Ireland. I spoke in the main Chamber on critical minerals before the general election. I very much look forward to hearing what commitments the Government can make to Northern Ireland to ensure that we all have equal opportunities to succeed. Perhaps the Minister will give consideration to engaging with counterparts back home in Northern Ireland on this issue within this governmental mandate. We in Northern Ireland can and wish to be part of this very exciting opportunity. It is potentially exciting for all of the great United Kingdom of Great Britain and Northern Ireland. None of my Scots Gaelic cousins are here, but I can say honestly that we are always better together, and that is the truth.

9.54 am

Tom Hayes (Bournemouth East) (Lab): It is an honour to follow the hon. Member for Strangford (Jim Shannon) and to speak in a debate called by my hon. Friend the Member for Camborne and Redruth (Perran Moon), with whom I often joke about critical minerals. Honestly, it is funny. I had thought that if I were to put a pound into a jar every time that my hon. Friend mentioned tin, I would be financially challenged, but after today's debate, I would be bankrupt. I thank him for calling the debate.

As the MP for Bournemouth East, I belong to the south-west, so I have a particular interest in seeing that region develop and strengthen its green economy so that the people I represent can thrive and prosper. As the first ever Labour MP for Bournemouth East, I am particularly proud to be speaking about a region that has the largest concentration of Labour MPs in a very long time. When local people vote for Labour, they do not just get an investment in critical minerals development but in clean energy infrastructure and the jobs of the future that will help people to have a better way of life.

The south-west has a remarkable mix of nationally significant critical minerals, which will be vital to the UK's energy security and industrial resilience, especially in the advanced manufacturing sectors, which rely on a supply of lithium and tin. I am pleased that the south-west is home to the world-renowned Camborne School of Mines at the University of Exeter, which has received

£4.5 million to establish a green economy centre to accelerate the mining of lithium, tin and tungsten in collaboration with local businesses and Government bodies. I hope that there will be a role for Bournemouth University in the development of this project.

Critical mineral extraction was once a major industry for Cornwall—also in the south-west—and its rejuvenation must be a key component of our green economy. When the Labour Government came to power, they inherited a very difficult cost of living crisis. Because the Government we replaced had left the country exposed to fossil fuel dictators, we saw inflation rise to 10% and 11%. A third of that was driven by the gas shocks prompted by the invasion of Ukraine. The cost of living crisis has been a disaster for Cornish constituencies and constituents of mine, with typical energy bills nearly doubling in the space of a year and family finances in a mess for so many. The previous Government were forced to spend £94 million to support households with the cost of living crisis.

We need to achieve clean energy not just to create the jobs of the future but to ensure that our country is no longer exposed to the whims of fossil fuel dictators. The last Government ducked and dithered and delayed some difficult decisions on critical minerals, which has left us in this difficult place. Every time they ducked and delayed, they denied our country the clean energy infrastructure we needed. The Climate Change Committee report, published two weeks after the Labour Government came into office, laid bare the true reality, and said that

“last year...the previous Government signalled a slowing of pace and reversed or delayed key policies...The...announcements were given with the justification that they will make the transition more affordable for people, but with no evidence backing this claim.”

The Climate Change Committee's assessment was that only a third of the emissions reductions required are currently covered by credible plans.

I welcome this debate in bringing to the fore critical minerals and the contribution that Cornwall can make to our clean energy revolution. The faster we go, the more we will be able to secure and create jobs and tackle our climate crisis. I thank my hon. Friend the Member for Camborne and Redruth for calling this debate, and I thank all Members for contributing. Together this House will have the solutions we need so that we can all be in a better place.

9.58 am

Noah Law (St Austell and Newquay) (Lab): I thank my hon. Friend the Member for Bournemouth East (Tom Hayes) for his speech and my hon. Friend the Member for Camborne and Redruth (Perran Moon) for securing this vital debate and for his thorough introduction to critical minerals. I must begin by declaring an interest as chair of the all-party parliamentary group on critical minerals. In my capacity as chair, I hope to champion the UK's critical minerals sector and encourage the Government to use all economic and educational levers available to support UK domestic production, stimulate growth and ensure that we exploit the sector's vast untapped potential.

In my constituency of St Austell and Newquay, we are privileged to sit atop the heart of the largest lithium resource in Europe. It is a vital mineral for the green energy transition, as we have heard. For those not

familiar with the properties of lithium, it is a key component in batteries that power electric vehicles, as well as being essential for the renewable energy storage that we need. It is key for many other crucial technologies that will be part of our low-carbon future.

The distillation of raw materials in Cornwall, with our unique geology, present an unparalleled economic opportunity not seen since the 19th century when we dominated the global mining market in tin and copper. Let me stress the magnitude of that opportunity and what it potentially means for Cornwall. Lithium mining offers the chance to revitalise that legacy in a way that stimulates Cornwall's economy and turbocharges our country's clean energy mission. It is therefore imperative that the Government support the development of this burgeoning sector and work with cutting-edge businesses like Cornish Lithium, which is pursuing environmentally responsible lithium extraction from geothermal waters and hard rock with pioneering technology. By doing so, Cornwall can emerge as a leader in critical mineral production globally, with benefits cascading across local and national economies.

On a broader scale, securing the domestic supply of critical minerals is not just a matter of economic opportunity for local people in my constituency, in Cornwall and beyond; it is a matter of national security. Currently, the UK is over-reliant on imports from nations such as the Democratic Republic of the Congo. Many of the countries in the supply chain sit squarely within either the Chinese or Russian spheres of influence. That dependence exposes us to significant risks, including geopolitical instability, ethical concerns surrounding the supply chains, and the potential for resource monopolies. I suggest that if we are to go globetrotting for our critical minerals, we should trot very carefully indeed and prioritise our domestic powerhouse of production.

Investing in domestic production, especially of lithium, will strengthen our energy security, reduce vulnerabilities and ensure that the transition to renewable energy is underpinned by a resilient and ethical supply chain. Cornwall is uniquely positioned to contribute to this national ambition. We are also able to spread the wealth that will come from a production epicentre in Cornwall across the whole of Great Britain and Northern Ireland.

For the industry to flourish, we must address the skills gap. Institutions such as the Camborne School of Mines, which we have already heard about, and the Truro STEM centre are at the forefront of educating the next generation of workers for the industry. I look forward to the forthcoming investment in Cornwall college in the next year or so, as historically it has been an excellent source of talent for further education. The potential is immense: more than 100 degree-level apprenticeships could be offered at Camborne alone, and a similar number of mineral processing apprenticeships are available in Truro. Each major player in the critical minerals industry forecasts the need to train around 300 staff just in terms of direct employees, not to speak of the vast supply chain required. That makes it ever more crucial that we harness local talent to plug into the supply chain.

To achieve all that, we must provide the necessary resources for the teaching institutions, including incentives to attract and retain skilled teaching staff who may work in very lucrative industries and find it difficult to justify coming back to teach the next generation. The

Government should consider additional measures in terms of funding or salary enhancements to ensure that educators are not drawn away by the competitive salaries offered overseas in the industry itself. Further education deserves parity of funding and esteem, given its vital role in growing this vital industry. It is crucial that we align Skills England's methodology with the reality of emerging industries to capture the nascent but fast-growing demand for skills. A forward-thinking industrial strategy, informed by the business-level and project-level data, is essential to anticipate and meet the needs of the sector.

On our infrastructure challenges—there are many in Cornwall in particular—Cornwall's potential to lead in the production of critical minerals will be realised only if we address the intertwined challenges of housing, transport and, of course, the grid. Cornwall suffers from a protracted housing crisis, with the proliferation of second homes resulting in a severe lack of affordable housing for local people. The Government's drive to build social and affordable homes must therefore be accelerated in Cornwall to ensure that our local talent pool, which the industry is so keen to unlock, is not driven out of the region, as so many have been before.

Similarly, transport links must be drastically improved. The woeful state of the road connecting St Austell and Newquay offers a prime example of the difficulties of getting goods, services and people to flow around our county. It is essential that efficient, sustainable transport for workers, businesses and supply chains functions correctly. The current state of our infrastructure is dire. It is a critical component of creating the conditions for success in the sector, so I welcome the Minister's visit in the spring, when we can go further into the specifics of an investment plan for Cornwall.

Finally, funding remains a significant hurdle for critical minerals exploration in Cornwall. The current funding landscape presents a huge challenge, and the schemes available for smaller projects are far too limited. The gap must be addressed if we are to enable early-stage mineral production projects, for example, and to progress the commercial viability of the small and medium-sized enterprises that will form the backbone of the Cornish mining supply chain. I therefore urge the Minister to consider reforms to the funding structures.

The EIS has been mentioned in the context of supporting critical mineral exploration. It is a great shame that we have some of the world's finest overseas development export and offtake finance institutions but our ability to support home-grown mining companies with offtake and other specialised financing agreements that support the UK's energy security is not good enough. By providing tailored financial support, we can unlock the sector's potential, ensure that domestic supply chains are robust and self-sustaining, and bring prosperity to our proud clay country villages in Cornwall, and to the country more widely.

In leading the debate, my hon. Friend the Member for Camborne and Redruth underscored how vital it is for our national security, energy resilience and climate goals that we secure the domestic production of critical minerals. With its rich mineral resources, skilled workforce and the support of the Government, Cornwall is uniquely placed to succeed in the sector and to be at the epicentre of the critical minerals revolution. By seizing that opportunity, we can not only transform Cornwall into a global hub for sustainable critical mineral production,

[Noah Law]

but inspire a model of regional regeneration that places communities and climate action at its heart. Let us ensure that the rewards of the industry are shared as widely as possible, secure a thriving future for Cornwall and set the standard for the rest of the United Kingdom.

10.7 am

Andrew George (St Ives) (LD): It is a pleasure to serve under your chairmanship, Mrs Harris. I congratulate the hon. Member for Camborne and Redruth (Perran Moon), not only on bringing this issue to the House's attention, but on the manner in which he introduced it, emphasising its importance.

There have been a number of contributions to the debate, in the form of both interventions and speeches. The hon. Member for Middlesbrough South and East Cleveland (Luke Myer) emphasised the importance of keeping the whole strategy under review. The hon. Member for Basingstoke (Luke Murphy), who is no longer in his place, emphasised the importance of the strategy and of ensuring that our national security is protected in the manner in which our policy is produced.

The hon. Member for Hitchin (Alistair Strathern), who is also no longer in his place, emphasised the huge potential economic benefit to this country of further developing the strategy. The hon. Member for Leeds Central and Headingley (Alex Sobel) also contributed and, of course, the ever-present hon. Member for Strangford (Jim Shannon) gave a telling contribution, making the vital point that although Cornwall is the epicentre of activity as far as critical minerals are concerned, other Celtic regions in the United Kingdom make an important contribution, as indeed do other locations throughout the country.

The hon. Member for Bournemouth East (Tom Hayes), whose constituency is within the Government zone of the south-west, as I describe it, emphasised the importance of taking a wider regional and national view on the integration of the various component parts necessary to developing a strategy. The hon. Member for St Austell and Newquay (Noah Law), who is the chair of the all-party parliamentary group on critical minerals, again emphasised the importance of the sector to the British economy.

It is important to establish a clear strategy and, to be fair, the previous Government established a strategy in 2022, on which the current Government can build. They also established the Critical Minerals Intelligence Centre, which is run by the British Geological Survey and is another building block on which to develop a future strategy. And the strategy does need to be developed; it cannot be left where it is.

It is important to emphasise that the industry is vital not only to the country's intention to address climate change but to the integration of climate change and nature conservation. When one looks at the extraction of any precious component or metal, such as lithium, from Cornwall's remarkable geography, one has to consider the consequences for nature conservation. I find it particularly pleasing that, in the constituency of the hon. Member for St Austell and Newquay, there is a strong working relationship between Imerys and local nature conservationists. For example, only recently it was detected that the little ringed plover, which is a

particularly vulnerable species, is now breeding in what was originally the clay wastes of the clay country, and within the area where lithium is likely to be extracted in the future. In other words, it is possible for those extractive industries and nature conservationists to work together and accommodate each other within the same environment. As we go forward it is really important that that conversation goes on.

Like the hon. Member for Camborne and Redruth, I went down South Crofty, below 3,000 feet, but before it closed in 1997. I certainly agree with him and hope that the mine will open again soon so that it can make a major contribution to the Cornish economy. There has been a lot of reference today to refining the products themselves, and one only has to look in the constituency of the hon. Member, as well as where I live in Hayle, to see the consequences of smelting for the environment. It was certainly known in the 19th century, when a lot of smelting went on in the town, how it impacted the health of people in the area.

We have only to look at what is known in the area as scoria stone, which is an incredibly heavy and extremely brittle stone that was the by-product of the smelting process, to see the environmental impact of the process. It is really important, therefore, to use modern technologies in the UK to ensure that it does not have those detrimental impacts, on both the health of the people living nearby and the environment, if the UK is to achieve the objective proposed by the hon. Member for Camborne and Redruth to avoid the necessity of exporting the minerals extracted in the UK to the other side of the globe for refinement.

The technologies need to be developed. As the hon. Member for Camborne and Redruth and others have emphasised, there is a great deal of skill, both academically and in terms of training, available in the local economy and through local colleges to develop those technologies, and to improve our chances of being able to take full advantage of the opportunities that lie ahead. They are exciting opportunities that I hope the Government will do their best to encourage.

The Liberal Democrats have called on the Government to develop a new industrial strategy to tackle the big challenges of our time—supercharging the green economy, boosting living standards, addressing regional inequalities and creating the conditions for sustainable growth. We would rebuild business and investor confidence by committing to fiscal responsibility, respect for international treaties and the creation of a stable business environment. We would effectively communicate the objectives and tools of the industrial strategy to industry, and provide clear signals for investment, as well as consistency and confidence for future business decisions.

We would create broad access to training and skills for the purposes of developing apprenticeships. We would set up incentives for research and development, decarbonisation and the take-up of digital technologies, especially among SMEs. We would ensure that the UK's regulatory, research and development, and tax frameworks are geared towards fostering innovation.

We would set up a plan for investment in key infrastructure to enable the industrial strategy, covering areas including rail, building insulation, the national grid and electric vehicle charging. We would create a thriving manufacturing sector by investing in the skills of the future; promoting zero carbon transport and energy efficiency; harnessing affordable clean energy;

and adopting an ambitious international trade policy. We would re-establish the industrial strategy council and put it on a statutory footing to ensure vital oversight, monitoring and evaluation of the industrial strategy and to explore ways in which to improve interdepartmental work across Government.

One business in Cornwall told us that the national wealth fund's minimum project size is too high to suit mining exploration—the exploratory stage—which might have a detrimental impact on exploring new opportunities for mineral extraction in places such as Cornwall. If mining exploration does not happen, the much bigger extraction and processing projects cannot come forward. I therefore urge the Minister to look at that issue.

The critical minerals strategy says:

“We will reduce barriers to domestic exploration and extraction of critical minerals”

and

“Carry out cutting-edge research and development to solve the challenges in critical minerals supply chains...We will promote innovation and re-establish the UK as a centre of critical mineral and mining expertise.”

But Cornish mining companies say that they face years of bureaucratic hurdles simply to get the Government to recognise their status as R&D-led companies, which is vital to their application for EIS tax relief. Does the Minister believe that the Government are doing all they can to enable that kind of research and development in the sector?

I am delighted that the Minister will be coming to Cornwall next year; we will certainly give her a very warm welcome when she comes. We look forward to having very constructive and productive talks with her.

10.19 am

James Wild (North West Norfolk) (Con): It is a pleasure to serve under your chairmanship, Mrs Harris, and I congratulate the hon. Member for Camborne and Redruth (Perran Moon) on securing this important debate. As he set out, critical minerals are essential for our transition away from fossil fuels while offering economic opportunities in areas where extraction is undertaken, such as Cornwall. I remember many family holidays to Cornwall—coming from Norfolk, we did have to get away sometimes—and enjoying visits to the Poldark tin mine, which I believe is in the constituency of the hon. Member for St Ives (Andrew George).

Clearly, a lot of focus has been on Cornwall, but—as has been mentioned—this is an opportunity across the country. The International Energy Agency has stated that the world in 2040 is expected to need four times as many critical minerals for clean energy technologies as it does today, so as a nation, we need the right materials if we are to make that clean energy transition. We need the lithium, cobalt, and graphite for electric vehicle batteries; the silicon and tin for our electronics; and the rare earth metals for electric cars and wind turbines. While we will always rely on international supply chains, we have to maximise where the UK can produce domestically and make our supply chains more resilient. As has been said, that will also boost our energy and national security.

A strong case for increasing the domestic production of minerals has been made by the hon. Member for Strangford (Jim Shannon), as well as the hon. Member

for St Austell and Newquay (Noah Law), who referred to the importance of skills. I hope that he would acknowledge the work that his predecessor, Steve Double, did in pushing that agenda in the last Parliament. I admire the passion that the hon. Member for Bournemouth East (Tom Hayes) has to go more fast and furious; I wonder if his constituents will share that when they see not the promised £300 cut in energy bills, but the pylons being imposed on communities without proper consultation, particularly in my constituency and across the east of England.

We are moving to a world powered by critical minerals and demand is increasing. Indeed, the UK's 2022 critical mineral strategy, to which the hon. Member for St Ives referred, stated that global demand for electric vehicle battery minerals is projected to increase by up to 13 times over the next decade or so, exceeding the rate at which new primary and secondary sources are being developed.

The UK has 18 metals and minerals on its critical raw minerals list, and another six are classified as having elevated criticality. China is the biggest producer of 12 of those minerals. Despite the significant deposits of lithium, particularly in Cornwall, and the tin, manganese and tungsten across south-west England, Cumbria, Wales and Scotland, we are almost wholly dependent on imports for our critical minerals, as has been mentioned.

Many of the UK's vital sectors rely on those minerals, which is why last year we launched a task and finish group on industry resilience, particularly focusing on aerospace, energy, automotive, chemicals and other sectors. While we were in government, we adopted a comprehensive approach to critical minerals, engaging readily with our foreign partners and allies, as well as with industry. That is why we published the first ever critical minerals strategy, which was then refreshed last year to reflect the changing global landscape and the pace of change we need to see.

In partnership with the British Geological Survey, we launched the Critical Minerals Intelligence Centre to help to monitor the supply chain risks and assess the importance of different minerals over time, a point made by the hon. Member for Middlesbrough South and East Cleveland (Luke Myer). We also ramped up work through the Critical Imports Council in April, so there is a lot for this Government to build on.

We know that critical minerals supply chains are complex and vulnerable to disruption, and that production is centred and highly concentrated in certain countries. In some cases, single nations are responsible for half of worldwide production, and are often vulnerable to aggressive debt regimes implemented by states with which the UK directly competes. The level of concentration is even higher for processing operations: China's share of refining is about 35% for nickel, 50% to 70% for lithium and cobalt, and around 90% for rare earth elements.

All those issues present challenges to the UK's security of supply, so we must accelerate the growth of our domestic capabilities and back UK critical minerals producers to take advantage of opportunities along the whole length of the value chain. Cornish Lithium, in the constituency of the hon. Member for Camborne and Redruth, is enjoying successes in extracting lithium from granite. Weardale Lithium is also exploring the potential for lithium extraction and geothermal energy from water. Green Lithium, which has also been referred

[James Wild]

to, has plans to build and operate the first UK merchant lithium refinery in Teesside. There are opportunities around the country.

The UK is also well placed to lead on midstream processing, including refining and materials manufacturing, building on the globally competitive chemicals and metals sectors that we enjoy. That is why the previous Government invested in critical minerals programmes and explored regulatory mechanisms to promote battery and waste electrical and electronic equipment recycling. As of April, there were 50 projects at various stages of development to mine, process and recycle critical minerals domestically.

The UK is a pioneer in recovering critical minerals from waste. Companies such as Altilium, which has operations in Plymouth, are working to develop battery recycling capabilities, so that the raw materials can be extracted and can re-enter the supply chain. That will become increasingly important because, by 2040, recycling is expected to account for up to 20% of battery mineral demand for electric vehicles.

Critical minerals will become ever more important as we seek to bolster our energy security and domestic resilience. There is particular demand for their use in electric vehicles. As has been referred to by the hon. Member for Bournemouth East, in government, we took the decision to push back some of those targets: we moved the target for ending the sale of new petrol and diesel cars from 2030 to 2035, bringing us in line with the major car manufacturing countries around the world. Yet this Government have tied themselves in knots about their policy on mandates. Can the Minister provide some clarity on the Government's policy to address the uncertainty facing supply chains, including those in the critical minerals sector?

Sam Rushworth (Bishop Auckland) (Lab): I am grateful to the hon. Gentleman for mentioning Weardale Lithium, which is in my constituency, as is Northern Lithium. The regulatory framework for companies trying to invest in lithium is not supportive, and they face waits of one or two years for planning approval from the Environment Agency.

