

**Wednesday  
4 December 2024**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**Wednesday 4 December 2024**

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# House of Commons

*Wednesday 4 December 2024*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### SCOTLAND

*The Secretary of State was asked—*

#### Economic Growth

1. **Lillian Jones** (Kilmarnock and Loudoun) (Lab): What steps he has taken with Cabinet colleagues to help support economic growth in Scotland. [901529]

9. **Martin Rhodes** (Glasgow North) (Lab): What steps he has taken with Cabinet colleagues to help support economic growth in Scotland. [901537]

**The Secretary of State for Scotland (Ian Murray):** The Scotland Office is supporting the White Ribbon Scotland campaign, which asks people to sign a pledge never to commit, condone or remain silent about violence against women. I have signed it, as has the Under-Secretary of State, my hon. Friend the Member for Midlothian (Kirsty McNeill), and I encourage Scottish Members from across the House to come to Dover House foyer and sign the pledge themselves. This Government have a mission to halve violence against women and girls over the next decade. I am sure that the whole House supports that.

Economic growth is our No. 1 mission in this Government. We announced a historic Budget for Scotland that chose investment over decline and an end to austerity. On top of a record settlement, the UK Government are investing nearly £1.4 billion into local growth projects in Scotland, creating the national wealth fund to support our new industrial strategy and driving the transition to clean energy via Great British Energy, which is headquartered in Aberdeen.

**Lillian Jones:** The first Labour Budget in 14 years delivered £4.9 billion for Scotland in Barnett consequentials—the biggest settlement since devolution, putting an end to austerity. On top of that, it confirmed £20 million for Kilmarnock in my constituency—I thank the Secretary of State for ensuring that that funding was delivered, despite the £22 billion black hole in the public finances left by the Tories. Does my right hon. Friend agree that the last Tory Government made promises to Scotland that they had no intention of keeping?

**Ian Murray:** I thank my hon. Friend not only for that question but for the tenacity with which she has backed Kilmarnock to get more funding for her local area in the Budget. It is an absolute disgrace that the previous Government made promises to communities such as Kilmarnock about funding that they never had an

intention of keeping. This Government stepped in and funded those projects, chose investment over decline and will deliver growth and higher living standards. The irony is that the Scottish National party voted against the largest funding settlement in the history of devolution yesterday, but will spend it today.

**Martin Rhodes:** I recently visited Vector Photonics in my constituency, an optical and photonic centre of excellence and a successful spin-out from Glasgow University. What role does the Secretary of State believe there is for start-up and spin-out tech companies in Scotland's economic growth?

**Ian Murray:** I wish Vector Photonics well. Supporting start-ups and spin-out tech companies and the world-leading Scottish universities that often incubate them is an important part of this Government's steadfast commitment to economic growth. It was privilege to see at first hand the importance of these spin-outs during my recent visit to Malaysia and Singapore, when I discussed this with the Scottish universities present in those countries and representatives from the Government and business. Scottish universities punch well above their weight internationally—something we should nurture and be very proud of.

**David Mundell** (Dumfriesshire, Clydesdale and Tweeddale) (Con): With your indulgence, Mr Speaker, I wish Peter MacMahon well as he steps down as Scottish political editor of ITV Border. Peter has provided outstanding coverage of not just Scottish questions in this Parliament but Scottish politics more generally to my constituents and those across the south of Scotland.

I am sure the Secretary of State will welcome, as I do, the fact that the life of Torness nuclear power station has been extended. That is good for energy security and for the Scottish economy. But given that energy is a reserved matter, what more can he do to bring new nuclear development to Scotland?

**Ian Murray:** I join the right hon. Gentleman in his tribute to Peter MacMahon as he steps down as the political editor of ITV in the Borders region. He and I share something closely: we both have good faces for radio, but it is always nice to appear with Peter MacMahon on television. This Government are committed to clean power by 2030, and of course, nuclear is part of that mix.

**Jim Shannon** (Strangford) (DUP): The Secretary of State will recognise that the rise in national insurance contributions will have a clear impact on economic growth, whether in Scotland or anywhere else in this great United Kingdom of Great Britain and Northern Ireland. Representatives from the food sector tell me that food prices will increase by between 15% and 20%. That will impact the ordinary man and woman in the street. What impact does the Minister think the rise in national insurance contributions will have on economic growth?

**Ian Murray:** Economic growth is the No. 1 mission of this Government, as the hon. Gentleman knows. When the Chancellor came to the Dispatch Box to deliver her Budget, she started on minus £22 billion—that black hole left for us by the previous Government. We chose investment over decline and we chose to end austerity, so tough decisions had to be made.

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

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): The Secretary of State has said before and he has said again today that one of his top priorities for the Scotland Office is growth. To grow, the Government need confidence from business. Let us see how that is going: the verdict from Scottish business to his Government's Budget is in. Offshore Energies UK said that

"this is a difficult day for the sector."

The Scottish Hospitality Group has said:

"Today's announcements are a blow to businesses across the country".

The Scotch Whisky Association said that the increase in spirits duty is a "hammer blow". The National Farmers Union Scotland has said that the decisions will cause "huge difficulties" and act as a barrier to those wanting to get into farming.

Given those responses, if not from retail, oil and gas, hospitality, food and drink or financial services, from which sector does he think this mythical growth will come?

**Ian Murray:** I welcome the hon. Gentleman to his place as the new shadow Secretary of State for Scotland and as a shadow Energy Minister—he has something in common with the right hon. Member for Aberdeen South (Stephen Flynn), the leader of the SNP in this House, who also aspires to have two jobs. Unlike the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie), I have actually run my own business, so I know that running a business needs stability, credibility and confidence. The previous Government crashed the economy, leaving it in tatters, and left business confidence at a record low. We are investing for the future, and businesses back that.

**Andrew Bowie:** I would take the right hon. Gentleman's responses more seriously if we did not all see, and indeed have just heard, how damaging his Government's actions are for the Scottish economy—national insurance increases and punitive tax rises on our most successful industries, putting at risk the future of family farms and the rural economy. As Secretary of State, he would rather make performative gestures such as refusing to cross a picket line outside his Department than meet Scotland's business leaders. As people, local authorities and businesses await the Scottish Government's budget later today, does he agree that when it comes to economic incompetence, Scotland really does have, in his Government and in the proven ineptitude of the SNP, the very worst of all worlds?

**Ian Murray:** I will be corrected if I am wrong, but I think the hon. Gentleman backed former Prime Minister Liz Truss, who, when she was Prime Minister, crashed the economy and left a £22 billion black hole—[*Interruption.*] The hon. Gentleman shakes his head and says that he did not, but he walked through the Lobby with her when she did those things in her Budget. He did back former Prime Minister Liz Truss. We will take no lectures from the Opposition on how to run the economy or back business. Of course, his party left the highest tax burden on working people in 70 years—another inheritance that this Government will have to try to resolve.

**Mr Speaker:** I call the Liberal Democrat spokesperson.

**Christine Jardine** (Edinburgh West) (LD): I am sure that, like the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) and myself, the Secretary of State for Scotland is watching with bated breath for the latest Scottish Budget. After 17 years of incompetence, people are looking for change in Scotland, and the Labour party is promising it. Will the Secretary of State follow the initiative of his Scottish leader, Anas Sarwar, in saying he will reinstate the winter fuel allowance and make representations to the Prime Minister to reconsider other policies, such as the national insurance changes, which are creating instability and uncertainty for the Scottish economy?

**Ian Murray:** I have a lot of respect for the hon. Lady, but this is another instance where the Opposition parties in this Chamber want all the benefits of the Budget, but they do not want to be able to pay for it. We have announced the largest settlement for Scotland in devolution's history: £47.7 billion, which is £4.9 billion extra. The Chancellor delivered £4.9 billion extra in Barnett consequential alone from this Dispatch Box during the Budget—the SNP voted against it, but will spend it today.

### Support for Veterans

2. **Dr Neil Shastri-Hurst** (Solihull West and Shirley) (Con): What steps he is taking with Cabinet colleagues to help support veterans in Scotland. [901530]

10. **Robbie Moore** (Keighley and Ilkley) (Con): What steps he is taking with Cabinet colleagues to help support veterans in Scotland. [901538]

**The Parliamentary Under-Secretary of State for Scotland (Kirsty McNeill):** This Government are fully committed to delivering for veterans, and I pay tribute to them and their families for the sacrifices they make during their service, as well as their valued contribution to our society after they leave. The Minister for Veterans and People, my hon. Friend the Member for Birmingham Selly Oak (Al Carns), is leading work across Government, and with the Scottish Government, to ensure veterans and their families can access all the support they need.

**Dr Shastri-Hurst:** There is significant variability in the provision of veteran services across the nations. What steps is the Secretary of State taking, alongside his Cabinet colleagues, to ensure parity of services across the nations, and in particular in Scotland?

**Kirsty McNeill:** The Minister for Veterans and People is leading this work. The Prime Minister recently made an announcement on giving veterans a social housing exemption, which, I can confirm, will bring England in line with Scotland, where veterans are already exempt from the local connection requirement to access social housing. We are creating a level playing field across the nations to support veterans, as I mentioned in my first answer.

**Robbie Moore:** Since 1921, the Royal British Legion Scotland has supported veterans and their families through education, remembrance and direct support. This weekend,

in my constituency in Keighley, the town council and community groups are unveiling a memorial to the fallen of the first world war, with a time capsule placed under the cenotaph to be opened in 100 years. Does the Minister agree that events such as these, which bring together the whole community, are of vital importance for our veterans—not only in Keighley, but in Scotland and across the wider United Kingdom?

**Kirsty McNeill:** I join the hon. Gentleman in paying tribute to the volunteers who often run these events. I also draw the House's attention to the work of the War Memorials Trust, which is one of the many unsung organisations that do incredible work across this country to maintain war memorials so that we all may remember. Across this House, we have many veterans and those who have served; I pay tribute to them all, and in particular to the 13 Members on the Government Benches who are veterans or reservists.

**Dr Zubir Ahmed** (Glasgow South West) (Lab): Last week, I had the honour of attending the steel-cutting ceremony of HMS Sheffield at BAE Govan in my constituency, adding to a long list in the tradition of building high-quality defence industry vessels on the Clyde. What assurances can the Minister give me that defence procurement and skills will continue to be developed on the Clyde?

**Kirsty McNeill:** I can give my hon. Friend the firmest of assurances that we will continue to prioritise shipbuilding on the Clyde, and indeed defence jobs across Scotland.

### Living Standards

3. **Elaine Stewart** (Ayr, Carrick and Cumnock) (Lab): What steps he is taking with Cabinet colleagues to help improve living standards in Scotland. [901531]

11. **Douglas McAllister** (West Dunbartonshire) (Lab): What steps he is taking with Cabinet colleagues to help improve living standards in Scotland. [901539]

**The Secretary of State for Scotland (Ian Murray):** Our economic growth mission will raise living standards in Scotland. Our new deal for working people will disproportionately benefit Scots. New protections such as guaranteed hours will help shift workers with up to £600 a year. We are also delivering an annual pay rise of £1,400 for hundreds of thousands of full-time workers in Scotland, and we have committed to the triple lock, which means an extra £470 for pensioners next year. Last week, we paid the first instalment to 7,000 former Scottish miners with their full pension. We will improve living standards through better public services and pay driven by economic growth.

**Elaine Stewart:** Does the Secretary of State agree that community benefit funds from wind farms contribute to improving living standards for communities? Will he join me in praising the work of the nine community council groups in Ayr, Carrick and Cumnock as a model of the fair distribution of funds to support local apprenticeships and improve living standards across the Cumnock and Doon Valley areas?

**Ian Murray:** I congratulate not only the nine community councils in my hon. Friend's area on their initiative, but community councils up and down the country that do so much work on our behalf to ensure that the community benefit fund, derived from local wind farms, makes a tangible difference to local people. I congratulate her on standing up consistently for her community. Our mission is to become a clean energy superpower by 2030, and our communities will be at the heart of that. Communities must benefit from hosting national infrastructure for clean power. That is why right hon. Friend the Secretary of State for Energy Security and Net Zero is developing guidance on community benefits, which will be published in due course.

**Douglas McAllister:** Some 100,000 Scots are on zero-hours contracts, with no guarantee of secure hours. Labour's Employment Rights Bill will address that. Does the Secretary of State agree that 100,000 Scots being in insecure work is a damning indictment of the state the Tories left our economy in and shows that we need a new direction in Holyrood?

**Ian Murray:** Mr Speaker, you will not be surprised to hear that I absolutely agree with my hon. Friend. *[Interruption.]* Absolutely shocked! The Government inherited not just a fiscal crisis from the previous Government, but an industrial one too. We need more high-quality jobs in Scotland. Between our industrial strategy, our plan to get Scotland working and the employment rights legislation, we will help to deliver that. Do not forget that the SNP Government said that zero-hours contracts were a "positive destination" for work. Our plans to make work pay will have a bigger positive benefit in Scotland than in the rest of the UK. That is the difference in having Scottish Labour MPs on the Government Benches.

**Stephen Gethins** (Arbroath and Broughty Ferry) (SNP): I join the Secretary of State for Scotland in welcoming the shadow Secretary of State for Scotland to his place. I congratulate him on his appointment. It does make it difficult sometimes to tell the two of them apart, that being said, especially on days like today. Today, the Scottish Government will continue to protect the most vulnerable in society from the excesses of Westminster cuts. Instead of Tory cuts, it will be Labour cuts to winter fuel payments. Does the Secretary of State agree with the cut to the winter fuel allowance?

**Ian Murray:** Mr Speaker, I am sorry for such a short response to the hon. Gentleman, but there are 4.9 billion reasons why that question is rubbish.

**Stephen Gethins:** I have to say I am not surprised. There is huge confusion in the Labour party about the winter fuel allowance. The Scottish Government are doing something about it; the UK Government are not. The Secretary of State did not even know the number of pensioners who would be affected by the winter fuel cut. Labour is now distancing itself from Labour. Vote Labour to stop Labour—is that the message his party is sending out, or should voters just vote for the party that is actually doing something about it?

**Ian Murray:** I think what the hon. Gentleman is tending to forget is that the winter fuel payment in Scotland is devolved. It was the SNP Scottish Government



who decided to means-test it as well. If it was not for the £4.9 billion extra delivered by our Labour Chancellor at this Dispatch Box to end austerity, which the Scottish Government will spend today, they would not be able to make any decisions whatsoever.

### Town Centre Regeneration

**4. Imogen Walker** (Hamilton and Clyde Valley) (Lab): What steps he is taking to support the regeneration of Scottish town centres. [901532]

**The Parliamentary Under-Secretary of State for Scotland (Kirsty McNeill):** I commend the hon. Lady for her work with the Chancellor to help to deliver a record Budget settlement for Scotland, the largest Scottish Government Budget settlement in the history of devolution. It is now up to the Scottish Government to ensure that our towns feel the benefit of it: there can be no more excuses from the Scottish National party. The Budget also confirmed nearly £1.4 billion of funding for local growth projects, and we are delivering growth deals in all parts of Scotland, many of which are improving town centres and other community assets.

**Imogen Walker:** Hamilton is a brilliant place in which to live and work, but the boarded-up shops in Quarry Street tell a story of their own. What can this Government do to support businesses across Hamilton and Clyde Valley, and across Scotland, which have suffered so badly under the chaos and neglect of two Governments, Conservative and SNP?

**Kirsty McNeill:** My hon. Friend is entirely correct, and I commend her for standing up for her town. In England this Labour Government have already delivered lower business rates for leisure, hospitality and retail businesses, which can help high streets, and I am sure that every Scottish MP wants to see that policy replicated in Scotland.

As we are discussing brilliant towns, it is timely to mention brilliant retail workers too, especially at this time of year. I am supporting the Christmas campaign organised by the Scottish Retail Consortium and the Union of Shop, Distributive and Allied Workers to encourage everyone to respect our shop workers at this particularly busy time of year.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): For far too long Ullapool, in my constituency, did not have a post office, which caused great inconvenience to local people. Recently, however, Tesco stepped into the breach, and we now have a highly successful post office in a branch in the middle of Ullapool. May I recommend this approach to regenerating town centres to the Ministers?

**Kirsty McNeill:** We are delighted to receive representations of all kinds on how to improve our town centres. We know that they have suffered neglect for far too long. I hope that all Scottish MPs will have been lobbying for the kind of support for our leisure, hospitality and retail sector that this Government have already given south of the border.

### Transport Connectivity

**5. John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): What steps he is taking to improve transport connectivity between Scotland and England. [901533]

**The Parliamentary Under-Secretary of State for Scotland (Kirsty McNeill):** May I first pay tribute to the hon. Gentleman, my predecessor? I know that he will continue to represent his constituents assiduously from the Back Benches. Both the Secretary of State and I will be working closely with the Department for Transport and the Scottish Government to ensure that cross-border connectivity remains a top priority for this Government.

**John Lamont:** Extending the Borders railway line to Hawick and Newcastleton and then on to Carlisle will boost jobs, help the local economy and improve social mobility. The funding for the feasibility study was agreed by the last Conservative Government with the SNP Administration in Edinburgh, but the new Labour Government seem to have pushed this into the railway sidings. Will the Minister ensure that the funding for the feasibility study is released as soon as possible?

**Kirsty McNeill:** The UK Government are fully committed to the Borderlands growth deal. It will deliver economic growth for the south of Scotland and beyond, which is one of our key missions. The Scotland Office continues to work with the Department for Transport, the Scottish Government and Borderlands partners on the next stage of business case development for the Tweedbank-Carlisle corridor, and on feasibility options for the extension of the Borders railway line. Unfortunately, it is ultimately up to Transport Scotland and the Scottish Government to follow through on the delivery of this important project.

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

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): May I echo the Minister's words about her predecessor—and indeed my own predecessor as shadow Secretary of State—and the work that he has done?

One of the last Government's decisions of which I am most proud was the halving of air passenger duty, which led to cheaper flights and increased routes across the UK. However, with airlines already cutting back on routes as a result of this Government's decision to hike APD, people who do not live within a few hours of London on the train, such as those in Aberdeen, face higher fares and fewer options for travel. How can the Government credibly claim to support better transport connectivity across the United Kingdom when those living outside the central belt—I know that Labour Members need to be reminded that it exists—are being punished?

**Kirsty McNeill:** As the hon. Gentleman will know, we face a climate emergency and, indeed, an economic emergency of his Government's own making. We were faced in our first few months in government with a £22 billion black hole, with Treasury reserves spent three times over. We have taken tough choices to try to deal with the economic inheritance that we received.

### Autumn Budget: Discussions with Scottish Government

6. **Frank McNally** (Coatbridge and Bellshill) (Lab): What discussions he has had with the Scottish Government on the autumn Budget 2024. [901534]

12. **Irene Campbell** (North Ayrshire and Arran) (Lab): What discussions he has had with the Scottish Government on the autumn Budget 2024. [901540]

**The Secretary of State for Scotland (Ian Murray):** We have reset the relationship with the Scottish Government, and I have met the Deputy First Minister numerous times to discuss the autumn Budget and other issues. Between the moment when my right hon. Friend the Chancellor stood up and the moment when she sat down, Scotland was better off to the tune of £4.9 billion in Barnett consequentials alone—again, money that the SNP voted against, but will spend today. I encourage the Scottish Government to use that money to strengthen frontline services, bring down NHS waiting times and lift attainment in our schools. There can be no more excuses. We ended austerity, and it is time that they followed.

**Frank McNally:** I thank my right hon. Friend for his answer. A thriving retail, hospitality and leisure sector is critical to brand Scotland. Following the welcome decision in the Budget to ensure a 40% rates relief for RHL businesses in England, what guarantees, if any, has my right hon. Friend had from the Scottish Government that the extra Barnett consequentials linked to non-domestic rates will be passed on in today's Scottish Budget? Does he agree that any failure to do so would be deeply damaging to the sector?

**Ian Murray:** I thank my hon. Friend for his question; he is absolutely correct. The UK Budget chose investment over decline, including investment directly in my hon. Friend's constituency as part of the £200 million towns fund, as well as the biggest Budget settlement in the history of devolution. He is also right to say that our hospitality businesses need the rates relief more than ever. The Scottish Government should use their Budget to deliver growth and investment to help our high streets, and passing on the relief should be the bare minimum.

**Irene Campbell:** We have delivered the biggest Budget settlement for the Scottish Government in the history of devolution, with, as the House has heard today, more than £4.9 billion of extra funding that can go towards public services. Does the Secretary of State agree that there are no more excuses for the SNP, and that Scots expect and deserve delivery and improvement of our public services?

**Ian Murray:** Of course, I could not agree more. It is not just the £4.9 billion, but all the other investment that the UK Government made outside the Barnett consequentials. The Labour Government have delivered billions of pounds more for schools and hospitals in Scotland. It is more money than ever before, but the SNP MPs voted against it. They voted to deny Holyrood its biggest ever Budget settlement by voting against the Finance Bill last week, but of course they will happily spend it in their Budget today. They also voted against Great British Energy, which will be based in the SNP

leader's own constituency. Given what we have read about the SNP's selection processes, I guess the SNP MPs are keener to send themselves to Holyrood than billions of pounds of extra funding.

**Brendan O'Hara** (Argyll, Bute and South Lochaber) (SNP): I am sure that pensioners in the Secretary of State's constituency are as relieved as those in Argyll, Bute and South Lochaber that the Scottish Government's Budget will introduce a pension-age winter heating payment for all Scottish pensioners. The SNP Government are doing the right thing by Scottish pensioners. Will he join me in urging the Labour Government here in Westminster to do the right thing by pensioners in England and Wales and give them back their winter fuel allowance as well?

**Ian Murray:** What the hon. Gentleman has just proved is that the winter fuel payment in Scotland is actually devolved.

**Pete Wishart** (Perth and Kinross-shire) (SNP): One of the consequences of the Budget was to remove £5 million of regeneration funding for Perth city centre. We got practically nothing from the levelling-up fund, save for that paltry £5 million, which the Secretary of State is taking away. Just what is it that the UK Government have against the city of Perth?

**Ian Murray:** No projects have been cancelled. The Perth deal is under consideration by the Ministry of Housing, Communities and Local Government and the Treasury. It has not been cancelled; it has merely been paused. The hon. Gentleman should speak to his colleagues in the Scottish Government, who have £4.9 billion extra in Barnett consequentials to spend today. Perhaps he could even have a chat with some of his colleagues sitting next to him, who seem happier in Holyrood than they are here.

### Employer National Insurance: Hospices

7. **Seamus Logan** (Aberdeenshire North and Moray East) (SNP): What discussions he has had with the Chancellor of the Exchequer on the potential impact of proposed changes to employer national insurance contributions on hospices in Scotland. [901535]

**The Parliamentary Under-Secretary of State for Scotland (Kirsty McNeill):** I know there is consensus right across this House on the enormous value of the hospice sector and the extraordinary work that it does—work that, sadly, has been undervalued for far too long. Support for additional employer national insurance contributions will be allocated to Departments, with the Barnett formula applying in the usual way for the devolved Governments. The rise does not begin until April, and we will set out further details on the allocation of funding in due course.

**Seamus Logan:** There are 45 hospices in Scotland—I cannot be certain of that figure, because so many of them are in dire financial circumstances. I think of Roxburghe House in Aberdeen, which provides services to my constituents and those of other MPs in this Chamber. Another organisation that provides vital hospice care is the Marie Curie charity, which provides services in Edinburgh and Glasgow. It also provides hospice-at-home care. The charity is facing a bill close to £3 million as a

result of decisions made by this Government. What does the Minister have to say about the help that can be provided to Marie Curie and other organisations?

**Kirsty McNeill:** As the hon. Gentleman will know, the pressures on hospice funding long predate the Budget and relate to the decline in real-terms funding from the Scottish Government. I note that nearly 5,000 members of the public have written to the Scottish Government recently to support calls from the Scottish hospice leadership for fair funding. Those calls might be answered this afternoon when the SNP Government will have an extra £5 billion to spend. This was secured by Scottish Labour MPs but voted against by SNP MPs. It will be spent this afternoon by SNP Ministers. Make it make sense!

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [901614] **Ian Roome** (North Devon) (LD): If he will list his official engagements for Wednesday 4 December. *[Interruption.]*

**Mr Speaker:** Order. What are those two Members playing at? That is absolutely disgraceful. We have started PMQs. Either come in early or at least wait. Please start reading the room.

**The Prime Minister (Keir Starmer):** It is a pleasure to welcome His Highness the Amir of the state of Qatar to the UK. I look forward to discussions this afternoon on how we are strengthening our relationship and boosting trade and investment, including an announcement today of a £1 billion investment in our new clean energy partnership.

Sunday marked World Aids Day, and we stand with all those we have lost and those living with HIV today. We will seek to end new cases of HIV in England by 2030.

I also note that we are joined in the Gallery today by Mandy Damari, the mother of Emily, a British citizen still being held hostage in Gaza. I have met Mandy a number of times, and in my view what she is going through is nothing short of torture.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall have further such meetings later today.

**Ian Roome:** I would like to concur with the comments the Prime Minister has just made. North Devon district hospital is the most remote hospital in mainland England. Its intensive care unit has only six beds, it is almost 50 years old, and it serves a population of 165,000 people. Can the Prime Minister assure my constituents that their hospital will receive the urgent funding that is needed under the new hospital programme, so that they will not face a more than two-hour drive to the nearest trauma unit?

**The Prime Minister:** The new hospital programme that we inherited was emblematic of the failures of the previous Government: making promises with no plan to deliver on them. We are committed to delivery,

including the North Devon hospital. We are reviewing the programme to place it on a sustainable footing, and the Health Secretary will set out further details of the new delivery soon. In the meantime, we continue to support trusts to develop their schemes.

Q2. [901615] **Olivia Bailey** (Reading West and Mid Berkshire) (Lab): I welcome the swift and decisive action this Government are taking to secure our borders after the Conservatives lost control. In particular, I welcome the world-first deal struck with Iraq last week to tackle smuggling gangs. Does the Prime Minister agree that international co-operation, shared intelligence and joint law enforcement are the best way to end the vile smuggling trade?

**The Prime Minister:** I thank my hon. Friend. She is a superb champion for her constituents, and she is absolutely right. The previous Government left a broken asylum system. We have put a plan in place: the Border Security Command, backed by £150 million; 100 more National Crime Agency officers; and we are introducing counter-terror-style powers. My hon. Friend is right to say that our new international co-ordination includes the landmark Iraq agreement. The hard graft is already beginning to pay off, because 9,400 people who have no right to be here have been returned. That is a 30% increase on the numbers of last year. The Conservatives promised to get the flights off the ground. We have got them off the ground.

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

**Mrs Kemi Badenoch** (North West Essex) (Con): I pay tribute to Mandy Damari and her family for the strength they have shown. We on this side of the House, and I am sure the whole House, continue to seek the speedy release of Emily Damari and the other hostages.

The Prime Minister talks about immigration, so it is probably a good time to remind him that he was the one writing letters asking us not to deport foreign criminals. He and his party voted against every single measure we put in place to try to limit immigration. The question today is what has been on the lips of all Labour MPs, including, I believe, the Health Secretary yesterday. The Prime Minister knowingly appointed a convicted fraudster to be his Transport Secretary. What was he thinking?

**The Prime Minister:** The previous Transport Secretary was right to resign when further information came forward. What a marked contrast to the behaviour of the last 14 years. The Leader of the Opposition talks about immigration. There were record levels of immigration under the previous Government, with net migration of nearly 1 million, and she was the cheerleader. She was the one urging the removal of the caps on work visas. She thanked the previous Home Secretary for the work that was done. She championed it, she advocated it—record levels of immigration.

**Mrs Badenoch:** He is obfuscating, but I am going to keep him on the topic. He owes the House an explanation. He says that the former Transport Secretary was asked to resign only after further information came to light. What was that further information?



**The Prime Minister:** I am not going to disclose private conversations. Further information came to light, and the Transport Secretary resigned. What a marked contrast. While the right hon. Lady is obsessing with Westminster issues, we are getting on with fixing the mess and fixing the foundations, with that £22 billion black hole, our prisons bursting and, as we found out last week, net migration of nearly 1 million because of the Tory open borders policy.

**Mrs Badenoch:** I am not asking about migration; I am asking about the former Transport Secretary. He never answers any questions, and it looks like he did not ask his Transport Secretary any questions either. The truth is that he appointed a person convicted of fraud to the Cabinet, and the first thing she did was bung hundreds of millions of pounds in pay rises to her trade union friends. Was this not a fraud on the British people?

**The Prime Minister:** No. She says she is not talking about immigration, and I am not surprised. I advise her not to talk about the economy or immigration for another five years.

**Mrs Badenoch:** He can try to change the topic as much as he likes, but the public are watching. He owes them an explanation. The country needs conviction politicians, not politicians with convictions.

Now, on to an even bigger fraud: the Budget. Last week, the Prime Minister failed to repeat the Chancellor's pledge of no more borrowing and no more taxes. It is obvious that they are coming back for more. In his manifesto, he committed to making Britain the fastest-growing economy in the G7. Does he stand by his own pledge?

**The Prime Minister:** I gently remind the right hon. Lady that two of her predecessors had convictions for breaking the covid rules. I also invite her to look at this morning's OECD report, which has upgraded growth for next year and the year after, putting us on target to be the fastest-growing major economy in Europe in the next two years. She should welcome that.

**Mrs Badenoch:** I have seen the OECD report, and what it says is that they will be coming back for more taxes. The whole House will have heard him fail to repeat his own pledge. He cannot even repeat the pledges he made just a few weeks ago. We are here to stop him damaging the economy, and that is why—*[Interruption.]*

**Mr Speaker:** Order. I want to hear the question.

**Mrs Badenoch:** They are laughing the same way they all laughed during the Budget, when they talked about raising national insurance. They have no idea what people out there are dealing with. That is why, yesterday, we voted against his damaging jobs tax.

Even former supporters such as the chef Tom Kerridge, who endorsed Labour at the election, say that the Budget was "catastrophic." He built a real business employing young people, unlike this Cabinet of trade union stooges, CV embellishers and an actual fraudster. None of them has ever run a business. Why will the Prime Minister not listen to businesses who are saying his Budget is catastrophic?

**The Prime Minister:** I thought the scripted jokes were over, but we had another one and then lectures about the economy from the Conservative party that broke the economy, sent mortgages through the roof and left a £22 billion black hole. The right hon. Lady talks about national insurance. She complains about the rise in national insurance week after week, but then two weeks ago she said that she would not reverse it. She signed trade deals that had farmers protesting in Whitehall, but now she pretends that she is their champion. She campaigned to remove the cap on migrant worker visas, but now she pretends she is furious about the open borders policy of the last Government.

**Mrs Badenoch:** The fact is that the Prime Minister has discarded his own Labour leadership promises: he has dropped the five missions he said would define his Government; he has ditched his pledge to make Britain the fastest-growing economy in the G7—we left office with the UK as the fastest-growing economy in the G7—and business is saying he has damaged the economy with his Budget. Tomorrow he is going to have an emergency reset, just five months into his premiership, but why should anyone believe a word he says?

**The Prime Minister:** The only relaunch on the Conservative Benches is the leadership bids of the right hon. Lady's rivals. She obviously has not read the OECD report published this morning: the fastest growth in the next two years of any major economy in Europe—we are proud of that. Opposition Members should never be allowed to forget the damage they did to our country. They used Britain like some sort of mad scientist's experiment: open borders, unfunded tax cuts, a neglected health service. And now all the madness is still coming out, but they say they should be back in office. They have not listened, they have not learned, and they certainly have not changed. There is only one party that is driving this country forward, and that is this Labour Government.

Q3. [901616] **Carolyn Harris** (Neath and Swansea East) (Lab): Today it is Question 3 but, who knows, next week I could be No. 1 in the charts, as the first MP this year to bring out a Christmas single. Will the Prime Minister join me in thanking my musical collaborator, the hugely talented Mal Pope, and everyone involved with this year's "Everyone Deserves" hamper campaign, which will deliver festive food to 1,500 homes across five constituencies in south Wales? Like our song says, "There's a reason for the season and everyone deserves a Christmas."

**The Prime Minister:** I thank my hon. Friend for her Christmas single; there is obviously going to be some rivalry in the race for No. 1 by Christmas—I will not be joining that particular race. I thank her and Mal Pope for their campaigning. I remember joining her a few summers ago in the work involving the hampers, which are much needed by her constituents. I know how much it means to them. Christmas is a time to think of others, and I pay tribute to her and all those supporting those in need. This Government will always support the most vulnerable in our society.

**Mr Speaker:** I call the leader of the Liberal Democrats.

**Ed Davey** (Kingston and Surbiton) (LD): I, for one, will be downloading the song by the hon. Member for Neath and Swansea East (Carolyn Harris), and I join the Prime Minister in his delight about it. I also join him in support for Mandy Damari, and our joint hope that we will see Emily and other hostages released as soon as possible.

The Prime Minister has rightly spoken about the need to restore and rebuild the public's trust in British politics. We believe a crucial part of that is reforming our electoral system to make it fairer and more proportional, and so do a majority of the British public. This House voted yesterday in favour of a Bill for electoral reform put forward by my hon. Friend the Member for Richmond Park (Sarah Olney). Will the Prime Minister make Government time available so we can consider that Bill about electoral reform and restore the public's trust in our politics?

**The Prime Minister:** I thank the right hon. Gentleman for referencing Emily. It is important that we all remember her and the awful torture that her mother is going through, as is the case for all the other hostages. It is hard to imagine what it must be like for anybody with friends or family who are still being held hostage after all this time.

Proportional representation is not our policy and we will not be making time for it. I will just gently say to the right hon. Gentleman that he did not do too badly under the system as it is.

**Ed Davey:** I am disappointed in that reply and hope that the Prime Minister will reflect on Labour's policy.

Moving on to another pressing subject, more than 3 million people have been stuck on NHS waiting lists for more than 18 weeks. That is probably the worst, most appalling legacy of the last Conservative Government and it needs to be fixed. Does the Prime Minister accept that we will only get waiting lists down, and keep them down, if it is easier for everyone to see a GP when they need it? When he publishes his milestones tomorrow, will he include a guarantee with a timetable so that people will be able to see a GP within at least seven days, or 24 hours if it is urgent?

**The Prime Minister:** The right hon. Gentleman is right to draw attention to the record of the last Government on the NHS: record waiting lists and record low confidence in the NHS. In addition to the economy and immigration, they had better not be talking about that for the last five years either.

We will be driving that down. We have already begun that work to make sure that we get those waiting lists down, and yes, of course, that includes making sure there is better access to GPs and other measures that need to be taken. That is a central driving mission of this Government.

Q5. [901618] **Alison Hume** (Scarborough and Whitby) (Lab): Given that a significant number of Members of this place are, regardless of class, women of a certain age, does the Prime Minister agree that when a woman of a certain age—or indeed any woman, of any age and from any background—says that they have experienced sexual harassment or inappropriate behaviour, they should be listened to and supported and the perpetrator dealt with?

**The Prime Minister:** I certainly agree with that, and I think everybody across the House would. My hon. Friend is right, because one of the greatest barriers that women face when coming forward to report unacceptable behaviour in the workplace is having confidence that they will be taken seriously. That requires all of us to put in place mechanisms and arrangements to make that possible. Everybody should be treated with dignity and respect, and I am proud of the fact that our Employment Rights Bill will strengthen protections from sexual harassment at work.