I will also say that Nissan in Sunderland is not at all happy: it already had a plan in place to hit the 2030 target for electric vehicles. It is going to stick to its original plan, but it wants a Government that will match its ambition.

James Wild: I am grateful to the hon. Gentleman—I hope he will forgive me; I did not realise that Weardale Lithium is in his constituency, otherwise I would have acknowledged that. He is absolutely right about the regulatory issues that we face. Every MP will know of the difficulties that the Environment Agency causes companies due to its slow decision making and the fact that there is often a lack of certainty. Different car manufacturers, even just in this country, have different views. I acknowledge Nissan's point, but other companies in this country take a different view.

The hon. Member for Camborne and Redruth, who secured the debate, said that we need to elevate the importance of this issue and give it a much higher profile. I do not disagree, although I would say that we

have set out quite a strong foundation for doing that. Given the centrality of the issue, I was surprised that there was only one passing reference to critical minerals in the Government's industrial strategy, published a month ago, which is supposed to be the Government's blueprint for growth. Given that passing reference, are critical minerals really a priority issue for the Government? I hope we will get some reassurance from the Minister on that.

Business confidence has plummeted as a result of the Budget. Although there is an abundance of minerals in the ground, especially in areas that need investment and more jobs, does the Minister recognise the damage that has been done to the UK's attractiveness to investors as a result of the measures in the Budget? Apparently the Minister will announce that the Government are launching a critical minerals strategy next year—wow. Given the importance of the issue, why is there not more urgency from the Government to do that? That strategy joins a long list of other consultations and commitments that will come in that year. Labour Members have had 14 years to get ready, but they do not seem to be.

Industry needs certainty about what the plan is to ensure that our critical minerals supply chains are strong, sustainable and resilient for now and for many years to come. Let us hope that the Minister can offer that security.

10.29 am

The Minister for Industry (Sarah Jones): It is an honour to serve under your chairship, Mrs Harris, and a pleasure to speak in such an important debate. I congratulate Parliament's official tin champion, my hon. Friend the Member for Camborne and Redruth (Perran Moon), on securing this debate. I thank him for the conversations we have already had about tin in particular and critical minerals more broadly; it is a joy to have someone with such enthusiasm, passion and knowledge joining us in Parliament.

My hon. Friend has already done much in his time in Parliament to support critical minerals—tin, in particular—in his area, and he is an active member of the all-party parliamentary group, to which he brings genuine passion. I look forward to visiting his constituency in the spring or the early part of 2025 to talk more about what can be done in his area. His speech summed up the challenges and opportunities very well. He spoke about what more we can do, and how that will impact on economic deprivation and help our country's security. He pointed to many interventions that he thinks the Government should be looking at, which I will come to later. We are developing a strategy that will cover a lot of the issues.

The hon. Member for Strangford (Jim Shannon) talked about Northern Ireland and the engagement that the UK Government should be having with colleagues there. He is right that a UK strategy could not be developed without engaging our partners—and I can absolutely give him that reassurance. He talked about mining in Northern Ireland, and about salt. I recommend that he reads a book called "Material World: A Substantial Story of Our Past and Future" by Ed Conway, if he has not already done so; it includes a whole chapter on salt and how important it is for the world, which is fascinating.

My hon. Friend the Member for Bournemouth East (Tom Hayes) talked sensibly about the south-west and the opportunities that can come from critical minerals.

He talked about the Camborne School of Mines, and about what more we can do on skills. I will come to that later.

The spokesperson for the Lib Dems, the hon. Member for St Ives (Andrew George), made a thoughtful speech, a lot of which I agreed with. I think he will be pleased with what we have done. He referenced, as did the shadow Minister, the hon. Member for North West Norfolk (James Wild), the previous Government's strategy. That strategy was brought in by Kwasi Kwarteng—remember him?—who a couple of months later became the ill-fated Chancellor of the Exchequer; he probably looks back on that strategy with some wistfulness about what he managed to achieve.

What I would say about the previous Government's strategy is that it included a lot of, "We would like to do more of this", "We want to do a little bit more of that", and "We would like to encourage this", but it did not set any particular targets, or have any deliverables or accountability. In fact, the Foreign Affairs Committee criticised it for its lack of ambition and progress; I think that speaks for itself.

The hon. Member for North West Norfolk made a slightly bizarre speech, in which he referenced the 18 critical minerals. There was an announcement last week, which has been referenced by several Members, that there are no longer 18 but 34 critical minerals. I know it is difficult being in opposition—there is a lot less support than there is in government—but I would expect the shadow Minister to be up to date on these things.

The shadow Minister also raised the electric vehicle mandates. To be clear, the previous Government pushed back the ultimate target from 2030 to 2035, but did not push back any of the stage posts by which car manufacturers had to reach that target. He said that this Government have tied themselves in knots, but the reality is that we have inherited those knots; they are the problems that we are now dealing with. We are having to consult on and look again at some of the issues, because the car manufacturers are crying out for support.

Everybody who has spoken talked about how important critical minerals are for the industries of tomorrow and how much more we will need them in the future. Whether it is in advanced manufacturing, clean energy, defence or digital technologies, we know that we will need more. Last week, the Critical Minerals Intelligence Centre published its latest list of critical minerals, increasing the number from 18 to 34 and adding the likes of nickel, aluminium and titanium to the UK's criticality list. I know that my hon. Friend the Member for Camborne and Redruth was very pleased that tin is now on the list as well. I thank the British Geological Survey, which runs this process, for the task it undertook, and for its vital work looking at the volume and variety of materials and minerals needed for our economic growth and clean energy ambitions.

Economic growth is the absolute driving force of this Government, which is why we have published our industrial strategy Green Paper and will publish the final industrial strategy in the spring. It will bring stability and a long-term plan, and will break down all barriers to growth, including skills, technology and R&D. It will be the blueprint for growth in our most important sectors. If growth is the vehicle that gets us to a pro-innovation, pro-worker, pro-jobs economy, then critical minerals is the fuel at the heart of that strategy.

I am pleased to confirm that the Department for Business and Trade will publish a critical minerals strategy next year, which will support the industries of tomorrow, explicitly target UK strengths, articulate the impacts on people's lives, deliver for businesses and create new jobs across the country. The strategy will be ambitious. I want it to set targets. It will cover domestic production, the circular economy, the UK's future demand, international partnerships, and responsible and transparent supply chains. In partnership with our stakeholders, we will consider the best way to track progress to ensure that we can be held to account for delivering on our promises.

Starting with domestic production, I know that in Cornwall and Devon we have several promising lithium, tungsten and tin mines seeking to restart commercial production, which we have talked about at length. Since coming to power, we have seen progress made across multiple projects, including Imerys British Lithium, Tungsten West and Cornish Metals. Already we have seen interest from overseas, with like-minded allies partnering with UK projects, as represented by Rio Tinto's strategic partnership with Green Lithium, the low-carbon lithium refinery in Teesside.

One key tool is the national wealth fund, which we announced within days of coming to office. The national wealth fund recognises the importance of a secure supply of critical minerals and has a clear mandate to support them, as evidenced by its £24 million investment in Cornish Lithium.

Andrew George: I am grateful to the Minister; it is enormously helpful to hear her respond to these matters. She will have picked up the question I raised earlier about the national wealth fund and the fact that smaller projects, particularly those at the critical exploration stage, feel that they cannot take advantage of it. Is the Minister prepared to investigate that further?

Sarah Jones: I thank the Liberal Democrat spokesperson for his intervention. Yes, I have been making a list of issues to look at as we go through the strategy; that is certainly one, and there are several more.

With our new strategy, we want to see more success stories right across the UK, from Cornwall to County Durham and beyond. Indeed, as I have said, the new strategy will represent all four nations of the UK. In Wales, the Royal Mint can now recycle electronic waste to recover critical minerals. In Northern Ireland, Ionic Technologies delivered a successful feasibility study for its rare earth oxides facility in Belfast. In Scotland, we have seen a resurgence in mineral exploration for nickel, lithium, manganese and more.

As has been said, the UK boasts some of the largest lithium reserves in Europe. Industry forecasts reveal that by 2030 the UK may be able to produce 50,000 tonnes of lithium every year for 20 years. To put that into perspective, that would meet over half of the UK's demand for electric vehicle batteries. Beyond lithium, the UK possesses the world's largest platinum group metal refinery in the form of Johnson Matthey in Royston, as well as the only western source of rare earth alloys in the form of Less Common Metals in Cheshire. I hope that paints the picture of the growth potential for critical minerals. Unlocking this potential will require policy support as well as private investment, which is why our strategy will seek to attract billions of pounds in international investment.

[Sarah Jones]

We all know that we cannot refine or mine our way into meeting the huge quantities of minerals that not only the UK, but the whole world, requires. That is why the strategy will place greater emphasis on making the most out of the minerals that surround us—in other words, recycling critical minerals for industrial batteries and wind turbines. Analysts say that EV battery recycling alone could provide almost half the required battery minerals by 2040. We have set up a critical minerals ministerial group, which is jointly chaired by me and the Secretary of State for Environment, Food and Rural Affairs. Our new critical minerals strategy will drive ambitious reform to promote recycling and the retention of critical minerals within the UK economy.

In the meantime, I am delighted that the recycling of battery minerals is now in scope of the automotive transformation fund. It is great to see innovative businesses like Altilium benefiting from that funding by working to bring critical minerals recovery from lithium-ion black mass to the UK. Beyond battery minerals, the UK is building on its world-leading R&D strengths. In September, Innovate UK awarded £3.5 million to nine UK projects, working to increase the security of supply of rare earth elements as part of the climates fund.

Our strategy will be underpinned by data, mapping out UK industry demand for critical minerals. DBT is partnering with the Critical Minerals Association, the Materials Processing Institute and Frazer-Nash Consultancy to evaluate the opportunity for increased recycling and midstream processes to take place on these shores. We will also make use of the Critical Minerals Intelligence Centre and its forthcoming foresight studies detailing demand in key technologies.

Even with increased domestic production in the UK, the reality is that we will still need diverse and resilient international supply chains to drive industrial growth, and we have debated this morning the impact of a small number of countries providing the vast majority of our supply. We will deepen our international collaboration through a more targeted approach, working with big trading partners, like-minded mining nations and producer countries. We also intend to work through multilateral initiatives, including the Minerals Security Partnership, to secure the critical minerals needed to realise our growth mission. In that context, I welcome the fact that UK Export Finance has had an expanded mandate since the Budget to finance overseas critical minerals projects that secure supply for the UK's high-growth export industries. We must be mindful of the importance of responsible mining. Apart from anything else, a responsible supply chain is a much more resilient one, and that must be embedded into everything we do.

My hon. Friend the Member for Camborne and Redruth and I are both speaking today and tomorrow at Europe's largest conference on critical minerals, which is taking place right here in London. That is no surprise, because the UK is the global hub for mining finance. The UK's markets are some of the strongest and deepest globally, and the Government are committed to building on those strong foundations to ensure that they continue to deliver for firms and investors, supporting growth, including through our reforms to the UK listing rules. We will continue to work with our friends and partners

in industry to ensure that the city plays a leading role in promoting investment into clean critical minerals projects at home.

I praise my hon. Friend the Member for St Austell and Newquay (Noah Law) for his speech. He chairs the all-party parliamentary group and brings a huge wealth of knowledge to this place. In particular, he focused on skills, and on the importance of Skills England and ensuring that all the strategies are joined up. The industrial strategy, Skills England and our critical minerals strategy all need to feed into the same outcome: to secure jobs and growth for our communities and our people.

In conclusion, the Government are serious about the opportunities that critical minerals will bring to our country; they will fuel the next 10 years of innovation, clean growth and economic renewal. I look forward to working closely with industry—which I am already engaging with and talking to—and academia, as we develop our strategy and make our ambitions a reality.

10.44 am

Perran Moon: Thank you again, Mrs Harris, for chairing the debate. I thank all hon. Members who have participated. My hon. Friend the Member for Middlesbrough South and East Cleveland (Luke Myer) made excellent points about the critical minerals list. My hon. Friend the Member for Bournemouth East (Tom Hayes) highlighted the importance of critical minerals for green economic transition. My hon. Friend the Member for St Austell and Newquay (Noah Law) unsurprisingly banged the drum for lithium in the clay country, but also importantly highlighted the supply chain insecurity that forms the basis of the debate.

The hon. Member for St Ives (Andrew George) commented on working with local conservationists. Further to the example he gave, I draw his attention to the Red River in my constituency, where water being removed from South Crofty mine is being cleaned, with the alkaline content altered slightly, and then pumped back into the river to improve the quality of the water and the ecology. I also draw his attention to modern smelting practices, which are completely transformed and do not have the same levels of environmental risk as they did back in their heyday.

It is unrealistic to expect domestic resources to meet all the UK's demand for critical minerals. I do not seek to suggest that we can. What I advocate, and will continue to work towards, is the maximisation of what we have. We must build industry to improve the security of the supply chain, underpin our energy transition in a responsible and environmentally-friendly way, improve our export position, and provide good, well-paid, long-term jobs for local communities across some of the most deprived areas of the UK. We cannot afford to wait. If we do, the opportunity will pass us by. Supporting this industry today will ensure that it becomes a beacon of success for the UK economy. On the other hand, failure to support the industry now exposes us to a multitude of risks.

Unquestionably, critical minerals are central to the Government's overall economic ambitions, and I am delighted to support those ambitions in any way I can. I thank the shadow Minister for his exhibition of whataboutery in introducing pylons and the OZEV mandate into the debate. I think this debate is a little bit

more important than whataboutery. I simply ask him whether he admits that the UK is over-reliant on and vulnerable to foreign supply. What on earth have the previous Government been doing for the last 14 years?

I thank the Minister for her commitment to critical mineral production, and for the time she has given to allow me and others to explain the opportunities that exist in our communities. I am delighted that a critical mineral steering group has been established, and I conclude by thanking again all Members who have participated in the debate.

Question put and agreed to.

Resolved,

That this House has considered the domestic production of critical minerals.

10.48 am

Sitting suspended.

Leisure Services: West Lancashire

11 am

Carolyn Harris (in the Chair): I will call Ashley Dalton to move the motion and then I will call the Minister to respond. There will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

Ashley Dalton (West Lancashire) (Lab): I beg to move,

That this House has considered leisure services in West Lancashire.

It is a pleasure to serve under your chairship, Mrs Harris. Today, I will focus in particular on the future of swimming in West Lancashire, and I start by acknowledging the research by Swim England and Swimming Nature on swimming and communities.

Everyone has a relationship with swimming. Some people love swimming—they get to the beach and run for the sea, because they love water and being in it. That is just as natural to them as walking on solid ground. But other people's relationship with water is far more complicated. For people who are not confident swimmers, like me, or for people who cannot swim at all—like me, sometimes—being in water can be scary and even panic-inducing. Swimming is far more than a hobby or something we watch at the Olympics every four years; it is a life skill.

Park Pool in Ormskirk and the Nye Bevan Swimming Pool in Skelmersdale have both served the communities in West Lancashire for over half a century. Over the decades, Ormskirk and Skelmersdale have boasted more than just swimming pools. The Park Pool and Nye Bevan Swimming Pool have taught thousands of children how to swim. They have been a place for friends to meet, as well as a place to meet new people, and they have also given older people places to remain active in retirement.

However, as the children who first learned to swim in West Lancashire's pools now reach retirement age themselves, our swimming pools are also ageing. Park Pool and Nye Bevan Swimming Pool have both given so much to our community, but are reaching the end of their usable lifespan. They struggle to cope with modern demands and need major refurbishment or replacement. West Lancashire is not alone in this regard. Nearly two thirds of leisure centres in the UK need urgent investment, and there has been a growing fear that the industry could completely collapse in the coming years. Understanding the importance of our pools, in 2019, West Lancashire borough council announced detailed plans for new health and wellbeing hubs in Skelmersdale and Ormskirk.

Jim Shannon (Strangford) (DUP): The hon. Lady is outlining the issue that clearly exists and the critical need to improve swimming facilities. However, she has also talked about the importance of leisure, physical activity, social interaction and wellbeing. All those things are critical for her constituents, and my constituents have the same problems that hers clearly have, so when it comes to the improvement of pools, it is important that health and wellbeing are part of that.

Ashley Dalton: I thank the hon. Member for his intervention and I agree that swimming pools and leisure facilities more broadly are crucial for the mental and physical health and wellbeing of all of our communities.

[Ashley Dalton]

West Lancashire borough council recognises the importance of our pools, so it has issued plans that include replacing the leisure centres in Skelmersdale and Ormskirk, and relocating facilities while keeping the existing provision open during construction, to prevent any reduction in services for local people. However, since 2019, and the pandemic, the energy crisis and the huge rise in interest rates under the last Government, the project costs have risen by more than 30%, from £36.6 million to £49 million, and it is not just the costs of building new facilities that have increased. The cost of simply keeping the doors open at Nye Bevan Swimming Pool and Park Pool have also increased, not to mention the fact that both facilities continue to age.

All of this means that plans to replace our pools in West Lancashire are now at risk of failure. Although West Lancashire borough council remains committed to delivering new pools for the community, it also has to empty bins, provide housing support, and look after our parks and green spaces. Local government finances have been squeezed to the bone over the past 14 years. Councils were once able to undertake large capital projects, in order to invest in the future of their communities, but the rug has been pulled from under their feet. The council has been left with no choice but to open a public consultation on the future of our pools in Skelmersdale and Ormskirk. That consultation ends tomorrow.

Since 2010, more than 400 swimming pools have closed in Britain, with deprived areas taking more of a hit than affluent ones. The number of pools in local councils with the highest levels of health deprivation fell by 14% over the past 12 years, while those in the least health-deprived areas fell by 6%. Only 45% of children and young people attending school in the country's most deprived areas can swim 25 metres, compared with 76% in the least deprived areas. Among year 6 children, 25% cannot swim 25 metres unaided, while that figure is almost 50% in low-income families.

Clive Jones (Wokingham) (LD): I agree with the hon. Lady that swimming pools are important. Like her, I am not a very confident swimmer, although I would love to be. When I was leader of Wokingham borough council, we opened the Carnival Hub, a multimillion-pound leisure centre that is enjoyed by residents from across the constituency. I agree that leisure services promote better health outcomes and build a sense of community. Does she agree that the Government need to fund local government properly, so that we can keep those centres opening, and that they need to set out the impact of increases in the national minimum wage and employer national insurance contributions on our leisure centres?

Ashley Dalton: I agree that the mechanisms for local authority funding need to be—and are being—addressed by the Government. I am confident that we will see announcements on that in due course.

We all know the value of swimming, especially for children. Learning to swim shapes the relationship we have with water, which stays with us. That relationship can literally mean the difference between life and death, sink or swim. Our children understand the value of that relationship. The school council at Crawford Village Primary school in Skelmersdale wrote to me last month. They are desperate for the pools in West Lancashire to

remain open to the public, because they know that access to swimming brings health, as well as social and educational benefits to the community, as the hon. Members for Wokingham (Clive Jones) and for Strangford (Jim Shannon) have mentioned.

The alternative to council-run pools is costly private leisure facilities. The Bannatyne health club in Skelmersdale is the nearest private pool to Nye Bevan. I looked at its website to see how much membership would cost. It states that subscriptions start from “as little as” £42.99 a month. For a family of five, that would be more than £200 a month. The council currently charges £15.99 a month per person to access all its leisure facilities across three sites.

People might not need a monthly subscription, but just want to swim for a day or two a week. Anyone wanting to swim at the Park pool or Nye Bevan can do so for £4.70. At private facilities, such as Bannatyne clubs, an individual swimming session would require a day pass at £25. Many of the people responding to the council's consultation will be simply unable to afford anything close to that. We know that when leisure facilities become less accessible for the community, those from low-income households literally pay the price.

Those living in affluent areas, classed as middle-income families, have a higher chance of being able to swim than those living in a deprived area. Even if someone cannot swim, they have a better chance of attending a school that can foot the bill for swimming costs, which have risen dramatically in recent years. I know that the Government are committed to opening opportunities to children of all backgrounds. Announcements of investment in our schools—an additional £1 billion for students with special educational needs and disability, and free breakfast clubs—are transformational and will make a huge difference in outcomes for children leaving school.

We also know that education is far more than what we learn in textbooks. It comes from interacting with the world outside the classroom and learning life skills, such as swimming. West Lancashire borough council wants our community to have access to swimming and leisure facilities. It wants our children to form a positive relationship with water. It wants to create a more social community, and it wants a more active community. However, its hands are tied behind its back. It tells me that it needs the Government to bring forward plans for councils to restructure local government finance, so that it can invest in the big capital projects that will support our communities. I appeal to the Government to do that, and to help us to unlock the funding that will give our community access to the facilities it needs.

I know that my colleagues in the Department for Culture, Media and Sport will be working with the Treasury and the Ministry of Housing, Communities and Local Government to improve our communities' access to leisure facilities. I would like to ask my hon. Friend the Minister what plans the Government have to support access to affordable swimming and leisure facilities for those communities that cannot access private centres.

11.10 am

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): It is a pleasure to serve under your chairmanship, Mrs Harris. I congratulate my hon. Friend the Member for West Lancashire (Ashley Dalton) on securing this important debate. The public

leisure sector plays an important role in the delivery of sport, physical activity and leisure across the country. It does that through vital community assets and infrastructure, such as swimming pools, sports halls, pitches and community spaces. Those assets can help to create a sense of pride in place and can improve community cohesion, whether through team sports, gym classes or children's swimming lessons. We know they help to address and prevent long-term health inequalities, both mental and physical. They help to combat loneliness, grow the local economy, and provide jobs and purpose.

My hon. Friend knows that, and she has made a powerful and passionate case for leisure facilities in her constituency. By securing the debate, she has illustrated her commitment. She has met with and spoken to her local council, which I understand is facing significant pressures after the past 14 years, about the issue. While local authorities are responsible for decisions on sport and leisure provision in their areas, we recognise the challenges they face. I will ensure that the specific points raised about the financial position of West Lancashire borough council are brought to the attention of my ministerial colleagues in the Ministry of Housing, Communities and Local Government as they look at the 2025-26 local government finance settlement.

My hon. Friend made some important points about swimming lessons. Swimming is a mandatory part of the primary physical education national curriculum. I will always remember my headteacher at primary school, Mr Kenny, saying that we all have to learn to swim because we live on an island. That stayed with me and I was lucky enough to have swimming lessons. As a former teacher, and as I look around my own constituency in Barnsley, I understand the importance of swimming lessons. The Department for Education works in partnership with Swim England, the Royal Life Saving Society UK and the Royal National Lifeboat Institution to support schools to teach children how to swim and to know how to be safe in and around water. I will make sure my hon. Friend's comments are reflected to that Department.

That said, my Department is responsible for the overall approach to leisure provision across the country. We work closely with Sport England, the Government's arm's length body for community sport, to invest more than £250 million of national lottery and Government money annually into some of the most deprived areas of the country to help to increase physical activity levels.

Since 2021, more than £5 million of funding has been invested by Sport England in the West Lancashire constituency. The Government recognise that high-quality, inclusive facilities help to ensure everyone has access to sport. We will continue to support grassroots sport, including the multi-sport grassroots facilities programme, which will bring about £123 million of investment across the UK this year.

Sport and physical activity are central to preventive health, and the biggest health gain comes from supporting those who are inactive, or less active, to move more. Around 28% of people in West Lancashire are inactive.

We still want to see that figure come down. Physical activity interventions contribute an immense saving to the NHS by preventing 900,000 cases of diabetes and 93,000 cases of dementia every year. We are committed to working across Government to champion the role of physical activity in preventive health, ensuring it is a key part of the Government's health mission. For public leisure that means looking at facilities' potential to support communities on health needs in particular. We are looking at how co-location between sport and health services could help inactive groups. Sport England has taken a place-based investment approach, working with local authorities and active partnerships to encourage system-wide change.

I recently saw that in action in Essex, where local council leaders are working in partnership with Active Essex, local health services and leisure providers to knit services together. They are building strong links between health and leisure sectors, including co-locating services so that people have easy access to a wide range of physical activity opportunities. This means that people with, for example, long-term health conditions can access activities not only to improve their physical health, but that are fun and social as well. In some cases they contribute to getting people back into work.

I have seen the impact of leisure facilities in my own Barnsley South constituency. Your Space Hoyland, which I have visited a number of times, provides swimming, football, badminton, netball, basketball and a gym. The centre is not for profit and reinvests the money that it makes back into facilities. It is also home to a fantastic holiday activities and food programme in the summer, putting leisure at the forefront of the community. Sport and physical activity have a way of bringing people together—we all know that. There are multiple examples of similar work around the country.

GoodGym, for example, is adapting to tackle the increase in isolation and loneliness by offering opportunities to combine physical exercise with volunteering and providing ongoing support to individuals. As the Minister with responsibility for tackling loneliness, I am keen to see what more the Government can do in this space. I recently held a roundtable with organisations working on loneliness, and we will work to drive further progress over the coming months. More broadly, my Department will continue to look at ways to support such thinking as we look ahead to future policy around leisure facilities.

We appreciate the huge contribution that public leisure makes to health and wellbeing. We recognise the benefits of getting people active. My Department will continue to work with the sector to look at ways that health, wellbeing and leisure facilities can work more closely together and support people across the country.

My hon. Friend the Member for West Lancashire has made an important contribution today, championing her area, and I thank her for that.

Question put and agreed to.

11.17 am

Sitting suspended.

Family Farming in Devon

[SIR MARK HENDRICK *in the Chair*]

2.30 pm

Sir Geoffrey Cox (Torridge and Tavistock) (Con): I beg to move,

That this House has considered family farming in Devon.

It is a great pleasure to have been able to secure a debate under your presidency, Sir Mark. I am extremely grateful to the Minister for attending.

With exquisite timing, the Conservative party has managed to list an Opposition day motion in the main Chamber tomorrow on exactly the same subject as this debate. Although I welcome that, I also welcome the opportunity of having the Minister much more up close and personal than is normally possible in the main Chamber for what I hope will be a relatively civilised debate—we do not always manage that in the main Chamber, perhaps, although one would hope we would. We are here to discuss not the general questions affecting the entire country in connection with farming, but questions most specific to Devon, although they share common themes and subjects.

I forget whether I have yet been able to induce the Minister to visit Devon, but we hope that he will do so in the new year because we are likely to have a Dartmoor forum, which he and I have already spoken about, in connection with an important development for the management of Dartmoor—the Fursdon review and its implementation. I will speak of those in due course.

To set the scene, in 2022 the economic output of farming in Devon was valued at £1.369 billion. More than 20,000 people are employed in farming in Devon on more than 1.2 million acres of farmland. By far the largest proportion of those acres are held and worked by modest-sized family farms of between two and 400 acres. No farming families in Devon continue in farming to grow rich; Devon's farms are principally grazing livestock and dairy farms. They do it because it is a way of life, and because of the pride that they take in producing some of the finest food and produce on the planet.

Those families also do it because many, even most, of them have farmed in that place and within those communities for generations. The names of their forebears, engraved on the tombstones of their churches and chapels, bear witness to the continuity of which they are the stewards and custodians. It is that value, which is precious to the entire rural fabric of Devonshire, that I will speak of most acutely and strongly to the Minister.

There is a preciousness about farms, many of which have herds that may have been looked after and developed over dozens of years, sometimes even a century. There is all that cultivation and nurture and all those traditions that those farming families represent. Often a farm will support not simply one family, but several; I know of many surrounding my home. I refer the House to my entry in the Register of Members' Financial Interests—although I do not farm, I have farmland in Devon, and, depending on the vagaries of the sustainable farming incentive, I may well be a beneficiary of those schemes in a modest way. I tell that to the House and the Minister in candour before I start substantively.

I am familiar with my neighbours, my friends—those who farm near me, around me and throughout the whole of Torridge and Tavistock, which I have the honour to represent. As I have said, those farms sometimes sustain not just one family but several: there may be two or three brothers, with their families. Children on those farms may be hoping in due course to have the opportunity of farming themselves.

These people do not farm to grow rich; they farm for the reasons that I have given. But they also farm because they love that way of life—they have grown used to it, and know that they are following in the footsteps of their forebears. They farm because they are proud of the produce and the animals that they rear.

That is why there is a special value in farming families and family farms in Devon. True it is that the produce is the most important thing, of which they are most proud, but they also contribute to the fabric. The Minister would love to come to the rural shows—the Clovelly show, the Okehampton show, the Holsworthy show and all the shows that take place throughout the summer months in Devon. They are extraordinary events at which people—not just the farmers, but the ancillary trades that depend on them—get together. In a convivial setting they discuss their industry and trade and create the fabric of rural life, which is so precious.

Farm incomes have been falling. That is not a secret—the Minister will be well aware of the fact. From time to time, fortunately, farmgate prices have remained relatively buoyant, but average farm business income for the year 2023-24, to the end of February 2024, was lower for all farm types except specialist pig farms and specialist poultry farms. Almost all the farms in Devon, bar those relatively rare exceptions, saw falling average business income.

On dairy farms, following the two better years, when farmgate prices were relatively buoyant, average farm business income was 68% lower, with a fall in the farmgate price of milk being the primary driver. On lowland grazing livestock farms—beef, sheep—average farm business income fell by nearly a quarter, to £17,300. For grazing livestock farms in less favoured areas, higher fixed costs were only partially offset by an increase in output of £23,500, which was 12% lower.

From those falling incomes must be deducted the living of those who work the land. Those incomes do not take into account the unpaid labour of those who own or tenant those farms. Families who live on them—sometimes several families—must from that £17,300 or £23,500 take their own living. We can see that most people would not regard the figures we are speaking about, falling as they have been in the last year or more, as easy to live on, particularly for more than one person, for multiple families.

These farming families, of course, have to live with not only the hardness of their way of life but the unpredictability of the weather. They also, sadly, live with a different kind of unpredictability and a different kind of weather: the political weather. I would not be exaggerating if I said that these days those farmers in my constituency, and I suspect it is not much different in the rest of the county, probably regard the political weather as even more random and unpredictable than the actual weather itself.

I mean no party political point, because I accept entirely that the weather under successive Governments has always been relatively unpredictable, but recently the weather has achieved a combination that could be described, without too much poetic hyperbole, as a perfect storm. We have had the Budget's accelerated cuts to the basic farm payment, the delinked payments. It is true that the progressive reduction to the basic payment was introduced in 2021. It is perfectly true that, across all farm types, the average net payment received in the reference year 2023-24 was approximately £18,300—but that was 21% lower than the year 2022-23. Nevertheless, that average of £18,300 still accounted on average for 40% of farm business income.

In the meantime, the environmental land management scheme, which includes the sustainable farming incentive, is not replacing the income lost to farms. Considerable progress was made this year to improve those schemes under the last Government, but, while across all farm types net income from agri-environment activities increased by an average of 14% to £10,600 on average, which is welcome, that is by no means sufficient to replace the 40% of farm business income that the basic farm payment still comprised in the year 2023-24.

As a result of this Budget, family farms will now experience a further 76% cut this year in the delinked or basic payment, with a cap of £7,200. For many families, that will represent a dramatic and unexpected reduction, for which farm businesses have been able to plan, and which will require readjustment and inevitable retrenchment of investment and employment. The payments will, of course—as they were always intended to—reduce progressively over the next three years, but farmers were entitled to believe that they would be reduced proportionately. Instead, the Chancellor of the Exchequer has reduced them by 76% against the reference year, in a manner wholly unexpected to the industry.

Cumulatively, I will describe the additional problems that that has meant. There has been an inability to plan and an inability to adjust one's cash flow. Halfway through potential investments on their farm, farmers find that the income they expected to have is not the income they will have. That is unhelpful. At the same time, the countryside stewardship higher tier scheme has been postponed, it is said possibly until mid-2025—I would invite the Minister to give us his view on when that scheme will be available.

The new, expanded sustainable farming incentive for 2024 does not appear to be readily available to all farmers, particularly to upland farmers, who have had so far very little access to that scheme. The countryside stewardship higher tier and the SFI 24, with the activities that are now coming onstream—or that will do, because I understand that some of the endorsed activities are still not ready—offered some prospect of mitigating the dramatic losses that the Budget has imposed, but the postponement has been a serious blow. Farmers are marooned in legacy schemes that are being extended in mirror agreements and cannot conceivably make up or mitigate the loss of direct payments that they are suffering because of the unexpected reductions.

The Ministry has also suddenly halted capital grants. The sudden closure of the capital grant applications has been a huge shock. Farmers are being asked to adopt measures to improve the environment, but have been left without access to the very grant schemes that would

enable them to do so and help with their cash flow and their productivity. With applications timed specifically to fit in with the farming year and their enterprise activities, and no confirmation that all applications already in the system will progress, further uncertainty is caused to these businesses. Will the Minister comment on that?

The Minister for Food Security and Rural Affairs (Daniel Zeichner) *indicated dissent.*

Sir Geoffrey Cox: I saw him, in his characteristically civil and polite way, gently shake his head. Nothing would more alight the hopes of those I represent than if that gentle shake of the head meant something—meant that we were wrong to say that the capital grants had been ceased and meant that all those writing to me and colleagues, asking what to do now, have been living in an unnecessary nightmare.

I implore the Minister, if that gentle shake of the head meant anything, to let us hear it now. Let us hear him boldly strike out and say, “The capital grants will be resumed. They will not be postponed or delayed to 2025. Some relief is available to those who desperately need it.” Because they—the farming families of whom I speak—will also be affected by the increases in employer national insurance contributions and the minimum wage, and by the various measures, some quite small, that the Budget took in connection with those who pursue family farming.

In the meantime, like a slow and steady drumbeat gathering force, behind the ever more implausible rhetoric of support, they see and hear the concrete commitments of this Government. They witness the Government in action, not in words. They see how the Prime Minister at COP29 committed himself to a climate change target—a perfectly reasonable thing, some may argue, but the Climate Change Committee has told him that in committing to that target he will need to reduce the consumption of meat and dairy products by 20% over the coming five years.

These are the signs of the political weather, and so are the small measures—the small signs that, beyond the talk, indicate the revealed preferences and priorities of a Government. It is not about what the Prime Minister says when he stands at the podium and speaks to the National Farmers Union; we have already learned that we cannot trust that. What we realise, and what those listening today have begun to realise, is that it is in the small as well as the large measures that the Government are revealing their visceral and real preferences and priorities.

The small things include the reclassification of double-cab pick-up trucks. That might even have been missed in the Budget. Squirrelled away in the small print was a lancet aimed straight at hundreds of farming families in Devon, many of whom have a double-cab pick-up truck. Now, that is no longer deductible: it is not to be treated as a business expense simply because it has a back seat, when for years it has been so treated by the Revenue. The small measures reveal the real preferences and priorities of a Government. It is not the words, the rhetoric or the talk; it is what they do by which they are judged.

Of course, all those measures are outweighed by far by the subject that tomorrow's debate will no doubt cover: agricultural and business property relief. The Government's figures on the policy have now been widely discredited.

[Sir Geoffrey Cox]

The £1 million cap is not only on agricultural property relief but on business property relief. Both reliefs are used when a farm is passed to the next generation. As agricultural land prices have increased, a 200-acre farm, let alone a 400-acre farm, will almost certainly have a capital value, on the land alone, of more than £2 million. That same land often sustains multiple families—the brothers, the sisters and the cousins, all of whom farm that land—and from that exiguous amount of £17,300, or £23,500 in an upland area, they all have to take their living, provide for their children, pay for their energy and so on.

These farms are not wealthy; they are, as is so often said, asset-rich but income-poor. The Government say that the relief is doubled for a couple. However, bear in mind that a farm will have not just the land but other business assets, equipment and livestock, all of which require the business property relief to be deployed. And the business property relief, combined with the agricultural property relief, is now capped at £1 million.

As I said, the Government say the relief is doubled for a couple. But what about the 46% of farms that are owned by a single owner? If, for example, someone's spouse has already died, they cannot inherit the allowance from their deceased husband or wife. The 46% of single owners of farms will receive no double relief—only the £1 million.

I say to the Minister that what is particularly wrong about this situation is—

Sir Mark Hendrick (in the Chair): Order. I understand that there is a Division in the House, so the sitting is suspended for 15 minutes. We will add that time on at the end—do not worry.

2.51 pm

Sitting suspended for a Division in the House.

3.2 pm

On resuming—

Sir Mark Hendrick (in the Chair): Order. As everybody has returned, we can restart a little bit earlier than we had planned. I call Sir Geoffrey Cox.

Sir Geoffrey Cox: I was dealing with the impact the changes agricultural property and business property relief will have on farming families, although that will be debated in greater and finer detail tomorrow.

Just this morning I was written to by a farmer in my constituency. She lives in Sheepwash in Torridge in Devon. I hope she will forgive me for mentioning her age, because she is 86. She has a dairy farm, milking 250 cows. As she says herself, the cows may well be worth £400,000, the young stock another £250,000, machinery perhaps £250,000 and the farm buildings—into which investment, toil and effort have been poured by those who have worked that farm for generations—worth perhaps £1 million in themselves.

The farm may have a dairy parlour. It may be automated. It may well be able to milk 250 cows, or these days even more. One can see the cows going round on the carousel—I am sure the Minister has seen them, but I can show

him these carousels in my constituency. The cows come in, they get on to the carousel, they go round, they come off the other side and they are milked. Those automated parlours are worth hundreds of thousands of pounds. All that would need to be offset against business property relief, which has now been capped not only for the value of those buildings and those business assets, but for the land, which is 400 acres.

To sell 20% of the herd to pay inheritance tax will, as my constituent suggests, not only severely deplete the profitability of a business that already operates on the wafer-thin margins of which we have spoken today, but cripple herds that have sometimes had lavished upon them 100 years of husbandry. They are closed herds, some of them; animals prized for their pedigrees and their quality, and prize-winning at the local shows of which I have already spoken and to which I have drawn the Minister's attention.

But what she says next is the most compelling: she says, "At my age, I have very little time to plan. Even if I could give the farm away and survive the seven years that were necessary, I can't, because I still need to retain a modest income from the business because my pension provision itself is modest. Taking out life insurance at the age of 86? Well, that is a non-starter. These changes and the implications for my family greatly worry me." That is an understatement. Older farmers' health and wellbeing are seriously at risk as we come to see ourselves as an impediment to successfully passing on the farm to the future generation, preserved for their generation to cultivate, to nurture, and to develop.

It is not so much the cap—although the cap is bad enough—as the complete failure of the Government to assess the impact on the basis of accurate figures. The Treasury figures are now widely discredited and different, as we know, from the Minister's own Department for Environment, Food and Rural Affairs. It is a complete failure to work out the impact it will have not only on businesses, but on people; a failure to consult them and to understand how these measures will impact the rural communities I have the precious honour of representing and speaking for this afternoon.

There is no time for those people to plan, and that makes them feel—up and down the length of this country and throughout the towns and villages of Devon—that they may be the impediment to the next generation. The same holds for the dramatic and unexpected cuts in the delinked payments: there was no income assessment, no consultation—it was all sudden. It is those small details, as is so often the case, that reveal the real preferences and priorities of the Government.

I want to talk about bovine tuberculosis. When I was first elected, that disease ran riot throughout the countryside of Devon. West Devon, Torridge, and parts of north Devon were some of the most densely infected areas in the country. For years, we banged our head on the brick wall of policy made by a previous Labour Government to get people to understand that the wildlife reservoir must be controlled. It was one instrument among the many that were unquestionably needed, including biosecurity, the development of vaccination and all those instruments, but we could not arbitrarily exclude the instrument of controlling the wildlife.

In the hills and fields of Devonshire I have watched badgers run between the legs of the cattle. One tiny, infinitesimal measurement of badger urine can create

the bovine TB disease in cattle. It is impossible to prevent the infected wildlife reservoir in badgers, and for that matter in deer, from infecting the cattle, and it is widely understood by the veterinary community in Devonshire that wildlife is a vector in the disease. I pay tribute to my Liberal Democrat colleagues in the coalition Government, because it took moral and political courage finally in 2010 to agree, alongside the Conservatives, to introduce that single instrument that the Labour Government had declined to introduce for all those years.

I remember bringing the right hon. Member for Leeds South (Hilary Benn) down to the village of Clawton on the borders of Cornwall and sitting him alongside 15 or 20 farmers to hear their experiences. Although he was, like this Minister, civil, urbane, courteous, mild, kind and polite as ever, he was implacable in his refusal to adopt the rational proposal being made to him by those farmers that targeted control of wildlife was necessary, and that in the end all wildlife must be controlled.

In Torridge and Tavistock that control has led to a 55% reduction in herd breakdowns. The chief vet says that it has been a causative factor in the downward trajectory of the disease. I applaud the Minister for announcing the refreshment of the bovine eradication strategy, and for announcing that there will be no immediate cessation of that important instrument. It is an instrument that must be used judiciously, and only as part of a wider group of instruments designed to bear down on the disease, but it cannot be excluded.

In the first five years of my election to this place I sat on the Environment, Food and Rural Affairs Committee that wrote the report that set the scene for the policy that the coalition Government introduced. My worry is that the refresh will prejudice the outcome. It has been already announced that the instrument will cease to be used at the end of this Parliament. That sounds like prejudging; it does not sound like evidence-led political decision making. It sounds like an ideological decision, not an evidenced one, when even the chief vet accepts that the instrument has been a contributory factor in the downward trajectory of the disease.