**Robin Swann** (South Antrim) (UUP): Friday the 13th is a date associated with bad things happening. Next Friday, the European Union's general product safety regulation will apply in Northern Ireland, creating more costs and bureaucracy for English, Scottish and Welsh companies that want to do business in Northern Ireland and Northern Ireland consumers buying from them. Many businesses have already stopped supplying Northern Ireland. Haulage companies are unsure of what is required of them. Online sales platforms are divided on the advice they give. A previous Prime Minister promised Northern Ireland businesses that if they were asked to complete additional paperwork, they should phone him and he would

“direct them to throw that form in the bin.”

What direct, tangible advice can the Prime Minister give to those businesses that want to continue supplying Northern Ireland?

**The Prime Minister:** That is a serious issue and the Government are working closely with businesses to ensure that they are ready for the changes that the hon. Gentleman has identified. We published more guidance yesterday, as he knows, to support them further. We will be keeping a close eye on the issue to help businesses trade freely across the whole of the United Kingdom.

Q6. [901619] **David Williams** (Stoke-on-Trent North) (Lab): In Stoke-on-Trent and Kidsgrove we are proud of our beautiful historic buildings. However, many of them lie dormant and blight our proud towns. Will the Prime Minister outline what steps the Government are taking to bring historic buildings back into use, and will he make time to visit my constituency to see for himself our untapped potential?

**The Prime Minister:** I thank my hon. Friend for raising that issue and I will certainly consider his kind invitation. We will invest in heritage buildings, restoring pride and ensuring that they serve the needs of local communities. The National Lottery Heritage Fund has awarded Stoke-on-Trent £250,000 to help preserve the city's heritage. Historic England is also funding emergency repairs at the iconic Wedgwood Institute and supporting Re-form Heritage—whose office, I think, is based in my hon. Friend's constituency—to employ staff dedicated to delivering heritage projects.

Q4. [901617] **Pete Wishart** (Perth and Kinross-shire) (SNP): Today is the Scottish Budget, which contains provisions to reinstate the winter fuel payment for all Scottish pensioners—something that the Prime Minister famously took away from nearly all UK pensioners, supported by Scottish Labour Members of Parliament. But apparently Scottish Labour is now in favour of the winter fuel payment, so what is his advice

to Labour MSPs? Is it to vote for the Budget, to ensure that Scottish pensioners get that single fuel payment, or is to stick with his view and vote that Budget down?

**The Prime Minister:** My advice to my team is to ensure that the SNP is absolutely clear that we have given the biggest settlement to Scotland this year in our Budget. The Scottish Government now have the powers and the resources. They have no more excuses for their failure to deliver.

Q7. [901620] **Clive Efford** (Eltham and Chislehurst) (Lab): A year ago today, this House defeated the then Government over the contaminated blood scandal compensation scheme. It is welcome that the present Government have set aside £11.8 billion for that compensation scheme, but as victims die every week, there is concern about the pace of payments, and the fact that rules are being changed behind closed doors in Whitehall without explanation, contradicting some of Sir Brian Langstaff's recommendations. Does my right hon. Friend agree that next week's meeting scheduled with the campaign groups representing the victims must represent the start of those infected and affected being involved in a process that they fought so hard for, and for so long, and that too many died and failed to see?

**The Prime Minister:** We are committed to acting on the findings of the infected blood inquiry, and ensuring swift resolution and compensating in full. That is why we announced £11.8 billion to compensate those who waited far too long for justice. I will happily make sure that my hon. Friend gets a meeting with the Paymaster General to discuss the issues that he has raised.

Q8. [901621] **Shockat Adam** (Leicester South) (Ind): Every day, pensioners in my Leicester South constituency are emailing me with one word: "frightened." Susan, who has pulmonary fibrosis, wrote:

"During winter I rarely go out as it's too cold for my lungs. I need to keep warm and the heating on. The winter fuel payment was really helpful. I want MPs to know not all pensioners are millionaires (or receive gifts from millionaires), nor do we all get the higher rate of pension".

Susan is frightened that she will not be able to keep her house warm this winter, and she is not alone. Does the Prime Minister realise how frightening it is for the 8,100 pensioners in my constituency who have lost their winter fuel payment? As the winter months start to bite, will he come to Leicester to explain to Susan why he thinks this policy is not frightening?

**The Prime Minister:** As the hon. Member knows, the No. 1 job of this Government was to get our finances back in order after the mess that the last Government made, including leaving a £22 billion black hole. We had to make tough choices. The Opposition say that they want the benefits, but cannot say how they are going to pay for them. We want to make sure that the most vulnerable pensioners get the pension credit that they are entitled to. We are driving that up, and because we are stabilising the economy we can commit to the triple lock. That means a £460 uplift in the pension next year, so every pensioner will be better off under a Labour Government.

Q9. [901622] **Andrew Cooper** (Mid Cheshire) (Lab): The Middlewich eastern bypass will support the delivery of nearly 2,000 new homes, 6,500 jobs and 1.5 million square feet of employment land. The previous Government, having first promised to fund it, dragged their feet, putting jobs and investment at risk. We are approaching the season of good will, so can the Prime Minister give my constituents an early Christmas present and offer some certainty about this vital infrastructure project?

**The Prime Minister:** We are committed to supporting drivers across the country, including by freezing fuel duty and investing £1.6 billion to maintain our roads. That is £500 million more than in the previous year. I know that my hon. Friend's constituents have waited years for certainty on this scheme. The project is currently going through a Government assessment process, and I will make sure that he gets a meeting with the roads Minister to discuss it.

Q10. [901623] **Martin Wrigley** (Newton Abbot) (LD): The major GP practice groups in my constituency have written to me, detailing their precarious finances. They are considering their options as they plan for the year ahead, including redundancies, handing back their contracts or bankruptcy, and they have stopped recruiting GPs, resulting in fewer patient appointments. The Health Secretary has promised an increased funding allocation but has yet to say when we will know how much it will be. Will the Prime Minister release the funding information and meet me and the GPs to hear at first hand about the pressures they are facing?

**The Prime Minister:** The hon. Gentleman is right to raise this. The Darzi report, which we commissioned, made it clear that the NHS was broken by the previous Government, and that is why we provided £22 billion of additional funding in the Budget this year to start the work of fixing our NHS. We do obviously value the vital work of GPs and, as he knows, we consult every year with the sector about the services they provide and the money they are entitled to in return, and we will set that out in the usual way.

Q11. [901624] **Alex McIntyre** (Gloucester) (Lab): Hollie Gazzard was murdered by her boyfriend outside her workplace in Gloucester 10 years ago. Since then, her family have established the Hollie Gazzard Trust, which educates young people on domestic abuse and stalking, and keeps women safe with its Hollie Guard app. Will the Prime Minister join me in paying tribute to Hollie's family and the work of the Hollie Gazzard Trust, and will he update the House on the steps the Government are taking to tackle violence against women and girls?

**The Prime Minister:** A decade on, I am sure the thoughts of the whole House remain with Hollie's family and friends. I join my hon. Friend in commending the vital work of the Hollie Gazzard Trust. In relation to the steps we are taking, we have a mission to halve the levels of violence against women and girls within a decade. That is really tough to do—nobody has ever committed to that before. I invite everybody across the House to join us in that. That will include, among the steps we are taking, placing domestic abuse experts in



999 control rooms, to ensure that abuse is picked up early; launching a pilot of new domestic abuse protection orders; developing a national framework to track and target high-harm offenders; and strengthening stalking prevention orders. We will take other measures to make good on that commitment.

**Q12. [901625] Graham Leadbitter** (Moray West, Nairn and Strathspey) (SNP): A WASPI—Women Against State Pension Inequality Campaign—woman dies every 13 minutes. That is two women since the Prime Minister took to the Dispatch Box today, and it is 111 women every day, and nearly 17,000 since he took office. How many more WASPI women have to die before the Government take action to give them the financial redress and justice that they are due?

**The Prime Minister:** We are moving at pace on all relevant issues. We passed the Budget to provide the baseline for what we need, and we will continue to do so.

**Q13. [901626] Yuan Yang** (Earley and Woodley) (Lab): Local councils in my constituency are facing significant financial pressures on special educational needs and disabilities provision. In Wokingham borough, for example, the SEND incidence is twice the national average, yet historically the level of funding has not met the level of need, and that has left families and children waiting too long for help. The previous Government's safety valve programme was only a sticking plaster, so I welcome this Government's announcement today of additional SEND funding in mainstream schools. What more can the Government do to make SEND funding sustainable?

**The Prime Minister:** I am grateful to my hon. Friend for raising this—I think this is the fifth or sixth time that SEND has been raised at Prime Minister's questions. We inherited a system neglected to the point of crisis by the last Government, and so we will deliver the change that is desperately needed. That means increasing funding to the core schools budget by £2.3 billion, which includes almost £1 billion more on high needs budgets. Today we are announcing investment of £740 million to create SEN units in mainstream schools which deliver specialist support, and I am very pleased to take that forward.

**Q14. [901627] Dr Kieran Mullan** (Bexhill and Battle) (Con): Members across this House are deeply concerned that the Post Office is considering closing more than 100 branches across our communities. More than 3,000 people have signed a petition opposing the closure of Bexhill post office. Does the Prime Minister agree that the Government must ensure that we protect vital post office services for all our constituents?

**The Prime Minister:** I recognise the campaigning of many, including the hon. Gentleman, on local services that their constituents rely on. The Post Office is required to maintain a network of 11,500 branches and to ensure that 99% of the UK population lives within 3 miles of a post office. Decisions about individual branches are for the Post Office to take, following consultation with local communities, but I am happy to ensure that he gets a meeting with the relevant Minister to discuss his particular case.

**Lola McEvoy** (Darlington) (Lab): In my constituency it is full steam ahead to 2025, when our town celebrates the 200-year anniversary of the railways with a nine-month festival. We are proud of our industrial contribution, but many in my area have concerns about the future of our rail industry. What assurances can the PM offer that he will get our railways back on track?

**The Prime Minister:** We are delivering on our commitment to bring railways back under public ownership, putting passengers first. Today, we have announced that South Western Railway services will be the first to transfer into public ownership next year, so that we can turn the page on decades of delay, fragmentation and failure.

**Q15. [901628] Kirsty Blackman** (Aberdeen North) (SNP): Veteran Anne Puckridge is in the Gallery, and I urge the Prime Minister to meet her to talk about her frozen pension. Yesterday, the *Daily Record* reported that Scottish Labour MPs are very “upset”. Apparently, that upset is caused by their Scottish leader's diktat that they now have to support the very winter fuel payment that they voted against in this place. As the Prime Minister comforts his upset MPs, will he remind them that the only people with the right to be upset are the 900,000 Scottish pensioners who were left in the cold by Labour's cuts?

**The Prime Minister:** I work very closely with Scottish Labour in a harmonious way. We ran a fantastic campaign earlier this year, which is why the hon. Lady is sitting on the Benches at the back, not the Benches at the front.

**Liam Conlon** (Beckenham and Penge) (Lab): I echo the words of Members across the House about Mandy Damari, who I also met this week, and who is from Beckenham.

Yesterday marked International Day of Persons with Disabilities, and I am proud to be one of the disabled MPs in this House. As a sixth-former, I became one of the youngest people in Britain to have a hip replacement, and I relied on a blue badge. Data released yesterday shows that blue badge theft has more than quadrupled in the past 10 years. Will the Prime Minister back my campaign to tackle blue badge theft and ensure that millions of disabled people can work, socialise and live an independent life?

**The Prime Minister:** I thank my hon. Friend for being a powerful voice for some of the most vulnerable in our society. Theft of a blue badge is appalling, depriving people of their independence and ability to travel with confidence. It has a real human impact every single time. That is why we are working closely with local authorities to help them tackle fraud and misuse, and I will make sure that my hon. Friend has a meeting with the relevant Minister to examine what more can be done.

**Gregory Stafford** (Farnham and Bordon) (Con): Following on from the question asked by the hon. Member for Aberdeen North (Kirsty Blackman), in the Gallery today is Anne Puckridge, a world war two veteran and an intense campaigner. She has flown over 5,000 miles from Canada to meet the Prime Minister to discuss frozen pensions, a policy that is denying her and



half a million Brits who live abroad an increase in their pensions. I am sure Anne will not mind me saying that she will be 100 years old in a couple of days' time. Will the Prime Minister reconsider his decision, and give Anne the best birthday present ever and meet her to discuss this issue?

**The Prime Minister:** I am grateful to the hon. Gentleman for raising this issue. I think he will well know and understand that our position is a continuation of the position under the last Government.

**Richard Baker** (Glenrothes and Mid Fife) (Lab): Does the Prime Minister share my concern at a report by Audit Scotland, which has found that the Scottish

Government have no clear plan for the NHS in Scotland? As a Scottish Labour MP, I am delighted that this Government are providing £4.9 billion extra for public services in Scotland. Is it not time for SNP Ministers to get a grip and do better for patients in my constituency, who face some of the longest waiting times for surgery in Scotland?

**The Prime Minister:** I am grateful to my hon. Friend for raising this issue, because waiting lists in Scotland are appalling. That is why we make the argument that, now that the Scottish Government have the money and the resources, there are no more excuses for poor delivery.

## Point of Order

12.34 pm

**Stuart Anderson** (South Shropshire) (Con): On a point of order, Mr Speaker. I seek your advice on yesterday's debate about a jobs tax on working people who are not working people—it depends on the definition of “working people.” The Exchequer Secretary to the Treasury claimed that the Office for Budget Responsibility stated there was a cover-up by the previous Government. In column 203 of *Hansard*, we see the words used by the Minister: he said that the OBR used the words “cover-up” not once but twice. I have since checked with the OBR. It has not said this; I believe it is a creative use of words to suit a political narrative. Could you advise me on how I could bring the Minister to the House to correct the record?

**Mr Speaker:** If no one on the Government Front Bench wants to, I will deal with this. First, I am grateful to the hon. Member for giving notice of the point of order. I understand that he has notified the Exchequer Secretary that he intended to refer to this matter in the Chamber, and I thank him for doing that. The Chair is not responsible for what Ministers say in the Chamber; that has historically been the case. However, he certainly has put the record straight in his view, and I am sure that those on the Treasury Bench will have noted his remarks, and will reflect on them. Let me put it that way.

## Public Body Ethnicity Data (Inclusion of Jewish and Sikh Categories)

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

12.36 pm

**Preet Kaur Gill** (Birmingham Edgbaston) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to provide that, where a public body collects data about ethnicity for the purpose of delivering public services, it must include specific “Sikh” and “Jewish” categories as options for a person's ethnic group; and for connected purposes.

Jews and Sikhs are in the unique position of being considered both ethnic and religious groups under the Equality Act 2010. Sikhs and Jews have been legally recognised as ethnic groups for over 40 years, since the *Mandla v. Dowell Lee* case in 1983. The Bill would address a fundamental absurdity in the fight against discrimination and inequality, which is that we have not collected ethnicity data on Sikhs and Jews since laws on racial discrimination were first introduced nearly 60 years ago.

The Women and Equalities Committee was told in February 2018 that the Government's race disparity audit had identified around 340 datasets across Government, but found no data on Sikhs. The only data collected on Sikhs and Jews in more recent years is religious data. However, the quality of data collected by public bodies on religion, as opposed to ethnicity, is poor, patchy and incomplete. Religion data is never used by public bodies to make decisions for the purposes of delivering public services. This makes both Jews and Sikhs invisible to policymakers, ignoring the inequality and discrimination that both groups face. That is why a specific Jewish and Sikh ethnic category is needed, and that is what this Bill will create.

This is a campaign to end the discrimination that both communities face. I campaigned for a Sikh and Jewish ethnicity tick box to be included in the 2021 census, because we know that for over 30 years, public bodies have been instructed to use the census's ethnic groups questions to design and deliver services in compliance with equalities legislation. Given that we are talking about protected characteristics, we would expect public bodies to be instructed to routinely collect information on Sikhs and Jews, but they are not.

The then Minister with responsibility for equalities, the right hon. Member for Daventry (Stuart Andrew), wrote this to me last year:

“public bodies and decision-makers who think that their decisions may affect discrimination, harassment, or victimisation of Sikhs...should ensure that their compliance with the duty includes considerations of Sikh ethnicity.”

However, they do not, because people incorrectly argue, and assume, that data collected on religion is a suitable substitute. Those people do not understand existing practices. Religion data is rarely collected to a good standard. It excludes non-practising Sikhs and Jews, and it is not used by public bodies to monitor and reduce inequalities or provide public services. The latter is key to this argument, because Sikhs and Jews are missing from whole swathes of public data—on education, housing, crime, health, criminal justice, the public sector workforce and the ethnicity pay gap.

The Bill would allow public bodies to start systematically collecting data on Sikhs and Jews to address the discrimination and inequalities that they face, which is especially relevant as the Government have made a commitment to requiring ethnicity pay gap reporting. In presenting this Bill, I have the support of a wide range of community organisations, including the Sikh Council, 112 UK gurdwaras and organisations, the Board of Deputies of British Jews, the Antisemitism Policy Trust and the Community Security Trust.

I would like to provide the House with a few examples of why this Bill is so important. The pandemic shone a harsh light on the inequalities between different ethnic groups. Many experts in public health now accept that we were too slow to recognise that some ethnic groups were dying at a far higher rate than others. The Office for National Statistics belatedly started analysing covid-related deaths data by religious group where data was available, a short-term exercise that has since been discontinued. It found that Sikhs died disproportionately from covid even after adjusting for region, population density, area deprivation, household composition, socioeconomic status and a range of other economic indicators. Not only that, but it showed that Sikhs were affected at a very different rate from other predominantly south Asian groups, meaning that analysis using the existing ethnic minority categories would fail to capture any of these inequalities.

The Board of Deputies of British Jews has also recognised these arguments. British Jews died at almost twice the rate of the rest of the population, as there is a higher prevalence of certain genetic conditions among Jewish people—for example, of breast cancer in Ashkenazi Jewish women. Collecting better data will help public services to profile and respond to the community better. To address health inequalities, we need to learn from the pandemic, and we need to collect accurate data to ensure better outcomes for both these communities, based on evidence.

To give just one example that highlights the absurdity of this system, NHS Blood and Transplant does not collect data on Sikh organ donors or Sikhs requiring an organ transplant, despite the fact that for more than a decade, there has been a policy of encouraging more Sikhs to become donors. NHS Blood and Transplant does not gather the single most important data point that would allow us to improve sign-up rates among this under-represented group. It is shocking.

As Amanda Bowman, vice-president of the Board of Deputies of British Jews, wrote last year:

“Imagine you’re sitting in a hospital waiting room and have been asked to fill out a form which, among other questions, asks for your ethnicity...So which box do I tick?”

As David Baddiel, the author of “Jews Don’t Count”, has said:

“It is othering and alienating”

that Jews do not have a distinct ethnic box to reflect their race.

Since 7 October, the British Jewish community has faced an appalling rise in antisemitic hate attacks. While the Home Office collects data on religiously motivated antisemitic hate crimes, it does not do so on racially aggravated antisemitism. That is despite instances of racial hate crime outnumbering instances of religiously aggravated hate crime by 10 to one. There is a serious

risk that Jewish hate crimes are being undercounted by the Home Office because it does not have its own Jewish ethnic category.

In the first half of this year, the Community Security Trust found that the majority of antisemitic incidents that it recorded consisted of “anti-Jewish discourse” linking the victim

“to Israel, Palestine, the Hamas terror attack or the subsequent war.”

According to Crown Prosecution Service prosecution guidance, hate targeting someone’s real or perceived nationality or national origins, such as a link to Israel, would indicate a racially, not religiously, aggravated offence.

The same goes for Sikhs, as is documented in the all-party group on British Sikhs report on anti-Sikh hate. Sikhs are the most visible minority in Britain, yet we do not collect data on racist anti-Sikh hate. The last Government’s hate crime action plan effectively ignored Sikh hate, or the need to define anti-Sikh hate. Herein lies the fundamental problem with focusing on data relating to religion, rather than ethnicity, when it comes to Sikhs and Jews. Religion is not a mandatory field in crime reporting standards that the Home Office sets for police forces, apart from in religiously aggravated hate crime cases. However, police forces are required to record ethnicity, or use ethnic appearance codes that relate to census categories that do not include Sikhs and Jews, despite their recognition in the Equality Act 2010. His Majesty’s inspectorate of constabulary and fire and rescue services has produced at least 30 reports since 2017 criticising police forces for the poor recording of data on the ethnicity of victims of crime.

Let me give a final example. In October, the chief executive of the UK Jewish film festival warned of the “erasure of British-Jewish culture from national cultural life”

by arts bodies, which are of course largely publicly funded. Benjamin Till, a composer who has been nominated for a British Academy of Film and Television Arts award, told the Jewish Chronicle that Arts Council England

“doesn’t allow Jewish people to identify as anything other than a religion”.

He insists that Arts Council England

“must accept that Jewishness is a cultural, and...an ethnic identity.”

As the all-party group on British Sikhs and the Board of Deputies of British Jews have warned, even on its own merits, using religious questions to capture data on our communities will increasingly become irrelevant. The percentage of Sikhs and Jews who identify with their ethnic group but do not practise their religion is growing. As Britain becomes increasingly secular, we are failing to recognise the other ways in which British Sikhs and Jews face discrimination. Ethnicity data can capture that in ways that religion data does not. As the Board of Deputies of British Jews has said:

“We are concerned that until this situation is rectified, many Jewish citizens will not feel fully counted.”

A former cabinet member for public health and protection on Sandwell council says that Sikhs and Jews are forgotten when it comes to the design of services because there is no ethnicity data on Jews and Sikhs to inform those decisions.

[Preet Kaur Gill]

In the rare cases where we do have some data, it exposes glaring inequalities. In 2018, 5.3% of deaths of homeless people in London were of Sikhs, who are 1.3% of London's general population; and 27% of Sikhs in the UK report that someone in their family has an alcohol addiction. Good quality data saves lives.

In the past few years, the Office for National Statistics has come to acknowledge the need to ensure that the ethnicity standard reflects the diversity of the UK population. That surely means it is time to address the injustice facing Sikh and Jewish people. Whatever the future of ethnicity data collection, we must routinely be included in our own right. If we consider our legal status as ethnic groups, we should be included. If we consider the size of our populations, we should be included. If we consider our contribution to Great Britain and society, we should be included. If we consider the specific forms of discrimination and the inequalities we face, we should be included.

Our communities are asking for fairness and justice and to be counted as ethnic groups, given that we have been recognised as such in law for more than 40 years. As David Baddiel has argued,

"identifying antisemitism as religious intolerance, rather than racism, downgrades its importance, which is what leads to Jews not counting."

The same goes for Sikhs, and it is not just a rhetorical point; it is literally the case that regarding Sikhs and Jews as a religious category means we are not counted. We are not counted when we fill in a form in an NHS waiting room, we are not counted in the census and local councils do not count us in the data they use to monitor and deliver services. It is high time that changed, so I urge Members across the House to allow this Bill to progress today. It is high time that public bodies ended this injustice, and as legislators we must put right this wrong and support them in doing that.

*Question put and agreed to.*

*Ordered,*

That Preet Kaur Gill, Ben Coleman, Jas Athwal, Jon Pearce, David Pinto-Duschinsky, Joani Reid and Alex Sobel present the Bill.

Preet Kaur Gill accordingly presented the Bill.

*Bill read the first time; to be read a Second time on Friday 7 March 2025, and to be printed (Bill 142).*

## Opposition Day

4TH ALLOTTED DAY

### Farming and Inheritance Tax

**Mr Speaker:** I inform the House that I have selected amendment (a) in the name of the Prime Minister.

12.47 pm

**Victoria Atkins** (Louth and Horncastle) (Con): I beg to move,

That this House regrets that the Government has undone its promises to farmers, and is seeking to punish them with Inheritance Tax bills of hundreds of thousands, or even millions, of pounds by cutting Agricultural Property Relief and Business Property Relief; further regrets that the Government has provided conflicting information on the number of farms that will be affected, and has not conducted an impact assessment of this approach; notes that figures from the National Farmers' Union suggest that some three quarters of farms will be affected; further notes that farmers tend to be asset-rich but cash-poor and that figures from the Country Land and Business Association suggest the average arable farm will have to sell 20% of its land to pay the Inheritance Tax bill that this policy will cause; notes that the Central Association of Agricultural Valuers anticipates that this will affect 75,000 owners of farming businesses over a generation; notes also that this land is not guaranteed to be used for food production if sold; and calls on the Government not to impose the cuts to Agricultural Property Relief and Business Property Relief set out in the Budget that will lead to the end of family farming as it has been known for many generations in the UK.

This Government have driven farmers to despair. The hike in national insurance, the acceleration of delinked payments, the fertiliser tax, the double cab tax, the stalling of capital grants, the scrapping of the rural services delivery grant and the slowing down of applications to farming schemes are all conspiring against our rural economy and the survival of British farms. Yet the Government have added a death tax to that: the family farm tax, which is seeing families across the United Kingdom worry about whether they will be able to hand on their farms to their children, as generations before them have done.

In the 36 days since Labour's Budget, the Chancellor, the Secretary of State and Ministers have tried to justify their family farm tax, which will break up family farms, by claiming that only 500 farms will be affected each year. Awkwardly, the figures used by the Chancellor are contradicted by figures produced by the Department for Environment, Food and Rural Affairs. The left hand does not know what the far-left hand is doing. When the figure was queried by the National Farmers Union, the Country Land and Business Association, the Tenant Farmers Association, farmers across the United Kingdom and us Conservatives, Ministers told us all rather patronisingly that we did not understand and that farmers should seek professional advice. Well, farmers have sought professional advice, which has revealed just how badly wrong the non-economist Chancellor has got her numbers.

**Jim Shannon** (Strangford) (DUP): Will the shadow Minister give way?

**Victoria Atkins:** In a moment.



Since the Budget, the Central Association of Agricultural Valuers has analysed the family farm tax and applied tax law and the realities of modern-day farming to it. Its analysis has revealed that up to 75,000 individual owners of farming businesses could be affected over the coming generation, even before inflation, which is the equivalent of five times the Government's figure of 500 farms affected in 2026-27. How could they have got this so wrong? It is because this city-dwelling Chancellor, Secretary of State and Exchequer Secretary do not understand modern farming or the countryside that they have overlooked a major area of tax policy and forgotten to consider thousands of farmers.

As the Exchequer Secretary has confirmed, the Government forgot to include one of the three routes to the relief in their calculations. They have not included business property relief-only claims in their figures, which means that as many as 14,000 tenant farmers who cannot claim agricultural property relief because they do not own the land on which they farm are absent from their calculations. What is worse is that Ministers do not know how many farmers are affected by that.

The city-dwelling Chancellor and Secretary of State have also forgotten about the farmers who in years gone by followed professional advice and transferred their farms into companies or partnerships. Those farmers will claim only BPR, so they have been left out of the calculations. Again, Ministers do not know how many farmers are in that position.

**Alison Hume** (Scarborough and Whitby) (Lab): Will the right hon. Member give way?

**Victoria Atkins:** I will in a minute.

I am told by advisers that some farmers choose to use BPR only because it is easier in probate. Guess what? Yet again, Ministers do not know how many farms are in that position, and they have not been included.

I will give way first to the hon. Member for Strangford (Jim Shannon) and then to the hon. Member for Scarborough and Whitby (Alison Hume). I have so much more to say.

**Jim Shannon:** I commend the shadow Minister for bringing forward the debate. The collective decision to have this debate in the House is one that my farmers and constituents very much support. Professional legal advice sought through the Ulster Farmers Union—I must declare an interest as a member of the union—indicates that somewhere in the region of 65% of small farmers and family farms in Northern Ireland will be affected. When it comes to understanding that, has Labour really got no idea what is going on?

**Victoria Atkins:** I thank the hon. Gentleman for intervening. The evidence is building again and again against the assurances that the Chancellor, the Secretary of State for Environment, Food and Rural Affairs, the Exchequer Secretary and the farming Minister have given the House. Frankly, the farmers outside deserve better, and so do we as Members of Parliament.

I will give way to the hon. Lady and then carry on with the calculations that the Government have got so wrong.

**Alison Hume:** The right hon. Member left a trail of destruction across the Government. She was the Health Secretary who broke the NHS, the Prisons Minister who ran out of prison places and the Treasury Minister who crashed the economy—no wonder her constituency majority crashed from 28,000 to 5,000. *[Interruption.]* Does she not think it is time to apologise and for once to support the Government, who are bringing back stability to the British economy and farmers' profitability?

**Mr Speaker:** Order. I know that Members are jeering about reading. I know that when I came to the House it was a rule that you should not read, but both sides are doing it. Remember that.

**Victoria Atkins** *rose*—

**Simon Hoare** (North Dorset) (Con): On a point of order, Mr Speaker.

**Mr Speaker:** I have a point of order—from the shadow Minister's good friend, of course.

**Simon Hoare:** This point of order is spontaneous, unlike that intervention. *[Interruption.]* I am Mr Spontaneity.

Mr Speaker, you are entirely right that many right hon. and hon. Members read their speeches almost verbatim, but surely it is just rude and discourteous to the House for the hon. Member for Scarborough and Whitby (Alison Hume) to read a supposedly spontaneous intervention as if it had just come into her mind. She managed to find a typewriter and a printer in order to write down two pages of intervention.

**Mr Speaker:** As I expected, spontaneity did not make it a point of order.

**Victoria Atkins:** As the first female Prime Minister said, if they are going after you personally, it means you are winning the argument.

Let me help the hon. Member for Scarborough and Whitby with the second set of calculations that her Chancellor has got so wrong, because the Chancellor's cockeyed accounting extends to the claim that farmers will be able to transfer £3 million tax-free. That is wrong. Only a few in a specific set of circumstances will be able to claim that magic figure. *[Interruption.]* There are jeers from Government Members, but that amount is not available to widows, it is not available to people who are single and it is not available to people who own a farm with another relative. Labour's magic £3 million figure assumes that the surviving spouse lives some sort of monastic existence where they have no personal effects to pass on to their loved ones. As farmers from Sussex have asked, why are widows' families being targeted?

A family wrote to me about their mother, who is a widow. They have calculated that they face an additional £200,000 tax bill from Labour because their father died before the Budget and so did not know to transfer his allowance.

We know that some Labour Members of Parliament have concerns. The hon. Member for South West Norfolk (Terry Jermy), who represents over 500 farms—I do not know whether he is in his place—has asked for assurances

[Victoria Atkins]

on the accuracy of figures used by the Government. Given the demolition of the Chancellor's figures by the CAAV and many others, will he vote for the family farms in his constituency or will he toe the party line?

The CAAV's concern about the figures being peddled by the Government is shared by the Institute for Fiscal Studies, CBI Economics and even the Office for Budget Responsibility. But it is not just about the numbers: Labour Members need to understand the emotional toll of this terrible tax. It is the worry, the distress and the sense of betrayal felt by families that should stop ambitious Labour MPs in their tracks before they parrot without question the figures given to them by their Ministers.

**Helena Dollimore** (Hastings and Rye) (Lab/Co-op) *rose—*

**Victoria Atkins:** I will give way to the hon. Lady. I hope that she does not fall into the category that I just described.

**Helena Dollimore:** The right hon. Lady talks about the figures. Does she accept that her Government's record was one of leaving £300 million of the farming budget unspent in the Treasury coffers, not helping farmers?

**Victoria Atkins:** I thank the hon. Lady sincerely for raising that point, because she has—perhaps unwittingly—identified a contradiction in DEFRA's own claims. It talks about a £300 million underspend, but last week it was cancelling the very capital grants that farmers around the country have been investing in, saying that it had run out of money. Well, it cannot be both. Perhaps that is yet another example of the cockeyed accounting of the Chancellor and the Environment Secretary.

**Sir Alec Shelbrooke** (Wetherby and Easingwold) (Con): Does my right hon. Friend agree that what is quite frightening about this policy is that perhaps the Government know exactly what they are doing, and that, a bit like "Animal Farm", they think everything should be collectivised?

**Victoria Atkins:** My right hon. Friend, who has a wonderful way with words, asks a question that many members of rural communities up and down the United Kingdom are asking themselves. In fact, when the Prime Minister did regional media a couple of weeks ago, Sean Dunderdale, the wonderful presenter on BBC Radio Lincolnshire, asked him what he had got against the people of Lincolnshire. I might ask: what have this Labour Government got against the countryside?

**Sir John Hayes** (South Holland and The Deepings) (Con) *rose—*

**Victoria Atkins:** I will give way to my right hon. Friend and neighbour and then I will make some progress.

**Sir John Hayes:** As my right hon. Friend has said, the word "betrayal" is fitting because, long before the election, pledges were given, by both the Secretary of State and the Prime Minister, that these changes would not be made.

**Mr Speaker:** Order. The right hon. Member is a very experienced Member of this House, and he knows that he is meant to address the Chair, not the Front Bench.

**Sir John Hayes:** Mr Speaker, I know that you, as a man of integrity and honour, will be as disappointed as I am that the Government should promise one thing and then do the exact opposite.

**Victoria Atkins:** It is a great pleasure to have the right hon. Gentleman not just as a friend but as my Lincolnshire neighbour. He has put his finger on the point—genuinely, it is the next paragraph in my speech.

Some Labour MPs must be haunted by the phrasing from the Secretary of State during the general election campaign—because I suspect that they repeated it up and down the market towns and villages in their constituencies—when he described fears that Labour would impose this family farm tax as "desperate nonsense". Labour candidates will have repeated that line and assured the farming families in their constituencies that Labour would never treat rural communities in that way, yet within weeks the Chancellor was planning to do exactly that.

Since then, families across the country have been trying to work out how to pick up the pieces after Labour's family farm tax bomb. They will not forget. A farmer from Derbyshire emailed me this week to say:

"Our hard work and investment as a family has been wiped away in the stroke of a pen."

They went on to say:

"My 60 year old husband had a bleed on the brain in June and thankfully has made a full recovery but I've never seen him so stressed. He doesn't know what to do".

Hon. Members representing seats in Derbyshire may wish to reflect on how they will respond to that. A farmer from Northumberland has written to me as follows:

"We had to talk about which one of my parents are going to die first, in front of them."

He said that Labour is

"destroying people's lives with this policy. Many of us are worried about the mental state of many within agriculture and are concerned that it may be the final straw for some."

In fairness, the hon. Member for Hexham (Joe Morris), who is in his place, has voiced concerns about whether his Government are listening to ordinary people about this. Will he vote for his farmers or will he toe the party line?

**Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): As a farmer's wife, I understand the emotional impact that my right hon. Friend sets out so clearly. This is about not only the farmers who will be affected but all the farmers who know that they might be affected. This is a tax on tragedy, and no one knows if it will befall them.

**Victoria Atkins:** My hon. Friend and Lincolnshire neighbour sets out exactly the personal impact of the tax. I know how Treasury Ministers look at spreadsheets and those terribly impressive packs of information from civil servants. [Interruption.] I remind Government Members that this is deeply serious; it is not a joke. I also know that Chancellor after Chancellor has looked

at the figures and come to the conclusion that this is a political decision. The current Chancellor has got it wrong.

**Baggy Shanker** (Derby South) (Lab/Co-op): The shadow Secretary of State made an important point about the health and wellbeing of our farmers. As operation waiting times were almost three times higher when she was Health Secretary than they were in 2010, does she not welcome the investment that this Government are putting into our NHS? [*Interruption.*]

**Victoria Atkins:** Do not worry; I will deal with that. I thank the hon. Gentleman for raising the important issue of mental health in farming across the national health service. I was proud to work, as a Member of Parliament and as Secretary of State for Health, to massively increase investment in mental health services. If he is a rural MP, I am sure that he will know how isolated farmers can be and the pressures on their emotions at the best of times—they have the weather, diseases and crop cycles to contend with. This pressure merely adds to that, as we have already heard from farmers who have contacted me.