In my constituency, and I suspect in those of others in the Chamber, the instrument has unquestionably led to a dramatic fall in the incidence of the disease—a 55% reduction. I recall vividly that I could walk from one end of my constituency to the other on infected farms under restrictions. It is now quite impossible to do that, which is significant progress. There is a human impact of bovine TB. We do not need pyres 200 feet tall—as there were in Devon with foot and mouth disease—

Sir Mark Hendrick (in the Chair): Order. I remind the right hon. and learned Member that there are others who may wish to speak and, unless he winds up his remarks fairly soon, they are not going to have much time.

Sir Geoffrey Cox: I will indeed, Sir Mark. We do not need pyres 200 feet tall to see the invisible toll of carnage that cattle slaughter after bovine TB entails. I urge the Minister to remain open minded.

Finally, I come to the Fursdon review. I know the Minister understands that none of my remarks are intended to be personal—on the contrary; he is a reasonable interlocutor with whom it is always a pleasure to deal, and who has always consulted on matters of constituency

and other regional importance. The Fursdon review is one such matter. I urge him to implement its recommendations in full. The review was superbly conducted and has been an extraordinarily valuable exercise in how light can be brought to difficult situations.

I applaud the appointment of the chairman of the Dartmoor Land Use Management Group and thank the Minister for that—that is good. I invite him to come to Tavistock for the next Dartmoor forum, where we have several hundred attending: the NFU, Devon Wildlife Trust and all the environmental groups will come. It is an important moment when the actors, the players and those involved on Dartmoor can see how this Government are as engaged as the last Government were in finding solutions to the uplands problem on the moor.

I conclude with this plea: if it was not an intentional weather creation, leading farmers up and down the country and throughout Devon to believe that this Government have no interest, no regard and no care and are in fact callous and indifferent to their welfare and fate, it is up to the Minister today and henceforth to change that weather by sending the correct signals. I have to say he will have a hard job and an uphill battle to persuade them after the inheritance tax relief and the other measures of which I have spoken, but if anybody in this Government can do it, it is the Minister. I hope he will, and I wish him success in doing so.

Sir Mark Hendrick (in the Chair): I indicate that, because of the limitations of this debate, each Back Bencher should aim to speak for around five minutes, if possible.

3.15 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, Sir Mark. I first of all thank the right hon. and learned Member for Torridge and Tavistock (Sir Geoffrey Cox) for introducing the debate.

I am conscious of the key issues that affect farmers across the United Kingdom of Great Britain and Northern Ireland, one of which is food security. I will refer to inheritance tax on family farms, but first I want to say that food security is important, because we need to be able to feed our people. For that, we need to have farms that are viable and farmers who are working.

The similarities between Devon and Strangford—indeed, across this great United Kingdom—are real. Farming is the same, no matter the number of acres. Farms in Devon are bigger than the farms back home, but none the less, the issues are the same. The right hon. and learned Member for Torridge and Tavistock referred to the fact that, for those people who understand farming and who have lived farming all their life, such as my farmers and neighbours, farming the land is more than just farming the land; it is their very lifeblood.

I declare an interest: I am a member of the Ulster Farmers Union, which is a sister organisation of the NFU, and I am the holder of a family farm. I highlight the fact that my holdings are among the very few that will fall, slightly, under the threshold—for this generation at least—and I speak wholly on behalf of those who have contacted me from across this great United Kingdom to speak about this “discounted” inheritance tax. Falling revenues and profits are ploughed back into farms. Farms are very clearly asset rich but pound poor, and the inheritance tax changes will impact farmers.

[Jim Shannon]

I know the Minister; he is a decent man, and I mean that genuinely. There is not one of us in this room who does not see him as a friend, but the fact is that these proposals are alien and they will affect farms across this great United Kingdom. Many farmers tell me that the best option in response to this 20% tax is to sell their land—that would lessen production, which we need to feed this great nation—and that, even with future planning, their farm would have less land with which to attempt to make enough money to ensure that there is cash available for their sons to take over the farm. The vicious circle starts again. The changes to national insurance contributions impacts all businesses, whether they are farmers or other small businesses.

I was talking to two food-producing farmers back home the week before last. The point they made was clear: the changes to national insurance contributions will impact each farm and each business, and prices will go up. Who ultimately falls for the national insurance contributions? The ordinary man in the street. It affects everyone, not just the farmers themselves. The farmers told me that we will see a 15% to 20% increase in food prices—that is an indication of just how important this is.

Another farmer told me that his farm consisted of two holdings, which two brothers manage. These men are still farming in their 70s. We should think of the impact on them. The right hon. and learned Member for Torridge and Tavistock referred to that. Whether it is a single person or a duo working on the farm, they will have to pay the cost. The sons of both men have said that there is no point continuing with the farm because, even though they have a job outside, the impact on them will be great. The fact is that small farm holdings, whether in Devon, Strangford or anywhere else in this great United Kingdom of Great Britain and Northern Ireland, will be impacted greatly by what the Government are introducing. In Northern Ireland, we obviously have other important issues, but they are not for this debate—I will save them until tomorrow.

I have a meeting next Monday with the Secretary of State for Environment, Food and Rural Affairs and the Ulster Farmers Union to discuss the very issues before us. We will discuss in detail the impact on Northern Ireland, where 70% of farmers will be clearly impacted by the inheritance tax. When they sell off assets they sell premises or a family farm, and in a short space of time the result will be that every child in this country will depend on imports for food security. This cannot be. I stand with hon. Members here in begging for a rethink. We are not selling family silver—we are selling plots of potatoes, and without a harvest, we will all bear the brunt.

3.20 pm

Rebecca Smith (South West Devon) (Con): It is a pleasure to speak in this debate, which my neighbour, my right hon. and learned Friend the Member for Torridge and Tavistock (Sir Geoffrey Cox), introduced. Some farms that were once in his constituency are now in mine, so he may well recognise some of the stories that I will tell. He has done me a favour—I am making a speech tomorrow as well, so I will focus on a couple of key issues today. I will take the opportunity to speak directly about Devon while the Minister is in the Chamber, because tomorrow there will be a lot of voices in the farming debate.

My constituency of South West Devon has three types of rural landscape. We have land-based lowlands, coastal lowlands, and uplands, which are less favoured and include protected landscapes up on Dartmoor. Each presents its own challenges and opportunities, and requires special ways of farming, which is one of the values of family farming: a legacy is passed down from generation to generation, so that each one can share the stories, and keep those farms going. What I find most exciting about the constituency is that each of those farms now has farmers who are my generation, in their 40s or 50s, and whose parents are still alive in their 80s, so we have those long-term family farms, which are eager to keep doing their bit to keep Devon looking like Devon. It is worth saying that without our farmers, Devon would stop looking like Devon, because we need that rural landscape to complement the cities we have as well.

All those different farms are all family farms, and have overlapping challenges. It is worth briefly touching on those shared challenges. Our farms are generally smaller than they are in the rest of the south-west, let alone the rest of the country. The average farm in Devon is 16% smaller than south-west farms, which in turn are 34% smaller than farms across the country. That means that there are tighter profit margins. When we shout about agricultural property relief and capital grants programmes, it is because those farms are already tightly run. We are not the wealthy south-east; we are the south-west, and in particular, we are Devon. Farms are also more likely to be owned than tenanted, which is unusual compared with the rest of the country.

Turning to agricultural property relief, I want to briefly mention that for many ageing parents, whose children are often already involved in the farm if they have not taken over already, it has been a given that those farms would be passed down. There is a generation of people nearing middle age who expected to farm into the long term, but who are now rightly worried about what that will look like, both for them and for their children.

I want to talk specifically about the uplands that are now part of my constituency, but which once formed part of the constituency of my right hon. and learned Friend the Member for Torridge and Tavistock. I have spent a lot of time at Greenwell farm, where a fantastic farmer, Mat Cole, is passionate about upland farming and farming on Dartmoor, and recognises what an opportunity he has. He has some key questions about land that is designated as moorland permanent grassland pasture, which currently falls through the funding gap. While it is better for the environment and for the soil not to disturb it, farmers often only get more funding if they do something to that land. However, Dartmoor, as has been referenced in the Fursdon review, is different. Mat is keen to see if a role can be found for heritage grassland, and whether we could look at a classification for that.

The environmental land management moorland SFI offer is a real challenge on livestock numbers. Under higher-level stewardship, farmers could have 0.3 livestock units per hectare; under SFI, that drops to 0.16 per hectare. To decrease livestock numbers unlocks those SFI options, but stocking rates do not represent the land stock on Dartmoor if we lower them, and it does not enable us to do what we need to do to protect that landscape.

Where has DEFRA got to on moorland stocking rates? Dartmoor farmers are calling for flexibility on those stocking rates to reflect the findings of the Dartmoor review.

To conclude, I will make just a couple more points. The key issue for upland farms arises from the fact that DEFRA has promised a working group on uplands, specifically to look at this issue in future. What progress has been made on establishing that working group?

Finally, particularly regarding the coastal and lowland parts of my constituency, lots of other organisations feed into what farms are doing with DEFRA. Those organisations, including the Westcountry Rivers Trust and South Devon National Landscape, all receive money from DEFRA through other funding pots, which are all under threat. I believe that the plea of the farmers I have met in recent weeks is about the need for joined-up thinking. When we reduce one pot, for South Devon National Landscape, for example, that has an impact on farmers who might be struggling with their SFI funding.

Farmers are keen to ensure that they can produce, protect the environment, feed the nation, create and sustain good jobs, and generate economic growth, but they cannot do any of that unless they are allowed to get on with the job that they are keen to do.

3.26 pm

Richard Foord (Honiton and Sidmouth) (LD): It is an honour to serve under your chairship, Sir Mark.

I pay tribute to the right hon. and learned Member for Torridge and Tavistock (Sir Geoffrey Cox) who, I feel, could probably have spoken on this subject for another half an hour, with plenty more to add. He is a landowner himself, so we note his experience.

I will highlight the plight of people in mid and east Devon whom I represent and who are feeling a great deal of uncertainty about the future. I will do so by giving a couple of examples. The first example is of a family farm near Cullompton. I will read directly from the letter that family sent me, because their words are quite touching:

“We have been farming within a 5-mile radius of here for over 400 years. Unfortunately the family had to sell the farm...in the 1860s at the start of the Great Agricultural Depression. It has taken us 150 years to regain ownership of a farm and now the inheritance tax issue threatens us with the risk of losing it again.”

That illustrates that we are not talking here about some short-term business enterprise that starts up and fades, as if it were some sort of digital business. This is a farm that has provided a livelihood for generations of people. It is not about capital or assets; it is about the hard graft of the people who do it.

The right hon. and learned Member for Torridge and Tavistock referred to the legacy of the previous Government and that legacy is worth examining. The cuts to the basic payment were one aspect of that. Another aspect was the Australia and New Zealand trade deal, which the Government's own figures found had cost British farming £94 million. The proposed change to inheritance tax is but one more thing on top of all the other things that have given farmers a really torrid time in recent years.

I appeal to the Minister when he responds to the debate to take a look at this. We are talking about a Treasury benefit of perhaps £500 million in a Budget of

£40 billion of new taxes. The sum involved is a small sum for the Treasury in Whitehall, but it will have an enormous impact in the countryside.

I will give another example: the Derryman family, including Peter, his brother, and now his son. In many ways, they are emblematic of the sort of people from mid and east Devon whom I represent. They represent thousands of farming families who work really hard, grafting day and night, contributing to the local society and local economy in Stockland. However, they are very concerned. They only own 120 acres, so people might suppose that they would not be subject to a tax that is proposed on only the first £1 million of combined farm and business assets. However, when we look at the value of the farmhouse, the machinery, the land and livestock, it all adds up to a potential inheritance tax liability.

The Government claim that 73% of farms will not be affected, yet the NFU claims that seven in 10 farms will be; those figures cannot both be right. On 19 November, I was lobbied by people I represent, who asked me to say to the Minister that we should seek to discriminate between the genuine farmers and the hobby farmers. We know that there has been a tendency to use land as an inheritance tax dodge, but the genuine farmers who spent the day in London—it is very unusual for them to put down their tools and come here—said that there has to be a way to discriminate between those who have bought a few cows as a tax dodge and those who earn their living from the land.

The reality is that these people are working unsociable hours, they are physically exhausted, and some have been plagued by mental health issues. Constituents have told me that this tax is cruel, because there are only 17 months until it is introduced in 2026; people are reflecting on what they might have to do to dodge or avoid that tax before it is introduced.

We are not allowed to use props in this debate, but I have a photo that was given to me by Peter Derryman. It is of his young granddaughter with a prized lamb at a show in Devon. I would say to the Minister: whatever the technicalities, this is a matter of the heart.

3.32 pm

Dr Danny Chambers (Winchester) (LD): It is a pleasure to serve under your chairmanship, Sir Mark. I pay tribute to the right hon. and learned Member for Torridge and Tavistock (Sir Geoffrey Cox) for securing this important debate. I grew up on a family farm in Devon, very near where he lives, and as a vet I have attended and been on duty for many of the agricultural shows he mentioned. If he has not yet been to the Chagford sheep-shearing competition, I definitely recommend it, and I extend an invitation to him to the fantastic Alresford agricultural show near Winchester, which has been going on there for over 120 years.

All of today's speeches touch on the fact that farming is not merely a business; rather, the rural community is based on family farms. Those farms are not just farming and producing food; they also provide the governors for the local schools and do charity work. We need to keep family farms farming to ensure that the entire fabric of our rural communities survives and thrives into the next century.

[Dr Danny Chambers]

Farming is a tough life. It is one of those professions: farmers can work all hours, in all weathers, and then—due to reasons completely out of their control—realise that they are either going to make money or lose a huge amount of money. Losses can be due to weather conditions, such as droughts and floods; disease outbreaks, like foot and mouth, bluetongue or avian influenza; or political events, as other Members have touched on, including trade deals. Farmers can do everything right in one year but, because of reasons completely out of their control, realise that they will struggle to make a profit and could make a significant loss.

The subject of mental health issues in rural communities has been well recognised, and was touched on by my hon. Friend the Member for Honiton and Sidmouth (Richard Foord). Farmers who are dealing with uncertainty do struggle, and there is a high suicide rate among them. We have to remember that farms are not just businesses, but individuals and families who are directly affected by decisions made in this House.

The hon. Member for South West Devon (Rebecca Smith) touched on how beautiful the Devon countryside is. The Lake district, the Yorkshire dales, the shires in Devon, and the beautiful countryside in Hampshire around the Meon valley only look the way they do because they have been farmed for generations. Those are curated landscapes, created and cared for by generations of custodians. Although farmers might not make a direct profit from tourism, the only reason we have a booming tourism industry is because we have such landscapes. Their contribution should be recognised for the huge amount of GDP generated by foreign visitors coming to look at our green and pleasant land.

Earlier today, I attended a meeting of the all-party parliamentary group on food security, which included a discussion on illegal meat imports coming in through Dover. We heard about how the Dover Port Health Authority, Border Force and DEFRA struggle for resources. When they do spot checks on lorries bringing in products, they regularly pick up tonnes of illegally imported meat. That is a public health concern, because we do not know the origin of the meat or the standard it was produced to, and it is often not refrigerated.

Many of the lorries come from eastern Europe, where there are notifiable diseases of livestock, such as foot and mouth and peste des petits ruminants, that we do not see in the UK. That is a huge risk to agricultural livestock production and farming in the UK. I ask the Minister: how can we better resource our border and biosecurity? I am fully aware that that would cost a huge amount in money and resources, but it is much more cost-effective to prevent foot and mouth or similar diseases than to deal with an outbreak. That is a hugely concerning situation to be in.

Farmers and vets are hugely proud that we have the highest animal welfare and environmental standards in farming in the world. They were hugely disappointed when the previous Government—

Sir Mark Hendrick (in the Chair): Order. The time is up. I remind the hon. Member, who is new, that if he is not here at the start in future, he will not be called to speak. We now move to contributions from the Front Bench.

3.38 pm

Caroline Voaden (South Devon) (LD): It is a pleasure to serve under your chairmanship, Sir Mark. I thank the right hon. and learned Member for Torridge and Tavistock (Sir Geoffrey Cox) for securing this important debate, and for his lyrical introduction to the subject. It is clear from all hon. Members who have contributed that much is at stake for our rural economy.

In Devon, family farms are an essential part of our community and the economy, as they are elsewhere—I refer to the contributions from the hon. Member for Strangford (Jim Shannon) and my hon. Friend the Member for Winchester (Dr Chambers), who talked of their areas. In Devon, farms cover 1.2 million acres of land and employ more than 20,000 people. Agriculture is the backbone of our local economy. From grazing livestock to growing crops, Devon's farmers produce not just food but the character of our rural landscape.

The right hon. and learned Member for Torridge and Tavistock spoke of the preciousness of our farms and the decades of heritage, of which we are rightly proud. However, the Government's changes to inheritance tax and agricultural property relief are concerning. The Government claim that 73% of farms will be unaffected by the changes, but as the NFU has pointed out, those figures are based on historical claims and fail to account for the current state of the agricultural sector. For example, 66% of farms in England have a net value of more than £1 million, and 42% of farms are larger than 50 acres, so many will now be above the £1 million threshold.

The burden that that will place on farmers cannot be overstated, especially given the other financial pressures that they have faced over the past few years. They are struggling with skyrocketing costs, since energy and feed prices have risen due to the invasion of Ukraine. Many are still reeling from the Conservatives' botched trade deals, which have placed further stress on the farming community. The recent increase in national insurance contributions and the impending carbon tax on fertiliser further compounds the challenges. I will read some quotations from local farmers who we surveyed, 86% of whom say they will be hit by the tax, while 50% of those farms are not owned by a couple, so they already lose out on a chunk of the potential tax relief:

"We are now in process of winding down all investment and food production on this farm in response to the budget. Producing food is difficult and carries lots of financial risk—we will keep farming but at a much lower level and look to pass the farm on early as lifetime transfer. Doesn't sound like 'growth' to me... Our farming income for the last 2 financial years has been a loss (mainly due to weather). It feels so hard. This policy just knocks the confidence out... The policy as it currently stands will halve food production in a generation... If this rule stays what is the point of investing in your farm to improve efficiency. All our input costs are going to increase through labour costs and taxes... Through previous governments, we've been encouraged to diversify in order to augment our farm income and stay afloat. Now we feel we'll be penalised for this as we have added value to our farm which will now be liable for Inheritance tax... I feel completely let down and saddened. This will completely destroy the rural community."

Farmers will be forced to sell land—the very tool by which they produce food and earn a living—that has been in their families for generations—[*Interruption.*] The Minister is shaking his head, but every single farmer I have spoken to says that that is the case. The idea that

neighbouring or tenant farmers will just buy up the land is a fantasy. Most will not be able to afford it, and land may well end up being bought by non-farming companies with no interest in food production and used instead for carbon offsetting or potential development.

One family now face the prospect of having to sell at least a quarter of their assets, including tractors, sheep and land, just to pay the tax. They tell me that, rather than investing and growing their business, they are now having to wind down their farm with a view to reducing their future tax liabilities. That is a deeply worrying trend, as it could lead to a broad contraction of the sector, harming not just farmers but the entire agricultural industry. The Liberal Democrat position is clear: the tax will disproportionately harm the farming community, and we call for the Government to rethink it.

But it is not just farmers. The impact on rural businesses that rely on the farming economy, such as vets, agricultural merchants and machinery suppliers, will be severe. Local suppliers of agricultural machinery and heavy equipment already face a significant increase in costs due to national insurance changes. Those businesses are vital to the farming economy. Again, a contraction of the sector will have a ripple effect throughout the entire rural economy.

It is crucial to note that the DEFRA budget for day-to-day spending is set to drop by 1.9% over the next two years, and the pause on capital grants is yet another worry, particularly for farmers who are doing their best to comply with environmental measures such as safe slurry storage. If the grants are not available to do that work, that makes sustainable farming even harder to achieve.

The sustainable farming incentive, which should provide support to farmers, has proven unworkable for many, and the transition from basic payments to ELMs has been complicated and unnecessarily slow—an indication of the lack of foresight and planning by the previous Government to prepare for a potential withdrawal from the EU. Even though I am no fan of Brexit, what could have given a real boost to both British agriculture and the environment has instead been a bureaucratic mess and a clear sign of how rural communities are so often the lowest priority for Government.

Talking of environmental payments, I want to take a quick moment to underline how important it is for the Government to make the schemes work. Unless we restore the health of our soils and the biodiversity that has been decimated across the UK, our farmers will find it harder and harder to produce quality food. If we are to mitigate flooding, increase water quality and combat carbon emissions, we simply must do this work. As the right hon. and learned Member for Torridge and Tavistock, the hon. Member for South West Devon (Rebecca Smith) and my hon. Friend the Member for Honiton and Sidmouth (Richard Foord) have mentioned, that is really important on Dartmoor, a small part of which also falls in my constituency. This will mean a complex conversation about farming, stocking levels and sites of special scientific interest. I look forward to working with my colleagues to try to find solutions.

Environmental payments are fundamental to the future of good food production. Lower inputs are good for everyone—for nature and the farmer's back pocket. It is not an either/or—farming or the environment. We simply have to make this work.

Finally, I share something deeply troubling, which I heard from farmers in my constituency when they came to Westminster last week. Some talked about the need to hide shotguns in order to prevent older owners of the family farm from taking their own lives before the inheritance tax changes come into force. They now feel that they are worth more dead than alive because of the burden those taxes would place on their families. My hon. Friend the Member for Honiton and Sidmouth also touched on that topic. We know that poor mental health is already rife in the farming community, and the sudden tax change has placed an added pressure, which could prove fatal. No farmer should ever feel that their legacy and livelihood are so threatened that it would drive them to such despair.

In response to those challenges, the Liberal Democrats are calling for a £1 billion increase in the farming budget, and for the Government to reverse their decision on agricultural property relief. We understand the importance of ensuring that family farms can continue to operate and thrive. Family farms are not only vital for our food security and the preservation of our rural environment, but central to the history and heritage of our country. The Liberal Democrats will continue to fight for the future of family farming, to ensure that our rural communities thrive, and to ensure that farmers' voices are heard loud and clear in Westminster.

3.45 pm

Robbie Moore (Keighley and Ilkley) (Con): It is a pleasure to serve under your chairmanship, Sir Mark. I congratulate my right hon. and learned Friend the Member for Torridge and Tavistock (Sir Geoffrey Cox) on securing this important debate.

Devon is one of the farming heartlands of England. The rolling fields, so familiar to tourists and locals, are dutifully managed by Devon's family farmers, over generations upon generations, producing the highest quality of produce. The county is renowned for the diversity of its farming, with a strong mix of dairy, beef and sheep, with some arable, accompanied by many a farm diversification.

Despite that, across the whole of the south-west, the average farm income is approximately £30,000 lower than the national average. It is vital, therefore, that the Government support those farms and family farmers to continue to deliver high-quality food produce, and to maintain our countryside for the future.

A subject on which the Government and I can find common ground is the money released via the Budget to improve the biosecurity facilities in Weybridge, which will help combat the challenges posed by bluetongue and other diseases. It is vital for farmers in Devon and across the country that we tackle any diseases and their threats early, not only to protect livestock, but to prevent costs spiralling out of control as a result of a fully-fledged outbreak.

Unfortunately, that is where the common ground ends. Since the Budget, the Government have chosen to levy a series of shattering changes on farmers, creating uncertainty. There has also been a failure to raise the overall farming budget, amounting to a real-terms cut in funding.

The rapid and unexpected delinking of payments from the basic payment scheme will see huge drops in the money received by farming businesses as soon as

[Robbie Moore]

next year. For many farms, that change in their financial forecasting will be devastating, with long-term plans scuppered as Government support is pulled out from underneath them.

Likewise, we are still waiting for the Government to outline their transition process from legacy higher level stewardship—HLS—schemes. Although those schemes have been extended by a year, many farmers are still unable to look beyond that term as they do not know what the Government will expect of them as they move towards the sustainable farming incentive. Indeed, many farmers I have spoken to are deeply frustrated that the equivalent SFI options to HLS options have higher payment rates, yet the Labour Government have made a choice not to allow those locked into HLS agreements the ability to easily transfer into the equivalent SFI.

Just last week, we heard of the sudden closure of capital grant schemes, causing deep frustration and confusion to many applicants. Let us not forget that capital grant funds for farmers aimed to deliver environmental outcomes, not just improve business efficiency. However, that funding has been slashed. Farmers and growers are being asked to adapt, and to adopt measures to improve the environment, but they have been left in the lurch by the Labour Government, without having access to important grant schemes that would enable them to do just that.

Only a month ago, we were shocked to hear plans to accelerate the phase-out of direct payments. Yet, just last week, we heard the decision by the Government to remove capital grants. How on earth is a farming business able to forecast its plans with certainty? There are also the increased direct costs expected, such as the carbon tax on fertiliser, which is estimated to increase the cost of fertiliser by £50 a tonne and will undoubtedly have a direct impact on the cost of food and consequentially inflate food prices. Then, in the Budget, we heard of the increase in employers' national insurance, coupled with the reduction in the associated threshold, an increase in the minimum wage, the double cab pickup tax—I could go on.

Of course, the biggest impact on our Devonshire farmers and on farmers across the country will be Labour's family farm tax. The average size of a farm in the south-west is around 200 acres. My right hon. and learned Friend the Member for Torridge and Tavistock rightly outlined the points raised by his constituent who is a dairy farmer. If we take the size of a dairy business coupled with the value associated with the farmland—400 acres was mentioned—the cost and value of the dairy cows, machinery and feedstocks, not to mention the value of the farmhouse and farm buildings, and perhaps any farm diversification project that has been taken into account, we will almost certainly be over and above the cap of £1 million that this Labour Government have chosen to put in place. That applies to both agricultural property relief and business property relief.

As I alluded to, farms in the south-west are even more cash-strapped than the national average. For the many farmers across Devon, the only option under this Labour Government's implementation of their family farm tax will be to sell assets. But what assets do they sell? Put simply, the combined assault from all measures within the Budget will be fatal for many farms right

across the country. That is why the Conservatives want to see this tax reversed. We have forced a vote on that very issue on the Floor of the House tomorrow.

Unsurprisingly, not one Labour MP has contributed to this debate. I only hope that Labour MPs, and indeed this Labour Government, are listening to our British farmers and their constituents, who have raised these concerns time and time again since the Budget. That is why we pledged earlier this year to uprate and broaden the offering of SFI options. But we have heard from many farmers throughout the country that they are unable to get into those new options at the speed at which the previous Conservative Administration—and, it seems, the new Labour Administration—have been giving them out. I can only conclude that the Rural Payments Agency is acting slowly to create an underspend next year for the spending review, to see a slash in the farming budget next year. I hope that is not the case; maybe the Minister will be able to allude to the Government's intentions.

I know for a fact that many of Devon's stalwart farmers were alongside not only myself but my colleagues, in Whitehall just a couple of weeks ago, to protest against this Government's shameful offering to farmers. I just hope that the Government were listening to their fury and their distress, and that they have listened to the comments that by Members from all Opposition parties in this debate, because it matters. The implications for health and wellbeing matter, and the mental health strain that has been put on our farming community matters. So I say to the Minister: listen carefully to what is being said to you; listen to the professional advisers out there. I only hope that you will change course imminently.

3.53 pm

The Minister for Food Security and Rural Affairs (Daniel Zeichner): It is always a pleasure to serve when you are in the Chair, Sir Mark. I thank the right hon. and learned Member for Torridge and Tavistock (Sir Geoffrey Cox) for bringing this debate in his characteristically forceful way. He seduces; he charms; he flatters. I particularly enjoyed his account of the centuries it has taken to produce the wonderful farms we see in Devon—centuries, of course, that preceded the current agricultural property relief regulations. I also enjoyed his account of the weather that the previous Government created, which left the farming sector in such a parlous state for the new Government to inherit. But he also encouraged me to visit Devon, and I can tell him that, actually, within my first 10 days of being appointed as Minister I had made my way to Devon, as I had done in opposition on a number of occasions, and thoroughly enjoyed it.

However, I also frequently heard from local people that they were concerned about others coming to buy up land over the top of local people. I suspect that we can share our concerns on some of these issues. The right hon. and learned Gentleman referenced the excellent debate that he secured in this Chamber last year on the future of Dartmoor, which I will come on to.

Many important points have been raised, and I have listened carefully to all the thoughtful contributions. I was particularly struck by the comments of the hon. Member for South West Devon (Rebecca Smith). I will go away and look carefully at her points about the

moorland stocking rates, which I know my officials are looking at closely, and how they affect Greenwell farm. I always listen closely to the hon. Member for Strangford (Jim Shannon), and the hon. Member for Honiton and Sidmouth (Richard Foord) also made important points. I was struck by the points made by the hon. Member for Winchester (Dr Chambers), particularly around border controls. I remind him that one of the first things we did was to strengthen those controls, so I very much agree with him about threats at the borders.

We absolutely recognise that the farming sector is vital. Family farms are crucial: they produce our food, steward the environment and look after nature. We are all indebted to farmers across this country for doing that, and we all recognise the stresses and strains, the mental health challenges, which the hon. Member for Winchester mentioned, and the pressures from the weather and from disease in the last few years. That is why this Government are investing £5 billion into farming over the next two years—the largest amount ever directed towards sustainable food production, rural economic growth and the recovery of nature in our country's history. That should send a powerful message to farmers about the value we place on all that they do. Within that, we have committed £1.8 billion for environmental land management schemes, delivering improvements to food security and biodiversity, tackling carbon emissions and improving water quality, air quality and flood resilience.

I will address the point about basic payments made at the beginning by the right hon. and learned Member for Torridge and Tavistock. He is right: we are accelerating the end of the era of payouts to landowners simply for owning land, and the fastest reductions in subsidies will be for those who have historically received the largest payments. For example, it is true that the 4% who received more than £100,000 in subsidies in 2020 will receive no more than £8,000 in 2025, whereas the majority of farmers who receive less than £10,000 to start with will see a gradual reduction in their delinked payments, but they will all have access to ongoing funding through SFI and other schemes. That is the key point. We are speeding up that vital transition, which I fully recognise the previous Government set about initially, to get to a better place in terms of the environment.

The issue of capital grants is interesting, because I must tell the Opposition that there is no magic money tree. The reason why the capital grants have stopped is that they are oversubscribed. We have seen an unprecedented demand this autumn. The Rural Payments Agency received more applications for capital grants from May to November 2024 than over the whole of the 2023-24 financial year. They are also worth more—as of November '24, the standalone capital grant applications were up by 45% compared with the whole of the last financial year. This is a basic problem that we inherited: there is no management of public funds. That is the core problem that the whole of Government faces with our inheritance from the Conservatives, and we will deal with those points.

I turn to the Dartmoor issues, which the right hon. and learned Member for Torridge and Tavistock rightly raised. On 29 October, we appointed Phil Stocker to chair the new Dartmoor Land Use Management Group, which was one of the central recommendations of the Fursdon review. We are moving forward with David Fursdon's recommendations to create a long-term

plan for land use that preserves the cultural heritage of the area, recovers nature and boosts food production. The group will provide a space for stakeholders to discuss important issues and work to strike the right balance between food security and preserving the diversity and abundance of nature in the area. Mr Stocker will be responsible for steering the group to meet its aims and objectives, and one of his first tasks will be to identify and appoint members who bring the necessary knowledge, expertise and engagement to the group. That process is under way, and we expect the first meeting to take place shortly. I absolutely hear the right hon. and learned Gentleman's invitation, and at an appropriate point I will, I hope, visit and constructively support the work being done.

I also understand that the right hon. and learned Gentleman met officials from Natural England in October for an update on progress implementing the Fursdon review. We have been in discussions since I took up the role, and we wish the whole process well.

I will turn to the agricultural property relief issue—a well-rehearsed debate that will continue in the main Chamber tomorrow. I will repeat the points that I have made before. We are confident that the changes are proportionate and that smaller farms will be protected. Those above the threshold will have 10 years to pay the tax, with zero interest incurred. No one is doubting that it was a difficult decision, but the truth is that the economic situation that the Government inherited has required us to make tough choices. I reassure Members that based on the figures we have, which are the only ones we can go on—actual claims on estates—we reiterate our point: we feel that the vast majority of people will be not be affected.

Robbie Moore: On that point, will the Minister confirm whether, when the Government brought in the £1 million cap, they took into account the size of farming units in any analysis on its impact on future IHT claimants?

Daniel Zeichner: That will be debated further. On our side, the debate will be led by Treasury Ministers who are in a better position to answer those kinds of questions. However, the complexity and the different range of set-ups and structures that family businesses have makes it difficult to make that assessment. The hon. Gentleman will know that when it comes to legislation, there will be a full assessment and we can look into those details then. I stand by the figures that the Treasury has given us. We expect that the changes will affect only around 500 claims for agricultural property relief in 2026-27, so we believe it is a fair and balanced approach.

Caroline Voaden: I would like to ask the Minister whether the Treasury consulted DEFRA on the tax change before deciding to go ahead with it in the Budget.

Daniel Zeichner: The hon. Lady will know that we are one Government and we stand together. Going forward, we are picking up the mess that we inherited, and that is the problem we face. On each of these issues in turn, we have to answer the basic question: who will fix the economic mess? The answer is this Government.

Robbie Moore: Will the Minister indulge me one more time?

Daniel Zeichner: Just once more.

Robbie Moore: Only because I will not have the opportunity to raise this point at the Dispatch Box tomorrow if a Treasury Minister is responding. Will the Minister correct me if I am wrong? When the Government introduced the £1 million cap, they did not look at the size of family farms that will be impacted. Surely they do not understand the value of an estate on death if they have not looked at the size of it, therefore how can they understand correctly the number of claimants who will be impacted?

Daniel Zeichner: We can, because we simply look at the number of claims that have been made in the last few years. That is how we arrive at that conclusion.

Sir Geoffrey Cox: The figures that the Treasury published simply deal with the use of agricultural property relief. What they do not show is how many farms had already used their business property relief before needing to rely on agricultural property relief. They do not take into account the fact that it is not just APR, but BPR, being capped.

Daniel Zeichner: I refer the right hon. and learned Gentleman to the letter that the Chancellor sent to the Chair of the Treasury Committee, which goes into the issue in some detail. It says:

“Currently, of the population of affected estates that claim both APR and BPR, almost a quarter of claims include a claim for”

shares on the alternative investment market. That begins to show the complexity and that the situation is not always as it seems.

I will move on to the double-cab pick-up tax. As I suspect the right hon. and learned Gentleman knows, that was based on a legal judgment by the courts. We respect that judgment, as I am sure he would wish us to. We are also saying, generously, that it will not affect the capital allowances treatment of anyone who already owns a double-cab pick-up. Anyone already leasing a double-cab pick-up from their employer as a benefit in kind will have until April 2029, or their lease expires, before these changes affect them.

I am conscious of the time, so I will just touch on bovine tuberculosis—a hugely important issue that of course has caused huge cost and huge suffering for many farmers. As the right hon. and learned Gentleman acknowledged, the Government have started work on a new bovine TB eradication strategy. The key part of that is pushing much more swiftly on developing a cattle vaccine, which I genuinely think will be the ultimate answer to this very difficult problem, and it very much builds on the evidence and conclusions of Sir Charles Godfray’s 2018 independent review. Alongside that, we will do the first badger population survey in more than a decade, develop a new national wildlife surveillance programme and establish a new badger vaccinator field force. I genuinely think that we can work together on eliminating the scourge of bovine TB.

I conclude by thanking all hon. Members for what has been an informative debate. It is always good to talk about what is happening in Devon. Let me reassure the House that I am absolutely committed, as are the

Government, to a strong future for family farms and food producers across the country. I am sure we will be continuing the debate.

Sir Mark Hendrick (in the Chair): I call Sir Geoffrey Cox to wind up.

4.6 pm

Sir Geoffrey Cox: Thank you, Sir Mark; I can be quite concise. May I, through you, thank the Minister for, as ever, the polite, civil and gentle way in which he treats the inevitable criticism coming from the Opposition side of the Chamber? Some of it is justified, and no doubt some, he thinks, is unjustified. I have to say I found his responses on the inheritance tax changes pretty thin, but no doubt we will hear tomorrow from the Treasury Ministers as they stand up for themselves on a decision on which, from his silence, we can make a deduction.

The hon. Member for South Devon (Caroline Voaden) asked the very pertinent question whether DEFRA was consulted, and the answer that came back was not yes; it was, “We are one Government.” If I have ever heard a piece of prevarication elegantly executed in this Chamber, that was it. That is the problem: we all sense that this was driven by the Treasury, tin-eared—completely deaf to the real needs of the farming world and community. I suspect that even after the relatively short time the Minister has been in office—he did serve in opposition, and I know he was an attentive, listening figure in that time—even he must understand that this has caused a restiveness throughout the community, and not just a restiveness, but a despair. The 86-year-old lady, living in Sheepwash, who now sees herself as an impediment to the passage of her ancient farm to her own children and grandchildren is a human example of the impact, and she is not going to be comforted by the answer, “Well, only 27% of farms will be affected.” She says, “What about me?”

Can we afford to lose, even on the Treasury figures, 2,500 farms over this Parliament? Even on the minuscule figure that the Treasury takes into account, it is still 2,500 farms the length and breadth of England that will be lost—500 a year. I say we cannot afford it. We will debate this tomorrow. I know that my hon. Friend the Member for Keighley and Ilkley (Robbie Moore) will debate it forcefully, and the Minister will no doubt be relieved to be sitting by the side of Treasury Ministers, who are going to have to take the rap for the mess that they have made.

I would like to work with the Minister on bovine TB. The disease affects my constituency, and the constituencies of all of us in Devonshire, profoundly. We do not want to go back in history. I recall that history too well. I recall the foot and mouth pyres, but also, as I have said, the silent and invisible carnage with the slaughter of cattle as a result of bovine TB, and the restrictions on dairy farms, on livestock grazing farms. Those are cruel—cruel not only to the animals but to the people. We need together to find a solution. I have been told that vaccination is just a few years away every time I have had a debate of this type. It would be interesting to know how far away the Minister thinks the vaccination is, and has he solved the problems of exporting the milk and the produce, once it has been vaccinated, to our markets abroad? I ask because of course it is difficult to determine whether

something detected is the vaccine or the disease, and it is not clear that our markets would be available. Those problems have to be resolved by him, and I am very happy to work with him to do that.

Finally, on the question of the landscape management unit in the Fursdon review, may I urge the Minister to recall that what is critical—

Sir Mark Hendrick (in the Chair): Order.

Motion lapsed (Standing Order No. 10(6)).

Freight Crime

4.10 pm

Sir Mark Hendrick (in the Chair): I notice a little army of Labour Back Benchers in the Chamber. If they wish to speak, they should have sought the permission of the Member in charge.

4.11 pm

Rachel Taylor (North Warwickshire and Bedworth) (Lab): I beg to move,

That this House has considered the matter of freight crime.

It is a pleasure to serve under your chairmanship, Sir Mark. As the chair of the all-party parliamentary group for road freight and logistics I had heard the concerns of haulage companies in the run up to the Budget. I was delighted to hear that the Government were also listening to the freight and logistics sector and decided not to raise fuel duty for another year. That was a necessary recognition of the importance of the freight industry to our economy, and I thank the Government for building the foundations of a good relationship with the freight and logistics sector, which I hope will continue over this Parliament.

When speaking to the Road Haulage Association, their members and other logistics workers, they were primarily concerned about fuel duty and freight crime. Now that we have encouraged growth through the freeze on fuel duty, it is time to take freight crime seriously. For too long, freight crime has been seen as an opportunistic crime, carried out by individuals who fancy their luck stealing some stuff from the back of a lorry. That could not be further from the truth. The Home Office must understand that freight crime has become a serious and organised crime, often involving violence and threats.

Tackling freight crime is essential to achieving the Government's five missions. Road freight moves 89% of all goods, and 98% of all agricultural and food products. In total, the road haulage industry contributes £13.5 billion to the economy, which is 5.6% of the UK's total GDP. Crucially, freight is an economic multiplier. Every £1 generated by the logistics industry generates £3 elsewhere in the economy.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for bringing forward this important issue. In Northern Ireland, the National Criminal Intelligence Service reported some 5,373 cases of freight and cargo crime, which is a 7% increase on the year before. Some of that has involved drug smuggling in freight, which is a big issue. Does the hon. Lady agree that more efforts must be made regionally to address the potential of freight crime and drug smuggling, to ensure the safety of local people on the streets?

Rachel Taylor: I agree with the hon. Gentleman that regionally and nationally we need more emphasis on this crime. If the Government are to achieve their mission to kickstart economic growth and take back our streets, they must treat freight crime with the seriousness that it deserves.

Sam Carling (North West Cambridgeshire) (Lab): My constituency has around 12,000 employees in the wholesale and retail trade sector, many of whom will be affected by freight crime. Indeed, the recent report by

[Sam Carling]

the APPG on freight and logistics named Peterborough as a key freight crime hotspot. Does my hon. Friend agree that measures to tackle freight crime are long overdue, and are essential for our plans to back British business?

Rachel Taylor: I thank my hon. Friend for his useful intervention, which I agree with. I was proud recently to launch the “Securing Our Supply Chains” report with the APPG and the Road Haulage Association, and I would like to raise its recommendations. The report highlights the clear damage that freight crime is doing to the UK economy. In 2023, there were 5,370 reports of heavy goods vehicle and cargo crime in the UK, and £68.3 million-worth of goods was stolen in freight crime. It is likely that £1 billion has been lost since 2020 due to this serious crime.

The report lays bare the stark issues affecting one of Britain’s most vital industries, in which 90% of businesses are small or medium-sized enterprises. It also makes it clear that the police do not feel adequately equipped to tackle freight crime. Such crime is not opportunistic; it is serious organised crime and that is why freight criminals target service stations, which have become freight crime hotspots.