I also gently remind the hon. Gentleman that the family farm tax—or tax on tragedy, as my hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson) called it so bleakly—will raise £500 million in 2026-27. According to the King's Fund, that is equivalent to about a day's worth of services in the NHS in England. It will not be quite the game changer that some in the hon. Gentleman's party believe it to be.

What about the family in the south-west whose beloved father died a decade ago in tragic circumstances, leaving three young children who are now in their teens? The mother has run the farm and brought up their children in the midst of their grief. She has now been diagnosed with a life-threatening illness at the age of 50. Two of the children want to carry on the farm when they reach 18 but, should the unthinkable happen and they lose their mum, they will be saddled with Labour's family farm tax of £700,000. What empathetic and meaningful response does the Secretary of State, who is not in his place—where is he?—or the Treasury Minister have for that family? They will be watching and listening.

We took the unusual step of giving lots of notice to Labour MPs that we would debate Labour's family farm tax today. We did that because we wanted to give Labour MPs in rural seats time to reflect and consider whether they can continue to support this vindictive tax. For example, a Welsh landowner told me that he will have to sell six tenanted farms to pay Labour's family farm tax. That is six farming families—who we on the Opposition Benches would describe as working people—who will lose their businesses, their family homes and their children's farming futures. Those six farming families have been forgotten by this Government.

The hon. Member for Montgomeryshire and Glyndŵr (Steve Witherden) has called on the Treasury to produce its modelling on the impact on family farms. Will the Treasury do that, at the Back Bencher's request? How will he vote today? The hon. Member for South East Cornwall (Anna Gelderd) met farmers earlier this month and claimed that she would take their concerns back to Westminster. Will she raise those today and vote against this tax?

**Sir Roger Gale** (Herne Bay and Sandwich) (Con): I have consulted widely with farming communities and farmers in my constituency. I have not been able to identify a single farmer who feels that there is anything good in this policy whatsoever. Does my right hon. Friend know whether there is a single Labour Member of Parliament representing a rural community who genuinely believes that they will be voting in their constituents' interests tonight?

**Victoria Atkins:** I sincerely thank my right hon. Friend for setting out clearly the choice ahead of Members across the House. We on the Opposition Benches know who we are standing up for. We back our farmers. We understand how difficult farming is as a way of life. It will be for individual Members of Parliament to decide how they vote.

**Shaun Davies** (Telford) (Lab): The right hon. Lady talked about choices and backing farmers. The current Leader of the Opposition did a trade deal with Australia and New Zealand that sold farmers down the river. Is that her version of backing British farmers?

**Victoria Atkins:** I am pretty sure that the hon. Gentleman has his facts wrong about the then Trade Secretary. The Conservative party is in favour of trade deals, but we want trade deals that best support our farming industry. [*Interruption.*] Before Labour Members start shouting at me, he will know that the fears and concerns about those trade deals have not come to fruition. What is more, we as Conservatives are proud of the fact that we would not enter trade deals that require the flooding to these shores of chlorinated chicken or hormone-treated beef. I also gently remind the hon. Gentleman that, as a Back Bencher, talking about foreign territories given the context of the debate about the Chagos islands is a bit brave.

**Mr Speaker:** We do not have much trade with the Chagos islands.

**Simon Hoare:** My right hon. Friend is right to highlight the devastating effect of this policy and to highlight the incredible rounding-up exercise on the Treasury account books of the contribution that it will make to NHS expenditure. With the Labour party having a serious foothold in rural constituencies for the first time since 1945, does she not find this rather inept politics, which is perhaps not surprising from such a London-centric Front Bench? The policy shows a wilful ignorance of rural life and a deliberate attempt not to understand the pressures and is, in essence, selling those rural Labour MPs down the river.

**Victoria Atkins:** I thank my hon. Friend for that point. There is some interesting polling coming out today, which I will deal with. Of course, Mr Speaker, I very much accept your point about trade, but we are genuinely concerned about the national security implications of the Chagos islands deal.

**Mr Speaker:** I can assure the right hon. Lady that so am I.

**Victoria Atkins:** Very much so, Mr Speaker. I will give way to the hon. Member for Hexham (Joe Morris). Is he going to speak up for his farmers?



**Joe Morris** (Hexham) (Lab): I commend the right hon. Lady's commitment to honesty. She talks about giving Labour Members advance sight of the Opposition day motion, but when did the Labour Whips Office receive the title of the Opposition day debate? May I invite her to correct the record perhaps?

**Victoria Atkins:** I am so sorry—in fairness, the hon. Gentleman was obviously speaking to farmers in his constituency on Sunday. Did I hear that there is a protest going on in his constituency at the moment? In any event, I actually made the announcement on national television on Sunday; perhaps he was not watching. Farmers at home will be wondering what on earth we are arguing over.

**Pete Wishart** (Perth and Kinross-shire) (SNP): One word that the right hon. Lady has not mentioned is Brexit—the great Tory disaster of the last Parliament. How much does she estimate that Brexit cost farmers and the rural community?

**Victoria Atkins:** The hon. Gentleman and I, unusually, can join forces on this matter. While I am going to resist the temptation to revisit Brexit, what I will do is point him to paragraph 4.11 of the CAAV report—

**Mr Speaker:** Order. You are facing totally the wrong way—I cannot pick up anything. Please turn around.

**Victoria Atkins:** My apologies, Mr Speaker. I am reminded of paragraph 4.11 of the CAAV report, which sets out the peculiar legal problems posed by the family farm tax in the context of Scottish farming tenants. It is incredibly complicated, but that is a real concern, and I trust that the SNP will be exploring it alongside Conservative Members of Parliament.

In conclusion, before ambitious Back Benchers, or, indeed, the Exchequer Secretary, get to their feet and accuse these farmers, and us, of scaremongering—something they have been happy to do in the past—they should think on, discover some humility and compassion, and ask why tens of thousands of decent, hard-working and sensible people across the United Kingdom know that the Chancellor has got it so wrong. Polling by the Country Land and Business Association today shows what the public think: they do not think farmers should be whacked with the family farm tax. They think that Labour has broken its promise to end countryside decline; they think the Government should be cutting taxes on rural businesses; and 70% are not confident that the Labour Government can deliver growth to rural communities.

I say to every hon. Member on the Government Benches: do the right thing and stand up for our farmers, who are the best in the world and whose produce is renowned globally. They feed us, and now they need us. Labour MPs need to join us and axe the family farm tax.

1.13 pm

**The Exchequer Secretary to the Treasury (James Murray):** I beg to move an amendment, to leave out from “House” to the end of the Question and add:

“thanks farmers for their immense contribution to the UK economy and the nation's food security; welcomes the Government's commitment of £5 billion to the farming budget over the next

two years, the biggest budget for sustainable food production and nature recovery in UK history; acknowledges that the Government is having to make difficult decisions to protect farms and farmers in the context of the £22 billion fiscal blackhole left by the previous Government; recognises that the Government is seeking to target Agricultural Property Relief and Business Property Relief to make them fairer whilst also fixing the public services that everyone relies on; and notes that under the changes announced in the Budget around three quarters of claims for Agricultural Property Relief, including those that also claim Business Property Relief, are expected to not pay more Inheritance Tax.”

I welcome the chance to open the debate on behalf of the Government. The Government's commitment to farmers is steadfast. As our amendment makes clear, farmers make an immense contribution to the UK economy and to the nation's food security. We recognise and respect the crucial contribution that farmers make to our country's way of life.

We must also recognise, however, the state of our public services and the mess in which we found the public finances when we came into power. There was no way we could have left things as they were. Unlike the Conservatives, there was never any question of Labour ignoring the £22 billion black hole that we uncovered in the public finances. We had to bring the previous Administration's fiscal irresponsibility to an end. We had to ensure that our country lives within its means. We had to get public services back on their feet while meeting our tough new fiscal rules, which end borrowing for day-to-day spending. That is what we, as a responsible Government, had to do.

That is why, at the autumn Budget, the Chancellor set out a number of difficult but necessary decisions on tax, welfare and spending. These decisions were to restore economic stability, fix the public finances and rebuild our public services. One of the decisions we took was to reform agricultural and business property relief. We chose to do so in a way that maintains significant tax relief for family farms, while fixing the public finances as fairly as possible.

**Sir John Hayes:** The hon. Gentleman will want to explain this, Mr Speaker. The Government have argued that only 27% of farms will be affected by this measure, while the National Farmers Union says it is 75%. Will he at least give us an indication from the Dispatch Box, perhaps supported by a note in the Library of the House, showing the modelling that contradicts the NFU's figures?

**James Murray:** I point the right hon. Gentleman to the letter the Chancellor recently sent to the Treasury Committee, which sets out some of these figures in detail. Some of the confusion that he and other hon. Members have encountered might come from the fact that there are different sets of data. The set of data he may be referring to relates to the total value of farms across the country, but if we are thinking about inheritance tax claims, it is right to look at His Majesty's Revenue and Customs claims data on inheritance tax. Looking simply at the value of a farm does not tell us what the inheritance tax liability for that farm may be, given that we would have to look at the ownership structure—at who owns what—and at any liabilities, and so on. That might be where some of the right hon. Gentleman's confusion is coming from.



**Greg Smith** (Mid Buckinghamshire) (Con): At Treasury questions yesterday, I raised with the hon. Gentleman the case of Upper Peppershill farm in Long Crendon, a small 380-acre arable farm in my constituency, which the shadow Secretary of State and the Leader of the Opposition visited a few weeks ago. The family have calculated that if they borrow the money to pay this new tax, it will take them 40 years to pay it back. What does the Minister say to the Seed family in Long Crendon about the tax bill they face?

**James Murray:** It is not appropriate for me, as a Minister, to give specific tax advice to one family, but I will talk about the general principles behind our reform. In fact, I was about to begin setting out some of the detail of our policy.

**Sir Roger Gale:** On the general principle, is the Minister seriously saying that all the tax advisers advising all the farmers across the country and all the land valuers, who are qualified in a way that he is not, are wrong, and that he is right?

**James Murray:** What I am explaining is that the data for claims through HMRC, which shows the claims made under agricultural property relief and business property relief, is the correct set of data to work out future liabilities on that basis. That is what the projections that we have put out are based on. That is set out in the Chancellor's letter to the Treasury Committee that I mentioned. I urge the right hon. Gentleman and his colleagues to review that letter to understand the data I am talking about in more detail.

**Several hon. Members** *rose*—

**James Murray:** I would like to make a bit of progress to explain some of the detail behind our policy, which may answer some of the questions that hon. Members are jumping to their feet to ask.

We know that inheritance tax is always an emotive issue, and understandably so. It is a natural desire for people to want to pass on their assets to the people they love when they pass away.

The standard single rate of inheritance tax has been 40% since 1988, and assets have generally long been entitled to nil-rate bands, reliefs and exemptions. A form of relief for agricultural property was introduced on estate duty in the Finance Act 1948, meaning that this duty was charged at 55% of the rate that would normally have applied. A new agricultural property relief and a business property relief were created in the mid-1970s with the introduction of the capital transfer tax. The rate of relief increased over time to a maximum of 50% relief; that maximum rate was then increased to 100% in 1992. This means that agricultural landowners and farmers did not receive 100% relief for almost all of the 20th century, and yet farms passed down between the generations.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I am grateful to the Minister for giving way. That was why the law was changed to introduce 100% relief. Family farms were not being passed down because the value of land was increasing. Will he consider that before bringing in these changes?

**James Murray:** To address the right hon. Gentleman's point, we recognise that agricultural and business property relief play an important role in supporting family farms, but the full unlimited exemption from inheritance tax has simply become unsustainable. The four most recent years-worth of data make clear why. The data shows that a very small number of agricultural property relief claimants, including those who claim business property relief too, benefited from a very significant amount of relief. In total, 47% of the Exchequer cost of the relief went to the top 7% of claims. To be clear what that means, I will put it another way. For every 14 or so estates, the top one among them claimed half the total relief.

**John Glen** (Salisbury) (Con): Let me tell the Minister what concerns me most. There has not been an impact assessment, but if the major driver for the Government, whether we accept it or not, was to raise some money from this source, why were other more effective mechanisms not used, such as business roll-over relief, where a business could be sold in another context and rolled over into buying the land, deferring capital gains tax? If that mechanism had been used, the money would have been taken from much wealthier people who were not actually producing food in the first place. Now, we are capturing a massive proportion of small family farms completely unnecessarily, because due consideration of better alternatives was not done by the Minister.

**James Murray:** I reassure the right hon. Gentleman, for whom I have a lot of respect personally, that we carefully considered how to calibrate the policy to ensure that significant relief from inheritance tax is still available to family farms, while at the same time fixing the public finances in as fair a way as possible.

**Simon Hoare:** I am very grateful to the Minister for giving way. He has just referred to his analysis of four years of data which led him and the Government to this position. That is an incredible thing to ask the House to believe, because just a few months ago his right hon. Friends the now Prime Minister and Secretary of State were specifically ruling out these policies to audiences of farmers and landowners. If the data of four years' standing told him that this was the right policy, why were those now Ministers economical with the actualité when they spoke to the farmers themselves?

**James Murray:** The data we did not have before the general election was the £22 billion black hole that the hon. Gentleman's party left in the public finances. He knows that, because it is acknowledged by the Office for Budget Responsibility that the full information was not shared with it. It has said that its forecast would have been "materially different" had it known that that was the case. We have had to take a number of difficult decisions.

**Louise Jones** (North East Derbyshire) (Lab): This talk of data reminds me that over 12,000 farmers and agribusinesses have gone out of business since 2010. Will the Minister reassure me about what we are doing to improve profitability in British farming?

**James Murray:** My hon. Friend is absolutely right to highlight the decimation of businesses during the Conservatives' time in office. Businesses across the economy

[James Murray]

need stability, public finances on a firm footing and investment in our public services. That is what businesses across the country need to invest for the future and grow.

**Sir Geoffrey Clifton-Brown** (North Cotswolds) (Con): I am very grateful to the hon. Gentleman for giving way. He is a Treasury Minister. May I suggest that some of the disparity between the Treasury figures and those of other reputable bodies representing agricultural interests is because of land values? Average values for ordinary land in the Cotswolds are now £15,000 an acre. Will he accede to the request of my right hon. Friend the Member for Salisbury (John Glen), a former Chief Secretary to the Treasury, and publish an up-to-date impact assessment on how many farms this tax will affect?

**James Murray:** A lot of data has already been published. I mentioned the Chancellor's letter to the Treasury Committee, and further details on the impact will be published alongside the draft legislation in the normal way. I suggest that the hon. Gentleman reads the letter to the Select Committee. As he and the his right hon. Friend will know, the impacts are typically published at the time of draft legislation. That is the normal process. Indeed, it was the norm under the previous Government.

Several hon. Members *rose*—

**James Murray:** I will take one more intervention and then I will make progress.

**Shaun Davies:** Some of the correspondence I have received on this issue talks about the fact that the measures inflate land value. Does my hon. Friend agree with that assessment, and what will the changes do to help farmers across the country in that respect?

**James Murray:** My hon. Friend is absolutely right to highlight the fact that some of the features of the current inheritance tax relief system mean that it is an attractive vehicle for tax planning to reduce inheritance tax liability. People who have wealth who have never been farmers and do not intend to become farmers have been using it as a way to avoid inheritance tax. In fact, reducing that should take some of the pressure out of agricultural land values and, I would hope, help to make a more sustainable farming sector in the future.

**Dr Andrew Murrison** (South West Wiltshire) (Con): It is important to get the facts right and to get the right number of farms in frame. The Minister must know that the CAAV has said that the Government estimate is down by a factor of five. According to its impartial independent review, 75,000 farms will be in frame for this tax, not the figure the Minister is relying on.

**James Murray:** My response to the right hon. Gentleman is the same as that to the right hon. Member for South Holland and The Deepings (Sir John Hayes). I believe he is looking at the data for the total value of farms, rather than for inheritance tax claims. The two are different things. For instance, a farm worth £5 million

owned in equal shares by five individuals would have no inheritance tax liability because of the way claims work. That is where I think some of the confusion has come from. There is different data around the value of farms and around the value of inheritance tax claims. For the purpose of today's debate, it is the inheritance tax claims that are the right data to focus on.

**Luke Murphy** (Basingstoke) (Lab): On the point about facts, I was fascinated by the end of the shadow Secretary of State's contribution. She opined on whether Labour was sticking to its promise to end the decline in the countryside. I wonder who was in government for the last 14 years while the countryside was declining. The Conservative Government sold out British farmers through trade deals and 12,000 farming businesses went out of business. Does my hon. Friend agree?

**James Murray:** I very much agree with my hon. Friend. He points out a repeated pattern of the Opposition: their total refusal to take any responsibility for the damage they caused over the past 14 years. They may wish it never happened; the British people disagree.

Several hon. Members *rose*—

**James Murray:** I am going to make some progress.

I just set out some statistics that show how this tax relief is very concentrated in a small number of claims. In the context of the dire fiscal situation we inherited and the critical need to fix the public finances and get public services back on their feet, it cannot be right to maintain such a significant level of relief for a very small number of claimants. That is why, from 6 April 2026, the full 100% relief from inheritance tax will be restricted to the first £1 million of combined agricultural and business property. Above that amount, there will be an unlimited 50% relief, so inheritance tax will be paid at a reduced effective rate of up to 20%, rather than the standard 40%.

The new system, it should be noted, remains more generous than in the past. As I mentioned, the rate of relief prior to 1992 was a maximum of 50% on all agricultural and business assets, including the first £1 million. The reliefs we are providing will be on top of all the other exemptions and nil-rate bands that people can access for inheritance tax. Taken in combination, this means that a couple with farmland will typically be able to pass on up to £3 million-worth of assets to their descendants without paying any inheritance tax.

**Harriet Cross** (Gordon and Buchan) (Con): I thank the Minister for giving way. The CAAV calls the £3 million figure “unrealistic” and “unreasonable”. Does he not agree?

**James Murray:** The £3 million figure is what a typical couple could expect to pass on to their direct descendants using the various nil-rate bands and inheritance tax reliefs. I would advise any specific family to get advice from an accountant or financial adviser. In terms of the scale of reliefs, when we combine the inheritance tax relief to agricultural and business property relief, along with the nil-rate bands, nil-rate residence bands and the transferability between spouses, that is how we come to the figure of £3 million.

**Alicia Kearns** (Rutland and Stamford) (Con): Given that he appears to be leading for the Government on this issue, rather than the Secretary of State for Environment, Food and Rural Affairs, can the Minister tell me how many farmers he has met personally over the last three months? He seems very confident about how this will affect them. The exact number, please, of the farmers you have met personally over that period.

**Madam Deputy Speaker (Ms Nusrat Ghani):** Order. The hon. Lady should ask how many farmers the Minister has met, rather than how many I have met.

**James Murray:** I have met members of the National Farmers Union, representing the farming industry, a number of times since the Budget for detailed discussions. That has helped us to understand the impact that this policy will have and to ask for their support in communicating how it will work.

**Dr Neil Shastri-Hurst** (Solihull West and Shirley) (Con) *rose*—

**James Murray:** I am going to make some progress. I am going to continue to explain how some of the other exemptions within the inheritance tax system will benefit people affected by this policy.

**Louise Jones:** Can the Minister confirm that in the case of farms worth several million pounds, any mortgageable value is not included for the purpose of inheritance tax? Might that explain the discrepancies in some of the figures that are being bandied around, in which I believe mortgages have not been taken into account?

**James Murray:** That is an important point. Looking at the pure asset value of farms does not tell us what their inheritance tax liability might be. As my hon. Friend rightly points out, any liabilities must be netted off against the value of any estate, and the ownership structure—the various nil rate bands, previous spousal transfers, giftings and so on—need to be considered.

**Stuart Anderson** (South Shropshire) (Con): Will the Minister give way?

**James Murray:** No. I am going to make some progress.

As my hon. Friend the Member for North East Derbyshire (Louise Jones) has pointed out, a range of exemptions need to be taken into account. Full exemptions for transfers between spouses and civil partners will continue to apply. Any transfers to individuals more than seven years before death, as gifts, will continue to fall fully outside the scope of inheritance tax, and taper relief will apply in certain circumstances within that time. Furthermore, any tax that is due in relation to these assets can be paid in instalments over 10 years, interest free. Those payment terms are more generous than in any other part of the tax system.

As I have mentioned several times during the debate, these decisions have been based on understandings that draw on data from both DEFRA and HMRC. I note that there has been some confusion on the Opposition Benches, whether wilful or not, about what the data shows.

**Sir Gavin Williamson** (Stone, Great Wyrley and Penkridge) (Con): The hon. Gentleman has made an important point, but analysis will show that over a 10-year period, 99% of the profit from the average 350-acre arable farm owned by a couple will go back towards paying inheritance tax. That does not leave enough money for them either to invest or to live. I wonder how the hon. Gentleman thinks they can deal with that.

**James Murray:** I have confidence in the way in which we have calibrated the policy. As I said to the right hon. Member for Salisbury (John Glen), it has balanced the need to retain significant, generous provision of inheritance tax relief for family farms with ensuring that, at the same time, we fix the public finances in the fairest way possible.

**John Glen:** The hon. Gentleman is being very generous with his time. In view of the point that has just been made by my right hon. Friend the Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson), will he not consider, at the very least, looking at some dispensation for farmers above a certain age, given the lack of time that they will have to plan for this intervention? The truth is that someone who is near retirement age will be faced with the prospect of 10 years of all their projected profits being eaten up by this tax, which will mean that the farm cannot go to the next generation. The hon. Gentleman must surely look at some mitigations to deal with that reality for so many farmers who are concentrated in that older age group.

**James Murray:** We know that individual circumstances will vary. Any individual who is concerned about their specific tax liability should obviously consult an accountant or financial adviser. We would not know, from a thumbnail sketch, whether that person had any inherited nil rate bands, what their liabilities were, what decisions they had made about gifting, and so on. A huge number of factors will play into this, and it is right for individuals to seek specific advice. Things that are said in this Chamber may be creating undue anxiety, when people should be looking into the detail.

**Sir Julian Lewis** (New Forest East) (Con): The Minister seems to be trying to suggest that not much farmland will have to be sold off as a result of this policy. However, on 4 November, following an urgent question, when I asked his colleague the Minister for Food Security and Rural Affairs, the hon. Member for Cambridge (Daniel Zeichner), how food security would be preserved if farms had to be broken up and sold off possibly for development, he replied:

“Of course there are trade-offs. There are a range of pressures on our land, in respect of housing, food, energy and so many other things.

That seems to constitute an acceptance that we will lose farming land, and people will be building on it instead.

**James Murray:** That is not how I interpret the comment, but I make no apology for the fact that we want to support farmers, as well as making our energy transition and building homes for people across the country. We need to ensure that we are achieving all the goals that the people of this country elected us to achieve.

I want to say more about data, because several Members have raised the subject. As I have explained a few times now, the DEFRA data shows the asset value of farms in



[James Murray]

England, but it is not possible to accurately infer a future inheritance tax liability from data on farm asset values. Any inheritance tax liabilities that farming assets may face will be affected by who the owners are, the nature of the ownership, how many owners there are, any borrowing that they have, and how they plan their affairs.

**Richard Tice** (Boston and Skegness) (Reform): The Minister talks about data. Given the massive discrepancy involved, and the impact of this policy, if the data shows in 12 months and 24 months that the Government have got this catastrophically wrong, will they revisit the policy and do a U-turn?

**James Murray:** When we approach policies in government we test them thoroughly and consider the details and the data, and we ensure that any conclusions we draw are based on the correct set of data, which is part of the conversation that we are having today. I do not know whether it is due to mischief or misunderstanding, but there is a certain focus on the total value of farms rather than on inheritance tax liabilities. The data on inheritance tax liabilities is the correct data to look at when evaluating the impact that the policy may have.

**Dr Shastri-Hurst:** Will the Minister give way?

**James Murray:** I am going to make some progress.

As I said earlier, a farm worth £5 million but owned by five relatives in equal shares could have no inheritance tax liability.

**Stuart Anderson:** Will the Minister give way?

**James Murray:** I will give way to the Liz Truss cheerleader on the Back Benches.

**Stuart Anderson:** The CLA has pointed out that 46% of farms are owned by individuals. The data produced in the letter does not take that into account; it concentrates on couples who will receive the relief.

**James Murray:** I note that the hon. Gentleman's grasp of economics is about as good as Liz Truss's was. As I have said, the importance of the claims data is that it tells us what the inheritance tax liability will be. I understand that Members are referring to many other sources and sets of data, but when we are looking at the impact of a change in inheritance tax relief, it is claims data that tells us what that is likely to be.

**Dr Shastri-Hurst:** Will the Minister give way?

**James Murray:** I am going to make some progress. I have given way many times already.

Looking at the HMRC data, which relates to estates making claims for agricultural and business property relief, is the correct way to understand inheritance tax liabilities. That data shows that our reforms are expected to result in up to 520 estates claiming agricultural property relief, including those that also claim business property relief, paying some more inheritance tax in 2026-27. Let me put that in context. It means that nearly three quarters of estates claiming agricultural

property relief, including those that also claim business property relief, will not pay any more tax as a result of these measures.

As this change is introduced, we expect people to respond in a number of ways to reduce their inheritance tax liabilities, and the costings by the Office for Budget Responsibility assume that that will be the case. People may change ownership structures, plan for their succession differently, and make greater use of gifting provisions and insurance.

**Harriet Cross:** I thank the Minister for giving way; he is being generous. He has mentioned claims for agricultural property relief and business property relief, but what about claims for business property relief alone? Have they been included in his figures?

**James Murray:** I thank the hon. Lady for her intervention. As we know, any farmer who is renting out land or farming it themselves will typically have an estate that includes an element that is eligible for agricultural property relief. The figures I set out include those who claim for business property relief as well, and those figures are set out in the Chancellor's letter to the Treasury Committee.

**Becky Gittins** (Clwyd East) (Lab): Despite attempts by the Opposition to hijack this debate, I can honestly say—[*Interruption.*] If they want to champion our agricultural communities, they might have started around 14 years ago. The conversations that I have had with farmers in my constituency have been balanced and productive in their scope, with an understanding of why the provisions have been brought in. Given that two thirds of the land bought in England in 2023 was bought by non-farmers, does the Minister agree that it is right that this Government are taking the opportunity to close what is essentially a tax loophole for non-farmers?

**James Murray:** I thank my hon. Friend very much for her intervention. It is telling that when she makes such an important and sensible point, the Opposition do not want to hear it and try to shout her down. As she rightly points out, our changes to the reliefs will make buying land less attractive as a means of inheritance tax planning. This means that land prices are likely to become more affordable for farmers, thanks to a reduction in tax-motivated investment in agricultural land.

**Mr Carmichael:** Will the Minister give way?

**James Murray:** I have given way already, so I am going to make some progress.

The reforms should be seen in the context of the significant existing support for the farming industry in the wider tax system, including the exemption from business rates for agricultural land and buildings, the ongoing entitlement for vehicles and machinery used in agriculture to use rebated diesel and biofuels, and the exemption from the plastic packaging tax for the plastic film used to produce silage bales. On top of that, farmers are able to add together their profits from farming over two to five years and be taxable on the average of those profits, building flexibility into their tax arrangements for difficult years and unexpected challenges.

**Seamus Logan** (Aberdeenshire North and Moray East) (SNP): Does the Minister agree that in the Government's haste to target tax avoiders such as Jeremy Clarkson and others, as has been mentioned, they have actually caught a lot of small and medium-sized farmers in their sights, in a completely irresponsible way?

**James Murray:** Although our policy should discourage the kind of tax planning to which I think the hon. Gentleman refers, the policy is broader than that. It is necessary to balance significant relief from inheritance tax on family farms with the need to fix the public finances, and that is the balanced decision that we have taken with this policy.

Of course, the decision on this tax policy sits alongside the Government's wider decisions at Budget 2024. There is £5 billion over two years for farming and land management in England, which will help restore stability and confidence in the sector. That includes the largest ever budget directed at sustainable food production and nature recovery in our country's history. Despite the difficult fiscal inheritance, £60 million of funding has also been prioritised for the farm recovery fund, to support farmers impacted by severe wet weather over the last year.

**Alison Bennett** (Mid Sussex) (LD): The Minister rightly mentions the need for more sustainable land management, but is it not the case that the changes to APR will actually undermine the sustainable land management initiatives that farmers in Mid Sussex are trying to deliver every day?

**James Murray:** No, that is not the case. The Minister for Food Security and Rural Affairs, my hon. Friend the Member for Cambridge (Daniel Zeichner), who will be responding at the end of this debate, can set out more about what the Government are doing to support farmers in their work on land management across the country.

**Anna Dixon** (Shipley) (Lab): I backed British farming ahead of the general election, and I back the farmers in my constituency. I am proud to sit on these Benches with a Labour Government who are backing British farmers with an investment of £5 billion in the recent Budget. Does my hon. Friend agree that it is absolutely essential that we make sure that the money gets into the pockets of our farmers? My farmers complain about the delays that they experienced when the Conservative party was in power.

**James Murray:** My hon. Friend is absolutely right to draw attention to the mismanagement under the previous Government and to how important it is that, through the commitments we made in the Budget on the farming budget over the next two years, we support farmers across the country as evidence of our steadfast support.

I recognise that the reforms we are making to agricultural and business property relief will have an impact on some individuals. I recognise that some of the larger estates, particularly those worth over £3 million, may be affected by the changes, but the reforms to the reliefs will maintain significant levels of relief from inheritance tax, at a total Exchequer cost of over £1 billion in the year that the reforms take effect, before rising further. They offer support for family farms and businesses

across the country. We could not justify leaving the situation unchanged, with a full, unlimited tax relief benefiting a very small number of estates by a very significant amount.

**John Slinger** (Rugby) (Lab): Does my hon. Friend agree that perhaps unsurprisingly, given the name of their political party, Conservative Members seek to preserve the status quo, which includes the top 7% of claimants—the wealthiest—accounting for 40% of the overall APR budget? Does he agree that the Conservatives need to set out how they would make the situation fairer and provide a better deal for our agricultural sector?

**James Murray:** My hon. Friend is absolutely right to point out that the Conservative party has no ideas about how the country needs to change, no ideas about how to get the public finances back in order, and no ideas about how to get public services back on their feet or how to deliver economic stability.

**Laura Kyrke-Smith** (Aylesbury) (Lab): Farmers in my constituency tell me how much they are struggling to see a GP and to get public transport—the buses just are not there. The rural economy has been ruined by 14 years of Conservative Government. Can the Minister reassure us that the necessary actions that we are taking in the Budget will get our public services working again for our farming and rural communities?

**Madam Deputy Speaker (Ms Nusrat Ghani):** Order. Interventions should relate to the debate in hand.

**James Murray:** I will not try your patience, Madam Deputy Speaker, but I feel that my hon. Friend's intervention relates to the debate in hand, as we have had to take a tough decision on taxation policy in order to fund our public services. Those public services are, of course, enjoyed by people across the country, including farmers and those in rural communities.

**Dave Doogan** (Angus and Perthshire Glens) (SNP): Will the Minister give way on that point?

**James Murray:** I will make some progress.

As I was saying, we could not justify leaving the situation unchanged, with a full, unlimited tax relief benefiting a very small number of estates by a very significant amount, given that there is such an urgent need to repair the public finances and to improve the hospitals, schools and roads on which people across the country depend, including those in rural communities.

**Andrew Pakes** (Peterborough) (Lab): There is a lot of talk from the Opposition, who are getting very excited by this debate, about farms, but we have to remember that farms rely on farm workers. In the name of accuracy, could my hon. Friend put on the record a reminder of which Opposition parties, including the Lib Dems, voted for the abolition of the Agricultural Wages Board under the last Government? That actually drove down rural wages, and we should be talking about farm workers. Is it not true to say that when the Opposition refer to exemptions, the only thing they want to talk about is exemption from their own record being under scrutiny?

**James Murray:** My hon. Friend makes a powerful point about the record of the Opposition parties. In our Budget, we made sure to protect the payslips of working people by not increasing income tax, employee national insurance or VAT.

Our approach to reform strikes the right balance between providing significant tax relief for family farms and fixing the public finances in a fair way. As such, I commend the Government's amendment to the motion before us today.

**Madam Deputy Speaker:** I call the Liberal Democrat spokesperson.

1.48 pm

**Tim Farron** (Westmorland and Lonsdale) (LD): It is my utter privilege to speak on behalf of my party and 1,500 farmers in Westmorland and Lonsdale. I represent people all the way from the Yorkshire dales and the North Pennines to the Lake District and the Cartmel peninsula.

We are proud of our farmers not just because they feed us and care for our environment, but because they are the stewards of our heritage. When UNESCO awarded the Lake District world heritage site status, it gave as much credit to the farmers as it did to the glaciers that formed the landscape in which we live, which drives a tourism economy with more than 20 million visitors a year. We seriously value our farmers, and they need to hear that, because the tone of the debate—not just today, but over the last few months—has suggested that politicians do not value farmers. However, words are cheap.

**Greg Smith:** I have no doubt about the hon. Gentleman's personal commitment, but do not the Liberal Democrats have a credibility problem? For all the rhetoric in this Chamber and outside, when they actually get their hands on power in local government, such as in Oxfordshire, they brutally attack their farmers by banning all meat and dairy?

**Tim Farron:** That is nonsense. Wherever Liberal Democrats are in control, we back and support our farmers and are proud to do so.

Talk is cheap, and most people in this House will at some time quite rightly have uttered the sentiment that British farmers are the best in the world, without actually understanding why. It is true that they really are the best in the world, and that is because the way in which our farming economy is structured is based on the family farm. Family farming makes a difference because it has close husbandry, higher environmental standards, higher welfare standards and better quality produce. It is not an accident that British farming is the best in the world.

**Pete Wishart:** Does the hon. Gentleman think that the difficulty with the Labour party is that it just does not understand farmers, because they do not fit neatly into its clumsy definition of what a working person is? These are people who work 12 hours a day, outside in the toughest environment, and who work into their old age, but they do not get into the Labour club.

**Tim Farron:** There is something in that, and I will come to that in a moment when I talk about poverty in our countryside, when it just does not look the way people in urban communities think it ought to look.

There is no doubt that family farms are under attack, but this did not start on 4 July, and I want to go through why we have ended up where we are now. The botched transition from the old farm payment scheme to the new one is the principal source of hardship among our farmers. Let us start with the fact that the environmental land management scheme—ELMS—budget saw a £350 million underspend under the last Government, and that was not an accident. It was blindingly obvious that that was going to happen. One hill farmer I spoke to just last month told me that, as a consequence of the transition, he will lose £40,000 a year in basic payment. To replace it, he will gain £14,000 under the sustainable farming incentive. By the way, it cost him £6,000 to go through a land agent in order to get in the first place.

**Sir John Hayes:** The hon. Gentleman is making a profoundly important point. Not for the first time he is speaking as a Liberal Democrat, but also in a way that belies the fact that he is a Liberal Democrat, because he is genuinely committed to the countryside. He has made a point about family farms; the important thing about them is not only the arguments that he has already advanced, but the sense that they represent a continuum—an investment for the future. The reason this policy is so detrimental is because it impacts on that sense that farmers are investing now for generations to come.

**Tim Farron:** I am going to get to that, but the right hon. Gentleman will have to tolerate me accurately pinning blame on his side before I do so.

We were told by the last Government that they would maintain the amount of funding that we used to spend when we were in the European Union. In England, that was £2.4 billion. In one sense, and one sense only, they kind of kept that promise because it was £2.4 billion throughout that five years. However, they did not spend it, because they phased out the old scheme very rapidly, causing a great hardship, particularly to small family farms, and they brought in the new schemes far too slowly and made it very difficult for people to get into them. By the way, the people who were able to get into the new schemes were the big farmers. They were the landowners who had land agents to help them get into the schemes. So the large landowners with the bigger estates managed to get into those schemes. They are all right, broadly speaking. It is the smaller family farms—the farmers who own their own farms and the tenants—who have struggled.

It is also worth bearing in mind that there has been a little bit of inflation since 2019. The cost of running a farm has gone through the roof when it comes to feed, energy, fuel and all sorts of input costs. So the fact that we are at just £2.4 billion now, as we were five and a bit years ago, is absolute nonsense. It is important also to recognise that the grants that were available under the last Government, and now, are in reality often only available to those who have the cash flow to be able to get them in the first place.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): If land prices were to go down, as has been described by the Minister—I am not sure I believe that—and a farmer had borrowed heavily from the bank, the bank might look at the value of their asset and could possibly call in the loan, which would put the farmer out of business right away.



**Tim Farron:** I have heard that from land agents in my own constituency, and my hon. Friend makes a really interesting point. We obviously do not know what will happen unless and until it happens, but that could be exactly what happens, in which case there would be no money to invest in businesses and people would end up not being able to pay back their loans. Also, the Government would not make anything like the amount of money that they think they are going to, so whatever the outcome, it is bad news for farmers and also for the Exchequer.

It is also worth bearing in mind where the money that the last Government spent has gone. It has gone on landscape recovery and other schemes mostly taken up by very, very large estates, where either smaller farmers got nothing or tenant farmers had to do exactly as they were told. In my part of the world, we have seen something akin to lakeland clearances over the last three or four years as a result of all this. So let us not forget that before 4 July, the farming economy was under enormous threat and in enormous danger, either by accident or design, due to the failures of the previous Government, and the Conservatives need to take that on the chin.

**Anna Dixon:** The hon. Gentleman mentioned tenant farmers, and I know that he will have some in his constituency, as I do in mine in Shipley. Nationwide, a third of all farmland is managed by tenant farmers. Last month, the Department announced the appointment of a new commissioner for the tenant farming sector in England, which I hope that the hon. Gentleman will welcome. Does he agree that the last Government were operating much more in the interests of large landowners than of tenant farmers?

**Tim Farron:** The hon. Lady makes a good reference to the outcome of the Rock review, which took place under the last Government, although they took too long to put those things into practice. I am pleased that this Government have said that they will implement the recommendations of the Rock review. Baroness Rock deserves enormous thanks and praise from all of us for her work defending tenant farmers, and the fact that she has not been replaced is very regrettable. We are talking today about farming and the consequences of the inheritance tax issue. It would have made so much more sense, given the impact on tenants, if the commissioner and their framework had been put in place before this policy was brought into practice. This feels like putting it the wrong way around.

**Several hon. Members** *rose—*

**Tim Farron:** I am going to crack on now and not take any more interventions because, with help from Members on either side, I have already taken up nine minutes of this place's time.

I want to give the House a final run-through of some of the consequences of the terrible failure of the Conservative Government on farming. In the last five years alone, livestock farm incomes have dropped by 41%. Year on year, there has been a drop in sheep numbers of over 4%, and a 6% annual drop in the number of dairy farms. We lost 440 dairy farms last year alone. So that is where we are, and that is before we get into trade deals or the attack on rural services, healthcare and dentistry. I am also going to quickly make a reference to Brexit

because, without a doubt, our leaving the European Union and the terrible deal that the Conservative Government signed us up to have had the biggest impact of all on agriculture.

Madam Deputy Speaker, you would think that the new Labour Government had a massive open goal in front of them, given what they inherited from the Conservatives. They had a massive open goal, with no goalkeeper between the posts, but somehow the ball ended up in row Z. I find it almost impossible to countenance how they have managed to fluff that opportunity.

I want to talk about two people in my constituency who gave me a really useful insight into the family farm tax in the last couple of days. Both of them gave me four separate case studies. The first was a land adviser who talked to me about four farms. Their story was about shrinking businesses as a result of the family farm tax, and about the potential reduction in the value of land, which would mean that they would not be able to invest in their businesses and there would not be the tax yield that the Government were banking on. Another, a local accountant, gave me four anonymised case studies of local family farms in my communities. Of those family farms, only one was earning above the minimum wage, and three were earning significantly below the minimum wage. In those four cases, two would have to sell parts of their farm and two would have to sell their entire farm to pay the inheritance tax.

The next question is: who would those farms be sold to? The hon. Member for Shipley (Anna Dixon) spoke a moment or two ago about the proportion of farmland being sold into private hands, into private equity and so on. Farms will go into those hands even more—as if a neighbouring farmer is going to buy that land when they are in the same predicament.

We are seeing hard-working farmers, on less than the minimum wage, having to sell off their land to private equity. Is that a very Labour thing to do? The hon. Member for Perth and Kinross-shire (Pete Wishart) spoke about Labour not getting the working class in the countryside, and this is a perfect example. It is not too late for Labour to learn.

**Ben Maguire** (North Cornwall) (LD): It seems clear that, as with the winter fuel allowance changes, the Government have missed their target here. As my hon. Friend rightly says, it seems obvious that large landowners will have the ways and means to avoid this tax. Does he agree that there should be some form of working farm test?

**Tim Farron:** Yes, and the Government should have been thinking about these things. We heard from the Minister that lots of planning and diligence went into this before it came out of the Chancellor's mouth on Budget day, but it does not feel like it, because there is a whole range of issues that could have been considered in advance.

There is something that will do more immediate harm to farming than even the inheritance tax changes, and that is the Government's decision to summarily reduce basic payments by 76% in a single year. This will have a direct impact, in particular, on tenant farmers who rely on that money and will end up missing their rent payments. We will see evictions as a consequence.

[Tim Farron]

The Government have trumpeted the £5 billion over two years, which my basic maths tells me is £2.5 billion a year. I am always careful, or nervous, about making confident predictions, particularly in this place, but my confident prediction is that they will not spend that budget. If the basic payments are cut by 76% without the new schemes being up and running to replace them, the Government will not spend that money. By underspending, this Government will end up in the same mess as the last one.

**Sam Rushworth** (Bishop Auckland) (Lab): I have huge respect for the hon. Gentleman, my constituency neighbour, but I have a question. I think the hon. Member for North Cornwall (Ben Maguire) suggested a working farm tax, and it was not clear to me whether the hon. Gentleman accepted or rejected that suggestion. We have heard Liberal Democrats talk in recent weeks about land taxes and wealth taxes as alternatives to raise the revenue to fund their many, many spending commitments. Could the hon. Gentleman clarify that point?

**Tim Farron:** To clarify my response to my hon. Friend the Member for North Cornwall (Ben Maguire), the Government could have looked at a working farm exemption so that these people will never have to pay this inheritance tax. Who knows, the Government might consider putting people who are not active farmers under the HMRC microscope instead. That would be far preferable to what we have.

Grant payments are a significant issue. With the cut to basic payments and the Government's failure to be as quick as they should have been on the new payments, I am pretty confident that we will see an underspend from this Government, just as we did from the last one.

In recent days we have seen the Government's decision to pause capital grant payments, which will be a huge blow to our farmers. The areas that will end up being cut or paused include: hedging, walling and fencing; countryside stewardship grants to allow nature-friendly farming; work to prevent pollution of waterways; slurry storage; covered yards to clean up our rivers; peatland restoration; carbon storage; and being the cornerstone of natural flood management.

My constituent Matthew, who farms in Eden valley, explained yesterday that he has just finished installing 10,000 metres of fencing for a nature-friendly farming project. The pause in the grant funding means that he will not be able to buy any hedge plants to finish the work, and nor will he get the mid-tier countryside stewardship annual payment. He says:

"Some say it could be paused until June... this is a business-breaking issue."

On top of that, the higher-level payment has not increased since I entered this House in 2005. It was £40 per hectare for moorland restoration in 2005, and it is £40 per hectare today. That is a brutal attack on hill farmers and those who farm our common land. Again, some of the sustainable farming incentive options on common land are good, and they should be applauded because doing more for nature is a good thing, but the SFI moorland options are currently closed to all common land because of technical issues online. We can see those consequences very clearly.

Among all this, farmers are struggling, often with their mental health. The isolation that people feel when their family have farmed a valley for generations and they might be the one who ends up losing the family farm is utterly devastating. However, farmers just crack on with the job, so our job is to be their voice.

Farming is a glorious vocation. Farmers work to protect our towns and villages from flooding, to promote biodiversity, to back the tourism economy, to tackle climate change, to underpin landscape heritage and to produce our food. The fundamental failure of both the last Government and this one is that they have brought together agricultural policies that actively disincentivise the production of food. That is criminal, and it is foolish. The first thing the Liberal Democrats would put right is a food strategy and an additional £1 billion a year for ELMs to back our family farmers.

It is time we listened to farmers such as Liz and Matthew Staley from near Kirkby Stephen, and their sons Luke and Lewis. I regularly talk to Liz, and she says:

"There is so much anguish out there for farmers."

On the new schemes, she says:

"They aren't working and there isn't that crossover just yet... They're just making it harder to make a living."

I want to encourage people on all sides, especially in government, to listen to Liz. It is the vocation of farmers to save our planet and to feed our country. The least we can do is give them the value and the future they deserve.

**Several hon. Members rose—**

**Madam Deputy Speaker (Ms Nusrat Ghani):** This debate is already oversubscribed. To point out a simple fact, if you were not here for the shadow Minister's opening speech, you will not be called. That is basic etiquette.

2.6 pm

**Maya Ellis** (Ribble Valley) (Lab): I represent Ribble Valley in Lancashire, one of the most beautiful constituencies in the country and one of the most rural. There are 820 farms on my patch, including 121 dairy farms. I single out dairy farmers as probably the most passionate and dedicated farmers I have encountered.

The problem with this motion is that it ignores the wider context of what is happening in our rural economies, and I will briefly talk about how remarkable those rural communities are. Not only are our farmers vital to our food security, but they often do the intangible work that we do not see on a local authority balance sheet, including gritting and clearing smaller roads that councils cannot get to in winter, and maintaining all those beautiful countryside walking routes that we all enjoy for much-needed rest. There are endless examples of how farmers are the best examples of the community spirit that we are rightly so proud of in this country.

I will share a quick story about a farm company in my constituency called Butlers farmhouse cheeses. Butlers produces the famous Blacksticks blue cheese and, I believe, is the second largest producer of cheese in the UK. Last year it suffered a devastating fire that completely destroyed its packing and logistics hub. Remarkably, the company rebuilt a whole building in a few weeks by using all of its supplier networks, and that was based on the faith and

goodwill that farming communities engender. Butlers was able to retain the 95 staff it had, as well as supporting jobs in 20 to 30 local suppliers. These are the kinds of farms we are supporting, and we must ensure that our strategies work for them in the long term. Butlers is a fourth-generation farm that would not be back on its feet today without the relationships and trust that are so embedded in our rural communities.

I am excited for what Westminster can do, and is doing, for farmers. We can provide clarity on the mission. One of the best things about this new Labour Government is our focus on overall missions for this country, to be able to be clear to farmers and farming communities about exactly what this Labour Government plan to achieve over this decade of national renewal, with a clear ask for farmers on how they can contribute to that mission and how they can benefit. I heard about the need for such clarity time and again while campaigning. For years, farmers lacked clarity under the Conservative party, and they desperately need it.

**Danny Kruger** (East Wiltshire) (Con): I fully recognise how much the hon. Lady wants to serve her new constituents, and I hope she is right. Does she recognise how difficult it will be for farmers in her constituency, as it will be in mine, to pay the inheritance tax? Land values are very high and the abstract capital value can be in the tens of thousands, but the income that an acre of land generates can be in the hundreds, so there is an enormous disjunct between the value of the land in the abstract, as far as His Majesty's Revenue and Customs is organised, and the actual money that the farm will generate. How does she think that farmers in her constituency are going to pay the inheritance tax?

**Maya Ellis:** I will come on to opportunities to increase the prosperity of farmers, which should be our mission.

The second opportunity for farmers is around procurement and trade, and using the Government's own purchasing power to back British produce, so that 50% of food brought into hospitals, Army bases and prisons is locally produced. We can protect farmers from being undercut by low welfare and low standards in trade deals, and we are seeking a new veterinary agreement with the EU to get our exports moving.

I want to touch on devolution and its ability to empower local understanding. Anyone who lives in a rural community knows that part of its strength is a deep generational knowledge of the land and local area. Nowhere is that more evident than in generational farming. Indeed, it is that knowledge, passed down through generations and trained into children from the time they can walk, that ensures some of the efficiencies that keep our farms going. I am a huge advocate for devolution, especially for areas such as Lancashire, where Ribbles Valley is located, that include vast rural areas, because it brings democracy and understanding closer to communities. That is a huge issue that the Government are progressing at pace in order to do right by rural communities.

I am grateful to all the farmers who have been having open conversations with me about how past and future policy has and could affect them. Any new Government will take some time to unpick how relationships have worked in the past, and how they might want to change them. I came to Westminster as someone who is passionate

about local leadership and devolution, and there is much that this Government can do to help farmers by taking decisions.

**Carla Lockhart** (Upper Bann) (DUP): The hon. Lady is making an eloquent speech about farming and the importance of farmers to our communities; they undertake roles such as gritting the roads and cutting our hedges, as well as feeding the nation we live in. She talks about devolution. Does she agree that the Department of Agriculture, Environment and Rural Affairs of Northern Ireland has said that one third of farmers will be impacted by the agricultural property tax, with 75% of our dairy farmers being the hardest hit? The policy is not working. Stop the family farm tax grab.

**Maya Ellis:** If the hon. Lady will allow me, I will come to how we can help the farmers who will be affected by the measures.

To finish my point about devolution, as an MP in an area with huge extents of rural economy, it is critical to me that devolution reflects our rural areas as much as our metropolitan ones. I look forward to seeing how the upcoming devolution White Paper addresses that challenge. Town and parish councils really understand our rural communities and can play a bigger role in local democracy.

**Sir John Hayes:** The hon. Lady is making an interesting speech, and I am grateful for it. She is right that we should import less food and use Government procurement to help with that, and she is right about the inter-generational quality of family farms. Will she acknowledge that, in delivering the kind of food security that her speech implies, we cannot have the most productive farmland eaten up by large-scale solar developments and housing? We need to protect our grade 1, 2 and 3 land for the very reason she gave, because that allows us to deliver the food security that she and I both want.

**Maya Ellis:** As the Minister pointed out, many farms will not be affected by the measure and it will not have the impact that Opposition Members are leading people to believe.

We have an opportunity to support our farmers, as I touched on in my response to the hon. Member for Upper Bann (Carla Lockhart). I have sat down with farmers in my community and worked through the issues. They have taken their own tax advice. For example, there is a farm in my constituency that is worth around £3.6 million, so it will be liable for around £12,000 a year in inheritance tax over 10 years. However, if we are able to increase that farmer's profits by £20,000 a year, by reducing energy prices, increasing British-supplied procurement so that 50% of public sector food comes from those farms, and providing a better health service that ensures all members of the family can be strong and well to work, that is the opportunity. Yes, we need to make our tax structures work better—that is fixing the foundations—but the real aim and prize is increasing the opportunity for farmers, so that they have the stability, investment and real sense of purpose and mission that allows them not just to survive, but to thrive.

**Robin Swann** (South Antrim) (UUP): On that point, will the hon. Lady give way?



**Maya Ellis:** I am sorry, but I will not. I spoke earlier about the strength and efficiencies in family farming. From everything that I have seen and heard from farmers so far, it is clear that while valuing embedded ways of working and learning is important, there is also much appetite for innovation and doing things better.

**Mr Richard Holden** (Basildon and Billericay) (Con): Will the hon. Lady give way?

**Maya Ellis:** I will not, as I want to make progress. Just look at how farmers have led the way in restoring biodiversity and are diversifying into all sorts of new business ventures. The industry is not scared of change or opportunity, but much of it relies on and is driven by what Government determine is important through subsidies and trade agreements. After 14 years of uncertainty about what Government want from farmers, we must and will do better.

Our farms are the lifeblood of this country, along with nurses, teachers, and, yes, train drivers. I know that farmers in my constituency of Ribble Valley are ready to do their bit to tackle the dire situation in which we find this country. I do not know a group more ready to pull up their sleeves and muck in than that lot. We, as a Government, are meeting that energy and have a similar level of ambition, vision and commitment. We are looking at how these pillars of our community can work with us to achieve what we all strive for: greater prosperity for every person in this country.

**Mr Holden:** On that point, will the hon. Lady give way?

**Maya Ellis:** I am sorry, but I will not.

The motion tabled by the Conservatives today is not clear or specific on what they would do differently to fix the economy. That, along with the continual lack of clarity and consistency on rural and farming policy when they were in power, suggests that they never had a vision of how they would support these communities well. It is easy to criticise; it is far harder to come up with a long-term vision and do the hard graft to make it a reality.

I will be voting with the Government today, but not because we do not need to push for more understanding of rural communities in Westminster. Generally in the UK, we need a better understanding of the role that farms and rural communities play in our culture and potential prosperity, across all parties and among those who work for us. I am voting with the Government today because we can better push for that change with a Labour Government, as part of a wider plan to improve things for everyone—a plan that is truly ambitious for this country and makes the brave call to take the hard, unpopular decisions now, so that in 10 years something has actually got better for everyone. I would far rather have that than a Government who go for popular headlines today, but to find that in 10 years' time we are still facing the same challenges that we always did, and that they are getting worse.

I have a lot of faith that tomorrow, and over coming months, this Labour Government will set out an exceptionally clear and visionary plan for what our rural economies mean to Britain. We will respect them and make the most of them by providing long-term stability and a clear route for farmers to contribute to

our national missions, and to benefit from them. Anyone who has waited 14 years for a Labour Government to come in and start to tackle the fact that a quarter of our children are living in poverty knows that getting the result they want takes time and hard work. We have been in desperate need of grown-ups to tackle what is coming down the line. I trust this Labour Government to do that and I will work hard with them to get it right.

Finally, I pay tribute to all the incredible farmers across Ribble Valley for continuing the conversation with me, so that we can build the strongest possible vision for farming and the rural economy in the UK.

2.18 pm

**Sir Geoffrey Clifton-Brown** (North Cotswolds) (Con): I declare my interest as a working farmer and a chartered surveyor.

When I drive through my constituency, I am always reminded that farmers are the most underrated and essential workers in the rural Cotswolds and many other rural areas. Many have worked the land for generations, and I think in particular of my constituent, Nigel—I will avoid his surname to avoid press intrusion—who is still farming at the age of 93. This Government forget that farming is not a hobby. It is farmers who wake up at the crack of dawn to ensure that the rest of the population have food on their table, who clear the roads when trees fall on them or they are blocked by snow, and who plant trees and wild flowers to ensure that our biodiversity is protected for future generations. The hard-working farming community was dealt a massive blow by this Labour Government's Budget in October. As my right hon. Friend the Member for Louth and Horncastle (Victoria Atkins) on the Front Bench says, this is about not only the IHT changes, but the national insurance contributions, the change in minimum wage, the tax on fertiliser and an up to 211% tax hike for double cab pick-ups. All those extra costs take money out of a business.

I know that the Chancellor and the Prime Minister have both stated from the Dispatch Box that the IHT changes will not affect the vast majority of farms, and the Treasury has forecast that only 27% of all farms will be affected. However, as the Minister for Food Security and Rural Affairs knows, DEFRA's own forecasts suggest that two thirds of farms will be affected by this destructive policy, and the National Farmers Union has recently published an analysis of the 27% figure, which found that it

“materially underestimated the true proportion”,

with around 75% of commercial farms to be affected. That is due to the Treasury using figures that are based on the 2021-22 agricultural property relief data, which is not representative of the current situation.

**Andy MacNae** (Rossendale and Darwen) (Lab): Will the hon. Gentleman give way?

**Sir Geoffrey Clifton-Brown:** We have already had an exchange in interventions, so I ask the hon. Gentleman to first let me say this about land prices. I disagree with the point about land prices being inflated. We cannot buck the market. It is not the policies that inflate land prices; it is people coming in from outside agriculture who are putting up the prices.

**Andy MacNae:** The NFU said that farms may be affected by the policy—that is the language that it used—taking no account of estate planning or any other mitigations that people might use. As the Secretary of State said, people take action in the event of change. The NFU has ignored that in quoting its statistics.

**Sir Geoffrey Clifton-Brown:** If the hon. Gentleman will just listen to my speech and the examples that I am about to give with an open mind, he might change his mind.

The Treasury does not include in its figures the impact of business property relief claims; that also fits under the same £1 million ceiling. According to the NFU, 40% of farmers also claim BPR on machinery and livestock, which makes the £1 million ceiling even more restrictive. As shown in an earlier exchange, the Government have failed to complete a proper impact assessment of the changes to APR and BPR on the rural economy. The hon. Member for Rossendale and Darwen (Andy MacNae) might be interested to hear that the CLA modelling has shown that the changes will lead to 5% of rural businesses closing, with up to 190,000 jobs lost from the rural economy, some in very remote areas, and it will be difficult to replace them.

**Jon Pearce (High Peak) (Lab):** Will the hon. Gentleman give way?

**Sir Geoffrey Clifton-Brown:** I do not want to give way to too many people, but I will to the hon. Gentleman.

**Jon Pearce:** The hon. Gentleman mentions 5% of agricultural businesses being at risk. Is it not true that under the last Government, between 2019 and 2024, there was an 8% reduction in agricultural businesses in his constituency of North Cotswolds, thanks to the policies of his party when they were in government?

**Sir Geoffrey Clifton-Brown:** That was over a much longer period, but these changes will take effect much quicker. I can assure the hon. Gentleman that once the tax starts to bite, those jobs will be lost quite quickly. To put that into perspective, the OBR has predicted that only £590 million a year is due to be raised from this destructive policy. This Budget gave the Department for Work and Pensions a whopping £275.8 billion a year. The revenue raised from this tax would be a mere 0.2% of that total amount.

Over the past few weeks, I have had countless emails from worried farmers about their future, and I was lucky enough to meet some of them when they came up to London to protest recently. They varied in age from their late 20s to their early 90s, and it was a valuable meeting. Many had never protested in their lives, but they have chosen to use their voices now when their livelihoods are under threat. Again, to avoid press intrusion, I want to cite the case of David and his younger son, whose farm in the North Cotswolds has 265 acres, a suckler herd of 200 and a small flock of pedigree poll Dorset sheep. They have a range of modern and traditional buildings and have already diversified those. When they include their house, they estimate that their business is worth £5.5 million. David would be entitled to about £1.5 million in relief, and after the 50% relief from inheritance tax, with an effective rate that the Exchequer Secretary went through, that would leave him with a taxable amount of £800,000 on his death. The Minister might like to listen to this: that farmer only earns in

total, on average, about £40,000 a year. How on earth is he expected to pay the tax and live on that £40,000? He will not. The farmer will have to sell up and the farm will not be available to future generations.

**Pete Wishart:** Will the hon. Gentleman give way?

**Sir Geoffrey Clifton-Brown:** It is the last time.

**Pete Wishart:** Would the Tories not have a lot more credibility on this issue if they owned up to the disaster that was Brexit? It opened us up to cheap imports, increased costs for farmers and put up barriers and obstacles to trading. Would they not have much more credibility in attacking the Government on this if they admitted that that was an absolute disaster for farming communities?

**Sir Geoffrey Clifton-Brown:** If the hon. Gentleman wants to call an Adjournment debate on Brexit, he is entitled to do so.

I was talking about the serious issue of how this farmer and many others up and down the country will be able to afford the tax—they will not. I understand that the Government have suggested that farmers should be forward-planning and gifting their farms to their children now, which would mean that they could avoid the tax in future. However, for many farmers, that is not an option.

I will take another constituent of mine, who farms near Fosse Way. He is still working on his farm at 93. He did not retire at 65 like many of us, but has kept working the long, hard days, as he did during the second world war, to ensure that we have enough food on our table. He has spent years planning to ensure that his grandchildren could inherit and take over the farming business. Instead, under this Government, his plan has gone completely out of the window, because he will have to live until he is 101 if he is to avoid the tax altogether.

The only option facing many farmers across the country is to sell off their land and stop farming. Those farmers have worked the land for generations. Their children will have seen their parents take over and will have expected to take over when they can, but now face a future of uncertainty. The Government fail to answer the question of what kind of person will buy the land when it goes on the market. It will not be the ones who have farmed the land all their lives. It will likely be foreign investors and hedge fund managers. They will not have generations of knowledge of how to work the land and will likely take prime arable land out of production, as they could possibly make more money from alternatives.

When I worked on the previous Public Accounts Committee—I urge the Minister to listen and to pledge that he will do this—I managed to obtain a commitment from the last Government that the food security index would be published in Parliament every year. Will the Minister give that pledge so we can continue doing that? That way we can see what effect the tax, the selling off of farms and taking land out of production is having and whether our food production is dropping.

I end with a plea to the Government to go back to the drawing board. I understand that a technical tax consultation on the changes is due to be published early

[*Sir Geoffrey Clifton-Brown*]

in 2025. I urge the Government to use this time to talk to farmers and professionals across the country and find a way that will ensure that farmers such as Nigel do not lose their life's work to the taxman. Some obvious alleviations and changes to APR and BPR would be to raise the threshold, so that more smaller farm owners and rental farmers would be exempt, and to have a longer transitioning period. That will help farmers like 93-year-old Nigel. However, the best outcome would be to reverse the policy altogether. Farming is under threat. I do not want to see the fabric of our countryside destroyed for future generations.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Ms Nusrat Ghani):** At some point, speaking limits will be introduced, so please think about editing your speeches. Before then, I call Andrew Pakes.

2.28 pm

**Andrew Pakes** (Peterborough) (Lab): That was quicker than I expected, Madam Deputy Speaker, so thank you. It is a privilege to speak in the debate.

Nothing goes to the heart of the health, wellbeing and prosperity of a nation more than being able to feed and look after ourselves. Britain's farmers and our farming workforce are part of the essential infrastructure that keeps this country going. I am proud to represent a constituency with such a rich food and farming heritage. Farming is in our DNA.

I pay tribute to our farmers and farming workforce. When we talk about any other industry, we recognise the skilled workers that deliver for Britain: the steelworkers, the miners, the nurses and the doctors. We should start every debate on food and farming with the same recognition for farmers. Food security begins with the incredible work of our farmers, and I thank them. We talk about people going the extra mile to look out for each other and care for our communities; farmers do that every day. This should therefore be a welcome debate on the future of farming. It should mention farming profitability and allow the hon. Member for Mid Norfolk (George Freeman) to talk about agri-technology and how we increase profitability. I hope that he does so shortly. Instead, what do we get? It is political opportunism from a party that should know better. I am proud to be part of the largest contingent of rural Labour MPs in Britain's history. Labour Members were elected to protect and support our rural communities, and we will do just that. After 14 years, it is a bit rich of Conservative Members now to claim that they are backing Britain's farmers.

**Sir John Hayes:** I entirely endorse what the hon. Gentleman, my constituency neighbour, said about recognising and celebrating the work of farmers, and indeed farm workers, but does he understand—I am sure that most Conservative Members understand this well—that assets and income are entirely different things? Farmers' assets are our landscape. Their wealth is our common wealth—something that the Government have seemingly failed to appreciate by imposing a tax on farmers that confuses their ability to make a living with the asset that is essential for them to feed the nation.

**Andrew Pakes:** I thank the right hon. Member for being a champion in this House of skills and trade unions, which are sadly too rarely championed by Conservative Members. I recognise his points on our common wealth and the work that goes into looking after and protecting our land, but I also recognise the impact of the last Government on land and our farming communities. Let us look at the Conservatives' record: 14 years of running down the DEFRA budget; a decade of austerity, which became a decade of insecurity; a Brexit turkey half-cooked; flood funding cut; trade deals that sold out British farmers; a farming budget £300 million underspent. If Conservative Members want to discuss food security and the future of our rural communities, bring it on.

The Conservative party saw more than 12,000 farmers and agribusinesses forced out of business since 2010. Farming has the lowest profitability of any sector in the economy. Conservatives abolished the Agricultural Wages Board and saw rural wages stagnate, as did many Liberal Democrat colleagues, who voted in the same Lobby. Now the Conservatives are defending the status quo when it comes to big business, big landowners and rising land prices. At the start of this debate, I thought that they were literally the last people on earth defending the status quo, but some of them seem to be talking about accepting some kind of policy, while those on the Front Bench seem to be saying that there should be no change whatsoever, so the merry-go-round continues.

The Opposition want all the spending but none of the responsibility. We talk about change. We know the change that this country voted for in our rural and farm communities. People voted for change because public services were broken, with rural schools crumbling, NHS waiting lists soaring, and rural GPs and NHS dentists harder to find. The Government are rightly focused on the cost of living crisis and improving access to GPs in our rural communities. What are the Opposition focused on? They are defending a tax break for estates worth up to £3 million while attacking a pay rise for the lowest paid workers in our rural communities. That says everything that we need to know about today's Tory party.

**Ben Obese-Jecty** (Huntingdon) (Con): As a fellow Cambridgeshire MP, will the hon. Member give us some examples of farms in his constituency that support the measure?

**Andrew Pakes:** I certainly recognise from door-knocking in rural communities and talking to rural workers that food poverty has gone up in my constituency. People have found it harder to get a bus to go and work on a farm, and people working on farms are struggling with the result of Liz Truss's mini-Budget, which crashed our economy. The reality of the debate that we should be having is that profitability for British farmers goes back a generation, not to 4 July. That is why the Government are pledging to put £5 billion into the farming budget and are committed to working with farmers and the sector to get that money into productive food production. It is why we will use the heft of public procurement to buy British farming produce. Food security goes to the heart of the challenges facing our country. Fixing our public services goes to the heart of rebuilding our rural communities. If the House wants to do both, it will start by rejecting the Opposition motion.



**Several hon. Members** *rose*—

**Madam Deputy Speaker (Ms Nusrat Ghani):** After the next contribution I will impose a time limit of five minutes on speeches. I call the Chair of the Environment, Food and Rural Affairs Committee.

2.34 pm

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I remind the House of my entry in the Register of Members' Financial Interests.

It is a pleasure to follow the hon. Member for Peterborough (Andrew Pakes), who is a fellow member of the Select Committee, and the hon. Member for Ribble Valley (Maya Ellis). They both, in their own way, made an important contribution to the debate by giving a bit more context to it. I will vote for the motion in the name of the Leader of the Opposition, not because it is the most elegant piece of drafting that I have seen in 23 years in the House, but because there is nothing in it with which I really disagree. It does feel, though, like a bit of a missed opportunity to move the debate onwards. I say that not as any real criticism, because it is a response to a Government measure in the Budget, which was also a bit of a missed opportunity.

It is worth taking a minute or two to pause and reflect on how things might have been done differently. We could have gone through the process that multiple Governments and Departments have gone through over the years by starting with a Green Paper or a White Paper, and looking at the way in which inheritance tax has worked, and some of the unintended consequences that it has generated. We have all heard of the super-rich buying up land and inflating the price as some sort of tax avoidance measure. I have not met a single working farmer who wants to defend that, so there was a real opportunity to do things differently. We could have built a consensus about the proper value of land, and about some stuff that is not really being spoken about in this debate.

I speak as a former solicitor. Thankfully, I never did any executory practice, but some of those who are still in practice and with whom I am in contact tell me candidly that, because there was 100% relief on agricultural land, they did not really give a great deal of thought to the valuation that went into the application for confirmation. That is bound to have had an impact on the figures on which the Government rely. Had we done things in a proper and reflective way, we would have been able to build consensus on values and thresholds, for example, and do things very differently.

**Sir John Hayes:** I welcome the contribution of my former ministerial colleague. Had the tax been levied on exactly the people he describes—the super-rich, and non-working farmers—few would have complained, but it has been set at the wrong level. That is why I asked for detailed modelling to be made available to the House.

**Mr Carmichael:** I think I just said more or less exactly that. A debate of the sort that I am talking about would have allowed for a wider debate about farming finances. We have had 70 years of very direct Government intervention in the agricultural economy through farm subsidies. Taking a step back, critical though those farm subsidies are, their net effect has ultimately been

to keep farmers poor. There is now such an enormous mismatch between the capital value of the assets being farmed and the derisory return on them. DEFRA tells us that there is a 0.5% return on capital. Farmers in my constituency tell me that a £3 million farm will give them an income of about £25,000 a year. That is pretty much in line with DEFRA's figures.

We hear about farmers working into their 80s. It is a slightly patronising and very romantic view of doughty farmers working on into their 80s because they are seized with a sense of vocation. There absolutely is a sense of vocation among farmers, but let us not forget that a lot of them work into their 70s and 80s because they have been running businesses that have had no spare money to put into a pension so that they can look after themselves in their old age.

**Alicia Kearns:** The right hon. Gentleman makes an important point about just how little farmers earn, and yet they are consistently being described by Labour Members as asset-rich. Should farmers not fall into their definition of working people, and therefore Labour should be on their side rather than what they are doing to them?

**Mr Carmichael:** “Working people” hardly does justice to farmers. Some of my young constituents told me they were working for returns of about £6 an hour. There is a reason I chose not to become a farmer at 16 and why I thought law was a more attractive career opportunity to pursue, but I bow to no one in my admiration for those who make that choice.

Of course, there is the question of those who have made their estate planning decisions on the basis of APR being available. Others have pointed to that, but it is absolutely critical, and it goes beyond estate planning. I wonder how many farmers over the years decided in a divorce settlement to take the farm as their part of the capital, because they have a familial and emotional connection to the land, and are now finding that what looked like an equitable settlement a few years ago risks being much more inequitable.

The particular opportunity I fear we have missed is that in relation to tenant farmers. The Tenant Farmers Association came up with an excellent proposal, which would reward landlords who grant leases in excess of 10 years with exemption from inheritance tax liability. That would be good for the very people who everybody on both sides of the House says they want to help: the small family farmers. There are multiple reasons why people might buy up agricultural land. I do not know anybody who takes an agricultural tenancy thinking that it will make them a member of the super-rich as a result.

The idea that is being mooted of a clawback—something on which we could see a bit of a sensible discussion and a consensus between the Front Benches—or the idea of a suspended inheritance tax liability which would crystallise only at the point of the land sale after the death of the owner, would both work to keep land in active food production. The irony of the way in which the Government have structured the measure is that, by allowing a 50% relief on farmland above £1 million, the purchase of agricultural land will probably remain an attractive proposition for the super-rich.

[Mr Carmichael]

We have reached a point in the debate where we need to broaden it out beyond just inheritance tax, and look at the wider question of farming finance and ask ourselves how we can build a consensus that puts farming and food production at the heart of the countryside, where it truly belongs.

**Madam Deputy Speaker (Ms Nusrat Ghani):** Now, with a speaking limit of five minutes, I call Matt Bishop.

2.43 pm

**Matt Bishop** (Forest of Dean) (Lab): My constituency is a very rural one with 751 farms. It is an extremely important issue to my constituents and me. I hear their concerns and deeply empathise with their worries and fears. While it is a difficult decision for the Government to introduce an inheritance tax, it is one that is unfortunately necessary. I welcome the opportunity from the Opposition to debate the matter, largely because it allows us the time to discuss the reasons why inheritance tax has to be introduced.