The National Vehicle Crime Intelligence Service has identified several service stations that are repeatedly targeted by freight criminals, including Corley services on the M6 in my constituency. In 2023 alone, Corley services experienced 76 offences of freight crime. Other crime hotspots include Stafford, which had 138 offences; Thurrock, which had 103 offences; and Warwick services, which experienced 87 offences. It is clear to me, as it should be to all Members present, that that means criminals have organised effectively to target certain service stations repeatedly. Will the Minister commit to working with the Department for Transport to improve service station security for freight drivers?

John Slinger (Rugby) (Lab): Some 6,000 of my constituents work in transportation and storage, so I know how important this issue is to them. Much of the allocated overnight lorry parking is insecure, open to the public and lacking in CCTV. As a result, 75% of freight crime offences happen in independent road parking or unsecured motorway service areas. There can even be knock-on effects for the wider community. Does my hon. Friend agree that better standards must be enforced to make sure that drivers can access safe and secure parking facilities?

Rachel Taylor: I thank my hon. Friend for his intervention. That is why I would like to reiterate my invitation to the Minister to visit Corley services in my constituency, so that he can hear at first hand about how freight drivers feel and the security issues that they are facing.

Freight crime often involves criminals slashing a lorry’s curtains to gain access to its goods or siphoning fuel from tanks while drivers are parked to commit fuel theft. Cyber criminals are now cloning the websites of legitimate hauliers and tricking sellers into letting them drive away with valuables. Yet, in law, freight thefts are treated with the same seriousness as someone smashing

a car window and stealing a phone from the passenger seat. That must change; we need a co-ordinated policing and enforcement strategy.

I have highlighted the impact of freight crime on the economy, but it is crucial that we understand what freight crime does to an industry that is made up mainly of SMEs. To understand that impact, it is crucial to hear from representatives of the industry, as I have. Dave Hands is the managing director of LTS Global Solutions, and he introduced me to this industry when I was standing for election. Since March, his company alone has experienced six fuel theft incidents. Each theft has a significant impact on his operation and customers. LTS loses a day of deliveries, and then must replace the stolen fuel, pay a call-out fee to repair the vehicle, and supply fuel to get the vehicle to the nearest garage. Dave says that in a sector that operates on a 2% to 4% net profit margin, such incidents not only cause LTS to lose money but put their customer relations at risk.

Rhys Hackling is the managing director of Direct Connect Logistics. In January 2022, he had a truck attacked by thieves who stole pallets of batteries. The company lost all the revenue from the truck for three days while the inquiry went on and the truck was repaired. Even worse, Rhys says that Direct Connect Logistics has lost drivers due to the damage to their mental wellbeing, as the cutting of the lorry curtain is a direct attack on them.

The RHA detailed to me how curtain slashing can take place even when a vehicle is in transit. Freight criminals will pull up behind or to the side of the cab, slash the curtains, steal goods and put other drivers on the road in danger. Rhys says that many of his drivers remain committed but they do not sleep properly at night due to the threat of being targeted. Hollie Middleton is a transport manager from WOW Logistics and Warehousing—one of the country’s handful of female-run logistics companies.

Amanda Martin (Portsmouth North) (Lab): On that note, at least 8,000 of my constituents in Portsmouth North work in freight and logistics, and it has been highlighted to me that freight crime has really discouraged female drivers from entering and remaining in the industry. The International Transport Workers’ Federation found that a lack of secure parking facilities is a factor that contributes to the lack of diversity in the sector. Does my hon. Friend agree that, as my hon. Friend the Member for Rugby (John Slinger) said, we should be looking into secure places for people to rest in between their shifts?

Rachel Taylor: I thank my hon. Friend for raising that important point, which I will come to later.

Hollie, who I was talking about, echoes Rhys’s sentiments and says that she feels disheartened when she works hard but cannot sleep in case something happens. In one particularly shocking incident, two men scouted Hollie’s building and then attempted to steal some boxes. When she told them to get off the estate, they threatened her and told her they would beat her up. The industry struggles with encouraging women to become drivers, and I am sure the Minister will agree that freight crime poses a particular issue to female-led businesses such as WOW. Does he recognise that the sector is struggling with retention because of freight crime, which prevents economic growth?

I will highlight two points in the report that the House deserves a response to. The first is that we must increase support and resources for law enforcement, and the second is that we must launch a national freight crime awareness campaign, especially as freight crime is about to hit its busiest season. The report has made it clear that police do not have the resources to properly tackle freight crime. Police services, drivers, the RHA and the National Vehicle Crime Intelligence Service all recognise that there is not currently a national strategy to deal with freight crime, nor the resources and training for police to tackle the crime properly.

Police officers have made it clear that they would like to invest in stopping crime and catching criminals, and I know that one of the Government's five missions is to take back our streets. Sadly, the freight workers I have spoken to say that it feels futile to report incidents because they know that there is not much that the police can do. If this Government are to take back our streets, they must ensure that crimes committed on our roads, in lay-bys and at service stations are prosecuted.

Does the Minister agree that preventive infrastructural measures are a key element in reducing freight crime? A national shortage of safe lorry parking forces many drivers to park overnight at unlit, unpopulated and vulnerable roadside lay-bys. Will he commit to rectifying that by reforming the national planning policy framework to consider the needs of hauliers? Will he recognise that there must be a deterrent to prevent criminals from engaging in freight crime, and provision to reassure disheartened freight workers that they should report freight crimes?

Freight crime cannot be reduced without improvement in enforcement, but crucially, the police lack a national strategy to deal with the issue. We are talking about organised criminal gangs operating out of West Yorkshire and Coventry, whose operation spans several counties, yet the police lack a strategy to combat the crime. Furthermore, NaVCIS is under-supported and underfunded. It has a clear mission to bring industry and policing together to disrupt criminals and reduce crime, but it does not receive any funds from central Government or the police service for any of its areas of business. Instead, the national freight crime desk is supported by four sponsors from the freight industry and 62 members, who pay an annual subscription for freight crime data.

NaVCIS currently has one full-time service police officer on secondment, a part-time analyst and a part-time data inputter. That places it in a financially precarious position and does not facilitate co-operation between NaVCIS and UK policing. It is clearly not enough to tackle organised crime on a national scale. Developing a cross-county and national strategy is vital. There must be greater sharing of information between NaVCIS, businesses and police forces.

NaVCIS has identified that 38 criminal hotspots, and the main arterial roads close to the biggest ports, see the vast majority of freight crime. A well-executed, targeted approach in those locations could result in a massive reduction in crime for relatively little police resource. Can the Minister commit to providing more resources to tackle crime in those hotspots? Hollie told me that this is the worst time of year, because Christmas deliveries

are at an all-time high. It is outrageous that the drivers who deliver Christmas to families across the UK cannot do so without feeling physically at risk.

The thousands of instances of freight crime each year endanger the mental health of the road freight industry workforce, but the freight crime epidemic is not known about in the public consciousness. We need greater public awareness, especially to ward people off buying stolen goods through social media pages and websites around Christmas. It is crucial to create a hostile environment for criminals to keep our drivers safe. It is timely to have this debate on 3 December, as many drivers are getting ready for the Christmas period, and this House should be under no illusion that it is lorry drivers—not Father Christmas—who will be delivering Christmas this year.

I end by reiterating that freight crime is serious and organised. It is threatening our drivers' wellbeing and putting hard-working businesses at risk of closure. We must have a serious response from the Government.

4.26 pm

The Minister for Security (Dan Jarvis): It is a pleasure to serve under your chairship, Sir Mark, and I congratulate my hon. Friend the Member for North Warwickshire and Bedworth (Rachel Taylor) on securing this debate. As was very clear from her remarks, she has a huge interest in, and knowledge of, these important matters. As she said, this debate is very timely, not least because it comes hot on the heels of the publication of an insightful, comprehensive report on the subject by the all-party parliamentary group on freight and logistics, which she chairs. I thank her for that work and I am grateful to all the other Members who have participated in the debate.

As my hon. Friend will know, matters relating to freight crime are the responsibility of the Policing Minister, my right hon. Friend the Member for Kingston upon Hull North and Cottingham (Dame Diana Johnson), rather than the Security Minister. The Policing Minister is very sorry that she cannot be here, but I have listened carefully to my hon. Friend's excellent contribution and I will endeavour to respond on behalf of the Policing Minister to all her points. If I miss anything, I will endeavour to ensure that the Department writes to my hon. Friend on those matters.

At the outset, I emphasise how damaging and distressing freight crime can be, as my hon. Friend clearly said, and acknowledge its hugely detrimental effect on businesses and individuals. Everyone should be concerned that freight crime rates have risen over the past few years. The Government will work with partners—she asked me for an assurance on this—including the police to mount the most effective response possible.

As my hon. Friend knows, we are pursuing a wide-ranging mission to tackle crime and make our streets safer. A big part of that is restoring visible neighbourhood policing, which is essential for deterring crime, reassuring residents and businesses, and maintaining public confidence. Through our neighbourhood policing guarantee, we will deliver thousands of neighbourhood police, community support officers and special constables.

On freight and related vehicle crimes specifically, we are working closely with the police, the automotive industry and the National Vehicle Crime Intelligence Service.

[Dan Jarvis]

We have provided the police with additional funding this financial year to help to tackle the export of stolen vehicles, supporting enforcement at the ports to prevent stolen vehicles and vehicle parts being shipped abroad, including through the deployment of additional staff and specialist equipment to the ports. We will also bring forward legislation to ban electronic devices that have been used to steal vehicles, empowering the police and courts to target the criminals using, manufacturing and supplying them.

Recently the Policing Minister had the opportunity to meet the National Police Chiefs' Council lead for vehicle crime, Assistant Chief Constable Jenny Sims, to discuss those issues and how we can work more effectively together. Led by ACC Sims, the national vehicle crime working group is raising awareness of crime against road haulage companies within the national police vehicle crime response. We look forward to working closely with the Road Haulage Association as part of that group.

In support of the working group, a network of vehicle crime specialists has been established, involving every police force in England and Wales. It will help to share information about emerging trends in vehicle crime so that we can better seek to tackle regional issues. As a key member of the working group, the Government continue to work with NaVCIS, the specialist unit funded by industry, to provide dedicated specialist intelligence and enforcement. As part of its remit, NaVCIS is working with the Government; we are together taking forward a project to analyse heavy goods vehicle-related crime in England, with a specific focus on identifying crime patterns at HGV parking sites. The Government are determined that all lorry drivers should have access to high-quality, safe and secure facilities right across the country, which is why we have invested in improved lorry parks and safer rest areas.

My hon. Friend the Member for North Warwickshire and Bedworth specifically mentioned that point and she extended an invitation to visit the services in her constituency. I can assure her that I will extend that invitation on her behalf to the Policing Minister. She made a number of other points, which I will come to in a moment. Before I do, I want to confirm to her that an industry-led task and finish group on HGV facilities will complete its work in January. It is focusing on increasing capacity for safe and secure parking, and driving the industry's adoption of existing HGV parking standards. We will consider the findings closely and will do so mindful of the comments that she has made today about Hollie, as well as the important points she made about retention in the industry and about public awareness.

With industry, the Government and National Highways are investing in improved welfare facilities, security upgrades and more HGV parking spaces at lorry parks and truck stops across England. My hon. Friend rightly mentioned the importance of infrastructure. The Government are prioritising improvements to the planning system, which she mentioned. New language on freight and logistics in the recent consultation on the national planning policy framework recognises the importance of considering freight in planning, and I thank the sector for taking the time to respond to the consultation.

I acknowledge the worrying involvement of serious and organised criminals in committing freight crime, which my hon. Friend rightly referenced. These individuals corrode our country's global reputation and cost us billions of pounds each year. As announced by the Prime Minister in his recent speech to the Interpol General Assembly in Glasgow, we are investing a further £58 million in the National Crime Agency. That will make a real difference, including through the strengthening of data analysis and intelligence capabilities. I will also take away my hon. Friend's important point about the need for a national strategy. We will work with policing on a new national centre of policing to bring together crucial support services that local police forces can draw upon to raise standards, and improve efficiency and productivity.

My hon. Friend made a couple of other points that I want to respond to. I am grateful to her for acknowledging the measures in the Budget to freeze the fuel duty allowance and for the important point she made about the huge contribution that freight makes to the UK economy. She was right to do so, as freight accounts for 5% of gross value added to the UK non-financial business economy. The Government completely recognise the significant importance of the sector.

In closing, I reiterate my thanks to my hon. Friend the Member for North Warwickshire and Bedworth for securing this debate and to all those who contributed to it. We have covered a number of specific issues, and I know that the Policing Minister will reflect on them in our ongoing work with partners, including policing, and work closely with colleagues in the Department for Transport.

As I said at the beginning of my remarks, freight crime is a serious threat and must be dealt with as such. This Government are committed to tackling criminality of any kind, which is why we have made it our mission to deliver safer streets for all and restore neighbourhood policing. Reducing freight crime is integral to that mission.

Question put and agreed to.

Home-to-School Transport: Children with SEND

4.37 pm

Sir Mark Hendrick (in the Chair): I remind hon. Members that if they wish to speak, they need to bob during the debate. This is only a one-hour debate and hon. Members can see how many people are present; you do not need to be experts in maths to know that that there are lots. Except for the Front-Bench speakers, I will allow only one minute for the speech of each Member present. When those minutes have been exhausted such that there is sufficient time for only the Front Benchers to speak, obviously any speakers who have not been called will not be called. Members may be tempted to intervene, which will take time away from other speakers, so I ask that you resist the urge to intervene unless you absolutely must.

4.38 pm

Jen Craft (Thurrock) (Lab): I beg to move,

That this House has considered the statutory framework for home-to-school transport for children with SEND.

It is a great pleasure to serve under your chairmanship, Sir Mark. I am delighted to have secured this debate on 3 December, which is the International Day of Persons with Disabilities. I am pleased to see a number of hon. Members present to speak, which truly reflects the importance of the issue.

Disabled children enter the education system with the odds stacked against them. The damage and chaos wrought by 14 years of underfunding and understaffing have left a broken special educational needs and disabilities system. Parents have to fight for the entitlements of their child at every step of the way, simply to ensure that they are given the same life chances as other children. As the parent of a disabled child, I have experienced that at first hand.

We know how vital each stage of the journey through education is for a disabled child. The importance of early intervention cannot be disputed, as it provides crucial support to their development and improves long-term outcomes. Similarly, the transition to adulthood is a key stage of development when disabled young people advance their independence and encounter new challenges. Yet, as it stands, we have a statutory framework for home-to-school transport that, in effect, excludes disabled children from accessing education. Even where the statute necessitates that local authorities provide home-to-school transport, this is often disputed and subject to many shortcomings, leaving parent carers with another fight on their hands. However, I will focus on the framework today.

Under the existing framework, the legal obligation of local authorities to provide free transport to a place of education applies only for eligible children aged five to 16 and young people aged 19 to 25. This is a vital lifeline for disabled children and their families, ensuring that even those with the most complex needs can attend a school that offers specialist provision to help them get on in life, but until they reach the age of five, and after the statutory duty falls at the age of 16, disabled children and their families are failed by the current system.

Before a disabled child turns five, it is at the discretion of local authorities to make suitable arrangements for them to attend early years settings. In reality, that can materialise as a flat refusal to any request for transport. Families who have been fortunate enough to secure a competitive place at a specialist early years setting are then denied support, and are unable to shoulder the burden of time and cost needed to transport their child themselves. One parent told me that the only school suitable for their child's complex health condition was an 11-mile drive from home. Their transport application was rejected. As they cannot afford petrol for four trips a day, that parent now drives the child to school and stays there, leaving them unable to work.

Families are forced to make the impossible choice between transporting their child themselves or giving up work, and those children who are most in need of early intervention are unable to access it. Some local authorities even refuse to transport a child to primary school until the very day that they turn five, by which time a disabled child may have missed a term of reception and lost out on vital therapies and specialised support. That leaves disabled children playing catch-up from day one.

By the age of 16, many children with SEND will have been receiving free transport for more than a decade, but as the legal obligation for that provision falls, their education can be thrown into turmoil. In the past, many councils continued to provide free transport for children with SEND from the ages of 16 to 19. Funds put into those travel costs are saved further down the line—they allow students with disabilities to achieve qualifications and skills, and to gain confidence, independence and experience. This makes it much less likely that they will fall into unemployment or disengagement, and face challenges with mental and physical health. However, the rising demand—with 576,000 children and young people in England now having an education, health and care plan—coupled with local authorities being under immense financial strain, has led to local authorities across the country, including in my constituency of Thurrock, cutting the service.

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): My hon. Friend is making some excellent comments. She refers to the transportation being free; for some families it is free, but for local authorities, as we all know, it absolutely is not. My local authority, North East Lincolnshire, spent £1.4 million last year alone on transporting 114 children out of area. It is unsustainable for local authorities. Does she agree that the answer is more specialist provision in area, and combined support in mainstream school for those children?

Jen Craft: My hon. Friend makes a good point. The long-term goal must be better inclusion for disabled children in mainstream education—I would have loved to send my child to the outstanding school up the road, but it did not really want us. This is not a choice that parents want to make, and inclusion is the ultimate, long-term solution. However, disabled children should not be penalised for the financial burdens under which councils find themselves.

The transport arrangements that are provided are often unsuitable, such as a bus pass for a vulnerable young person. Parents are asked to make financial contributions or are provided with travel allowances that barely cover

[Jen Craft]

the costs. It is hard to overstate the impact that the yearly lottery for school transport can have on disabled children. It disrupts their education, places stress and anxiety on them and their families, reduces their independence, and asks their parents to carry financial costs.

I heard from one mother whose 18-year-old daughter attends a school offering specialist provision. This year, just 24 hours before her daughter was due to start her college course, she was told she would be charged a contribution for her daughter's transport to school. She spoke of the anxiety inflicted on her daughter through days of uncertainty. Despite that stressful experience, that mother considers herself among the lucky ones. Her vulnerable daughter can continue to get to school safely every day, when others who are asked to contribute to transport costs may not.

Peter Swallow (Bracknell) (Lab): I congratulate my hon. Friend on securing this debate. Does she agree that in too many cases the SEND families most in need of support find they are not given it? For many families, it is therefore a question of whether they can afford to support their children. In this country, in 2024, we must end that barrier to opportunity.

Jen Craft: My hon. Friend makes an excellent point. It is unacceptable that disabled families are faced with choices about their children's education that parents of children who are not disabled are not.

During the election campaign, I spoke to another woman, Julia, and had the pleasure of meeting her 18-year-old son Oscar, who has cerebral palsy, which affects his right side, and epilepsy. For 10 years, he had received free home-to-school transport, but now his parents have to make the case every year for why he should continue to receive that support to reach his sixth form. Thanks to the new costs, his mum has had to withdraw Oscar from one of his sessions at his weekend care provision, because she cannot afford both. Despite the new charges, there is still no guarantee that their application will be approved. She said that life is hard enough without this discrimination and pressure.

Another mother, in Thurrock, told me about her ongoing fight to secure transport for her daughter. Twice her daughter was refused passenger transport to the education setting she attended and twice the family successfully appealed. That mother said:

"As parents to children with SEND we have to fight for every single step, for their existence. Fighting for what is right, what our children are entitled to."

This is the reality for thousands of families across the country. This disruption at such a vital point in education can be devastating, with serious impacts on a young person's mental health and development. Let us be clear: this places a financial barrier to education in the way of disabled children and their families that other families simply do not have to face.

Tim Farron (Westmorland and Lonsdale) (LD): Does the hon. Member acknowledge that lots of local authorities, and indeed lots of schools, seek to do the right thing? Councils in Cumbria have more than doubled their spending on SEND transport in the last five years,

but is it not the worst thing about it, from a local authority perspective, that councils and schools that do the right thing get penalised? Is it not right that we instead support all local authorities and schools to support special educational needs children without disadvantaging them or their families?

Jen Craft: As I have said previously, the important thing is to see a long-term goal where disabled children are truly able to receive a mainstream, inclusive education, so that we get out of this cycle of families having to pay to transport their children miles and miles from where they live.

Sir Mark Hendrick (in the Chair): May I just say that the Member who is speaking is not obliged to take interventions? It does take time away from those who have put in to speak.

Jen Craft: I will make some headway.

The requirement for free transport returns for 19 to 25-year-olds with complex needs and an education, health and care plan, to support those who need longer in education or training to achieve their outcomes.

The guidance itself says:

"It is critical that, from year 9 at the latest, local authorities help young people start planning for a successful transition to adulthood."

Given the importance of this transition, why does the statutory obligation for free transport fall between the ages of 16 to 19?

We cannot ignore the rising costs that councils face in carrying out their duty to provide free home-to-school transport. However, those costs are not the fault of disabled children. It is not a choice by families to send their disabled child or young person to a school far from home; it is a necessity, and the only way to receive the specialist provision that meets their needs.