There is a crucial need to understand the unique challenges faced by rural communities and the immense value they add to society. Farmers across the country, and most definitely in my constituency, are not just farmers; they help in a number of different situations, including recently with the floods in the Forest of Dean. They are vital to all of us in the community.

However, the economic turmoil of the past 14 years has left the Government with the difficult task of balancing the needs of the British people with the economic realities of running the country. The failure of the previous Government to secure a Brexit deal that protected the interests of farmers left many in a vulnerable position, struggling with increased costs, trade barriers and uncertainty. This Government's new deal for farms aims to safeguard farmers' interests, and we will do all we can to support them.

We are using the Government's purchasing powers to ensure that 50% of food consumed in hospitals, army bases and prisons is from British farmers, putting more money in their pockets. We are introducing grid reform, allowing farmers to plug their renewable energy into the national grid. We are also seeking a new veterinary agreement with the EU to ensure that our friends on the continent can enjoy the incredible produce that Britain has to offer. This Government are actively working to improve the lives of farmers in a way that will benefit the agricultural sector and the broader economy.

**Freddie van Mierlo** (Henley and Thame) (LD): Will the hon. Member accept that the changes to inheritance tax damage the economic realities in the UK because farmers will be disincentivised from investing in their land and increasing its productivity?

**Matt Bishop:** Although I empathise with the hon. Member's comment, that is not exactly what I hear from the farmers in my constituency, which I will get on to shortly.

The impacts of Brexit, including trade barriers, labour shortages and disruptions in supply chains, have undeniably placed significant pressure on our farmers. It is somewhat ironic that the Opposition choose to complain about this Government's actions when it was their failures

that created this mess. The NFU even criticised DEFRA as recently as September for significant underspending amounting to £358 million over the past three years.

My constituents and, more importantly today, farmers in the Forest of Dean have felt the impact of the challenges first hand. Small businesses and families are all facing tough times, and the Opposition must acknowledge the broader context. The new initiatives that the Government are introducing, from the support for British farmers to green energy reforms, are vital steps forward, and I do not underestimate the difficulties that lie ahead for all of us. There is no quick fix for the challenges we face, and I fully recognise the pain and frustration felt by those who are struggling, especially in rural areas such as mine. But the Government's focus is on long-term growth, sustainability and providing the tools that our farmers need to thrive. It is inaccurate to say, as has been raised, that no farmers agree with this policy; some farmers agree with it. They want better services, and they are happy to accept that reform needs to take place.

Some might be surprised to hear that I agree with the Leader of the Opposition's recent comments to the media reminding us of the profound impact of the rising cost of living on individuals across the UK and farmers. She is correct that the impact is felt deeply and intensely by all in the country, including my constituents and farmers in the Forest of Dean, but let us not forget one important factor: it was under the previous Conservative Government that the cost of living crisis began for farmers. It is under this Government that it will end.

2.48 pm

**Katie Lam** (Weald of Kent) (Con): The Government have made many claims about this policy that are not credible, but I wish to address only four.

First, they outrageously claimed that they would not do it. The Secretary of State, the right hon. Member for Streatham and Croydon North (Steve Reed), said last year:

"We have no intention of changing APR."

He said that given the situation that farmers are in, a Government cannot possibly go to people and demand more taxes. I am sorry he is not here today to hear his own words.

Secondly, the Government claim the change is unavoidable as they desperately need the £500 million they claim that it will raise. The £500 million that they give to farms overseas and the £9 billion that they were all too happy to hand over to public sector unions says otherwise.

Thirdly, the Government claim that these people are rich. That completely misunderstands agriculture and the countryside. A farm is not an asset on a balance sheet. Our farmers are stewards of their land, holding it for the next generation and the generation after that. It is not the fault of farmers—especially those in places such as my constituency in Kent, with its astronomical house prices—that their land is so valuable in a way that does not at all reflect their farm's profitability.

**Dave Doogan:** Is the hon. Member, like me, slightly irate when she hears UK Government Ministers talking about how the terms of the proposed agricultural property relief are much more favourable than the rate that other

people have to pay? Inheriting the family farm is not like inheriting your mother's house. You do not liquidate the asset and then live the high life; you just get on with the job that you were doing the day before and the day before that. There is no enrichment involved, making the Government's policy utterly baseless.

**Katie Lam:** I could not agree more with the hon. Gentleman. My farmers tell me that these inheritance tax bills will take decades of profit to pay off, so they will keep doing the job that they were doing yesterday, but with a fraction of the cash that they had before—which was not a lot to begin with.

Finally, I want to address the idea that farmers can simply give farms away and live another seven years. It is incredible that the Government should introduce a tax in one breath and encourage people to avoid it in the next, and it makes a mockery of the whole policy. If it is true, then the tax will not raise any money for the Government, but instead increase bureaucracy and advisory fees for farmers. Mostly, though, for many people, it is not an option or it will not work. People have not been given enough time to plan for these changes. My constituent Ross grows hops in Tenterden. As he watched the Budget, his father, who is in his 70s, was suffering from sepsis and fighting for his life in hospital.

Especially in farming, our most dangerous industry, people cannot guarantee that they will live another seven years after having handed over the farm. Another of my constituents is in remission, having recently recovered from cancer. If the cancer returns, it is likely to be terminal. This constituent is in their early 50s. Are the Government seriously suggesting that my constituent should hand over, not just the farm, but the home that they live in to their teenage children?

Many of my farmers live in their farmhouses and are planning to work the rest of their days. They do not have pensions; they do not have plans that would allow them to spend the last decade of their lives—of course, it may be much more—no longer farming the land that they have farmed for the whole of their lives up until this point. Finally, to raise a point that seems to have been almost entirely ignored, doing this will incur eye-watering capital gains tax bills. For some of my farmers, it will mean hundreds of years' worth of land revaluation that they similarly cannot afford to pay.

**Louise Jones:** Is the hon. Lady aware that the capital gains tax starts from the moment of a person deceasing, not from when they bought that land?

**Katie Lam:** What I have been told by my farmers, based on the tax advice that they have been given, is that the bills—and not just the inheritance tax on decades of profits—will be completely unaffordable.

Farming is hard. It is not like any other industry: it is a culture and a way of life. It is lonely, revenues are uncertain, profits are tiny and cash is tight.

**Andrew Pakes:** Will the hon. Lady give way?

**Katie Lam:** I will not, as I am coming to the end of my speech.

It is absurd and shameful that this Government, looking to fund their union pay rises and vanity energy projects, are putting this pressure on those who do the

back-breaking work of growing our food. Farmers already have appalling problems with mental health and suicide: the Royal Agricultural Benevolent Institution tells us that a third of farmers may be depressed and half may be suffering from anxiety. One of my farmers says that his father is now kept up at night by the thought that he will leave his children a crippling debt that will make their lives financially impossible. Another told me that his father says that he just hopes that he dies before the changes come in. This policy is illogical, inconsistent, dishonest and wrong.

2.53 pm

**Jon Pearce** (High Peak) (Lab): To misquote Brian Clough, I would not say that my constituency is the most beautiful in the country, but it is certainly in the top one. We have generations of farmers to thank for that beauty—those who protected the land and nurtured nature long before the Peak District was designated Britain's first national park. If I thought for one second that these changes to agricultural property relief threatened future generations of farmers in my constituency, I would not vote for them, but I do not.

**David Chadwick** (Brecon, Radnor and Cwm Tawe) (LD): Last month, I spent a very enjoyable afternoon scoring the senior young farmers at Radnor young farmers club. These are really admirable young people who spend their afternoons and evenings looking after youngsters, often those as young as 10, and trying to encourage them into farming. Is the hon. Gentleman not concerned about the message that this change sends to our young farmers?

**Jon Pearce:** No. The message from this Government is that we are committed to farming, and to making it profitable and sustainable. That has to be the message that we send out to those young farmers.

There is no doubt that farmers in my constituency have been struggling terribly for the past 14 years, working seven days a week, 12 hours a day, for very little reward. The last Government promised them the earth, but left them in the sheep dip. After all the Brexit promises, what they got was the Leader of the Opposition selling them out in trade deals with New Zealand and Australia. Boris Johnson promised farmers that subsidies would stay at 100%, but then the Government phased out the basic farm payment. The Opposition's incompentence saw farmers miss out on £358 million that could have been in their back pockets when they desperately needed it, and then came Liz Truss. Her mini-Budget and all those unfunded tax cuts—a point that I will return to—crashed the economy, causing interest rates to rise and driving many farmers to the brink. Over 12,000 farmers and agricultural businesses were lost under the last Government, so we will not take any lectures from the Opposition about the farming industry.

**Sir Gavin Williamson:** The hon. Gentleman has 428 farms in his constituency. How many of those farmers will thank him for supporting the Government today?

**Jon Pearce:** I live in one of the rural villages and speak to the farmers in my villages all the time. The fact is that those farmers voted for me because they were so let down by the last Government.



**Several hon. Members** *rose*—

**Jon Pearce:** I will not take any more interventions at the moment. Before the Budget, I sat down with farmers in my constituency. They wanted to talk about two things. First, they were concerned about the effect of the changes to APR on family farms.

**Dr Shastri-Hurst:** Will the hon. Gentleman give way?

**Jon Pearce:** No, I will not. Secondly, they were concerned about cuts to the farming budget. The Chancellor delivered £5 billion for the farming budget, the largest ever investment in sustainable food production and nature recovery, and she delivered in terms of protecting family farms in my constituency.

**Dr Shastri-Hurst:** Will the hon. Gentleman give way?

**Jon Pearce:** No, I will not give way at this stage. Let us be clear: only 4% of estates in this country pay inheritance tax. As we have repeatedly heard, these changes will mean that a couple will be able to leave £3 million-worth of estate to their children without paying a penny in inheritance tax. To put that in context, if a couple owned a £3 million mansion, they would be paying £940,000 in inheritance tax.

**Several hon. Members** *rose*—

**Jon Pearce:** I will not give way at this stage. Those estates over the threshold will have a 50% reduction in the amount they pay. We have already heard that the seven-year rule will continue to apply, so farming families will be able to make plans for the future.

**Freddie van Mierlo:** Will the hon. Gentleman give way?

**Jon Pearce:** Sorry, I will not give way at this stage.

This debate has, however, shone an important light on one issue, which I am grateful to the right hon. Member for Orkney and Shetland (Mr Carmichael) for raising: the fact that our farmers are working day in, day out, for very little profit. The question is how we support them to be profitable again. Energy bills are one of the biggest costs farming businesses face. This Government will help bring down those costs through GB Energy and by introducing grid reform to allow farmers to plug renewables into the national grid. We must protect them from being undercut by foreign imports.

**Harriet Cross:** Will the hon. Gentleman give way?

**Jon Pearce:** I am sorry, but I will not.

We must create a greater marketplace for farming businesses by using the Government's purchasing power to ensure that 50% of the food bought for our hospitals, prisons and army bases is produced by local farmers.

Here is the most important point: we have to provide farming businesses with economic stability. The Leader of the Opposition has already failed to learn the lessons of the Liz Truss Budget, with £6.7 billion of unfunded tax cuts already announced in a matter of weeks. The Opposition need to tell us how they are going to pay for that. What are they going to cut? Are they going to cut the farming budget—are we going to lose the £5 billion from the farming budget?—or are they going to borrow and put us right back in the position we were in with

Liz Truss, with interest rates rising and farms going out of business? I will not be voting for the Opposition motion; I will be supporting farmers in my constituency and providing the economic stability they need.

3.1 pm

**Charlie Dewhirst** (Bridlington and The Wolds) (Con): I share the frustration of my right hon. Friend shadow Secretary of State that the Secretary of State for Environment, Food and Rural Affairs cannot be with us today. I wanted to offer him some sympathy, because I do not believe that either he or the farming Minister cooked up this terrible plan. It was thrust on them by the Treasury because, as has been said before, the Treasury knows the price of everything and the value of nothing. It clearly does not know the value of a family farm or the value of our farmers to this country.

The purpose of this policy, as was outlined by the Chancellor in her Budget statement, is to stop wealthy individuals avoiding inheritance tax, but to protect family farms. As my right hon. Friend the Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson) said, the CLA has highlighted that the average 300-acre arable farm owned by a couple would have to spend 99% of its yearly profit over a decade to afford an inheritance tax bill. More starkly, a single farmer with 200 acres would have to pay 136% of their yearly profit to cover the bill. Clearly, that is unaffordable.

A real-life example was sent to me by a constituent. He is a farmer whose elderly father is still alive but no longer works, and whose son is at a local agricultural college and hopes one day to follow in his footsteps. Such an inheritance tax bill makes his farm unviable and puts his son's future in doubt. His father is distraught. He said to his wife that morning, "What is the point of even going to work?"

**Mr James Cleverly** (Braintree) (Con): I have had correspondence from an agricultural accountant in my constituency who says that, since the Budget, his job has changed from being an accountant to being a counsellor as more and more farmers contact him with serious concerns about their mental health, because of the fear that has been introduced by this policy and the fact that their children are now telling them that they do not want to go into the family farm.

**Charlie Dewhirst:** My right hon. Friend is absolutely correct. Farming is a lonely existence at times, and farmers have traditionally suffered from mental health difficulties. This policy is making things far worse, and for small family farms it really is devastating.

As others in the House have said, tenants have not been taken into account in any of this. The impact of business property relief is far greater than any of us have discussed so far, because it does not just relate to farms. It relates to any unquoted business, which could be a local haulier, an abattoir or a feed merchant. All of these—the tapestry of our agricultural economy—are impacted by these measures. It really is a devastating attack on our way of life.

If we take the Treasury's figures, which show that £500 million will be taken each year by these taxes, that is £500 million that will no longer be spent in the rural economy. For example, a farmer who wants to expand his livestock herd needs to build a new shed, and that

means paying a planning consultant, a construction firm, a mechanic and an electrician. It means a greater feed bill for his new livestock, and he has to buy the livestock. All of those things are part of the wider economy. It is not just the farmers who will be hit by this policy; it is everyone in rural communities.

The Secretary of State told us at the Environment, Food and Rural Affairs Committee that it will all be fine because farms, under his tutelage, will become more profitable. The only way to make farms profitable that quickly is by greatly increasing food prices. If we are to go down the route of food inflation and of inflation more widely, then fine, but the Government are going to have to explain that to consumers in the supermarket.

**Greg Smith:** Does my hon. Friend agree that, as part of Labour Members' total failure to understand the countryside, they probably do not get that farmers are one of the very few sectors that have to buy retail but sell wholesale?

**Charlie Dewhurst:** My hon. Friend is absolutely correct. Farmers are of course price takers, not price setters, and they have always been under great pressure from the retail chain to keep their prices to a minimum, so that we can all enjoy cheaper food. That is a fact of life, and a very difficult challenge.

**Helena Dollimore:** My colleague on the Select Committee has great expertise on the farming industry. He will therefore know that, for the last 14 years, the record of his party in government has been one of failure for our farming industry, with 12,000 farms closing since 2010 and energy bills skyrocketing because the Conservative party failed to invest in energy independence, hitting our farmers and reducing profitability.

**Charlie Dewhurst:** We are going to have to agree to disagree on that point.

Frankly, this is a policy dreamt up by the Treasury on a spreadsheet. There has been no impact assessment, and there is no understanding of its impact on rural communities. This is not just an assault on farmers; it is an attack on the entire agricultural economy. The end result will be less British food, reduced British food security and fewer British jobs. Will the Minister please give our farmers some hope this Christmas, and look at this again?

3.6 pm

**Markus Campbell-Savours (Penrith and Solway) (Lab):** I must admit that, as a new Member and a novice when it comes to the fine details of parliamentary procedure, I am surprised that we are debating this issue in this way today. As the Opposition know, the agricultural property relief measures announced in the Budget were not included in the Budget vote last month. They also know that the measures will be included in a future Finance Bill alongside other measures that will be subject to the technical consultation in the new year. This decision is simply not being made today, despite the disingenuous social media posts that imply otherwise.

This detail matters to me, because I have spent the last few weeks speaking to farmers in Penrith and Solway to try to understand the full impact of the

inheritance tax proposals, knowing that I have months left to engage with DEFRA and the Treasury and to seek important amendments. Let me be clear: if today was the real vote, I would vote against the Government's plans. I am no rebel—I am a moderate—but during the election, I read what I thought were assurances from my party that we had no plans to introduce changes to APR. On that basis, I reassured farmers in my constituency that we would not, and now I simply am not prepared to break my word. I am told that there is no Labour MP in the country with as many farms as I have in Penrith and Solway, and I hope my colleagues will understand my feelings on this.

Today, however, we are debating a frankly irrelevant motion from the Conservatives. The motion fails to acknowledge how they failed to deliver for my farmers, how they failed to deliver on trade deals after Brexit, and how they set budgets for new rural payment schemes, but could not make the schemes accessible. They made manifesto commitments for the public sector to buy British that never materialised, and they failed to spend flood prevention money that is desperately needed by my farmers on the Solway plain. They failed to deliver reforms of inheritance tax rules that farmers know were being abused by non-farmers at their expense. I simply will not walk into a Lobby with people who talk a good game on farming but do not deliver. Their motion starts with the words, "That this House regrets", yet 14 years of failure do not even get a whisper.

**Madam Deputy Speaker (Ms Nusrat Ghani):** I listened to the Member's speech very closely. Paragraph 20.13 of "Erskine May" states:

"Formerly, the House strictly observed a rule against anticipation".

That was designed to restrict debate on a subject to the type of proceedings deemed to be the most effective. As the word "formerly" suggests, the rule is no longer strictly observed and has not been for many years. The principal provision in the Budget relating to agricultural property relief is not contained in the Finance Bill currently before the House, so the question of anticipation does not arise. In any case, I am firmly of the view that any absolute rule should not prevent Members, whether acting individually or as parties, from holding the Government to account. I hope that that satisfies the Member; it is not a point for him to respond to right now.

3.10 pm

**Esther McVey (Tatton) (Con):** I rise to join Conservative colleagues in calling on the Labour Government to stop this farm tax. It is a pleasure to follow the hon. Member for Penrith and Solway (Markus Campbell-Savours) and to have heard what he said about those false promises before the general election. Perhaps he, too, wants his Government to think again about what they are doing.

The other week, thousands of farmers took the extraordinary step of coming to Westminster to protest against this misguided policy. Unfortunately, the Government have put their head in the sand and are pursuing this policy. I hope this debate will make them think again and make them listen. I give the Exchequer Secretary 10 out of 10 for appearing in the Chamber today, even though he is a junior Minister at the Treasury—he certainly pulled the short straw by being

[*Esther McVey*]

put on the Front Bench today. I ask Ministers not just to come here, but to listen to what is being said and to really listen to the needs of our farming community.

We have heard a lot today about what British farmers do—they are stewards of the land, guardians of our food security and the backbone of the rural economy—yet the Government show a fundamental lack of understanding of how their policy will affect the industry. They are pushing ahead with it, even though it jeopardises not just farmers' livelihoods but the very future of our countryside.

The numbers speak for themselves. While the Government claim that only 27% of farms will be affected, the National Farmers Union has warned that 75% of family farms will be affected. If I were in government and I saw the discrepancy between those numbers, I would go back to the drawing board, check the figures and ask why those discrepancies are there, not dig in deeper. I think the curse of this Labour Government and what they will be remembered for is their distinct lack of grasp of detail and of how the economy works, rural and otherwise. [*Interruption.*] Yes, this Budget has been a disaster of a Budget.

**Dame Caroline Dinenage** (Gosport) (Con): My right hon. Friend is making excellent points. Does she agree that there is not only a lack of grasp of detail, but an astounding sense of arrogance—an inability to listen to those who know what they are doing, the farmers, and who have the experience and the expertise? There is just a blank inexplicable unwillingness by this Government to listen to the voices of expertise and of experience.

**Esther McVey**: I thank my hon. Friend for bringing that point to the House. This debate allows those on the Labour Benches to say, "Actually, let's go back to the drawing board. Let's look at this discrepancy in the numbers." For all their talk of growth—I return to the Budget—this Government's policies are delivering the exact opposite of growth, with the change to employer national insurance contributions and the change to rights from day one. They are talking down the economy and crushing growth in the economy, with the forecast being revised to be lower than it was.

Even if the Government do not want to hear this from me, and even if they do not want to hear it from the farmers, I want them to hear it from a Labour-supporting tax expert, Dan Neidle. He has eventually come to the conclusion that Labour's farm tax is a dog's dinner of a policy. Originally, Dan had criticised what he saw as "over-the-top coverage" of the impact these tax changes would have, but he says that on closer inspection he has reversed his decision, remarking that these Budget changes would hit

"farmers too hard and tax avoiders too lightly."

He argues that the policy needs to change. Dan Neidle has said that the Treasury should raise the inheritance tax cap dramatically to around £20 million so

"only the largest and most sophisticated farm businesses become subject to IHT".

Those on the Labour Benches might not want to listen to me, but I hope they will listen to one of their own tax experts.

**Sam Rushworth**: A moment ago, we heard talk from the Liberal Democrat Benches of a family farm tax and land taxes. It now seems that the right hon. Lady is suggesting we take up Dan Neidle's suggestion. Will she confirm whether that is the case?

**Esther McVey**: It would be good if Members listened to what I said. I said it is not too late for Labour to reverse this policy; even their own tax advisers are saying, on closer inspection, it needs to be reversed. That is what I am asking those on the Government Benches to do.

We have heard today that farmers are asset-rich, but in reality they are cash poor, and that is the crux of the matter before us today. In the time I have left, I will mention a couple of farmers from my constituency. A seventh-generation farmer told me she was hoping to pass her farm on to the eighth generation, but that now does not seem possible because if they have to sell a proportion of the land, which they will, that will make the whole farm is unviable.

Another farmer of mine, Richard Shepherd, a few years ago built a state-of-the-art cow cubicle shed for their dairy herd, a piece of modern technology he believed would prepare the farm for the challenges of the 21st century, investing in methods to produce high-quality, affordable and nutritious food—the type of innovation this country will come to rely on for food security in the future. However, now, with this change from the Labour Government, he will owe between £600,000 and over £1 million in inheritance tax. He has said that, "Like any other business, we need confidence to invest in our farms. That's what we wanted to do: we wanted to grow our farm, invest in it, and this will destroy this."

Richard Barnett, an accountant who works with many farmers in my constituency, has warned of two immediate consequences of these proposed changes. First, there will be an increase in the number of individuals seeking to acquire farmland up to £1 million to mitigate inheritance tax, resulting in a reduction in the amount of tax that the Treasury can expect to generate from this policy, as well as an increase in land prices. Secondly, he expects a consequence of these changes to be that the financial industry will enter the land market with individuals investing up to £1 million in farmland, acquiring it and then we will see farmland being lost—

**Madam Deputy Speaker (Ms Nusrat Ghani)**: Order. I call Callum Anderson.

3.18 pm

**Callum Anderson** (Buckingham and Bletchley) (Lab): I associate myself with the excellent speeches by my hon. Friends the Members for Ribble Valley (Maya Ellis), for Peterborough (Andrew Pakes) and for Forest of Dean (Matt Bishop), who were all absolutely right to say that this Government are committed to standing shoulder to shoulder with British farmers and ensuring their voices are heard and their future is secured. Nowhere is this more vital than in Buckinghamshire, where farming is not just an industry, but an integral part of our local identity. It supports our economy, shapes our landscape and is woven into the fabric of our communities.

Since I was elected in July I have engaged closely with farmers across north Buckinghamshire, and I have been grateful to meet local agricultural and rural businesses



in my constituency such as Boycott farm in Stowe and Hogshaw farm and wildlife park; I thank them for welcoming me to their world. These visits have reinforced my commitment to representing their interests and addressing the challenges they face.

I have been struck this afternoon as I listened to speeches from across the House by the inability of the Conservatives to confront and defend their own record in office. Time and again, the previous Government failed to stand up for Buckinghamshire farmers. As has been said, they failed to spend £358 million of the UK's agricultural budget, and that money should have gone straight into the pockets of Buckinghamshire farmers. Instead, the Conservatives left it on the table, not because it was not needed, but because they could not be bothered to make sure that their policy to replace the basic payment scheme was completed on time. That was their attitude when in office. The gaps and the unanswered questions in the schemes left many farmers in my constituency in limbo, undermining their confidence and threatening their livelihoods.

When in government, the Opposition failed again when they negotiated trade deals with Australia and New Zealand, removing most tariffs on beef and lamb. Even the Conservative Cabinet Member responsible for negotiating the deal said it was a bad one. These deals have opened the floodgates to imports that threaten to undercut our domestic producers, leaving British farmers struggling to compete against lower-welfare and lower-cost alternatives. Our farmers deserve better. That is why this Government are determined to do things differently. We have committed, as others have said, £5 billion to the farming budget over the next two years. That is the largest investment in sustainable food production in our history, because we know that food security is national security. In the coming year alone, £2.4 billion will go directly to supporting British farmers, ensuring that they can thrive in a rapidly changing and uncertain world.

**Ann Davies** (Caerfyrddin) (PC): Will the hon. Member give way?

**Callum Anderson:** I would be happy to were there not too little time. These investments are about more than money. They represent a vision for a resilient and sustainable future. On the inheritance tax point, the Government's approach is balanced and fair.

**Greg Smith:** Will the hon. Member give way?

**Callum Anderson:** I will not on this occasion. Just last night, the former Conservative Chancellor Lord Clarke agreed with our approach, saying that he was team Chancellor. He said it was

"a strange exemption...which is why so many rich people buy agricultural land".

He is not wrong. As others have said, in 2021-22, the top 7% of wealthiest claimants accounted for 40% of the total value of APR, at a cost of £219 million to the taxpayer, as my hon. Friend the Member for Rugby (John Slinger) said. The majority of claimants will not be affected. Couples inheriting farms can still pass up to £3 million tax-free, and any additional assets will be taxed at half the standard rate, with payments spread over 10 years.

This Government are delivering a new deal—a square deal—for farmers, including measures to ensure that British produce is prioritised in Government procurement, that farmers are not undercut by low-welfare imports and that energy costs are reduced through innovative solutions. Our farmers deserve a Government who listen, support and invest in them, and this Government are committed to doing just that.

3.22 pm

**George Freeman** (Mid Norfolk) (Con): I rise to speak on behalf of Mid Norfolk, a rural, agricultural, food-processing constituency that is reeling from this surprise and savage attack that was not in the Labour manifesto. I have no direct interest in farming, but I am the child of a farming family—my stepbrother runs that business. I worked on farms from the age of 15 to 21. I was going to go into farm management, and I think I still have a place at Harper Adams agricultural college if this career does not work out. My first job was with the NFU, working here in Parliament. I was a director of Elsoms Seeds and I was proud as a Minister to lead the agritech industrial strategy. I am chair of the all-party parliamentary group on science and technology in agriculture.

This is a hugely important strategic industry to the UK. It is key to our food security—now, gratifyingly, a Government priority—and it is completely key to the world's ability to feed 9 billion mouths. We are a great agricultural research and technology economy, and the world is hungry for our innovations. Agriculture is also completely key to net zero. Agriculture and transport are the two dirtiest industries, and agriculture is moving more quickly than any, pioneering regenerative systems of agriculture and carbon-capturing systems. Those innovations are being driven by a new generation of young UK farmers, who are different from the post-war generation. They take their responsibilities to the broader planet and regenerative agriculture seriously.

At the same time as agriculture being a key strategic industry, farmers look after our countryside and keep our rural economy healthy. All of those are achieved in the most extraordinary way, in an industry not dominated by big companies. This industry is made up of millions of small businesses. Moreover, they exist in the most extraordinary business climate. They operate on incredibly expensive assets—the land—which they never seek to monetise, as colleagues have pointed out, in an industry in which their costs are fixed. They invest in all their costs up front and wait hopefully for a price for their product, which is subject to the vagaries of the weather and of climate change. Most business people looking at that business model would say, "That is not a business I want to be in." Why do our family farmers do it? They do it because it is a way of life and because it is deeply embedded in the values of their families, their countryside and their communities. It is about stewardship, and it makes it all the more remarkable that this Government have decided to attack that very bit of the agricultural economy.

What are the aims of this policy? What is the impact of this policy? How should this House and those MPs who understand the rural economy respond? If the Government had said, "Our aim is to close the loophole of land asset speculators enjoying the legitimate family tax relief that the Conservatives put in place in 1984," I probably would have supported them. If they had

[George Freeman]

said, “We want to stop international hedge funds enjoying a tax relief designed to protect family farms,” I suspect many of us would have supported them. If they had said, “We want to support new entrants to the industry to promote diversified, regenerative agriculture, to increase investment and to promote the vibrant rural economy,” I probably would have supported them. That, however, is not the aim of this policy. The truth is that we do not know its aim, because the policy was never in the Government’s manifesto and it is not from DEFRA. It is a Treasury policy that has been landed on unwitting Ministers, who are now having to carry the can. We know it is anti-small business, anti-family business and anti the rural economy.

The former Labour adviser, John McTernan, let the cat out of the bag. He said that Labour has waited a long time to seek revenge for the Tory attacks on the miners, and it was going to attack the farming community now—[*Interruption.*] That is exactly what he said. The impact of the policy is clear; we only have to read the CLA and NFU briefings. I have met Gavin Lane, Phil and Sophie Ellis, Oliver Munday and Nigel Stangroom. Most of our average family farms will have to pay tax bills of £400,000, £500,000 or £600,000. Where will they get the money, when the businesses do not generate the profits to pay those bills? They will all have to sell land, but who will buy it? It will not be their neighbour, because they will be selling land, too. I fear that this policy was designed in the Treasury with the support of bits of the Department for Energy Security and Net Zero and DEFRA. The people hanging over Mid Norfolk waiting to buy the land are the big solar developers and the big mass housing developers.

**Tom Hayes** (Bournemouth East) (Lab): Will the hon. Member give way?

**George Freeman:** I will not, as time is short and colleagues want to speak. This policy is a prescription for the industrialisation of the countryside, cooked up in the Treasury in the summer when nobody was looking. It will lead to family farms being broken up and sold, farm investment falling and young farmers leaving, with a major economic impact and tertiary impacts in my part of the world. Those industries that support farming are already seeing the effects. The response of rural MPs should be to move fast behind the hon. Member for Penrith and Solway (Markus Campbell-Savours) and make it clear to the Treasury that it needs to adjust the mechanisms, change the thresholds and change this policy, unless Labour wants to be the party of rural devastation.

3.27 pm

**Joe Morris** (Hexham) (Lab): It is always a privilege to speak on behalf of my constituency, which is the largest in England and one of the most rural. I start by paying tribute to the farmers I have engaged with, both as a Labour candidate—I had my selection meeting at a Hexham farmers market—and since I have been elected, whether in London, on their individual farms, through the NFU or otherwise. I have had genuinely balanced and informative conversations about them, and I have shared the outcomes of those conversations with Ministers and through the appropriate channels. What really

strikes me is that this is an unserious motion brought by an unserious party; one that fails to understand the countryside and fails to understand why it lost seats that it had held—in the case of Hexham, for 100 years. The Conservative party undermined the confidence of young people to remain in the communities where they grew up, and it cried foul at any attempt to provide housing in my local community.

I spent this morning meeting with Hexham Community Partnership to talk about the appalling overcrowding in Hexham and the need for genuinely affordable housing. The problem is having a devastating effect, forcing people out of the towns they grew up in. The Conservatives had oversight of that in my part of the world for 100 years. They need to look in the mirror and genuinely consider why rural communities turned against them so much.

**Mr Cleverly:** Will the hon. Member give way?

**Joe Morris:** I will. The vast expanse of green on the Opposition Benches reminds me of the British countryside.

**Mr Cleverly:** Does the hon. Member think that perhaps the reason the good people of Hexham voted for him is because they were promised explicitly that his Government would not do what they are currently doing?

**Joe Morris:** When we start a new job and find that the previous person in that job had not paid invoices for the previous year and deliberately withheld financial information, we have an honest conversation with the public about what is achievable. In any business, we have to be honest with people about deliverables. [*Interruption.*] Well, ultimately people in my constituency were sick of the chaos. They were sick of seeing Liz Truss plastered all over the newspapers.

When I speak to my farmers, I hear a real cry for security and genuine forward-planning from a DEFRA that listens and is not turned into a political football, as it was too often by the Conservatives. I know, having grown up in a rural community alongside the children of farmers, that they value roads that are not full of potholes, a stable economy and libraries that are not falling down—exactly the public services that every one of us expects.

**Dr Shastri-Hurst:** Will the hon. Gentleman set out how many farmers he has spoken to since the Budget and, of those, how many support the Government’s policy?

**Joe Morris:** The hon. Member is welcome to come and take a look at my diary at some point. On the Saturday after the Budget, I went to a farm. On the second Saturday after the Budget, I went to a farm. I then met with NFU members at my office in London. Believe me: Labour Members work their constituencies a lot harder than Tory Members.

**Chris Vince** (Harlow) (Lab/Co-op): I hope that my hon. Friend sees me as a fellow Labour MP who works his constituency hard and speaks to residents. Farmers tell me that they are concerned about rural crime. We can all agree that something that DEFRA has got right under the Labour Government is tackling rural crime, and the rural crime strategy in particular. Do farmers speak to him about that, as they do to me?

**Joe Morris:** They absolutely do; my hon. Friend is right. What people—not just farmers—speak to me about is the need for that growing, stable economy. They are infuriated with the Conservative party for pretending to jump on a bandwagon after taking farmers for granted for 14 years while in government.

**Harriet Cross:** Before the Budget, the hon. Member will remember attending a Westminster Hall debate that I organised specifically on agricultural property relief and business property relief. Will he agree that the Conservatives have not jumped on that since the Budget? We have been speaking about it for a very long time.

**Joe Morris:** I thank the hon. Member for her intervention. She and I must have a slightly different view of a very long time. A few weeks ago is not a very long time for me. I am talking about years in which local farming communities were ignored.

The botched Brexit deal that the Conservative party secured did not do any farmer any favours. Labour is the only party that is genuinely serious about countryside renewal. We cannot pack communities across Northumberland in aspic and pretend that they do not need houses or services. That is why the Conservatives lost. That is why I am here.

**Greg Smith:** Will the hon. Member give way?

**Joe Morris:** I have taken plenty of interventions in a short time.

Ultimately, the Government will be judged on the success of our record and whether we can get the farming budget into the pockets of farmers. I have every faith that the Government and DEFRA will do that. I do not believe that the Conservative party could honestly say that it ever trusted its DEFRA Ministers to do the same.

3.33 pm

**Pete Wishart** (Perth and Kinross-shire) (SNP): I rise to support the many farmers in my constituency and the rural communities that farmers are the very heart of. I want to do something a little different in this debate and try to figure out what is behind some of the moves that the Labour party has put in place when it comes to farming. [HON. MEMBERS: “What about Brexit?”] Believe me, I am coming to that, but I want to try to understand a little bit about the Government’s motives.

What I think it comes down to is a clumsy attempt to try to define what working people are. It is clear that farmers do not fit that bill. Even though they work 12-hour days in backbreaking conditions, mainly outdoors, right into older age, they just do not seem to fit into that particular clique.

Labour has always had an urban-centric view of our country. Everything it does in politics is viewed mainly through a metropolitan lens. Farmers have never really had a chance with this Labour Government. It should come as no surprise—I know why Labour Members shouted down the hon. Member for Mid Norfolk (George Freeman)—that someone as thoroughly unpleasant and John McTernan, Tony Blair’s former aide, would say something like farmers should receive the same as what Margaret Thatcher dished out to the miners. I think his view that we could do without our farming industry has just a little currency in the Labour party.

Labour Members would do well to be honest about these things. For our comrades on the Government Benches, farmers are simply not “one of us”. The last time we had a whole cohort of Labour Members on the Government Benches, we would mercilessly tease them that there were “nae farms in Scottish Labour.” Two things about that quite unjust slight: first, they did not respond—they did not seem to care, it was a matter of “Whatevs”; and secondly, it was patently untrue. There were lots of farms in Scottish Labour, and there are with the cohort down here. A great number of Scottish Labour MPs represent rural and farming constituencies. But the point remains the same: they just do not care about what happens to farmers.

I think the general view is that Labour MPs do not rely on a rural farming vote—they could just about muddle through their elections without the support of the rural community. They see farming as just another business that they might find in one of their town or city centres. They understand nothing about how it is possible to be asset rich and resource poor, land values and the intimate nature of family farms, which are dependent on fixed assets to generate business and activity.

The simple fact is that this Government do not understand the rural community, or how the generational continuity of farms works. And now, loads of new Labour MPs represent rural constituencies in England. Rural Labour Members of Parliament do not tend to last all that long—they may be in for one term, or possible two terms at most. That is generally because they are forced to accept and subsume the agenda put forward by their Government. My bit of advice to them is to start thinking about the farmers and their communities, start to think about their own electoral arithmetic and try to be on the side of farmers for a change.

**Dan Norris** (North East Somerset and Hanham) (Lab): I cannot believe what I am hearing. I am a four-time Member of Parliament for a semi-rural seat, having first been elected in 1997. The hon. Member is just talking nonsense. I have never heard anything like it.

**Pete Wishart:** I am a bit familiar with the hon. Gentleman’s electoral history—he was out of Parliament for quite a long time. It is good to see him back in his place, obviously, but he was booted out, which was basically down to his lack of interest, concern or care about what was happening in the rural community. If I were NFU England, I would be sure to put that in front of the Members of Parliament who represent rural constituencies in England.

I have a couple of bits of advice for some of the UK farmers and their representatives. First of all, Jeremy Clarkson is not their friend. He represents the part of the rural community that is so far away from the real struggle that farmers face that he may as well be in an urban Labour constituency. Secondly, farmers must be very careful of what the Conservative party is offering. Let us remember that the Conservative party oversaw the cost of living crisis, the ending of thousands of farms, and who—to come to the point made by hon. Members—brought in the absurd and economically illiterate Brexit. The Tory hard Brexit increased farming costs, introduced unnecessary barriers to markets, allowed lower-quality competitors in the marketplace and has taken billions of pounds out of the rural economy. How



[Pete Wishart]

the Tories were able to sell this chaotic Brexit pup to so many rural communities will go down as one of the worse pieces of mis-selling in British farming.

There is a different way to do it. In Scotland, we do things differently. We are making sure that there will be a constant farm payment to farmers in Scotland. We have also put food production at the very heart of our farming policy. Today, in the Scottish Budget, as well as introducing a winter fuel payment, we will abolish the two-child benefit cap. On top of that, £660 million will be going to farmers. All the money that was kept for Government emergencies in the past few Budgets will be returned in full.

That is how the Government can support farmers. It would be good to see this Labour Government doing a bit of that in the future.

3.39 pm

**David Smith** (North Northumberland) (Lab): I welcome the opportunity to speak in this debate, and I am grateful that the Conservatives, after many years of ignoring farmers, have finally decided to pay attention to farming and food security.

Farming plays a vital role in the past, present and future of North Northumberland. There are almost 2,000 farms across Northumberland, in my constituency and that of my hon. Friend the Member for Hexham (Joe Morris); each of them proudly and patiently shaped the landscape that we view as quintessentially British, and they play a crucial role in sustaining local communities.

Farmers are good for North Northumberland. Since becoming a Member of Parliament, I have spent a great deal of time meeting them and representing their concerns in Parliament. In fact, my first non- maiden speech was on the virtues and challenges of sheep farming. I have done that because I understand, as the Government do, that farming is central both to the communities I represent and to our way of life in the UK. Put simply, our country cannot flourish without a flourishing farming sector.

Farming has been battered for 14 years under previous Governments. As I was preparing for this debate, I read a recent letter from a farming constituent about a range of difficulties he faces:

“For many years government intervention has always dominated the top of my risk register, due to inconsistent policy and its oft re-enforced reputation as a poor payer.”

It would be convenient for the Conservatives if farmers across the UK were to forget about the past 14 years and blame all the current difficulties on a Government who have been in office for just six months. However, creating a reputation for Government as a “poor payer” and having inconsistent policy takes years, not months.

In July 2023, the Competition and Markets Authority found that the post-2020 squeeze inflicted on our food supply chain was a combination of significant rises in energy, commodity and labour costs, made worse in some cases by adverse movements in the exchange rate. In other words, farmers have been squeezed for years by energy prices, labour costs and a depreciation of the pound, and the previous Government bear some responsibility for all those factors.

In April 2024, the Energy and Climate Intelligence Unit found that since Russia’s invasion of Ukraine, the Government had enacted only three out of 10 policies necessary to improve energy security and bring prices down in the long term, which speaks to years of failure on energy, whether that is selling off gas storage capacity, dodging tough decisions on nuclear or going cool on the urgency of global warming by banning onshore wind. When global energy fluctuated, the lack of long-term preparation left our farmers exposed to rocketing prices.

Another matter I would like to raise is the issue of large retailers at times letting down our farmers. They are able to dominate negotiations around own-label products, and, with 90% of farm-produced vegetables being sold by supermarkets, farmers are stuck in a monopoly position that threatens their business. I urge the Government to do what they can to ensure reliable pricing and supply arrangements can be set between farmers and retailers that benefit our national food security.

There is also the issue of subsidy. We need to get the money out the door to farmers, and make sure they can actually get the funding that they did not get under the previous Government.

I will finish by mentioning another of the issues we have talked about today on APR. There is a need for continued constructive engagement around the recently announced proposed reforms. While every farmer I have spoken to welcomes the proposal to end taxpayer subsidies for the super-wealthy buying up land in order to avoid inheritance tax, I am aware that the Government are facing two competing responsibilities. The first managing the national finances, and the second is ensuring that every community can follow its traditions and dreams. As a farmer recently wrote to me:

“Despite all that was thrown at my father over the years, all he ever wanted to do was farm and he LOVED it. Somehow, it was in his blood.”

I know the Government understand this. I urge the Minister to continue to keep that front and centre as we support the contribution of farmers to our national life. After many years of ineptitude, neglect and the doling out of crumbs by the Conservatives, it must be Labour that truly becomes the party of farming and rural life.

3.44 pm

**Rachel Gilmour** (Tiverton and Minehead) (LD): As many Members know, I am able to speak with some expertise on this subject, as I was the first female director of the NFU in some 100 years and I now represent a constituency, in which I have lived for 34 years, where there are 1,006 farms or holdings. The Country Land and Business Association says that 432 of those farms will be affected by the measures.

I am known as somebody who tries to reach across the Chamber and make friends with hon. Members on both sides. I do not particularly enjoy confrontation, so there are elements of the debate that I have found unpleasant and disappointing. I do not like the references to class coming from the Labour Benches, or the suggestions that it has anything to do with class coming from hon. Members on the Conservative Benches. That is an irrelevance. Please do not play politics with my farmers—they are too important.

My plea to the Minister, when he is listening, is that he looks again—I am not asking him to change the policy; I understand that it is Treasury-driven—at some things that need to be looked at again. It is a flawed assumption that ownership is split 50:50 between spouses. That is not the case across Exmoor. And if it is not the case, especially in cross-generational farming families where older farmers hold on to the property so as not to burden the younger generation with increased capital gains tax on any future sale should they wish, then the relief stated by the Chancellor will not add up to the value stated.

Another flawed assumption is that average family farms are worth under £3 million. They are not. I am grateful to my constituent and good friend Guy Thomas-Everard, who went out of his way to give me the bill of sale for a perfectly average farm outside Winsford in my constituency. It is valued at £3.5 million, and that is before we count the deadstock and the livestock.

**Tom Hayes** (Bournemouth East) (Lab): Will the hon. Lady give way?

**Rachel Gilmour**: No.

Another flawed assumption is that the residential nil rate band will be applicable. If the value of the farm business is worth over £2.65 million, there is no residential nil rate band, so that swallows up large numbers of family farms.

I know that many Members are very, very unhappy indeed with the proposals. The hon. Member for Penrith and Solway (Markus Campbell-Savours) said he will vote with the Government because of the dire state that the former Government left farmers and agriculture in, but he is right when he says that this is a flawed piece of legislation. It will devastate family farms. I implore and beg the Minister to look at it again—and at least to get the facts right.

3.48 pm

**Louise Jones** (North East Derbyshire) (Lab): All Governments have to make tough decisions. Faced with a £22 billion black hole, Labour has chosen to raise taxes on only the very wealthiest. The Conservatives' record was instead to choose to place the burden on the poorest in society—those with disabilities and those who are very young. In fact, I am seeing that in real time in Derbyshire, as the Conservative leader of Derbyshire county council has chosen not to spend his time dealing with the disastrous recent Ofsted report on the sorry state of special education needs and disabilities provisions in Derbyshire affecting thousands of vulnerable children, or trying to deal with the terrible county finances which it is trying to plug by closing much-loved care homes, again leaving some very vulnerable people with an uncertain future. Where was he? He was marching with wealthy landowners down here in London. I ask the shadow Minister what she thinks first attracted various multimillionaires in various industries to suddenly discover a passion for farming and buy farms in their late middle age.

I had thought that the Conservatives would want to discuss the huge challenges facing our NHS, the cost of living crisis affecting so many of my constituents or their failed track record in delivering vital regional infrastructure; but no, we have had silence on those issues. What has got them out literally marching on the

streets is a rush to defend multimillionaires. My constituents can see what is the No. 1 priority, and it is not the same as theirs. Let us be clear: retaining the status quo, for which the Conservatives are arguing, would see 7% of claimants receiving 40% of the relief. That is £219 million given to just 117 estates. Why should 117 of the richest get £219 million in tax relief, and not ordinary families?

One would have thought that, after such a profound rejection of their party's record in government back in July, the Conservatives would have taken some time to listen to the electorate and learn. The electorate saw that this Labour party was different, and voted us in. Perhaps the Conservatives should take a closer look—and here I include the hon. Member for Perth and Kinross-shire (Pete Wishart). Many of my colleagues are deeply rooted in their rural communities, and I myself come from a family of farmers. In fact, I spent most of my family Sunday lunch listening to an in-depth monologue on SFI technical details, which was of course very welcome. While the Conservatives are rushing to defend the wealthiest in society, we in Labour will be focusing on what matters to rural communities: access to rural health facilities, a record £5 billion for farmers, a new commissioner for tenant farmers—which is fantastic—a new rural crime strategy, and protecting farmers from bad trade deals.

Coming from a family of farmers, I know a wolf in sheep's clothing when I see one. However much the Conservatives bleat about standing up for farmers, their bushy tails and terrible record for farming over the past 14 years tell me otherwise. I will always fight for farmers, to improve farming incomes and to support farming communities. That is my priority, and it is the priority of this Government.

3.51 pm

**Dr Andrew Murrison** (South West Wiltshire) (Con): I must begin by drawing attention to my entry in the Register of Members' Financial Interests.

I rise to support the land-based and agrifood sector in my constituency, a sector that stands bewildered at what this Government are doing to it—a Government who it thought had its back, and that were going for growth. A farmer constituent wrote to me shortly after the Budget, saying:

"All these changes have meant that our already tight margins are non-existent. The next few months are going to be spent calculating if it would be better to just sell up and no longer farm."

That is hardly surprising, given that the average salary of a farmer in this country is a little over £22,000, although farmers are described by many as being multimillionaires.

My constituents' disappointment is heightened by the Government's assurances before the election, and the specific promise that they made on APR and BPR. I think that, if I may say so without damning his career too much—I see that he is no longer in the Chamber—the hon. Member for Penrith and Solway (Markus Campbell-Savours) did us a service by reminding us of that promise. However, we should not be surprised. My hon. Friend the Member for North Norfolk (Steff Aquarone) and the hon. Member for Perth and Kinross-shire (Pete Wishart) have already drawn attention to John McTernan, who very helpfully allowed the mask to slip when, referring to farmers, he said that we should

"do to them what Margaret Thatcher did to the miners."

[Dr Andrew Murrison]

He went on to say that farming was

“an industry we can do without... we don’t need small farmers.”

I hope that when the Minister winds up the debate, he will do us a service by distancing himself completely from those sentiments.

The Government’s estimate of in-scope farmers is either incompetent or tricky and duplicitous. Setting aside Ministers’ apparent confusion over what constitutes an acre and what constitutes a hectare, we are of course indebted to the Central Association of Agricultural Valuers, which says that 75,000 farms over a single generation will be affected—five times the Government’s estimate. I think the Minister should reflect on that, because there is no shame in admitting that the Government and their officials have got this wrong. There is time to fix it, and there is time to look at such independent sources, to compare and contrast their data with the data that the Government’s officials have produced, and to tack accordingly. Were the Minister to do so—I appreciate the Treasury pressures that he is under—his stock among the farming community would rise substantially in these early few months of his tenure.

I have a helpful suggestion: the Government have picked the wrong target. I think that many Members of this House would be perfectly happy for this Government or any Government to target those who have, over years, used land to avoid inheritance tax, particularly institutional investors, hedge fund managers and overseas investors, who have artificially put up the price of land in this country, which forces new entrants out of the market and distorts it. That is a perfectly legitimate thing for any Government to do, but what this Government are doing is picking on small and medium-sized farms, many of which have been in families for generations. The Government are doing the productive sector of our land economy in this country a massive disservice and, frankly, are acting in a way that is unfair and unworthy.

I implore the Minister, who I know is a good man, to think again. He should talk to the Treasury, and turn his fire on individuals and institutions using land to avoid tax, which forces up land prices. Hands off our family farms!

3.56 pm

**Jo White** (Bassetlaw) (Lab): Bassetlaw has a heritage and a future in energy production, with coalmining and power stations once dominating the skylines, the workforce and our communities. Although its focus is now shifting towards bringing world-leading fusion energy production to the area, we also have a proud tradition of food production, with farms and rural communities covering over half of my constituency.

The farmers in Bassetlaw are deep-rooted and a proud part of our history. It was essential that I met local farmers both before and after I was elected in July, so that I could understand their priorities and represent their interests. Following my election, I immediately joined the NFU scheme, and I look forward to visiting a chicken-packing centre at the end of this week. I want to know at first hand the difficulties, the conflicts and the changes that our farmers are making to meet today’s challenging needs, expectations and market forces.

In Bassetlaw, we have a mix of mainly arable farms, with some farms combining livestock and arable, and a small number that focus solely on livestock. In recent times, they have had to deal with the impacts of Storms Babet and Henk, with water sitting in fields for months, which has turned them into pond bottoms and impacted on production plans and opportunities. Over the last 14 years, hikes in the cost of living and rises in the price of fuel, seed and grain have all had impacts.

Getting people to work on our farms has proved to be a perennial problem, which has been made much more difficult in recent years because apprenticeship opportunities remain unfilled and finding reliable crop pickers is becoming as rare as hen’s teeth. Rural crime is a huge issue. Fly-tipping and the theft of livestock and equipment are daily threats that interrupt people’s working lives and impact on production and profits.

The Tories’ Brexit deal ignored the needs of farmers. We have all seen the queuing at the ports, with rotting fruit and vegetables and an inability to safely transport livestock. The last Government’s trade deals have allowed cheaper food to be imported due to the lower farming standards in overseas nations. I welcome the £5 billion commitment to British farmers in the recent Budget—the largest ever financial commitment in farming history. It will be directed at sustainable food production so that we eat more British-produced food. There will be an additional £60 million to support farmers affected by the storms last winter, alongside the new flood resilience taskforce that will work to protect farmers’ fields from the extremes of the weather, and on top of this the Government have committed £208 million to rebuild the armoury against disease threats that impact so greatly on the farming industry. For the first time ever, there will be a cross-Government rural crime strategy focused on cracking down on the criminals who blight our countryside.

I want to live in a country that puts pride into buying British food. My challenge is that we lead that campaign in our advertising, our supermarkets, our restaurants and cafes, our high streets and our markets. Aligning the Union Jack with the food we eat is the key to strengthening our commitment to buying British, whether it is on our menus or on the shop counter. Choosing British must become the first and best choice. We need to adapt to once again buying and eating seasonal food. That was a way of life and is something that we should be proud to return to. Forget convenience and buy British! That is why I welcome the Government’s using their purchasing power across the public sector. Some 50% of the food eaten in hospitals, prisons, schools and army bases will now have to be locally produced.

This Government will protect farmers from being undercut by the low welfare standards and poor standards in trade deals. I am proud to sit on the Bill Committee that is steering through a new veterinary agreement with the EU to get our live food exports into overseas markets. I am proud of my country and I am proud of the farmers in Bassetlaw. I will continue to listen to their concerns and I am speaking to DEFRA and Treasury Ministers about those concerns. Their voice is my voice.

4.1 pm

**David Mundell** (Dumfriesshire, Clydesdale and Tweeddale) (Con): I commend my near neighbour, the hon. Member for Penrith and Solway (Markus Campbell-Savours), on his brave contribution. It is hard to come



to this Chamber and tell the truth when the pressure from the Whips and the party is to defend the Government at all costs. He made it absolutely clear that this measure will have a devastating effect on farms and the farming industry in his constituency if it goes through as currently set out.

The hon. Gentleman's constituency and mine have something in common in that, in the 2001 foot and mouth outbreak, which devastated the farming industry, we saw for sure how important farming was to the whole community. Because farming was shut down, business was shut down. Shops were shut and lots of businesses including garages and all the services in rural areas could not function because farming was not functioning. That showed me the great importance that farming has.

Ironically, however, the outcome for my constituency of this measure from a Labour Government will be the further acquisition of land by private equity companies. This is because, thanks partly to the Scottish Government's lifting of restrictions on land that can be afforested, good farming land in my constituency is under huge pressure from private equity funds buying it up to plant trees for carbon capture reliefs. It often seems that it is a great thing to plant trees and that we should all be in favour of it, but the reality is that these trees are Sitka spruce trees that are planted very close together. There is no light or environmental content within these forested areas. No creatures can survive in them. They are not environmentally friendly or sustainable, but they are financially attractive. They employ nobody. There is no employment once the forest has been planted.

When farmers come under pressure, as they will, to sell land to meet the inheritance tax, this is who the buyers will be. It will be these private equity firms, and if it is not them, it will in many instances be those who want to develop solar panels in a farming scenario, as other Members have highlighted.

**Tom Hayes:** Does the right hon. Gentleman agree that even the most ambitious estimates show we could cover only 1% of agricultural land with solar farms? Does he agree with Tom Bradshaw, the NFU's president, who told journalists 85 days ago:

"What I do want to say is that an individual solar farm is not something which risks national food security?"

And does he agree with the CLA, which said in 2022:

"Solar is also a valuable diversification and cost reducing land use for farms—helping to shield exposure to volatile agricultural markets?"

**David Mundell:** No, I do not agree with the hon. Gentleman's proposition. I do not think that viable prime agricultural land should be used for solar farms. I believe there is plenty of other brownfield land, or land that is not prime agricultural land, that could be used for solar farms. I am, therefore, not supportive of some of the huge developments proposed for my constituency.

I will now touch on one or two other points that have been raised but not expanded on. First, a lot of this discussion has been as if the sole structure of a family farm is mother, father, son and daughter. Brothers and sisters, or cousins, are often involved in the farming business, and it is quite wrong to suggest that some of the reliefs that can be applied would work in that

situation. I have constituents who are in exactly that situation. A family farm is not just mum, dad, son and daughter. It is brothers, sisters, cousins and extended family.

The right hon. Member for Orkney and Shetland (Mr Carmichael) touched on tenant farmers. Tenant farmers in Scotland, in particular, are in a very difficult position because they cannot sell a couple of fields to pay their inheritance tax. They will have to give up the whole of their business, if they cannot find the money in other ways to pay these bills. We need to understand the issues that face tenant farmers.

I also commend the right hon. Gentleman's suggestion that there should be a much wider debate about farming finance. The way to secure farming finance, and to secure our farmers, is not to destroy the family farm.

**Samantha Niblett** (South Derbyshire) (Lab): I am quite astonished because, as we sat in a pub car park in the run-up to the general election, farmers in my constituency told me—I kid you not—that they know they do better under a Labour Government but they often vote Conservative. It feels like the Conservatives have taken their loyalty for granted. The right hon. Gentleman has been talking about how hard things are, and I agree with him. Farmers talk about their margins, and those margins are tight, but who caused them to be in that situation? We are now in a position of power—

**Madam Deputy Speaker (Judith Cummins):** Order. I remind Members that interventions need to be interventions. They should be brief and ask a question that is relevant to the speech being made.

**David Mundell:** I do not know whether the hon. Member for South Derbyshire (Samantha Niblett) was here for the speech of the hon. Member for Penrith and Solway, but he set out exactly what happened to him as a Labour MP, having given farmers assurances about what Labour would do in government and the farmers finding that they had been betrayed. Now, the choice is not final, as he said, and hopefully this debate has shown the passion of both farmers and those who represent rural constituencies.

**Markus Campbell-Savours:** I am glad that the right hon. Gentleman enjoyed my speech. Did he enjoy the bit at the end where I listed the abject failures of his Government?

**David Mundell:** I liked the honesty of the hon. Gentleman's speech in setting out how the Labour Government had let down his voters by going back on their undertakings in relation to the policy. They should listen to what has been said in today's debate, to farmers and to the hon. Gentleman, and they should change the policy.

4.9 pm

**Andy MacNae** (Rossendale and Darwen) (Lab): As someone who lives on a farm, which is surrounded by farms, and whose family has farmed, and diversified, for generations, I add my voice to all those who have paid tribute to farmers for the crucial role they play in our economy. Many other hon. Members have said it more eloquently than I can, but let us all recognise the vital role of farms in our economy.

[*Andy MacNae*]

In common with colleagues, I met with farmers in the post-Budget period. Frankly, I was expecting a pretty hard time and there were some robust discussions, but they were also civil, constructive, informative and understanding. I pay tribute to the farmers and the NFU representatives who took that approach to the discussions. What most surprised me was how quickly the discussions immediately pivoted to the sense of anger, abandonment and betrayal that arose from the past 14 years, which have decimated the industry.

Fellow Members have described in detail—the hon. Member for Westmorland and Lonsdale (Tim Farron) described the situation particularly well—the betrayal of Brexit, the spiralling energy and feed prices, the spiralling land costs, and the terrible trade deals that opened the doors to poor-quality imports, which undermined the very farming markets that Conservative Members claim to value. As we have heard already, that dire management resulted in over 12,000 farms and agribusinesses going out of business since 2010. That is a terrible, shocking, shameful legacy. For Conservative Members to now present themselves as the champions of farmers is outrageous. They have used the word “arrogance”, but that is what they have displayed—a refusal to reference, understand or learn from their own history and failings.

**Josh Fenton-Glynn** (Calder Valley) (Lab): Conservative Members talk about being friends of the farmers but for the past 14 years they were not. It shows how little they care that only 18% of their parliamentary party is present for a debate that they have called—[*Interruption.*] Only 21 out of 120 Conservative Members.

**Andy MacNae:** It is amazing; one of my colleagues talked about “the green fields opposite” in reference to the empty Conservative Benches.

Given that background, it is no surprise that farmers are angry, worried and feeling vulnerable. I associate myself with the remarks made by the hon. Member for Tiverton and Minehead (Rachel Gilmour), who called for calm and sense in the debate. Emotive language, designed to sow fear and cause concern is irresponsible at the very least, so let us try to keep to the facts and keep things calm and reasonable.

The focus of Conservative Members seems to be family farms, but the phrase “family farm tax” immediately creates a sense of fear and targeting, which is completely wrong. With some sensible tax planning, £3 million of assets can be exempt. Many speeches have glanced over the importance of gifting rights. Let us take the scenario of a family farm, in its truest sense, that is to be passed between generations. Surely, gifting rights are a massive opportunity to avoid all inheritance tax and remove the sense of fear that Conservative Members are trying to create. Most of the rest of the country has to do that simple estate planning by default.

**Harriet Cross:** As the hon. Gentleman will be aware, reservation of benefits applies when an asset that is still being used is passed on under the seven-year rule. Is he suggesting that a farmer who has been on their farm for their whole life should move out of their farmhouse, get off the land and pay market rate rent? Where will they get that money from, given that, as we know, farm profits are so small?

**Andy MacNae:** A range of reliefs, benefits and rights create an ability, in most cases, to avoid tax. Let us take the seven-year rule. It is a tapered rule, so after four years, the liability drops from 20% to 12%. Also—this has not been mentioned much today—inheritance tax insurance is available. Particularly for younger farmers who wish to gift those assets to the next generation, inheritance tax insurance effectively mitigates any risk of death inside seven years. I recognise that for older farmers that can become quite expensive; none the less, it is a mitigation that is open to anybody. I recognise the issue of gifts with reservation, but that is my central point. It is not just me saying this; the Institute for Fiscal Studies has said that with sensible, realistic and relatively straightforward estate planning, estates worth considerably more than £2 million will remain exempt from tax.

There are many measures that can be taken. However, in this context, one of the great benefits of having detailed discussions with farmers is the ability to recognise the practicalities and the detail. By talking to Becki, who runs a multi-generational farm in Darwen, I came to recognise that there are very good arguments for a degree of flexibility around gifting rights and timescales for the over-80s. It is a perfectly good argument for the provision of professional and detailed tax advice to allow genuine family farms to take full advantage of all the reliefs that are available. I genuinely believe that well-advised true family farms can, with a plan to pass those farms between the generations, mitigate or completely avoid any liability from these taxes.

I will finish by going back to the main point that Members have made: farms do not make enough money. Turning things around, getting back to a situation—[*Interruption.*] We need to get back to a situation where farms can succeed as businesses and where we bring costs down, not just raise prices as was suggested. We need to bring energy costs down and make bills are more stable, use the Government’s purchasing power to buy locally produced food, protect farmers from being undercut through bad trade deals, and remove risk through a rural crime strategy and the floods resilience taskforce. Our plan for farms is supported by £5 billion, which is the biggest investment in farms in generations. Let us stop the scaremongering, get behind British farming and reverse 14 years of decline.

4.17 pm

**Sir Gavin Williamson** (Stone, Great Wyrley and Penkridge) (Con): Staffordshire is the largest dairy-producing county in the midlands and across the county we have 9,600 people working on farms. Four hundred and thirty-two of those farms are in my constituency, and they are an incredibly important part of the fabric of the area. So many of my constituents who listened to the Budget were genuinely shocked. They were shocked because they took it at face value when the Labour party said that there would not be any changes in inheritance tax for agricultural land. They listened and they believed.

I know—I always like to believe the very best of people—that the Ministers on the Front Bench from the Department for Environment, Food and Rural Affairs would have fought for that position, but this policy was a diktat from the Treasury. In my experience, there is a tendency for the Treasury to do that to many Departments.

That diktat has meant a change in position, and one that has a severe impact on many people's lives. If there were a factory in Staffordshire employing 9,600 people and its future viability was in jeopardy, Ministers would be rallying to its support. Members across the House would be saying, "Let us do something to save these jobs and save these livelihoods." But that is not the case here.

**Josh Fenton-Glynn:** Will the right hon. Member give way?

**Sir Gavin Williamson:** I will, of course, give the hon. Gentleman the opportunity to burnish his potential to be that Parliamentary Private Secretary in DEFRA that I know he is so desperate for on any occasion.

**Josh Fenton-Glynn:** Why is the right hon. Member so dismissive of DEFRA, which is a fine Department whose work those of us who believe in the countryside value? I wonder why he was not so loud when 875 agribusinesses in his region closed in the last 14 years.

**Sir Gavin Williamson:** All the while I have been a Member of Parliament, I have fought for my farmers, and I will continue to do so.

I invite the Minister for Food Security and Rural Affairs to the next Staffordshire agricultural show as my guest. I will happily take him around, and he can look for farmers who are in favour of the Government's policy. He can talk to my farmers. There are 446 farmers in the Stafford constituency, which neighbours my own, who I imagine will have a very similar view to that of farmers in my constituency: that this policy will put them out of business. If I take the Minister around the Staffordshire agricultural show, he might meet some of the 351 farmers from the neighbouring Lichfield constituency. Let him see how many of them believe that his policy will help them to grow their businesses.

A family business, whether it is a farm or a manufacturing business, invests not just for five years but for a generation and more. The Government's policy will drive large financial institutions to own much more of our land—not local farmers who are invested in the community and care about the villages and towns that serve them. This policy is already having an impact. Many businesses that supply farmers are already seeing a significant drop-off in orders, whether it is people who supply agricultural machinery, people who supply seed or many more. I urge the Minister, who I believe comes to this House with a good heart, to look at the wider impact that the policy will have on our countryside, and at how it can be changed and improved.

The Labour party says that it wants to capture the large landowners—the James Dysons. I have a great deal of confidence that such people will be able to find different arrangements that mean that their wealth will never be touched, but many small farmers, who have worked hard all their lives to build something that they can hand on to their children, will be impacted. I fear for them, and I urge the Government to put the dogma of party politics to one side and really think of the impact that the policy will have on the lives of so many farmers who are trying to do the right thing for this country and our countryside.

4.22 pm

**John Slinger (Rugby) (Lab):** I thank the farmers who visited me in the House for the good and respectful conversation that we had. I reflected their concerns to Ministers, and will continue to do so.

The Conservative Government trashed our economy. Mortgage rates went up, interest rates went up, prices went up, and taxes on working people, including farm workers, went up. The Conservative party smashed public services, with unprecedented and often unnecessary cuts to the services that our country relies on, including farmers—our roads potholed; GP surgeries under-resourced; a lack of mental health provision; schools struggling, sometimes crumbling; housing unaffordable, especially in rural areas. I could go on.

The Conservatives dashed the hopes of farmers when they were in government. They tried to sell out farmers with their trade deals, often gleeful about cheaper imports or hinting at support for chemically treated or hormone-injected meat. They gave farmers the chaos of delayed stop-start support schemes; cuts to the police, including rural policing; neglect of flooding in rural areas; and the incompetence of not even managing to spend £300 million that they had not managed to cut.

Now the Conservatives speak—perhaps exaggeratedly—about the impact of this Government's plans. Where was their outrage when 12,000 farmers and agribusinesses were forced out of business from 2010 onwards, or when services were being cut by their Government? They are unabashed in their defence of the status quo on inheritance tax, which means that they are content to see the top 7% of the wealthiest claimants account for 40% of the total value of APR, costing the taxpayer £219 million. They are unashamed in their overall position on a Budget that, as a result of the tough decisions taken by my right hon. Friend the Chancellor, has provided £5 billion to the farming budget over two years, the largest ever budget for sustainable food production, £60 million for farmers affected by last winter's wet weather and £208 million to protect against future diseases.

Contrary to some recent campaigning, Labour is investing in British farming. Equally, the Government's Budget is investing in our entire nation—in our economy and our public services—and we will build the growth and prosperity that we all rely on. We have made our decisions; now Opposition Members, especially Conservative Members, must justify why they continue to support the status quo, why they oppose our Budget with its funding for farming, and why they rail against our Budget's investment in the economy. If they oppose this, they owe it to people outside this House to say which taxes they would increase, which public services they would cut and how much they would increase borrowing by.

**Dr Ben Spencer (Runnymede and Weybridge) (Con):** When the hon. Member considers how much money will be raised by the family farm tax, how many hundredths of a percent is it against total annual Government spending?

**John Slinger:** The hon. Member will not be surprised to hear that I do not have that precise detail to hand.



[John Slinger]

To those who trashed our economy, who smashed our public services, who dashed the hopes of farmers over 14 years, who are unabashed in their defence of the status quo and who refuse to set out a credible alternative to our Budget, I say we will decline their advice today. I urge hon. Members across the House to do the same.

4.27 pm

**John Glen** (Salisbury) (Con): It is a privilege to contribute to the debate. I represent Salisbury and south Wiltshire, which has a large number of farmers. A large number of them visited me here in the House of Commons and, a week later, I had the largest meeting of farmers I have ever had in Salisbury. They were gravely disappointed and concerned about the implications of this Budget measure. It was a shock, because it was widely expected that this measure would not be on the table when the Labour Government came in.

One of the greatest privileges of my career was to spend most of the past eight years—six and a half of them—in the Treasury in various roles. I was PPS to a Chancellor, Philip Hammond, and then I was Economic Secretary and Chief Secretary. I understand the dynamic between spending Departments and the Treasury in the run-up to a Budget, and I have a serious degree of sympathy for the Ministers who were in DEFRA in the run-up to this Budget, but when APR and BPR were put on the table in front of me and my ministerial colleagues at numerous points during our time in the Treasury, we said no.

I acknowledge—I am trying to be as reasoned and as reasonable as I can—that other choices would have had to be made, and I recognise the difficulty of those choices. We faced difficulties when we came into government in 2010 with a 10% deficit. This Government had a different set of challenges, although I would dispute some of the numbers. However, I want to keep my remarks focused on the measure at hand.

The reason I would never have wanted to progress the removal of APR and BPR was that that policy was the product of a technical desktop economist's view of tax raising. It was not an option when one took into account the reality of what would actually happen to the rural economy and the implications for farming. A number of colleagues have rehearsed excellent examples where farms of quite modest size but serious capital value would be massively compromised by that policy, even with an opportunity to repay that inheritance tax interest-free over 10 years, as the Chancellor said to the Select Committee. I acknowledge that—it is standard practice for this sort of relief—but given the profitability of the typical farm, it is just not a realistic prospect.

I have had some dealings in the past with the farming Minister, the hon. Member for Cambridge (Daniel Zeichner), and I genuinely have a great deal of respect for him—I do not want to embarrass him by saying anything more. He has a large number of issues to deal with, and I think all of us in this House want to see some clarity around the land use framework, and how we reconcile the question of where we build more homes with the challenges of renewable energy. However, we have to keep in focus the core function of our farmers, which is to produce food. I recognise the point made in an intervention earlier, and I am not suggesting

that the Government are going to say, “We are going to have solar farms everywhere,” but we do need to have a coherent farming policy as a whole and a land use strategy that people understand.

The issue with this policy is that it is going to decimate the number of family farms unless there is a significant increase in thresholds, there is an age limit on when the policy applies, or an alternative tax mechanism like business asset roll-over relief is examined by the Treasury. Unless those changes happen—and there is time to consider those changes before the legislation comes before this House, which will probably be at the end of next year—we in this country are going to be in real trouble with the legacy of this decision. I urge the Minister's colleagues in the Treasury to think again and come back with better proposals for their colleague.

4.32 pm

**Sam Rushworth** (Bishop Auckland) (Lab): I came here today to speak up for upland farmers in my constituency. Although I am not a farmer myself, I grew up within smelling distance of a dairy farm, and coming from a working background, I have earned a living working outdoors in all weathers as a gardener, so I know what it feels like to have mud on my boots and frozen fingers. For a lot of our farmers, though, the physical strain is only part of the daily struggle; the other part is the anxiety of having so much invested in such a precarious business, and the burden of responsibility for keeping the farm alive in an era of shrinking profits.