Calum Miller (Bicester and Woodstock) (LD): Will the hon. Lady give way on that point?

Jen Craft: I would just like to make a little more progress.

When I think about my child's journey through education, I do not see it in stages. The journey for my daughter and for every disabled child is a lifelong one. We need a statutory framework that reflects that and that provides stability, security and reassurance for disabled children throughout their development and for their families.

In the context of the Government's mission to break down barriers to opportunity for every child, the situation with home-to-school transport is damaging the life chances of disabled pupils. I encourage the Minister to consider a framework that ends the current anomalies in the system, so that local authorities have a legal obligation to ensure that no child is denied an education that will allow them to get on in life.

I look forward to hearing the Minister's comments about the existing framework, and the contributions of other Members, as we seek to develop a system that ensures that the needs of every child are met.

Sir Mark Hendrick (in the Chair): As I said earlier, you will get only a minute each. I encourage people not to intervene, as it will mean that we have to cut down on the total number of speakers. I call Shockat Adam.

4.50 pm

Shockat Adam (Leicester South) (Ind): I thank the hon. Member for Thurrock (Jen Craft) for securing this vital debate on a subject that is of concern to many of my constituents. Education is a fundamental right for every child and should not be treated as a favour or privilege. We are witnessing at first hand how the lack of adequate travel provision can prevent children from accessing education.

The consequences of not providing proper travel services extend far beyond the immediate inconvenience to parents. Without transport, children will remain at home, where they are not engaged in education or employment. The social cost of that is immense. Parents will be forced to reduce their working hours or even give up their jobs. We must ask ourselves whether that is the kind of future we want to create for our children and communities.

Travel arrangements for these children are about more than just convenience; they are about ensuring they can get to school safely and on time. Furthermore, we must ask ourselves about the reality of SEND children travelling for about two hours daily. As the hon. Member for Great Grimsby and Cleethorpes (Melanie Onn) mentioned, cost is not the issue; it is the fact that no provision is available locally. That is why parents are forced to send their children so far away. What impact must that have on their wellbeing? We must have more facilities and more schools—

Sir Mark Hendrick (in the Chair): Order. I call Jo Platt.

4.51 pm

Jo Platt (Leigh and Atherton) (Lab/Co-op): I thank my hon. Friend the Member for Thurrock (Jen Craft) for raising this important issue, and I briefly want to mention my local authority. Since 2017, the number of children and young people requiring SEND transport has surged by more than 80% in Wigan, while the costs have exploded by 103%. To put that into perspective, this year alone the council is facing a £2 million overspend against a £5.53 million budget.

Over the past five academic years, demand for SEND transport has skyrocketed, and it is on an unsustainable trajectory that cannot be ignored. As my hon. Friend the Member for Thurrock rightly pointed out, the statutory framework is no longer fit for purpose.

This issue extends far beyond any one council or region; the pressures we see are a national concern. Local authorities that are already stretched thin are facing mounting financial strain. If we do not act soon, we risk eroding the very support that children with SEND rely on to access their education.

4.52 pm

Tom Gordon (Harrogate and Knaresborough) (LD): I thank the hon. Member for Thurrock (Jen Craft) for bringing forward this debate. I want to make a point—I will try to keep it brief—about the inconsistency in the implementation of the framework. That inconsistency is exacerbated in rural areas such as North Yorkshire,

where my constituency is. We have had horror stories of children in taxis for up to two hours a day. That has a massive impact on their ability to learn when they make their way to school.

Another problem comes from changes to the council's policy on home-to-school transport and its inability to finance it. It is projecting a spend of £27 million on SEND transport next year. Despite the rural complexities of the North Yorkshire council area, it is only 148th out of 151 local authorities for high needs funding per head of population. Although the framework is important, there needs to be an understanding of rurality, and the funding to go with it.

4.53 pm

Darren Paffey (Southampton Itchen) (Lab): I congratulate my hon. Friend the Member for Thurrock (Jen Craft) on securing this important and oversubscribed debate. Southampton, like many other local authorities, is struggling with the cost of meeting the need. Meeting that need is most important, but costs have trebled in the past few years and council resources are put under immense strain.

I welcome the Education Secretary's commitment to a whole-system review, with travel a crucial part of that. The Chancellor's recent investments will have relieved some of the pressure. I would be interested in the Minister's response on whether the Department for Transport and the Department for Education could speak together and require bus companies to work with local authorities to look at route planning and making public transport more accessible for those for whom independent travel is a possibility. This is about breaking down barriers to opportunity for SEND children; they have to be in school to open those barriers and so that we can meet their needs.

4.55 pm

Calum Miller (Bicester and Woodstock) (LD): I thank the hon. Member for Thurrock (Jen Craft) for securing this debate. I will focus on the length of time that young people with SEND often spend travelling to their special settings. This weekend, a mother attended my surgery to speak of her son, who was initially offered a taxi ride taking 45 minutes to his special school outside the county. Another child was added to the journey, taking the journey time to one hour and 15 minutes. A third child has now been added, so that boy, who has special needs and struggles with travelling with other children, is now travelling an hour and 45 minutes in each direction for school.

Oxfordshire is not unlike other counties, and my constituents in Bicester and Woodstock often have to send their children outside the county for education. I hope the Government will consider more capital funding for local education authorities so that they can provide more special schools in better settings. I also ask the Minister to consider a commitment that no special educational needs child should have to travel for more than 30 minutes to reach their school each day.

4.56 pm

Alistair Strathern (Hitchin) (Lab): I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this debate and for her tireless work campaigning of

[Alistair Strathern]

this issue. It is really encouraging to be joined by so many colleagues from across the House to speak about issues relating to SEND.

I rise to highlight some of the shocking stories that families locally have shared with me about the challenges and pressures that special educational needs and home-to-school transport are causing for them in their day-to-day lives. It cannot be right that so many are not getting the support they need, whether they sit in or outside the statutory framework, as my hon. Friend the Member for Thurrock highlighted.

In Central Bedfordshire and Hertfordshire, the rural context has been exacerbated by both authorities' failure to appropriately place-plan at a local level. That has created difficult choices for the authorities and heartbreaking realities for families and young people, who are travelling too far at too great a cost to access the schools they need. Some are being shut out of the transport support that they need due to their age.

I welcome this debate and the possible reforms to the statutory framework. I look forward to working with colleagues right across the House to ensure that we bring about the holistic reform the area desperately needs.

4.57 pm

Clive Jones (Wokingham) (LD): It is a pleasure to serve under your chairmanship, Sir Mark. I thank the hon. Member for Thurrock (Jen Craft) for securing this debate. Wokingham borough council had previously been promised two SEND free schools, yet both are waiting for approval to proceed. I would therefore be grateful if the Minister could do some digging into when the schools will be delivered, and write to me and the council, updating us on progress.

I had prepared more detailed remarks. However, I ask the Minister if she will meet me, the local executive member for children's services and the director of children's services at Wokingham borough council to discuss the situation, and to help us understand the Government's plans for reform and what we can do to deliver the most for our SEND children.

4.58 pm

Paulette Hamilton (Birmingham Erdington) (Lab): I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this important debate. Many parents and children in my constituency are deeply frustrated because of the cuts we have seen to school transport. The situation has gone from cuts to the over-16s now getting nothing. One mother said to me that her son, a boy with Down's syndrome, was actually forced to stay at home because he could no longer get the support he needed for transport.

Transport should never be a barrier to education. I welcome the Government's pledge of a £1 billion investment, but I ask that the funding is delivered swiftly and effectively to address the urgent needs of families and those in the community. Those families deserve the dignity, support and access to education that every child has a right to.

4.59 pm

Monica Harding (Esher and Walton) (LD): It is a pleasure to serve under your chairmanship, Sir Mark, and I thank the hon. Member for Thurrock (Jen Craft)

for securing the debate. I will give some colour on what is happening in Surrey and my constituency of Esher and Walton. My constituent Polly is 16 years old, and because of her SEND she is unable to travel unaccompanied—something that is not disputed by the council. Until the end of last term she received travel, but now she has a place at a special needs sixth form and has been denied assistance. Her parents appealed the decision and were denied again.

When it rejected the appeal, Surrey's stage 2 panel made a financial argument, asserting that it would not be sustainable for the council to provide travel assistance on account of Polly's parents' work commitments. Both her parents work full time at Royal Surrey County hospital. In determining what is necessary for a child, the council takes account of their special educational needs but not their parents' or carers' work. The current statutory framework leads to absurd economisation under which the jobs of two NHS workers cannot be considered in the allocation of a child's transport assistance, so the choice is therefore between Polly's education and her parents' jobs in the NHS. That is not acceptable.

5 pm

Daniel Francis (Bexleyheath and Crayford) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. My constituent Jessica has raised the case of her son. The London borough of Bexley introduced a charging policy for post-16 children in 2018. Although her son has not changed schools, they now have to pay £400 towards transport to reach his school in the London borough of Bromley, despite the fact that he is on the highest mobility component rate for personal independence payment and Jessica receives universal credit. Bromley children in the same class do not have to pay that charge and contribution.

With the current system, there has been a crisis in school transport. My own local authority had seven local government ombudsman cases against it in 2017, and a further report found failings because the local authority did not remedy those cases. Because of those failings, we have situations such as the one that Jessica has raised, where she or her son must contribute £400 towards transport, and yet children in the same class with identical circumstances do not have to contribute because they live in a different London borough. The system therefore does need some reform.

5.1 pm

Manuela Perteghella (Stratford-on-Avon) (LD): Thank you, Sir Mark. It is a pleasure to share under your chairship, and I thank the hon. Member for Thurrock (Jen Craft) for securing this important debate.

In Stratford-on-Avon, the current system of SEND home-to-school transport is failing families. Many children were left without home-to-school transport at the beginning of the academic year, meaning that children's educational needs were not met at a crucial time. Many children are placed in schools outside the county because there simply is not enough suitable provision locally. That has created a complex network of transport issues. We need to ensure and resource sufficient local SEND provision within mainstream education. That must be a priority if we are to create a fairer, more efficient and sustainable system that supports every child's right to education.

5.2 pm

Jonathan Davies (Mid Derbyshire) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark, and I thank the hon. Member for Thurrock for securing this debate. SEND, and the transport around it, is a massive issue in Derbyshire. A recent Ofsted report found appalling failings in the system—something that, for a very long time, parents could have told us anecdotally.

I suggest that there are two things the council needs to do. First, we need better integration between the council, the public transport providers, the integrated care boards and the schools. Secondly, we need more early planning so that transport can be managed at the earliest possible stage. That will save the council money and be better for children and young people.

The Government made a big investment in this area at the recent Budget. We made some tough choices to do that, but it is the right thing to do. There is £1 billion for SEND, three-year funding settlements for local authorities and further investment in councils. I urge the council to use that investment to give it the time to get this right, because it is local children and young people, and their parents, who are suffering.

5.4 pm

Iqbal Mohamed (Dewsbury and Batley) (Ind): It is a pleasure to serve under your chairmanship, Sir Mark, and I thank the hon. Member for Thurrock for securing this important debate. In my constituency of Dewsbury and Batley, more than 300 pupils of sixth-form age with SEND are eligible to have their costs covered by the local authority. Unfortunately, council budget to cover their costs has just been slashed by £1.6 million. The result is that families will have to cover the shortfall themselves. That picture is repeated up and down the country because, as the National Audit Office warns, the current system of funding is unsustainable as a result of the crisis in local government funding. The situation will only get worse when we consider that the number of children in England with an EHCP has more than doubled over the past decade, and we can expect it to continue to rise.

I welcome plans to improve existing provision and build a more integrated system that includes the NHS, but we also need the funding streams to ensure that SEND children from all socioeconomic backgrounds can access improved services. If the Government listened to the teaching unions, local authorities and families who are calling for extra SEND funding, and for councils' high-needs deficits to be written off, that would be a good start.

5.5 pm

Jodie Gosling (Nuneaton) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. I thank my hon. Friend the Member for Thurrock (Jen Craft) for calling this important debate—[*Interruption.*] Hopefully I can manage to get through my speech.

I approach this issue from the point of view of a special educational needs co-ordinator. I have been an early years special needs supporter for a number of years, and I understand just how difficult it is under the current provisions to get an EHCP for a child under five. After we manage to secure one, we then have to go from nursery to school applications. If we finally manage

to secure a good provision for a child, often we cannot secure the transport arrangements or the child cannot secure a chaperone.

As we are extending our childcare and early years education offer to children as young as two years old, we have to consider their transport and SEND needs. These children, who have reached the threshold for an education, health and care plan so young, are the most vulnerable, and they desperately need to be able to access the best support from the start. We need a strategy to deliver that support locally, and where we cannot, we must ensure that children have access to the best provision so that interventions start in the early years when they will have the most impact.

5.6 pm

Laura Kyrke-Smith (Aylesbury) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark.

I will highlight three suggestions that I have heard from my constituents in Aylesbury. First, information about home-to-school transport should be provided to parents in a timely and accurate way. I have heard about so many parents finally securing that school place and then falling at the final hurdle of not being given transport. Councils have to change that. Secondly, Buckinghamshire council is moving towards personal transport budgets, but £20 per day does not come close. I have heard about one case with an £84 return taxi fare to get the child to school. Councils need to allocate sufficient funding. Thirdly, councils must ensure that the transport that is provided is both safe and reliable. Unfortunately, I have heard of instances where that is not the case. Those transport providers need much tighter regulation. No one wants to send their child to school many miles away, but the broken SEND system necessitates it, and that has to change.

5.7 pm

Anna Gelderd (South East Cornwall) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this crucial debate.

Home-to-school transport for SEND children requires our urgent attention, and that is why I am planning to create a network in South East Cornwall dedicated to supporting families, parents and carers. South East Cornwall is a rural area with a challenging transport network, and difficulties arise because of longer distances to schools, a lack of good-quality local public transport and increased costs. I pay tribute to the staff at specialist provisions in South East Cornwall, such as Burraton school and Liskeard school and community college. I also want to highlight local organisations such as Cornwall's SEND Information, Advice and Support Service and the Core, which provide vital support for families navigating these challenges. However, these groups cannot, and should not, be expected to fill gaps.

The statutory framework for home-to-school travel must better account for the unique barriers in rural areas such as mine. Assumptions are often made about transport infrastructure levels, but the reality is that some of that infrastructure just does not exist. The statutory walking distance is often unrealistic for rural children who live far from safe walking routes or bus stops, and who have increased journey times. I urge the Minister to prioritise an in-depth consultation with

[Anna Gelderd]

SEND families, especially in rural areas, to better understand their needs and unique situations and how to tailor services accordingly.

5.9 pm

Anna Dixon (Shipley) (Lab): It is an honour to speak under your chairmanship, Sir Mark, and I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this debate.

As a member of the Public Accounts Committee, I have had to scrutinise the National Audit Office's report on SEND. According to that report, local authorities spent some £1.4 billion on home-to-school transport in 2022-23—an 80% real-terms increase since 2015-16. I am delighted that this Government have brought forward an additional £1 billion in the recent Budget for SEND funding, which will go some way to covering the high costs faced by local authorities, but we know that we need to change the provision.

In Bradford, the council's travel assistance service spends £54,000 per day on home-to-school taxis alone. Those numbers are eye-watering. Only through prioritising SEND support in our mainstream local schools will we alleviate those financial pressures on local authorities, and I welcome the priority that the Government have given to that. The main point that has been made in this debate is that it would help all the many families in this situation if their children were in local schools. That would not only reduce expensive transport costs, but improve outcomes for disabled children and their families.

5.10 pm

Josh Fenton-Glynn (Calder Valley) (Lab): It is an honour to serve under your chairmanship, Sir Mark. I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this debate. While she has personal and constituency experience, this issue is a national crisis for people with SEND. That is due in no small part to the huge rise in the number of people with EHCPs over the last few years. In 2018-19 in Calderdale, where Calder Valley sits, 1,068 children had EHCPs. In the last year, 1,761 children did. That is the start of this problem.

We then have the transport plans, which are put together at the last minute. That means that we end up with September stress for SEND parents, who are trying to create a stable school environment for their kids but who find out only at the last minute when they are coming in. On that point, I pay tribute to all SEND parents, who work an extra job in looking after their children, and to some of the charities that do brilliant work in supporting them, including Unique Ways in Calder Valley, which is a fantastic charity.

I recently heard a particularly distressing story about SEND provision in Calder Valley. Two children had their epilepsy triggered by stress, and their parents and teachers struggled to provide the support that they needed.

5.12 pm

Ben Coleman (Chelsea and Fulham) (Lab): I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this debate. It is fantastic to see so many

hon. Members and hon. Friends sticking up for disabled children and young people and their families. That reflects the focus that we have had on SEND in this new Parliament.

According to Contact, a charity for families with disabled children aged 25 or under, 79% of disabled young people are being denied or charged for school transport when they turn 16. One in 10 of them pays more than £1,000 a year, and nearly half of families experience increased stress and financial difficulties. Although I am pleased that in Fulham, which is part of my constituency, the Labour council has chosen not to charge for transport and to maintain free educational transport for disabled children and young people up to the age of 25, I recognise from all that I have heard today and all that I know that that is far from being the case elsewhere. We need to end that unfairness and change the statutory framework, and we need to make free educational transport available to all up to the age of 25.

Finally, I encourage those who want to know more about the significant additional costs of caring for disabled children and young people to come to an event that I will be chairing in the Thatcher Room tomorrow at 5.30 pm, at which Contact will launch new research into this issue.

5.13 pm

Danny Beales (Uxbridge and South Ruislip) (Lab): I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing such an important debate. In my casework, I have been inundated with issues around special educational needs, and transport is a major factor. I will make two quick observations that I hope the Minister will reflect on in any review of the framework.

First, the nature of families today often does not reflect the assumptions of previous years. I have had cases where parents who co-parent and share equal custody across different boroughs are caught up in arguments between the two boroughs about who is the lead parent. The parents simply say, "We share custody 50:50, so we need mechanisms to overcome that barrier."

Secondly, increasing numbers of families are in temporary accommodation outside their traditional borough, and they find it very hard to get continuity in school transport for their children. They still want them to go to their hard-fought-for special educational needs school, but that would require changes in transport, and authorities are slow to make them. I hope that the framework will reflect the increasing numbers of families who are, unfortunately, homeless and in temporary accommodation.

5.15 pm

John Whitby (Derbyshire Dales) (Lab): I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this debate. Home-to-school transport is particularly important for young people living in rural areas such as Derbyshire Dales, with the average pupil in rural areas having to travel 10 miles each way to school, and one in 10 pupils in a special school needing to travel over 23 miles each way. These distances mean that, without home-to-school transport, it is often impossible for young people in rural areas to access education. For example, my constituent, who has autism spectrum disorder, attention deficit hyperactivity disorder,

dyslexia and obsessive compulsive disorder, was denied home-to-school transport and was expected to take an almost three-hour bus journey just to get to school. The burden that the current post-16 system places on the time and finances of families is significant, as is the impact on a young person who is not in school.

5.16 pm

Rachel Taylor (North Warwickshire and Bedworth) (Lab): It is a pleasure to continue to serve under your chairmanship, Sir Mark, and I thank my hon. Friend the Member for Thurrock (Jen Craft) for securing this important debate. We must consider the reliability of transport for SEND pupils. I had casework at the beginning of term involving parents waiting for transport to turn up that never came. Teachers did not know what was happening, and the parents could not get hold of the helpline because it was closed. During those first few days, it is crucial for students to feel settled in. It is great to see other colleagues from my county of Warwickshire here; I am sure that they also experienced those problems in September.

My constituency is semi-rural. It is made up of towns and villages, and it can take an hour to drive across it. It is difficult for county councils in constituencies such as mine, where pupils are often closer to schools outside the county. Different parts of my constituency border Leicestershire, Staffordshire, Birmingham, Coventry and Solihull. The problem is that the county council may allocate not the school that is nearest to pupils in terms of travel time, but the school that is nearest in Warwickshire. That means that parents have to argue with and challenge the council if they want their children to go to a school that is suitable for their needs and nearer to travel to. Furthermore, the student must be in school year 11 or below, plunging many teenagers and their families into uncertainty.

I commend my hon. Friend for raising this important issue. I remain committed to making sure that pupils in my North Warwickshire and Bedworth constituency have the travel they need to get to the school that they want to go to.

Sir Mark Hendrick (in the Chair): I thank all Back Benchers for being very good with their timekeeping. We now move to the Front-Bench speakers.

5.18 pm

Victoria Collins (Harpenden and Berkhamsted) (LD): It is an honour to serve under your chairmanship, Sir Mark, and I congratulate the hon. Member for Thurrock (Jen Craft) on securing this debate. Every child, no matter their background, can achieve great things, but sadly there is currently a postcode lottery for SEND provision, which means that a lot of our children are being left behind. The previous Conservative Government failed children with SEND by not planning effectively for the increased demand for SEND school places. One parent from my constituency wrote:

“Please, please help. This is unbelievable. I just can’t cope anymore. It’s looking like you are giving us no choice but to go to tribunal just to get him a school.”

As has been mentioned, this is about a fundamental right to education. The need is rising and the crisis is growing. Ultimately, that means that more children need to have more specific transport. The number of students on EHCPs has doubled from 105,000 eight years ago to

230,000 in 2023. In Hertfordshire, EHCP numbers are expected to continue to grow. The number of children and young people with EHCPs has grown by 223% in Hertfordshire alone. One of my constituents, Charlotte, is a parent to three children, all of whom have EHCPs and complex SEND. She says that being in a constant battle mode has become the norm, and to secure educational support, her eldest child now has to travel almost 100 miles a day just to go to school.

We heard today about children who have to travel one hour and 45 minutes and about Polly and the impact on her parents, and many Members talked about the inconsistency across their constituency and across the country. The growing need and the lack of SEND provision close to home means that getting transport has become increasingly tough. That is exacerbated by cuts to local transport. Many Members have spoken about the impact of this. It is essential that the transport is there to take children to school safely, as it has an impact on their wellbeing.

If there is not a suitable SEND school local to the child, councils are required to provide transport to a school that has capacity but can opt out of the funding, as has been discussed. The number of children travelling to specialist schools has increased by 24% in the last five years. The use of taxis to transport SEND children to and from school increased by 36% between 2019 and 2023. As has been mentioned, even if a child does get transport, they have to be able to rely on it actually being there.

Many Members have talked about cash-strapped councils. Up and down the country, councils were let down by the last Conservative Government and are struggling. Many are filling that financial black hole by charging families of SEND children. A study showed that at least six councils have begun consulting on proposals, with some asking families to pay as much as £933 per year. We heard about Jessica and her son, and other Members highlighted the amount that families are paying.

Ultimately, the rise in transport issues further highlights the issue of SEND provision near to where children live. We were let down by the last Conservative Government, who left SEND provision on its knees, and in Hertfordshire, we were let down by Hertfordshire county council, which had failings identified in a recent report. We are facing a twin crisis in funding special educational needs and local government. Urgent action is needed to ensure that all children can access the tailored learning and support that they need, and as close to home as possible.

That is why the Liberal Democrats are calling for local authorities to be given extra funding and for a fairer funding formula on SEND to reduce the amount that schools pay towards EHCPs. We would establish a new national body for SEND to support children with complex and high needs, ending the postcode lottery. At the heart of this issue are our children and their families who want them to reach their full potential. As I said at the beginning, every child can achieve great things, no matter what; we must not let them down.

5.22 pm

Laura Trott (Sevenoaks) (Con): It is pleasure to serve under your chairmanship, Sir Mark. I congratulate the hon. Member for Thurrock (Jen Craft) on securing this

[*Laura Trott*]

important debate and on her very good speech. This subject impacts families up and down the country every day, and I am glad that we have been able to debate it. We have heard about the need for local provision, more specialist schools and a well-funded system, with access to education a common theme.

As Members have acknowledged, under the Education Act 1996, local authorities are under a duty to provide free school transport to eligible children. That was intended to mean that no child is prevented from accessing education due to a lack of transportation, a view that I believe is shared by everybody here today. However, demand is growing, and as the hon. Members for Leigh and Atherton (Jo Platt) and for Southampton Itchen (Darren Paffey) identified, the ballooning numbers really are a problem.

I will run through the numbers, as they set out the problem we face. Nationally, council spending on SEND transport increased from £728 million in 2019 to £1.4 billion in 2024. It is projected to reach £2.2 billion by 2027-28, an increase of 57%. The average cost per SEND pupil nationally for transport has also risen by 32% between 2018 and 2024, and the number of pupils requiring transport is also growing. Councils transported an average of 1,300 pupils in 2023-24, up from 911 in 2018-19, which is an increase of 43%. I know that the Minister will be thinking about the cause of the demand, as well as what we need to do about it. I hope she can provide an update for us today on Government thinking in this area.

As Members will know, the local government financial settlement for next year is looming. I must correct the Lib Dem spokesperson, the hon. Member for Harpenden and Berkhamsted (Victoria Collins), on this point. She should look at what happened to local government funding when the Lib Dems were in government and then what happened after they left. It is important to emphasise that the Conservative Government increased the high needs budget by over 60% in 2019-20 to £10.5 billion and put in place a statutory override so that SEND-related deficits did not overwhelm council budgets. With that set to expire in 2026, what is the Secretary of State's message to local authorities, particularly in rural and county areas, where these pressures are most acute?

Anna Dixon: Will the right hon. Lady give way?

Laura Trott: I want to make sure that there is time for a wrap-up, and we are quite close to the end of the debate, so I will continue, if the hon. Lady does not mind.

Is the Secretary of State pushing the Chancellor to extend that protection or for deficits to be written off? How are the Government supporting local authorities to explore innovative solutions, such as shared transport services or alternative models, to help to manage rising SEND transport costs more effectively? Can the Minister also update us on what the total cost will be to local government of the national insurance contributions increase announced in the Budget? What is the cost of the national insurance increase specifically for home-to-school transport? Will local authorities be fully compensated for those costs?

The hon. Member for Bicester and Woodstock (Calum Miller) mentioned the need for capital funding. Many Members here will remember the 15 specialist schools pledged in the last Conservative Budget. Can the Minister confirm that those will be going ahead?

I am conscious of the time, so this will be my final word. I pledge that we will be a constructive Opposition. I think everyone here today will be clear that we support local provision, support for parents and more capital funding, and we will support that with the Government if they bring it forward.

5.25 pm

The Minister for School Standards (Catherine McKinnell):

I congratulate my hon. Friend the Member for Thurrock (Jen Craft) on securing this incredibly important debate—its importance clearly marked by the number of contributions. I know how passionate my hon. Friend is about the need to secure the right support for children with special educational needs and disabilities. Indeed, she and I made a wonderful joint visit in her constituency to a fantastic school that demonstrates what brilliant education delivered inclusively for the whole community can look like. I know she works really hard in her area to make sure that that is available to as many children as possible. That is a vision that the Government very much share with her, because as a Government we are absolutely committed to creating opportunities for all children so that they can achieve and thrive.

I think we all agree that no child should struggle to get to school because of lack of transport. The testimonies that we have heard show the remarkable job that hon. Members have all done in putting forward so powerfully the voices of their constituents in only a minute. To be able to accommodate 30, or just under 30, speakers in a debate of just an hour on this incredibly important issue is quite a feat, so I think everybody should be commended. Their constituents will need to understand the constraints of these debates and that they have done an incredible job in the circumstances. It has come across so strongly how important it is that the transport system supports all young people to access educational opportunity. This is something that I am very keen to look at in the role I now have in the Government. I thank all Members for their contributions today, and you, Sir Mark, for keeping such good order.

I apologise in advance if I am not able to respond to all the individual issues raised. Some of them relate to local authorities and need to be addressed in the correct way to local authorities, where there are the right people to respond to these issues. Others will be for the Department, and we will do our very best to follow up—if we do not, please contact us, because I am really keen and genuinely committed to making sure that all the voices that Members represent here today are heard as we look at how this system is working and how we can fix it.

As has been mentioned, the Department's home-to-school travel policy is aimed and designed to ensure that no child is prevented from accessing education by a lack of transport, but the challenges in that regard are significant and have been well set out today. There are also particular rights for low-income households to have support in order to exercise choice. Local authorities are obliged to arrange free travel for children of compulsory school age—I appreciate that hon. Members have raised

concerns about pre-school-age children and post-16 children, and I will do my very best to address those concerns in the time that we have available—but we know that local authorities are really struggling to fulfil their duty to provide free transport, even for currently eligible children, and the cost of doing so has escalated sharply in recent years.

We thank local authorities for the work they do to try to support children to get to school. We know they provide a valuable service for the children and the families who can access it, particularly if those children have special educational needs and disabilities.

However, there are many reasons for the steep increase in costs in recent years: fuel price inflation and shortages of drivers, passenger assistants and transport operators have all pushed up costs in the market. But we also know that this huge increase is related to challenges within the school system itself, and specifically the way that the school system currently educates children with additional needs.

More children have an educational, health and care plan, and more of those children have to travel long distances to go to a school that can meet their needs. In addition to their journeys being longer, which in itself obviously makes them more expensive, there is a reduction in opportunities for economies of scale. Fewer children are likely to travel on a particular route, which means that more individual journeys need to be made.

Local authorities also try to help young people aged between 16 and 19 to access education or training. That help is extended to the age of 24 if a young person has a special educational need. We recognise that there are similarly significant financial pressures on the transport budgets for post-16 students. The cost and availability of public transport can also be an issue for some young people between 16 and 19 if they are going to travel to sixth form.

Anna Dixon: Will the Minister give way?

Catherine McKinnell: I would like to, but I also want to respond on many of the issues that have been raised, so I apologise that I am not able to take an intervention.

Many local authorities offer subsidised transport and there is also the 16 to 19 bursary, which is intended to provide support to young people in households with the lowest incomes. However, we know that for far too long far too many children have been let down by a special educational needs system that is not working. We are determined to fix it and to restore parents' trust that their child will get the support to flourish and have their needs met within the education system.

As hon. Members have said today, we urgently need to improve the inclusivity and expertise of our mainstream schools, so that as many children as possible can go to their local community school with their peers. In and of itself, that would reduce some of those transport pressures. However, we must also ensure that support is available for those children who have more complex needs and need special schools. Fixing the system will also help to fix the home-to-school travel challenges that we are seeing. Ensuring that children can be educated locally will reduce that pressure, so it is a key priority for this Government.

However, there are no quick fixes. This issue is absolutely core to our opportunity mission; addressing special educational needs and disabilities must be part of ensuring that every child has the barriers to opportunity broken down for them. We need to work together with parents, schools, councils and the expert staff who we know go above and beyond every day to support these children, but we recognise the challenges in the system.

Home-to-school travel is obviously an absolutely core part of ensuring that children receive the education that they need and that will help them to thrive. However, we know that the eligibility criteria have been unchanged since the 1940s. Clearly, they are meant to ensure that children can access education and that lack of transport is not a barrier to children accessing education, but I am really keen to understand how they are working in the modern context and how we can change the education system to reduce the pressures and ensure that we have a transport system that is fit for the modern age.

Post-16 eligibility has been raised a number of times today. I have mentioned the bursary fund; more than £166 million of bursary funding has been allocated to institutions for the 2024-25 academic year. It is intended to support young people with travel, books, equipment and clothing, if needed. An additional £20 million is also specifically allocated to support vulnerable students: those in care, care leavers and those supporting themselves or in receipt of social security funds. Those funds should be available, but clearly they are not always getting to the children who need them. In addition, local authorities have discretion to make the transport arrangements that they deem necessary for post-16 students in their area, taking into consideration local circumstances, local budgets and local priorities.

I recognise all the challenges that have been identified today and I urge hon. Members to work with their local authorities to try to improve the situation on a local level, just as we are clearly working to do so on a Government level.

We know that children's earliest years make the biggest difference to their life, which is why we recognise the importance of early years and early education. We know that that is how to deliver the best outcomes for children. Having access to those appropriate childcare settings in the early years is key to meeting those early years development goals and to breaking down any barriers that may arise later on in life. We know that special educational needs access in particular, and identifying needs at the earliest stage possible, is key; many Members have outlined the challenges that transport can pose to making sure that children have access to those opportunities.

We absolutely want children and young people to receive the support they need to thrive. We want local authorities to be able to provide suitable places for children and young people. We know that the capital funding for high-needs places is a key concern for Members, and we will set out plans on that funding shortly. I am out of time to respond, but if I have not addressed a particular issue, I ask hon. Members please to get in touch.

I thank hon. Friends again for bringing this matter forward, for ensuring that everybody had the opportunity to speak, for being so respectful in this debate, and for allowing everyone to put their constituents' views forward. I know that this is a challenge that far too

[Catherine McKinnell]

many face, and that we have to work together in our determination to fix this system to give every child the best start in life.

5.36 pm

Jen Craft: I thank Members from across the House for their contributions this afternoon, particularly those from rural areas who highlighted the additional complexities of home-to-school travel there. I thank the Minister for her considered response.

I recognise that the challenges to the SEND system are immense and will take a long time to put right. My concern is that, while the ultimate goal of moving inclusive, mainstream education closer to children where they need it is an honourable one and is clearly the direction that we should be travelling in, there are children who cannot access that right now. They cannot wait for a long-term shift in policy and approach; that would have a detrimental impact on the rest of their lives.

The outcomes for children aged 16 to 19, if they do not access education or training, are well documented, which is why education or training is compulsory up to the age of 18. The only people who currently have to face a financial burden to meet their child's need and make sure that they are accessing that compulsory education or training mandate, on a general, widespread basis, are parents of disabled children. That is something that needs to be looked at.

I welcome the fact that the Minister is keen to look at this issue in more depth in her role in Government and at how it is working in practice. I would very much welcome the opportunity to work with her on that, and indeed to work with the sector and parents of SEND children more widely.

I finish by saying that no one puts their vulnerable, non-verbal child in a car with strangers by choice; it is because that is how they can get them to their education setting. I reflect, with gratitude, on the people who have taken my daughter to school. I believe that their professionalism, their absolute empathy, and the way that they interact with her on a daily basis is something to be commended, as is the role that people play in this system in general.

Sir Mark Hendrick (in the Chair): I thank everybody for their indulgence in keeping their speeches short. We have had 33 speakers in this debate, which I think is the most that anybody has ever crammed into an hour; I hope that Guinness World Records is paying attention.

Question put and agreed to.

Resolved,

That this House has considered the statutory framework for home-to-school transport for children with SEND.

5.38 pm

Sitting adjourned.

Written Statements

Tuesday 3 December 2024

BUSINESS AND TRADE

Disability Finance Code for Entrepreneurship

The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas): Entrepreneurship is crucial for growth and innovation in our economy.

We want to encourage anyone who wants to be an entrepreneur to access the resources they need to thrive, but it is clear from research to date that significant barriers continue to hold back certain populations, including disabled entrepreneurs, and this needs to change. Eighty-four per cent of disabled founders feel they do not have equal access to the same opportunities as non-disabled founders.

One of the key issues preventing disabled entrepreneurs from starting and scaling up is a lack of access to finance. We want to work collaboratively with the private sector, financial services and the wider community to ensure that we can address this. That is why we are today launching the disability finance code for entrepreneurship (DFCE), underlining the importance that we are placing on boosting entrepreneurship for all as part of our plans for economic growth.

The DFCE is intended to drive engagement between the disabled entrepreneur community and the financial services sector in the United Kingdom, to build stronger relationships between disabled businesses and the financial institutions that support them. The signatories to this code will open up opportunities for disabled entrepreneurs through committing to implementing inclusive design principles, sharing evidence, supporting disabled founders and increasing activity to support disabled representation.

By building these relationships and championing diversity, equity and inclusion, we can empower disabled entrepreneurs and boost the entrepreneurial landscape as a whole.

The code's founding signatories include Lloyds Banking Group, NatWest, Barclays and HSBC UK. Current delivery partners include UK Finance, the British Business Bank and Small Business Britain.

[HCWS279]

TREASURY

Treasury Sanctions Designation: Northern Ireland-related Terrorism

The Economic Secretary to the Treasury (Tulip Siddiq): On 3 December 2024, HM Treasury announced a sanctions designation under the Counter Terrorism (Sanctions) (EU Exit) Regulations 2019. This regime is used to target those involved in terrorist financing on UK soil. This action is the first use of HM Treasury's sanctions power targeting an individual suspected of involvement in Northern Ireland-related terrorism.

The designation imposes an asset freeze on an individual suspected of being involved in terrorist activity by facilitating terrorism and associating with members of the New Irish Republican Army ('New IRA'). He is further suspected of providing or assisting others in providing financial services or making available funds or economic resources for the New IRA.

This action demonstrates this Government's commitment to protecting the peaceful consensus of the people of Northern Ireland and to upholding the principles of the Good Friday Agreement in support of the UK's wider efforts to protect national security for all citizens and prevent terrorism.

The specific designation is:

Brian Sheridan—suspected New IRA financier who has control over Brisher Limited.

[HCWS280]

HEALTH AND SOCIAL CARE

Food and Drink Advertising Restrictions

The Parliamentary Under-Secretary of State for Health and Social Care (Andrew Gwynne): This Government are committed to creating the healthiest generation of children ever, and today we are taking another step towards achieving that goal.

Further to my statement on 12 September 2024, I wish to inform the House that today the Government will lay before Parliament the Advertising (Less Healthy Food Definitions and Exemptions) Regulations 2024 and an explanatory memorandum. This legislation enacts the provisions set out in the Health and Care Act 2022, which amended the Communications Act 2003, for a 9 pm watershed on the advertising of less healthy food or drink on television and a 24-hour restriction on paid-for advertising of these products online. Alongside laying the regulations, the Government are publishing a response to the technical consultation held between September and October 2024 on how the advertising restrictions apply to internet protocol television (IPTV) services, which deliver TV and advertising live over the internet. The consultation response confirms that IPTV services regulated by Ofcom will be subject to the broadcast restrictions (9 pm watershed), in the same way as other Ofcom-regulated TV and on-demand programme services, and we have clarified this in the final regulations. The Government are also publishing guidance for industry on the food or drink categories in scope of the advertising restrictions to support their preparation for implementation.

Following previous policy consultations and the Government's response on 12 September 2024 to the consultation on the draft secondary legislation, the legislation and guidance published today provide businesses with further certainty in terms of the products, businesses and services in scope of the restrictions as well as practical guidance on their application, so that they can continue to prepare ahead of the restrictions coming into force on 1 October 2025. We will continue to engage with stakeholders during this period.

This delivers on our manifesto commitment to implement the junk food advertising restrictions without further delay, and in doing so we expect to remove 7.2 billion calories from UK children's diets per year and reduce the number of children living with obesity by 20,000.

Obesity is the second biggest preventable cause of cancer and costs the UK health service more than £11 billion each year. By taking preventative action now, the Government will begin fixing the foundations of good health and protecting the next generation so that it can become the healthiest ever.

The Government's response to the IPTV consultation and guidance on food or drink products in scope of the restrictions will be published on gov.uk shortly.

[HCWS278]

ORAL ANSWERS

Tuesday 3 December 2024

| | <i>Col. No.</i> | | <i>Col. No.</i> |
|---|-----------------|--|-----------------|
| TREASURY | 135 | TREASURY—continued | |
| Affordable Housing | 138 | Management of Public Finances | 148 |
| Business Rates: High Street Retailers | 146 | Money and Pensions Service | 139 |
| Economic Growth in Rural Areas | 141 | National Insurance Contributions | 135 |
| Economic Investment | 144 | Support for Pensioners | 141 |
| Financial Conduct Authority | 138 | Taxation: Online Multinational Corporations..... | 140 |
| Living Standards..... | 142 | Topical Questions | 150 |

WRITTEN STATEMENTS

Tuesday 3 December 2024

| | <i>Col. No.</i> | | <i>Col. No.</i> |
|--|-----------------|---|-----------------|
| BUSINESS AND TRADE | 9WS | TREASURY | 9WS |
| Disability Finance Code for Entrepreneurship | 9WS | Treasury Sanctions Designation: Northern Ireland-related Terrorism | 9WS |
| HEALTH AND SOCIAL CARE | 10WS | | |
| Food and Drink Advertising Restrictions..... | 10WS | | |

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CONTENTS

Tuesday 3 December 2024

Oral Answers to Questions [Col. 135] [see index inside back page]
Chancellor of the Exchequer

Ukraine [Col. 157]
Answer to urgent question—(Catherine West)

Georgia [Col. 165]
Answer to urgent question—(Catherine West)

UK Supply Chains: Uyghur Forced Labour [Col. 172]
Statement—(Douglas Alexander)

Deputy Speaker's Statement [Col. 181]

Tackling Stalking [Col. 182]
Statement—(Judith Cummins)

Elections (Proportional Representation) [Col. 193]
Motion for leave to bring in Bill—(Sarah Olney)—on a Division, agreed to

National Insurance Contributions (Secondary Class 1 Contributions) Bill [Col. 267]
Motion for Second Reading—(James Murray)
Amendment—(Mel Stride)—on a Division, negatived
Motion, on a Division, agreed to
Read a Second time

Petition [Col. 269]

International Day of Persons with Disabilities [Col. 270]
Debate on motion for Adjournment

Westminster Hall
Critical Minerals: Domestic Production [Col. 23WH]
Leisure Services: West Lancashire [Col. 44WH]
Family Farming in Devon [Col. 49WH]
Freight Crime [Col. 72WH]
Home-to-School Transport: Children with SEND [Col. 79WH]
General Debates

Written Statements [Col. 9WS]