Because farmers are working people who deserve secure livelihoods, and because food security is essential for our national security, I hold quarterly forums with the farmers in my area—I say that before anyone tries to intervene to ask me how many I meet with. I hold regular forums and, in fact, some of our council candidates are local sheep and cattle farmers. Of course, I have met with them more in the last few weeks than I had been doing. In the meantime, I am having conversations with fellow MPs and with DEFRA and Treasury officials and Ministers to push for the issues that matter to farmers in our area.

As such, when I went to the Bill Office last night to receive the motion for today's debate, I was genuinely unsure how I would vote. I read it with an open mind, but when I saw it, I thought, “What a load of tripe.” By the way, I thank the right hon. Member for Salisbury (John Glen) for taking a much more constructive tone in his speech a moment ago. The Opposition could have come to the Chamber today and presented a constructive motion that many rural MPs on the Government Back Benches would have sympathised with. Instead, this motion seems calibrated to make us want to oppose it. It seems to me that the Opposition are more interested in playing party politics and cosplaying as the friends of farmers with this motion than they are in genuinely addressing issues that they both ignored in government and are now ignoring in opposition.

Some legitimate concerns about the policy have been expressed to me by farmers in my constituency. By the way, many farmers in my constituency sympathise with its aims and with what the Government are trying to achieve. One told me recently that he cannot stand the James Dysons of this world who are hoovering up agricultural land. However, they are concerned that

there remains a tax incentive to invest in agricultural land, and I would be grateful if the Treasury reported on some of that modelling. For example, we know that 7% of wealthy claimants account for 40% of the cost of APR, but that means that 93% are costing only £382 million. It would be interesting to know how much money it would cost to slightly lift the thresholds or to address the concerns about life insurance.

**Several hon. Members** *rose—*

**Sam Rushworth:** I will not take any interventions, but only because other colleagues want to get in.

There are concerns, but I must say that when I met farmers in my constituency recently, they agreed with me that a bigger concern for them, as many colleagues have said, is profitability. The motion could have talked about economic stability for lower inflation and interest rates, and it could have talked about cutting rural crime, which would also cut insurance premiums. If I may say so, I welcome the Equipment Theft (Prevention) Act 2023 from the hon. Member for Mid Buckinghamshire (Greg Smith), but there needs to be secondary legislation.

**Greg Smith:** I agree.

**Sam Rushworth:** Thank you. Let us work together.

I am pleased that the Government are defending against floods and disease. I am pleased that we are committed to protecting standards in trade deals. I am pleased that we are committed to getting a veterinary agreement with the EU to cut red tape. I am pleased with the public sector procurement targets. However, we need to do something on rules about food labelling in order to prevent “farmwashing.” We also need to do more to strengthen farmers’ bargaining power with supermarkets. I am pleased with the changes to planning laws that will allow a lot of farmers to invest.

I would just say to my own party and to the Government that we need to bring these forward faster. Farming in my constituency is on life support. There is, in fact, good will towards this Government and what we are trying to do, but we cannot afford to wait another 18 months, particularly for the basic payment scheme transition. We need upland farmers to be able to access the sustainable farming incentives. I know the SFIs are in the pipeline, but they cannot wait 18 months to receive them.

**Several hon. Members** *rose—*

**Madam Deputy Speaker (Judith Cummins):** Order. Members will be aware that I am starting the wind-ups at 4.40 pm precisely. For the last few minutes, I call Lewis Cocking.

4.37 pm

**Lewis Cocking (Broxbourne) (Con):** Thank you, Madam Deputy Speaker. Broxbourne is not known for its farms, but this year’s boundary changes have seen my agricultural land increase. This tax will also affect thousands of my constituents through the supply chain and buying food at supermarkets. However, I want to concentrate on something we keep hearing from Labour Members. We are told that the farmers represented by Opposition MPs or Conservative MPs are completely against the policy, and we are told time and again by Labour Members, as a number have stood up to say today, that

they have spoken to their farmers, who seem happy about it, and they are going to vote with the Government. So I thought I would go out there and put that to the test.

As I have said, my seat has had boundary changes and farms have moved into my constituency. If this one farm had remained in the original seat before the general election, it would now be represented by a Labour Member, but it is not: it moved into my constituency and it is represented by a Conservative Member. I asked this farmer, when I went to visit them, if they are completely against this policy. They said, “Yep, absolutely, Lewis. This will destroy our family farm.” I asked them if, pre-boundary changes, they were in their old seat and had a Labour Member of Parliament, their view would still be the same. They said to me, “Don’t be so silly, Lewis; of course it would be the same.” So I do not understand which farmers Labour Members are speaking to, because their views cannot be different from the views of my farmers. Thousands of them from across the country, including my constituency and the wider Hertfordshire area, came to Westminster to show their displeasure with the Government, so will Labour Members please think again, vote with us today and stand up for their farmers?

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

4.39 pm

**Robbie Moore (Keighley and Ilkley) (Con):** This morning, ordinary farming families across all four corners of our United Kingdom will be waking up to another day of hard graft. If it is anything like my upbringing, the kids will be out early helping their parents feed the livestock, dad might be milking the cows or perhaps out crop-walking with the agronomist, rightly concerned about the impact of recent wet weather, and mum will no doubt be battling the elements, keeping the whole operation running smoothly and somehow still finding time to make sure everyone has their wellies on the right feet.

Anyone with experience of rural life understands all too well the constant struggle of keeping a family farm afloat. It is tough work—long hours, barely any room to breathe and a financial struggle for many. As I have said many times in this House, our farming families are not multimillionaires; many will be striving to make a profit, but a lot of our families will not be, with many of our farmers earning less than the minimum wage. But today these farmers will also be waking up with the crushing reality that they now face losing everything they have ever worked for—everything that their mum or dad or the generations before them worked for—all because of this Labour Government’s disastrous farm tax.

I have spoken to hundreds of farmers in the days since the Budget, as have the shadow Secretary of State and many colleagues sat behind me, and we have learned that Labour’s catastrophic Budget really is an anxiety that very few farmers were ready for. We have heard about many of their concerns in the debate. My hon. Friend the Member for Weald of Kent (Katie Lam) spoke about those, such as Ross in her constituency, who may have ill health and other challenging circumstances, who do not have time to plan.

[*Robbie Moore*]

My right hon. Friend the Member for Braintree (Mr Cleverly) talked about farming accountants raising incredibly distressing calls from farmers. My hon. Friend the Member for Bridlington and The Wolds (Charlie Dewhurst) and my right hon. Friend the Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson) raised the impact on the wider rural economy and the whole of the UK production sector. My hon. Friend the Member for North Cotswolds (Sir Geoffrey Clifton-Brown) and my right hon. Friend the Member for South West Wiltshire (Dr Murrison) rightly mentioned the challenges the whole Budget will have on our farming, including the dire consequences of employer national insurance.

My hon. Friends the Member for Mid Norfolk (George Freeman) and for Broxbourne (Lewis Cocking) rightly highlighted the concerns of family farms that will have been in the family for many generations facing being split up. My hon. Friend the Member for Gordon and Buchan (Harriet Cross) and my right hon. Friend the Member for Salisbury (John Glen) rightly challenged the Government's own data and figures and lack of understanding of values.

But the core issue is that this is all about trust. Before the general election, Labour looked our farmers in the eye and told them continually that there would be no changes to inheritance tax. Indeed, the hon. Member for High Peak (Jon Pearce) even at a hustings before the general election classified this as Conservative scaremongering, and many Labour MPs now sitting opposite proudly stood with placards saying they would back British farming. Yet here we are, 35 days after Labour introduced the family farm tax and 15 days after thousands of family farmers rallied in London, and there is not a shred of contrition from the Ministers sitting opposite—not even the slightest bit of empathy for those ordinary farming families who know the value of their businesses and who have looked at the detail and have been hit hard by Labour's family farm tax—and that is because their level of arrogance is stark, as we have seen in this debate.

The hon. Members for Ribble Valley (Maya Ellis), for Peterborough (Andrew Pakes) and for Forest of Dean (Matt Bishop) could not even mention one farmer in their constituency who supported this policy. The hon. Member for North East Derbyshire (Louise Jones) seems to be convinced that this will impact only the wealthiest. The hon. Member for Hexham (Joe Morris), who I believe is not in his place, and the hon. Member for North Northumberland (David Smith) both say they have engaged with their farmers and heard their views, but then failed to mention anything in support of scrapping Labour's disastrous family farm tax. No wonder their farmers are up in arms.

The hon. Member for Bassetlaw (Jo White) turned up but failed to mention anything about inheritance tax relief. And the hon. Member for Penrith and Solway (Markus Campbell-Savours) rightly highlighted Labour's broken promises. I pay tribute to him for mentioning it, but will he have the courage to commit, to back our farmers and to vote with us for scrapping Labour's family farm tax?

The hon. Member for Rugby (John Slinger) spoke, made no reference at all to inheritance tax, but did mention the Budget. I can tell him that after the Budget,

in one single week ending 8 November, 1,022 companies filed to shut down. I also point out that we saw 1.1 million more businesses between 2010 and 2023. The NFU, the CLA, the TFA and farming organisations up and down the UK say that Labour's Budget will tear apart British farming, UK food production and our domestic food security agenda. The Central Association of Agricultural Valuers, whose members' job it is to determine the value of farms, says that the Government have got their figures completely wrong. Those very same tax experts who the farming Minister rolled out in defence of this policy just a few weeks ago have now gone on to criticise it.

The Government are looking incredibly isolated. Public support for this policy has been wiped out since it was announced, leaving Labour MPs as its only defenders. Up to now, they have all failed to publicly call out our city-dwelling Prime Minister and Chancellor's callous Budget. Now, we have even had the Exchequer Secretary, the hon. Member for Ealing North (James Murray) being wheeled out to open this debate, as the Government's last remaining hope to try to defend this disastrous attack on our farming families. The Government have lost the experts, they have lost the industry and it now seems they have lost their own Secretary of State from the Front Bench—it is great to see that he has just walked into this debate and turned up—and it is weak and embarrassing.

**Sarah Dyke** (Glastonbury and Somerton) (LD): The shadow Minister says that Labour Members do not know any farmers—I do. I am proudly a sixth-generation farmer's daughter. My brother still farms, but for how much longer I do not know. My dad died exactly a year ago today. My mum is a partner in the business, and she is now 81. My brother is not married and he lives in a rather lovely farmhouse, but we do not know for how much longer that will be. He is worried about his farm. He is worried that he will be the one to close the gates for the very last time. Does the shadow Minister agree that we must move to a compromise, a transition and a clawback mechanism? Let us look to incentivise our farmers, rather than this punitive tax.

**Robbie Moore:** The hon. Member highlights the devastating consequences that Labour's Budget will have on our family farms.

Many questions remain unanswered, so with the opportunity of Treasury and DEFRA Ministers sat side-by-side, I will put a few to them. First, if this is a unified Government, why did the Treasury tell DEFRA about this policy only the night before the Budget? Secondly, why did Ministers not take into account claimants of BPR in the limited datasets they have released? I am happy to give way to the farming Minister if he wants to answer that specific point, because he has not answered it to date. Thirdly, why do the Government believe it unnecessary to take into account the size of family farming businesses when determining the impact of their £1 million cap on agricultural property relief and business property relief? Finally, for the sixth time of asking in this place, why has no detailed economic impact assessment for this policy ever been produced?

Our position is clear: we back our British farmers, and the Conservative party will reverse this family farm tax. That is exactly why we will force this vote today,



but we cannot do it alone. I therefore conclude by reaching out to Labour MPs across the Chamber. I know there are some sitting behind the Front Bench who have first-hand experience of rural life, who understand the consequences of this family farm tax and who are saying in private that the Government have got this terribly wrong. I say to those Members that it is not too late to save our farming families from this cruel farm tax and from those faceless multinational corporations that will no doubt sweep up any land that is forced to be sold as a result of this policy. It is not too late to join our British farmers, many farming organisations across the UK and the tens of thousands of farmers who were in Whitehall just a few weeks ago. Many Labour Members committed to back British farming before they entered this place, and now is their chance to prove it.

British farmers are watching, and Labour MPs have a clear choice either to back British farming and scrap this catastrophic tax or to put party politics before the voices of their constituents and farmers. I urge everyone in the House to do the right thing; to put British farmers first and vote against Labour's family farm tax.

4.50 pm

**The Minister for Food Security and Rural Affairs (Daniel Zeichner):** I am grateful for the opportunity to close this debate on the planned reforms to agricultural property relief. It has been important to hear from people on all sides of the debate and to outline the steps that the Government have taken to reach the decision on agricultural property relief. The reforms to APR are just one of the tough decisions that the Government had to take across the board on tax, welfare and spending to plug that £22 billion black hole that we inherited from the Conservatives and restore our public services.

We have had many contributions to the debate; I am sorry that I cannot respond in detail to all of them. On my side, we started with an excellent account from my hon. Friend the Member for Ribble Valley (Maya Ellis). My near neighbour, my hon. Friend the Member for Peterborough (Andrew Pakes), spoke eloquently about the workforce issues; it is astonishing how rarely they are raised from the Conservative Benches, although there are some noble exceptions. We heard from my hon. Friend the Member for Forest of Dean (Matt Bishop) and from my hon. Friend the Member for High Peak (Jon Pearce), who, along with a number of others, rightly raised issues of profitability in the sector. My hon. Friend the Member for Penrith and Solway (Markus Campbell-Savours) made the important point that we are not discussing the Finance Bill today.

My hon. Friend the Member for Hexham (Joe Morris) asked why it takes Labour Members to raise rural crime issues, because anyone who has been out talking to farmers will know that that is their top concern. From my hon. Friend the Member for North Northumberland (David Smith) we heard a powerful account of the value of rural life. My hon. Friend the Member for North East Derbyshire (Louise Jones) again talked about the national health service. These are the concerns of people in rural areas.

From my hon. Friend the Member for Bassetlaw (Jo White), we heard about rural crime again. We heard from my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) and from my hon. Friend the Member for Rugby (John Slinger), who rightly outlined

the Conservatives' atrocious record over 14 years on public services. Finally, my hon. Friend the Member for Bishop Auckland (Sam Rushworth) rightly dismissed the Opposition motion as a load of tripe—although perhaps that is tough on tripe.

A huge range of figures and analysis have been quoted in the debate so far. I have to say that part of the problem with those figures is that they seem to be about different things. Only one set of figures actually gives guidance on this issue, and that is the Treasury figures showing that about 500 estates a year will be affected. That is based on the hard data of the actual claims. It includes the impact of APR but also takes into account business property relief. I urge some Opposition Members to look at the Chancellor's letter to the Chair of the Treasury Committee, which outlines all the details, taking into account those personal circumstances, the nil-rated inheritance allowances and the other capital allowances. It is available to all Members. Those figures, of course, are endorsed by the independent Office for Budget Responsibility.

**Sir John Hayes** *rose—*

**Sir Gavin Williamson** *rose—*

**Daniel Zeichner:** Opposition Members have had a lot of time to make their points. I am going to make mine. Would Conservative Members have been so interested during the last Parliament? I remember sitting on those Opposition Benches hour after hour on the rare occasions when there were rural debates. They had no interest then; suddenly now.

**Steve Barclay** (North East Cambridgeshire) (Con) *rose—*

**Daniel Zeichner:** No. I am afraid that the right hon. Gentleman came in late, and if you turn up late, you do not get to speak. [*Interruption.*] I recognise the frustration and anxiety being felt by farmers around the country. [*Interruption.*]

**Madam Deputy Speaker (Judith Cummins):** Order. I am sure that hon. Members want to listen to the Minister. I know that my constituents certainly do, and farmers across the country certainly will.

**Daniel Zeichner:** Thank you, Madam Deputy Speaker. I am not sure that Conservative Members do want to listen, really.

As a result of the anxiety that we know people are feeling, it is right that the Prime Minister, the Environment Secretary and I have all met with the NFU president Tom Bradshaw to talk about the proposed reforms. The Government have and will continue to engage with the NFU, the CLA, the Tenant Farmers Association and other stakeholders. The reforms will not be introduced until April 2026, so there is plenty of time for people to plan for change and to get, as they always should when running major businesses, professional advice about succession planning.

Let us be honest: last month's protests were not just about APR. Rural communities have felt ignored and let down by this place after decades of failure. The Conservatives sold out British farmers in trade deals with New Zealand and Australia. I listened to the shadow Secretary of State, the right hon. Member for

[Daniel Zeichner]

Louth and Horncastle (Victoria Atkins)—did we get any apology for the trade deals? Not a word; no contrition. They have learned nothing. They left farmers facing spiralling energy bills because they refused to invest in cheaper home-grown British power—a decision that sent fertiliser and animal feed costs soaring.

The Conservatives were so incompetent that they failed to get £300 million earmarked for farmers out the door, leaving farmers out of pocket as the money sat idle in Treasury coffers. The disastrous kamikaze Budget crashed Britain's economy and sent interest rates and mortgages skyrocketing, at massive cost to our farmers and rural communities. As a result of all that, public services are broken; hospital waiting lists are at record highs; schools in rural areas are crumbling—if Conservative Members use them, of course—and roads across country areas are cratered with potholes.

Rural communities are rightly feeling ignored and left behind. This Government will not accept that. These reforms will disincentivise the wealthy from buying up agricultural land to shield their wealth from inheritance tax, and they will also raise the money needed to fix those public services. This is a turning point for national renewal. The Budget also commits £5 billion to agriculture over the next two years.

**Simon Hoare** (North Dorset) (Con) *claimed to move the closure* (Standing Order No. 36).

*Question put forthwith*, That the Question be now put.

*Question agreed to*.

*Question put accordingly* (Standing Order No. 31(2)), That the original words stand part of the Question.

*The House divided*: Ayes 181, Noes 339.

## Division No. 55]

[4.57 pm

### AYES

Allister, Jim	Cleverly, rh Mr James
Amos, Gideon	Clifton-Brown, Sir Geoffrey
Anderson, Stuart	Cocking, Lewis
Andrew, rh Stuart	Coghlan, Chris
Aquarone, Steff	Collins, Victoria
Argar, rh Edward	Cooper, Daisy
Atkins, rh Victoria	Cooper, John
Babarinde, Josh	Coutinho, rh Claire
Bacon, Gareth	Cox, rh Sir Geoffrey
Baldwin, Dame Harriett	Cross, Harriet
Barclay, rh Steve	Dance, Adam
Bennett, Alison	Darling, Steve
Bhatti, Saqib	Davies, Ann
Blackman, Bob	Davies, Gareth
Blackman, Kirsty	Davies, Mims
Bool, Sarah	Dean, Bobby
Bowie, Andrew	Dewhurst, Charlie
Brandreth, Aphra	Dillon, Mr Lee
Braverman, rh Suella	Dinenage, Dame Caroline
Brewer, Alex	Doogan, Dave
Brown-Fuller, Jess	Dowden, rh Sir Oliver
Burghart, Alex	Duffield, Rosie
Cane, Charlotte	Duncan Smith, rh Sir Iain
Carmichael, rh Mr Alistair	Dyke, Sarah
Cartlidge, James	Easton, Alex
Chadwick, David	Farage, Nigel
Chamberlain, Wendy	Farron, Tim
Chambers, Dr Danny	Foord, Richard
Chope, Sir Christopher	Forster, Mr Will

Fox, Sir Ashley	Morton, rh Wendy
Franklin, Zöe	Mullan, Dr Kieran
Freeman, George	Mundell, rh David
Fuller, Richard	Munt, Tessa
Gale, rh Sir Roger	Murray, Susan
Garnier, Mark	Murrison, rh Dr Andrew
Gethins, Stephen	Norman, rh Jesse
Gibson, Sarah	Obese-Jecty, Ben
Gilmour, Rachel	O'Brien, Neil
Glen, rh John	O'Hara, Brendan
Glover, Olly	Patel, rh Priti
Goldman, Marie	Paul, Rebecca
Gordon, Tom	Perteghella, Manuela
Grant, Helen	Philp, rh Chris
Green, Sarah	Pinkerton, Dr Al
Harding, Monica	Rankin, Jack
Harris, Rebecca	Robertson, Joe
Hayes, rh Sir John	Roome, Ian
Heylings, Pippa	Rosindell, Andrew
Hinds, rh Damian	Sabine, Anna
Hoare, Simon	Savage, Dr Roz
Holden, rh Mr Richard	Saville Roberts, rh Liz
Hollinrake, Kevin	Shannon, Jim
Holmes, Paul	Shastri-Hurst, Dr Neil
Hudson, Dr Neil	Shelbrooke, rh Sir Alec
Jardine, Christine	Simmonds, David
Jarvis, Liz	Slade, Vikki
Jenkin, Sir Bernard	Smart, Lisa
Jenrick, rh Robert	Smith, Greg
Johnson, Dr Caroline	Smith, rh Sir Julian
Jones, Clive	Smith, Rebecca
Jopp, Lincoln	Sollom, Ian
Kearns, Alicia	Spencer, Dr Ben
Kohler, Mr Paul	Spencer, Patrick
Kruger, Danny	Stafford, Gregory
Lake, Ben	Stephenson, Blake
Lam, Katie	Stone, Jamie
Lamont, John	Stride, rh Mel
Law, Chris	Stuart, rh Graham
Leadbitter, Graham	Swann, Robin
Leigh, rh Sir Edward	Swayne, rh Sir Desmond
Lewis, rh Sir Julian	Taylor, Luke
Lockhart, Carla	Thomas, Bradley
Logan, Seamus	Thomas, Cameron
Lopez, Julia	Tice, Richard
MacDonald, Mr Angus	Trott, rh Laura
Maguire, Ben	Tugendhat, rh Tom
Maguire, Helen	Vickers, Matt
Mak, Alan	Voaden, Caroline
Malthouse, rh Kit	Whately, Helen
Martin, Mike	Whittingdale, rh Sir John
McMurdock, James	Wilkinson, Max
McVey, rh Esther	Williamson, rh Sir Gavin
Medi, Llinos	Wilson, rh Sammy
van Mierlo, Freddie	Wishart, Pete
Miller, Calum	Wood, Mike
Milne, John	Wright, rh Sir Jeremy
Mitchell, rh Mr Andrew	Wrigley, Martin
Mohindra, Mr Gagan	Young, Claire
Moore, Robbie	
Moran, Layla	
Morello, Edward	
Morgan, Helen	
Morrison, Mr Tom	

**Tellers for the Ayes:**  
Nick Timothy and  
James Wild

### NOES

Abbott, rh Ms Diane (Proxy vote cast by Bell Ribeiro- Addy)	Ahmed, Dr Zubir
Abbott, Jack	Akehurst, Luke
Abrahams, Debbie	Alaba, Mr Bayo
	Aldridge, Dan
	Al-Hassan, Sadik

Ali, Rushanara  
 Ali, Tahir  
 Allin-Khan, Dr Rosena  
 Amesbury, Mike (*Proxy vote cast by Chris Elmore*)  
 Anderson, Callum  
 Anderson, Fleur  
 Arthur, Dr Scott  
 Asato, Jess  
 Asser, James  
 Athwal, Jas  
 Atkinson, Catherine  
 Atkinson, Lewis  
 Bailey, Mr Calvin  
 Bailey, Olivia  
 Baines, David  
 Baker, Alex  
 Baker, Richard  
 Ballinger, Alex  
 Barker, Paula  
 Barron, Lee  
 Barros-Curtis, Mr Alex  
 Baxter, Johanna  
 Beales, Danny  
 Beavers, Lorraine  
 Begum, Apsana  
 Bell, Torsten  
 Benn, rh Hilary  
 Berry, Siân  
 Betts, Mr Clive  
 Billington, Ms Polly  
 Bishop, Matt  
 Blake, Olivia (*Proxy vote cast by Chris Elmore*)  
 Blake, Rachel  
 Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)  
 Bonavia, Kevin  
 Botterill, Jade  
 Brackenridge, Mrs Sureena  
 Brash, Mr Jonathan  
 Brickell, Phil  
 Bryant, Chris  
 Burgon, Richard  
 Burton-Sampson, David  
 Butler, Dawn  
 Cadbury, Ruth  
 Caliskan, Nesil  
 Campbell, rh Sir Alan  
 Campbell, Irene  
 Campbell, Juliet  
 Campbell-Savours, Markus  
 Carling, Sam  
 Carns, Al  
 Champion, Sarah  
 Charalambous, Bambos  
 Charters, Mr Luke  
 Coleman, Ben  
 Collier, Jacob  
 Collins, Tom  
 Conlon, Liam  
 Coombes, Sarah  
 Cooper, Andrew  
 Cooper, Dr Beccy  
 Costigan, Deirdre  
 Cox, Pam  
 Coyle, Neil  
 Craft, Jen  
 Creagh, Mary  
 Crichton, Torcuil  
 Curtis, Chris  
 Daby, Janet

Dakin, Sir Nicholas  
 Dalton, Ashley  
 Darlington, Emily  
 Davies, Jonathan  
 Davies, Paul  
 Davies, Shaun  
 De Cordova, Marsha  
 Dean, Josh  
 Denyer, Carla  
 Dhesi, Mr Tanmanjeet Singh  
 Dickson, Jim  
 Dixon, Anna  
 Dixon, Samantha  
 Dollimore, Helena  
 Doughty, Stephen  
 Dowd, Peter  
 Downie, Graeme  
 Duncan-Jordan, Neil  
 Eagle, Dame Angela  
 Eccles, Cat  
 Edwards, Lauren  
 Efford, Clive  
 Egan, Damien  
 Ellis, Maya  
 Elmore, Chris  
 Entwistle, Kirith  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Fahnbulleh, Miatta  
 Falconer, Hamish  
 Farnsworth, Linsey  
 Fenton-Glynn, Josh  
 Ferguson, Mark  
 Fleet, Natalie  
 Foody, Emma  
 Foster, Mr Paul  
 Foxcroft, Vicky  
 Francis, Daniel  
 Gardiner, Barry  
 Gardner, Dr Allison  
 Gelderd, Anna  
 Gemmell, Alan  
 German, Gill  
 Gilbert, Tracy  
 Gill, Preet Kaur  
 Gittins, Becky  
 Glindon, Mary  
 Goldsborough, Ben  
 Gosling, Jodie  
 Gould, Georgia  
 Grady, John  
 Greenwood, Lilian  
 Griffith, Dame Nia  
 Gwynne, Andrew  
 Hall, Sarah  
 Hamilton, Paulette  
 Hardy, Emma  
 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  
 Jones, rh Darren  
 Jones, Gerald  
 Jones, Lillian  
 Jones, Louise  
 Jones, Ruth  
 Josan, Gurinder Singh  
 Joseph, Sojan  
 Juss, Warinder  
 Kane, Chris  
 Kaur, Satvir  
 Kendall, rh Liz  
 Khan, Afzal  
 Khan, Naushabah  
 Kirkham, Jayne  
 Kitchen, Gen  
 Kumaran, Uma  
 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  
 McDonagh, Dame Siobhain  
 McDonald, Andy  
 McDonald, Chris  
 McDonnell, rh John  
 McDougall, Blair  
 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  
 Morgan, Stephen  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, Chris  
 Murray, James  
 Murray, Katrina  
 Naish, James  
 Naismith, Connor  
 Narayan, Kanishka

Nash, Pamela  
 Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan  
 Onn, Melanie  
 Onwurah, Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Tristan  
 Owen, Sarah  
 Paffey, Darren  
 Pakes, Andrew  
 Patrick, Matthew  
 Payne, Michael  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillipson, rh Bridget  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Powell, Joe  
 Powell, rh Lucy  
 Prinsley, Peter  
 Quigley, Mr Richard  
 Qureshi, Yasmin  
 Race, Steve  
 Rand, Mr Connor  
 Ranger, Andrew  
 Reader, Mike  
 Reed, rh Steve  
 Reeves, Ellie  
 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  
 Simons, Josh  
 Slaughter, Andy  
 Slinger, John  
 Smith, David  
 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  
 Streeting, rh Wes



Strickland, Alan  
 Stringer, Graham  
 Sullivan, Dr Lauren  
 Sultana, Zarah  
 Swallow, Peter  
 Tami, rh Mark  
 Tapp, Mike  
 Taylor, Alison  
 Taylor, David  
 Taylor, Rachel  
 Thomas, Fred  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Adam  
 Thornberry, rh Emily  
 Timms, rh Sir Stephen  
 Toale, Jessica  
 Tomlinson, Dan  
 Trickett, Jon  
 Turley, Anna  
 Turmaine, Matt  
 Turner, Karl  
 Turner, Laurence  
 Twist, Liz  
 Uppal, Harpreet

Vaughan, Tony  
 Vaz, rh Valerie  
 Vince, Chris  
 Wakeford, Christian  
 Walker, Imogen  
 Ward, Chris  
 Ward, Melanie  
 Waugh, Paul  
 Webb, Chris  
 West, Catherine  
 Western, Andrew  
 Wheeler, Michael  
 Whitby, John  
 White, Jo  
 White, Katie  
 Whittome, Nadia  
 Williams, David  
 Woodcock, Sean  
 Yang, Yuan  
 Yasin, Mohammad  
 Yemm, Steve  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Martin McCluskey and**  
**Kate Dearden**

*Question accordingly negatived.*

*Question put forthwith (Standing Order No. 31(2)), That the proposed words be there added. Question agreed to.*

*The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).*

*Resolved,*

That this House thanks farmers for their immense contribution to the UK economy and the nation's food security; welcomes the Government's commitment of £5 billion to the farming budget over the next two years, the biggest budget for sustainable food production and nature recovery in UK history; acknowledges that the Government is having to make difficult decisions to protect farms and farmers in the context of the £22 billion fiscal blackhole left by the previous Government; recognises that the Government is seeking to target Agricultural Property Relief and Business Property Relief to make them fairer whilst also fixing the public services that everyone relies on; and notes that under the changes announced in the Budget around three quarters of claims for Agricultural Property Relief, including those that also claim Business Property Relief, are expected to not pay more Inheritance Tax.

## Employer National Insurance Contributions

5.13 pm

**Mel Stride** (Central Devon) (Con): I beg to move,

That this House regrets that increasing the rate of employers' National Insurance contributions (NICs) to 15%, and reducing the per-employee threshold at which employers become liable to pay NICs on employees' earnings to £5,000, will lead to increased costs for businesses and lower wages for employees, including in particular young people; will force companies to cut employment, leading to some 130,000 job losses according to Bloomberg Economics; will increase costs for retailers by £2.3 billion according to the British Retail Consortium, leading to higher prices for consumers; will create an annual additional bill of £1.4 billion for charitable service providers according to the National Council for Voluntary Organisations, so they will struggle to maintain support for vulnerable people; and will increase childcare costs for families; further regrets that the Government has not published its complete assessment of the effect this policy will have on the public and private sector, or indeed any impact assessment; and regrets also that, as a result of the Government's economic policies, GDP forecasts are down, inflation is up and business confidence is down.

"Growth" was the leitmotiv of the Labour party. Its members chuntered on about it during the run-up to the last general election, and in their manifesto, under the heading "Kickstart economic growth", they said that they would secure the highest sustained growth in the G7. They also said—and I know that you like a good joke, Madam Deputy Speaker, but I would ask you to contain yourself—that they would forge a

"new partnership with business to boost growth everywhere".

Given what has happened, those are fantastical statements. Reading Labour's manifesto was somewhat like stepping through the looking glass. It had something of Lewis Carroll about it. This lot were less the Prime Minister and the Chancellor than the Walrus and the Carpenter, cruelly leading businesses to their demise. For all the fantasy in the manifesto, they might just as well have spoken

"Of shoes—and ships—and sealing-wax—

Of cabbages—and kings—

And why the sea is boiling hot—

And whether pigs have wings."

Because what happened to growth? The Office for Budget Responsibility tells us that the Budget will lead to less growth across the forecast period than was the case back in the spring under the last Government. The Office for National Statistics tells us in the third-quarter GDP data that the economy grew by 0.1%—one seventh of the growth in the United States. In the third month of that quarter, which was September, growth was actually negative. That is the record of this Government.

**Mr Toby Perkins** (Chesterfield) (Lab): The right hon. Gentleman talks about the OBR figures, but he fails to mention that his party misled the OBR to the extent that it had to put the failure in writing. Given that he is talking about Lewis Carroll, is it not true to say that the figures that the OBR was working with were more likely to have been received from the Mad Hatter?

**Mel Stride:** That is an amusing intervention, but it is thoroughly inaccurate, I am afraid. The OBR did indeed look into the suggestion that there was a black hole of £22 billion, and what did it conclude? It concluded that the fiscal pressure in that year was less than half

that amount. The OBR readily accepted that had it had discussions with Treasury officials about that at the time, it may well have reduced the amount still further. Members from across the House know that it is not unusual for the Treasury to manage down in-year fiscal pressures as a matter of course, so the argument has been debunked. It is the dead parrot. It is pushing up the daisies. It is no more.

The hon. Gentleman's point is indicative of what this Government have done: they have talked down the UK economy. In turn, business confidence has slumped in a way seldom seen in our history, with purchasing managers index surveys falling through the floor. We have seen the Institute of Directors' optimism tracker scoring minus 60 in November—one would have to go back to April 2020 to find a lower score than that. We also know that at the centre of the Budget is the biggest broken promise of all: the increase in employer's national insurance contributions. That is weighing on growth.

And what of jobs? Labour's fantastical manifesto talks about job creation, which is mentioned several times, but the Government are destroying jobs by breaking a manifesto commitment. It was there in black and white in their manifesto that they would not raise national insurance. Do not take my word that they breached their manifesto; take that of Paul Johnson of the Institute for Fiscal Studies, who says precisely the same.

**Paul Waugh** (Rochdale) (Lab/Co-op): The right hon. Member refers to broken manifesto pledges. The Conservatives' 2019 manifesto said they would not raise national insurance, yet three years later he and all his colleagues voted to raise national insurance—not just on employees, but on employers. Can he help us with that process of logic?

**Mel Stride:** I think the hon. Gentleman might just be overlooking a little something called covid, which shrank the UK economy by over 10% overnight.

What this Government have done is take us right back to the 1970s when it comes to the jaw-dropping level of tax increases and spending splurges. The impact on jobs is stark, and it is clear. The OBR says there will be 50,000 fewer full-time equivalent jobs as a result of the measures in the Budget. Bloomberg says that 130,000 jobs will be destroyed. The Confederation of British Industry, in a survey of its membership, says that 50% of businesses report that they will cut employment as a consequence of the Budget, and two thirds say that they will row back on the recruitment plans that they previously had.

It is not just about the headline rate; the threshold is so pertinent and important here. It is bearing down on sectors where wages are lower, and on cohorts in the labour market who earn the least, because of the disproportionate impact of lowering the threshold. They include hospitality, leisure, retail and women. Some of the youngest people in our country will now see their jobs taken away from them as a consequence of what this Government are doing. We know that the Labour party has form when it comes to youth unemployment. Under the last Labour Government, youth unemployment increased by over 40%. Under the last Conservative Government, it reduced by over 40%.

Labour said in this fantastical document that it would keep inflation as low as possible. It said the same of mortgages, and yet what has happened? This fiscal splurge, this £70 billion each year that the Government are now going to be spending, will mean higher inflation in every single year of the forecast, compared with the forecast back in the spring. What is that doing to people's living standards? It is destroying them, and I will come to that momentarily. Part of the inflationary pressure is the national insurance increase itself, because while we know that, according to the Office for Budget Responsibility, about 80% of it will be transferred into lower employment rates and depressed wages, about 20% of it will go into higher prices.

And what of living standards? This fantastical Lewis Carroll document said that Labour would be making everybody, not just the few, better off. However, the Joseph Rowntree Foundation—hardly a right-wing thinktank—says that by October 2029, the average family will be £770 worse off in real terms than they are today.

**Dr Jeevun Sandher** (Loughborough) (Lab): We on this side of the House will not take lectures on living standards from the party that left us with the worst squeeze on wages since Napoleon, the highest energy prices in the G7 and the highest inflation. The Conservatives left us with the worst-insulated homes and dependent on natural gas. That is why this party will invest in insulation to make us all better off in the long run.

**Mel Stride:** I am surprised that the hon. Gentleman raises the inheritance that his party has received from the Conservatives. We had the highest rate of growth in the G7. We had brought inflation right down from 11.1% in October 2022 to 2%—bang on target—at the time of the general election. We had a near-record level of employment. We had a near-record low level of unemployment. We had real wages that had been increasing month after month for 13 or 14 months prior to the general election. That was not a bad inheritance.

**Torsten Bell** (Swansea West) (Lab): I am grateful to the shadow Chancellor for giving way, even if I cannot quite believe what I am hearing. Anyone boasting about the economic record of the previous Government, particularly in the immediate run-up to the last election, should read this week's release from the Office for National Statistics on the reweighted labour force survey. It shows that productivity in the year running up to the election fell by 0.9%. That was in just one year. That is what economic failure looks like.

**Mel Stride:** No matter what points the hon. Gentleman may make, I am afraid he cannot get away from the fact that this Government are bearing down on growth, pressing up on unemployment, bearing down on employment and bearing down on living standards.

The OBR also says that real household disposable income by 2029 will be 1.25% lower than it was back in the spring, at the time of that forecast. We know the impact that national insurance is going to have on wages. It will press them down and it will further diminish living standards.

**Paul Holmes** (Hamble Valley) (Con): Does my right hon. Friend the shadow Chancellor remember any Labour MP in the last general election standing on a fully costed manifesto that would mean economic growth was forecast

[Paul Holmes]

to be lower than under the previous Government? Perhaps the hon. Member for Swansea West (Torsten Bell) should remember that Labour MPs stood on a manifesto that was apparently fully costed but then had different commitments. We had a faster rate of growth under the last Government than is projected under this Government.

**Mel Stride:** The simple fact is that, at the time of the general election, we had the fastest-growing economy in the G7. The simple fact is that the Labour manifesto said it would deliver precisely that, yet we have heard very little about that commitment in recent days and weeks—I wonder why.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Does my right hon. Friend agree that it is important to set the facts right? It is important to reflect on the fact that, during our 14 years in government—despite the 2008–09 financial crisis, despite the pandemic and despite the energy crisis—more than 1 million jobs were created, and 4 million people were in employment who were not in employment when we took office.

**Mel Stride:** My right hon. Friend is absolutely right. Our record on employment shows that we were a job-creating machine after 2010, and the statistics he cites are quite right.

When it came to business—this is a killer worthy of a stand-up comedy routine—the manifesto said:

“Labour will...support business through a stable policy environment”.

Of course, we know that all sorts of businesses have been hit by this tax increase, including many that directly support our public services: our hospices, our GPs and our pharmacists. Marie Curie has said that it is about to get a tax bill for an additional £3 million. Just think of the impact that will have.

The question that many are now feverishly and worriedly asking is whether there is more to come. Are the Government going to run out of road with their approach to our economy, and will they come back for more? Well, the Chancellor recently told the CBI that the Government will not be

“coming back with more borrowing or more taxes.”

Yet when the Leader of the Opposition put this assertion to the Prime Minister at Prime Minister’s questions today, we heard no answer. When I twice asked exactly that question of the Chancellor yesterday, we heard no response. Currently, these businesses do not know whether the Chancellor’s assertion that there will be no more borrowing and no more taxes is true or false.

**Dave Doogan** (Angus and Perthshire Glens) (SNP): It sounds like the shadow Chancellor is unconvinced by the shrill chants of Labour Members that the Government will fix the foundations of the economy, and he has good reason for being suspicious. In October, when the Government had scarcely been in office for three months, they had more in-month borrowing than any UK Government since 1993, with the exception of one month during covid. Does that look like fixing the foundations to the shadow Chancellor?

**Mel Stride:** I have heard the hon. Gentleman intervene in various debates, and I am coming to the conclusion that he is probably a rather sensible SNP Member, because he is absolutely right. [Interruption.] I did not opine on how sensible his party is. I just said that he is one of its most sensible Members.

It is very clear that this Government will not create firm foundations for the economy. They will actually create a vulnerable economy, because there are risks around the central forecast and downside risks around growth, inflation, net migration, economic inactivity, energy prices, interest rates and so on. There will also be risks around the spending envelope after the first couple of years, particularly for a profligate Labour Government who may find that constraint unbearable.

There are also external risks. We know that there will be a new Government in the United States, and there is talk of tariffs. It may be that the deficit financing of tax cuts leads to interest rates rising around the world as bond yields increase, and that could be imported to our shores.

All these things mean that we need a good level of headroom against our fiscal targets, yet, on the stability target, it is quite possible that the headroom has already evaporated. Why? Because, to my earlier point, the Government talked down the UK economy and, partly as a result, are paying more to service the debt than this country carries.

**Kanishka Narayan** (Vale of Glamorgan) (Lab): I thank the shadow Chancellor for giving way; my interest was piqued by his talk of deficit financed tax cuts. Does he agree with his boss, the Leader of the Opposition, that the Liz Truss mini-Budget, which is the prime example of the thing he criticises, was the right package, but just with the wrong communication?

**Mel Stride:** If the hon. Gentleman has a look at the history of that time, he will see that I was the Chair of the Treasury Committee, and I had a great deal to say about the economic policies that were pursued in the so-called mini-Budget, so I will leave it at that.

**Graham Stuart** (Beverley and Holderness) (Con): On that point, will my right hon. Friend give way?

**Mel Stride:** How could I not?

**Graham Stuart:** My right hon. Friend is giving a powerful speech. Does he share my feeling of pity for the—in some cases, distinguished—new Members of Parliament on the Government Benches? They want to talk again and again about the past, and about what happened as we recovered from the pandemic and got through the energy crisis, but not a single one wants to defend the appalling employer NICs increase, which will take £26 billion out of the economy but ultimately provide only about £10 billion or £11 billion in revenue for public services. It is an extraordinary misstep, is it not?

**Mel Stride:** My right hon. Friend is right. They avoid the present and run away from the future, and there is no surprise about why that is the case.

Several hon. Members rose—



**Mel Stride:** I will not give way now.

For this Government, supporting business is like living in a world of fantasy. In “The Walrus and the Carpenter”, it was trusting oysters who were led to their early demise; with the Prime Minister and the Chancellor, it is businesses that were trusting. As Lewis Carroll might have written the final verse:

“‘O businesses’, said the Chancellor,  
‘You’ve had a pleasant run!  
Shall we be trotting home again?’  
But answer came there none—  
And this was scarcely odd, because  
She’d finished off every one.”

That leaves just the Conservative party standing up for businesses in this country. For the working men and women in this country, we are the party that understands the difference between fantasy and reality. We are the party that knows that businesses need lower taxes, not higher taxes; less regulation, not more regulation; and a Government who are on their side. That is not the Labour party.

5.32 pm

**The Chief Secretary to the Treasury (Darren Jones):** The shadow Chancellor made a number of interesting points, and I will give him the courtesy of going through a number of them. He talked about how this Government are risking inflation, when his Government sent it spiralling to the highest level in a generation. He said that Labour Members are talking down the economy, when his Government crashed it. He said that Conservative Members disagreed with the measures in the Budget, specifically in relation to national insurance contributions, but not one alternative option was laid out in his speech.

The public have a right to know what his choices would be: would the Conservatives want to increase income tax on workers or VAT in the shops, or would they like to increase corporation tax again on business? Would they like to cut tens of billions of pounds from public services or borrow more money every single day to pay the bills, or continue to make a black hole in the public finances? He suggested that the Labour party’s transparency with the country about the £22 billion black hole that the Conservatives left was not real, but they know that they created it. The sooner they say sorry to the country, the sooner the public might start listening to them once again.

I will finish with a positive comment. The shadow Chancellor said that his party was a “job-creating machine”. I am very grateful for the number of former Conservative MPs they have released into the labour market, given how many vacancies we have filled.

In her Budget statement on 30 October, the Chancellor set out the difficult decisions that the Government needed to take on welfare, spending and tax. Those decisions were not just difficult but necessary, given the fiscal irresponsibility and economic mismanagement of the Conservative party over the past 14 years. I welcome a debate on the choices, as I hear Members say from a sedentary position, “Choices, choices, choices.” What are yours? You should set that out to this House and you—[*Interruption.*] The party opposite should set them out to the public.

**Madam Deputy Speaker:** Order. The Chief Secretary might like to reflect that when he says, “What are yours?”, it means, “What are mine?” They are not my choices. Can he please be careful not to use “you” and “yours”?

**Darren Jones:** Thank you, Madam Deputy Speaker. To be very clear and to correct the record, the Conservative party should tell the country what its choices are. I am all ears.

The Labour party inherited a mess and we, as a responsible party of government, have needed to take measures to fix the public finances, fund the national health service and other public services, and deliver economic stability. We have been determined to take those decisions while protecting working people, which was our manifesto commitment. That is why the Budget made no changes to income tax, the rate of VAT or the amount of national insurance working people will pay. As a result of our Budget, people will not see a penny more in tax on their payslips. Yet keeping those promises while getting the country back on track meant tough decisions elsewhere in the tax system—choices and decisions that we are willing to take.

**Graham Stuart:** Perhaps with the assistance of the Exchequer Secretary to the Treasury behind him, the right hon. Gentleman might be able to answer a question that other Treasury Ministers have not been able to: why did the OBR make a correction in table 3.2 in chapter 3? It was originally suggested that £5.5 billion would be provided for compensation “to public sector employers and adult social care”.

That was then corrected to remove any reference to social care and the number was cut by £800 million. Can the right hon. Gentleman explain what caused the OBR to make that correction and when it was decided that social care was not worth support?

**Darren Jones:** The right hon. Gentleman might in future give me advance notice of specific references to documents so that I can refer to them. I cannot tell him about table 3.2 in the OBR document because it is not here, but we will of course get an answer to him. He may wish to consider why the OBR said that had the Conservative party been more transparent about its time in government, its forecast would have been materially different. The shadow Chancellor was unable to provide an answer to that in response to interventions from colleagues from around the House.

That inheritance is why, at the Budget, we took the decision to increase national insurance contributions for employers while increasing protections for small businesses and charities. The Government increased the main rate of employer secondary class 1 national insurance contributions from 13.8% to 15%.

**Several hon. Members rose—**

**Darren Jones:** I will give way in a second. We have decreased the secondary threshold for employers, which is the threshold above which employers begin to pay employer national insurance contributions on their employees’ salaries, from £9,100 to £5,000. At the same time, we have increased protection for small businesses by more than doubling the employment allowance from £5,000 to £10,500.

**Luke Taylor** (Sutton and Cheam) (LD): The national insurance hike will impact on small businesses, which form the backbone of our local economies as fixtures on our high streets across London and across my Sutton and Cheam constituency, including in Worcester Park and North Cheam. Will the right hon. Gentleman join me in recognising that Small Business Saturday is this weekend? Does he agree that the Government might take this opportunity to rethink the national insurance hike and the impact on small businesses, which will be suffering this week and beyond?

**Darren Jones:** We have factored small businesses into the design of our policy, in terms of both employer national insurance contributions and our commitment to permanent lower rates for business rates than were given under the previous Government, as well as other support for the high street. We are also expanding eligibility to the employment allowance by removing the £100,000 eligibility threshold to simplify and reform employer NICs so that all eligible employers can now benefit.

Changes to the employment allowance mean that around 250,000 employers will see their national insurance contributions liability decrease, and more than 1 million will pay the same or less than they did previously. Overall, that means that more than half of businesses with NICs liabilities will either see no change or will gain overall from the package. That design was put in place specifically to protect the small businesses that the hon. Gentleman raises. That means that 865,000 employers will not pay national insurance at all, enabling them, for example, to employ up to four full-time workers on the national living wage and pay no employer NICs. Employers will also continue to benefit from employer NICs relief, including for hiring workers aged under 21 and apprentices aged under 25. To support veterans, the Government are extending the national insurance contributions relief for employers of qualifying veterans for one year to April 2026, and we have set aside funding to protect the spending power of the public sector, including the national health service, from the direct impacts of the changes.

Even after accounting for the impact of this change, the OBR expects real wages to rise by 3% between now and the end of the forecast period, but we recognise that there will be impacts on employers. While many small businesses and charities will be protected through employment allowance, others will have to contribute more. There will also be impacts beyond business, as the Office for Budget Responsibility has acknowledged.

**Mr Perkins:** My right hon. Friend and I spent many years in opposition, and have spoken in many Opposition day debates. Does he agree that when the Opposition move a motion like today's, which says that the Government should not do something without making any alternative suggestion about what they should do, it is a sign that the Opposition have not worked out their answer to the question? At some point, I hope that the Opposition will be able to help the country and the Government by having some policies, but does he agree that, until they do, the Government will just have to crack on as best they can on their own?

**Darren Jones:** I agree with my hon. Friend, and I encourage Opposition Members to put forward proposals. I am all ears. I am willing to listen to them, but so far all we have is opposition and no policies. Maybe that will change in the future.

The motion claims that the Government have not set out any impact assessment of the policy change, but the Government published a tax information and impact note on 13 November that explained the Government's assessment of the policy, including its impact on businesses and the economy more widely. This was a difficult choice, and it is not one that we have taken lightly, but it is the right choice given the dire economic inheritance that the Government faced upon taking office, and the need to fix our broken public services. As the Chancellor set out in the Budget, healthy businesses depend on a healthy NHS, and a strong economy depends on strong public finances.

**Wendy Morton** (Aldridge-Brownhills) (Con): On the NHS and choices, does the right hon. Gentleman not accept that the Government have chosen to clobber organisations and charities such as air ambulances and the hospice movement—the very organisations whose help the Government will need to improve services for the general public? As we asked yesterday, will he consider an exemption?

**Darren Jones:** As my right hon. Friend the Health Secretary has made very clear, when the Labour party came into government the NHS was broken. Why? Because of actions taken by the Conservative party over the last 14 years. That is why the Government have to take decisions to get a grip of the public finances and our public services. The changes are necessary in order to draw a line under instability, so that businesses can plan for the future, and to ensure that the NHS will receive an extra £22.6 billion to deliver 40,000 extra elective appointments a week. That vital new funding will create an NHS that is there when we need it, and the Government will achieve that within our tough fiscal rules—rules that will bring an end to borrowing for day-to-day spending, which was completely out of control when the Conservative party was in government.

Madam Deputy Speaker, you might think that, having called for higher NHS spending over the weekend, the Opposition would recognise the need to take tough but necessary decisions on the public finances in order to pay for it, but it seemed from the speech of the shadow Chancellor that that is not the case. Perhaps the Opposition might take the opportunity today to explain how they will raise the £25 billion that the changes provide for, but which they will not support. How else do they intend to pay for the new appointments and better services that the funding offers? What tough decisions would they make to repair the public finances and put our economy on a sustainable footing?

The Opposition's double standards on this issue only go to show why they are not trusted on the economy: they have given up any pretence of fiscal responsibility. We recognise that the decision to increase employer national insurance will have impacts. Although the changes to employment allowance will help to protect small businesses and charities, other measures mean that larger businesses and organisations will have to make difficult decisions. However, as the Chancellor set out, this was a once-in-a-generation Budget. The difficult decisions we took meant that we were able to wipe the slate clean from the previous Government's economic and fiscal mismanagement. Public services will now need to live within their means on the budgets we have set for them for the rest of this Parliament.

The Budget delivered economic stability and fiscal responsibility so that we can take the steps necessary to boost investment, fix our public services and grow the economy. That fiscal responsibility is only possible when Governments are willing to take tough decisions. This Government will not shy away from those tough decisions and will do what is right to fix the foundations of our economy, despite the dire inheritance left by the Conservatives. The shadow Chancellor said we were hiding in the past and not facing the future. I say to him: we are running to the future, dealing with the challenges and delivering for the British people.

**Several hon. Members rose—**

**Madam Deputy Speaker (Caroline Nokes):** Order. There will be a five-minute time limit from the outset—obviously not including the Liberal Democrat spokesperson. I call Daisy Cooper.

5.45 pm

**Daisy Cooper (St Albans) (LD):** On 23 October, at Deputy Prime Minister's questions, I warned the Government that an increase in national insurance contributions would impact not only millions of small businesses but social care providers. That was a week before the Budget. Here we are, six weeks on from that exchange, and we are still talking about the impact of those changes. The reason is that the unintended consequences are huge.

We all know the Government have received a terrible inheritance from the Conservatives. The Conservatives flatlined our economy, blew a hole in the public finances and left public services on their knees. In the wake of the Conservative Government, there is a litany of broken promises. They promised to recruit 6,000 GPs, and they did not. They promised to fix social care for good, and they did not. Every single year since 2015, they failed to meet their 62-day cancer treatment target. I have huge sympathy for the fact that the Labour Government need and want to invest in our NHS and care. However, I am concerned about the indiscriminate impact of the changes to national insurance contributions. [HON. MEMBERS: "Ah!"] You've heard this before—come on. Not only will the changes undermine growth, they will undermine the efforts to get the NHS and care back on their feet.

Over the past six weeks, all of us have heard concerns about the impact the changes will have on GPs, dentists, pharmacists and social care providers—all critical organisations to getting the NHS and care services back on their feet. We have heard about the impact on the early years sector. I am concerned the changes will drive up the cost of childcare when we should be driving it down to help parents get back to work.

Over the past few weeks, I have raised examples from my constituency of the impact the changes will have, including on Citizens Advice, which gives advice to some of the most vulnerable people; Hightown Housing Association providing social homes; Quantum Care, a social care provider; Rennie Grove Peace Hospice Care; the Bedfordshire and Hertfordshire local medical committee representing GPs; DJs Play; and Ye Olde Fighting Cocks, the oldest pub in England. We know small businesses are the engine of our economy and backbone of our communities.

**Mr Perkins:** I am glad to hear that Liberal Democrats support the extra money for the health service, special needs education and social care. I apologise for my impatience, because I am sure the hon. Member is just about to get there, but can she tell us where the £25 billion should come from if not from this national insurance rise?

**Daisy Cooper:** I welcome that intervention. In the debate on the National Insurance Contributions (Secondary Class 1 Contributions) Bill yesterday, I addressed that question head on. I will try to remember my notes, which are sitting with *Hansard*. The hon. Gentleman will be aware that the OBR has said the £26 billion is actually reduced to £10 billion when behavioural changes and rebates to the NHS and care are factored in. On raising that £10 billion, we have said we would reverse the tax cuts that the Conservatives gave to the big banks, raising £4 billion. We could raise a further £3 billion by increasing the remote gaming duty and the digital services bill.

We set out proposals in our manifesto to reform capital gains tax in a different way from the Government. Our measures would have raised about £5 billion, so unlike the Conservatives—who did not set out the impact of the £10 billion to £20 billion of cuts that, based on their manifesto, would have been inevitable—we as a constructive Opposition have set out suggestions. I urge Labour Members to take up our ideas, if not in this Budget then certainly in the next.

We are approaching Small Business Saturday, when I am sure we will all be in our constituencies talking to small business owners. We know that small businesses are the engine of our economy and the backbone of our communities, and in many cases, they make our high streets what they are. When it comes to health and care businesses, though, I am concerned that this measure takes with one hand and gives back with another, but with no guarantee that the money that comes back will cover the costs. As such, I urge the Government to rethink these changes to national insurance contributions, but if they do not, I urge them at the very least to exclude health and care providers from these measures.

5.50 pm

**Josh Simons (Makerfield) (Lab):** The economic arguments in this debate will be well covered by other Members, so I would like to make a brief point about choices and political leadership—about having arguments, rather than ducking them. For a decade, as low growth placed an ever-greater burden on the public finances, Conservative Members fiddled and fudged, choosing stealth taxes such as fiscal drag that they hoped nobody would notice. Between 2010 and 2021, Conservative Governments introduced 1,651 tax changes. They changed vehicle excise duty 258 times and alcohol duty 125 times. The last Parliament saw the largest set of tax rises since the second world war, leaving the tax burden at a third of national income. When a Government are frightened of their own shadow, as well as their own divided Back Benches, it is easier to fudge and fiddle than to face up to hard choices.

Conservative Members lacked the courage and unity to tackle the great problem this great nation faced, but not us—not this Government. When we see something fundamental that requires courage and leadership to



[Josh Simons]

address, we square up to it and confront it. That is why we immediately undid the fiddles and fudges, ending the freeze on income tax that has burdened working people in this country. It is why we ended the hidden theft of money from working people and fixed the injustice of the mineworkers' pension scheme, and it is why we boosted HMRC compliance, because there is no point in creating a tax behemoth that cannot be enforced. It is also why we made a big, clear choice to close the gaping hole in the public finances left by Conservative Members.

Britain's economy has run a tight labour market alongside stagnant productivity growth for decades. In that context, national insurance rises are a sensible, balanced and transparent way to incentivise business investment that will boost productivity while filling the £22 billion black hole. That is what courage looks like: squaring up to the challenges our country faces, instead of running scared and leaving working people to pay the price. We have fronted up to set this great country back on a secure path.

If the Opposition wish to show the nation that they are a responsible party ready to govern this great country, they must have the courage to tell us whether they would scrap this measure, and if not, which of the challenges we face they wish to ignore. Do they want to cut off the electrification of the Wigan-Bolton train line? Do they want to get rid of the experts working with the Warrington, Wigan and Leigh NHS trust in my constituency to bring down waiting lists? Perhaps they want to cut back once again on the neighbourhood police officers who we are getting back on our streets, or perhaps they want to cut the £150 million investment in Border Security Command. I do not think so.

5.53 pm

**Paul Holmes** (Hamble Valley) (Con): It is a pleasure to follow the hon. Member for Makerfield (Josh Simons). I rise to speak in favour of the motion on the Order Paper in the name of the Leader of the Opposition.

I do not rise to speak in this House because I think the Labour party's Budget is vindictive, but I do think that the national insurance rise we are debating today is a proposal that runs right through the Labour party's DNA. Labour drives down growth, when growth should be the No. 1 priority for public services. It taxes the wealth creators and the small businesses, it borrows and makes the economic situation worse, and it is always the Conservative party that has to pick up the pieces after Labour has targeted the poorest people and smallest businesses in our society and made them suffer.

Ultimately, the lack of growth that the Labour party and every Labour Member have signed up to means that public services will suffer, fewer jobs will be created and more businesses will close. I gently say to the Chief Secretary that he challenged us repeatedly to outline what we would do instead of this measure to make sure that we can fund public services, and I will tell him a few things that we would not do. [Interruption.] Well, I will tell him in a minute, and he can intervene and elaborate, and I will get an extra minute. As he asked me what we would do, I will tell him: we would increase growth, as was outlined by the OBR. We would have growth, and higher growth than this Government are proposing.

However, what we would not be doing is borrowing as much as him and spending £9 billion on public sector pay rises for his trade union paymasters, funded from borrowing. Those are the things we would not do.

**Darren Jones:** The hon. Member tells the House that he would go for growth. How did that go when his party tried it last time?

**Paul Holmes:** I simply say—and the Chief Secretary should know this because he supposedly wrote the Budget that we voted on a couple of weeks ago—that growth forecasts were higher under the last Government than those of the Government for whom he is now leading in the Treasury. I say to the Government that business confidence is at the lowest it has been for years.

**Torsten Bell:** The hon. Member has raised the issue of business confidence, which I have heard a few times from Opposition Members. That leaves me pondering why, if businesses were so confident under the previous Government, we had the lowest private sector business investment in the entire G7, and the only country in the OECD that saw lower levels of private investment was Greece.

**Paul Holmes:** I know the hon. Gentleman liked to pride himself on being the oracle of economics when he led a think-tank, but if he looks at the bare facts of business confidence out there, he will see that it has been lower under the five months of the Labour Government than it ever was under the 14 years of the Conservative Government.

I want to mention some of the impacts that this measure will have on my constituency of Hamble Valley. There are 4,000 people employed in the hospitality sector in my constituency. Just last night, a business leader—a small business leader who owns three local venues—outlined to me that, because of the measures this Government have brought forward, he now has to find 5% extra of his total turnover to pay his taxes. That leads to a number of options: he can reduce staff count, meaning higher unemployment in my constituency and nationally; he can close venues, which again means lower employment and the death of our town centres—in every constituency, I remind Members—or he has to choose between not hiring local staff and stopping expansion, as every extra person he wants to take on will cost the business an extra £800 because of this national insurance contributions rise. That choice is facing businesses up and down the country, with lower growth, higher bureaucracy and higher taxes on the people who create jobs and wealth in every constituency in this country and drive the economy that we need to fund public services.

What is most damaging about the Government's proposal is the catastrophic impact it will have on charities across this country. I defy any Labour MP to stand up in this Chamber and say that they are willing to bring in and happy to vote for a measure that will mean frontline services delivered through our charitable sector are cut. There are other options the Government can take, and they have chosen not to.

**Yuan Yang** (Earley and Woodley) (Lab) *rose—*

**Paul Holmes:** I am not giving way. *[Interruption.]* Well, I do not have time.

Let us look at the hospice sector. Many Labour Members probably hoped that the parachute leads had been cut, but I raised £10,000 by jumping out of an aeroplane for the Mountbatten hospice in my constituency. Some 70% of its income is from charitable donations, and 24% of its income is delivered by the national health service. At no time when this Minister or any other Minister has stood up in this House have they apologised to the hospice sector for the cuts in services that will have to be delivered because of this measure. Mountbatten will have to find an extra £1 million in income just because of this measure, and that means more hospital beds being used by people who are unable to access hospice services. Ultimately, the NHS will be in further crisis because of the short-term measure this Government are taking through.

**Chris Curtis** (Milton Keynes North) (Lab): Will the hon. Gentleman give way?

**Paul Holmes:** I like the hon. Gentleman, so I will give way.

**Chris Curtis:** I thank the hon. Gentleman. I was looking at some research the other day that shows that parachute jumps end up costing the NHS more money because of the risk of injury than they raise for the charities concerned. Does he agree that, rather than parachute jumps, what our NHS needs is the £22.6 billion investment that has been raised by the Budget?

**Paul Holmes:** The last Government gave the highest amount of investment into the national health service ever. I happened to jump out of a plane because I was very keen to do so, as I am a bit of a thrill seeker but also because I wanted to raise money for a good charity. If the hon. Gentleman votes for the Government measure or against the motion this evening, he will be ensuring that hospices across this country are unable to deliver the services they want to deliver and, as homelessness charities have said, that £50 million to £60 million will be taken out of frontline services. That will be the impact of this measure. Charities across this country are going to suffer under this Government's proposal, as will hospitals and wealth creators, and I say to every Member who votes against this motion to protect frontline services that their constituents will be watching.

We should not be surprised that, five months after taking office, the Labour party has reverted to type: tax the most vulnerable, tax small businesses and borrow on the public purse; with poorer public services out there and lower growth going forward. I cannot wait for its defeat at the next election and us fixing the problems.

6.1 pm

**Kevin Bonavia** (Stevenage) (Lab): After inheriting the ruins of 14 years of Conservative failure, this Government have had to make tough decisions to balance the books.

**Graham Stuart:** I love the originality.

**Kevin Bonavia:** And I will keep it coming until the right hon. Gentleman gets the message.

After 14 years of working people footing the Bill, this Government are choosing to spread the load in as fair a way as possible. In the spirit of building an economy driven by collaboration between productive workers and thriving businesses, a balance has to be struck. While we are asking employers to contribute more, this does of course come with protections for small businesses. While employer national insurance contributions will increase by 1.2%, this Government are choosing to protect the smallest businesses by increasing the employment allowance to £10,500 and expanding this to all eligible employers.

Let us therefore stop the politically expedient outrage and check the real-life impact. Changes to the employment allowance mean that the Office for Budget Responsibility expects that 250,000 employers will gain and an additional 820,000 will see no change. We have also committed to provide support for public sector employers for additional employer cost. This also means that, unlike the previous Government, who gave us the highest tax burden since the second world war, Labour are able not to ask for a penny more out of workers' pay packets. While we must listen to the genuine concerns from businesses, which, like the rest of society, are feeling the brunt of 14 years of Tory austerity and decline, I am in no doubt that these decisions are the right and necessary ones that will fix the foundations of our economy and unlock the funding to rebuild our public services.

**Melanie Ward** (Cowdenbeath and Kirkcaldy) (Lab): My hon. Friend is talking about fixing the foundations and that point was also made by the now absent hon. Member for Angus and Perthshire Glens (Dave Doogan) earlier in the debate. Today was Budget day in the Scottish Parliament, where of course the Scottish Government had a record amount of funding to spend. I just want to share with the House what was said about that Budget by the Fraser of Allander Institute. It said—

**Madam Deputy Speaker (Caroline Nokes):** Order. We simply cannot have interventions of that length. Only nine Members are going to get to speak this evening and the hon. Lady is on the list, but those who choose to make long interventions might find themselves removed from it.

**Kevin Bonavia:** I totally agree with my hon. Friend that this Government are supporting people across the whole country, including Scotland today, and I really hope the Scottish Government use the money they have been given well.

Returning to the Opposition motion, were they also opposed to our country being left a £22 billion black hole by the last Government? Where they also opposed to the disastrous Liz Truss mini-Budget, which included £45 billion of unfunded tax cuts, and which shocked the markets, crashed the pound and skyrocketed mortgage rates? Were they also opposed to the last Government's spring Budget, which included myriad damaging unfunded promises in an attempt to flash the cash at the public ahead of an election? If they do now oppose all the above, they must agree with me that we have to restore economic stability by funding our pledges. That means finding money, and if it is not through this measure, would they tax working people or make another black hole? We have to face down the reality of these choices for what they are.

[Kevin Bonavia]

It is overwhelmingly clear that the shadow Cabinet, who were exiled into opposition this summer, have not learned a single thing. They have made £6.7 billion in unfunded spending commitments in just four weeks. At least we can be grateful that they are not in the position to do more damage at the moment. Turning to what the funds raised from this measure will do, are the Opposition opposed to investing an extra £25.6 billion to fix the foundations of our NHS or cutting waiting times with 40,000 extra elective appointments a week?

**Joe Robertson** (Isle of Wight East) (Con): The hon. Gentleman talks about the NHS. What does he have to say to pharmacies, which report that his Government's measures will cost pharmacists £50 million, even after taking into account the employment allowance?

**Kevin Bonavia:** I say to all Members of this House that people have to see these measures in the round. This Budget will support all our businesses in the long run. Are the Opposition now opposed to protecting the triple lock, increasing carer's allowance, freezing fuel duty, paying workers properly and supporting local councils? Are they opposed to boosting education funding by £6.7 billion and hiring 6,500 extra teachers, who our children desperately need to secure their future? If they are opposed to those things, they are not listening to the British public who, in my constituency of Stevenage and in hundreds of other seats, voted at the last election for a change from years of Conservative chaos.

Change with Labour will bring a decade of national renewal to fix our public services from the ground up. Businesses can only have the confidence to invest in the UK if we bring stability to the economy, put money into the pockets of customers and develop thriving public services for the workforce that will in turn improve productivity for businesses. Business confidence was demonstrated by the record-breaking £63 billion in investment secured for the UK economy at the international investment summit. Under Labour, Britain is open for business.

Today, the Conservative Opposition are asking us to pretend that we can grow our economy and rebuild our public services without saying how it would all be paid for. This Tory Opposition, with their motion today, show that they have learned nothing from 14 years of Tory fantasy economics. The shadow Chancellor brought up fantasy economics, and his party delivered that for 14 years in government. Today we have a Labour Government. The country voted against fantasy economics in July, and today I will vote against it too.

6.8 pm

**Lisa Smart** (Hazel Grove) (LD): I will talk in particular about two organisations in my constituency that have contacted me about the subject we are debating. For context, we know that small businesses have had a tough time for a number of years. They have been struggling with rising prices, interest rates and input costs going up. They were absolutely hammered by the previous Conservative Government, who broke their promise to reform business rates, trapped them under a mountain of red tape and made it much harder and more expensive to trade internationally. Making things harder for small

businesses and their workers just is not right. They are the lifeblood of our economy and are exactly where we should be looking for the growth we all need. When we are talking about small businesses, we are also talking about community pharmacies, hospices and GP practices, all of which will be impacted by this tax rise.

We on the Liberal Democrat Benches are particularly worried, as the House would imagine, about the impact of these tax rises on our health and social care sector. We are worried about what it means for social care providers, for the families who depend on them and for the local councils that have to find the funding for many of them. Raising the employment allowance will shield only the very smallest, leaving thousands of small organisations still negatively affected.

In the Chief Secretary's opening remarks, he asked for ideas about where else he might find some tax revenue. I really encourage him, and indeed all Government Members, to reread the 2024 Lib Dem manifesto—I am sure they have read it at least once. As my hon. Friend the Member for St Albans (Daisy Cooper) laid out from our Front Bench, the Government could reverse the tax cuts that the previous Government gave to the big banks, reform capital gains tax so that it is applied in a much fairer way, and charge the gambling giants more so that they pay their fair share.

I turn to the two organisations in my constituency. A childcare company got in touch because, like many early years settings, it allocates 70% of its revenue to staff wages, and annual increases to the national living wage combined with the increase in NICs will make it impossible to pay for rent, staff improvement and training. That will just make the staffing crisis worse, which is the exact opposite of what the Government say they want.

**Gideon Amos** (Taunton and Wellington) (LD): Does my hon. Friend agree that businesses such as Sheppy's cider farm in my constituency, to which I invite all Members to come to enjoy a pint of cider, will be affected not just by the national insurance rises but by the change in business rates and the family farm tax?

**Lisa Smart:** I thank my hon. Friend for his intervention. Sadly, I have not yet tried the wares of Sheppy's cider farm, but I would welcome the opportunity to visit, try those wares and support it as we all need to do in the face of these changes, which affect everyone.

The second organisation is one of my GP practices, which emailed me. It operates as a legal partnership, as it has done since the inception of the NHS, but as it is a GP practice it lacks flexibility to absorb the increased costs. It cannot raise prices and it cannot do more than it is already doing and drive up activity levels. As it is designated as a public authority but does not get an employment allowance exemption, it will bear the full cost of the impact. It tells me that the rise in national insurance and the lowering of the thresholds will force it into reductions in clinical staffing, adversely impact patient care and increase waiting times. That is exactly the opposite of what the Government say they want.

**Gregory Stafford** (Farnham and Bordon) (Con): The hon. Lady made that point powerfully. I have spoken to a GP surgery in my constituency that will have to cut seven members of staff, including a GP, a nurse, a social prescriber, a pharmacist and others providing



ancillary services. These changes will affect not just her constituents and my constituents but every single constituency in the country, because every single GP practice will have the same problem.

**Lisa Smart:** I completely agree with the hon. Member's point. All Members across the House want to see our NHS thrive and to see the healthcare and social care that our constituents deserve. I urge the Government to think again about their plans.

**Victoria Collins** (Harpenden and Berkhamsted) (LD): In Harpenden and Berkhamsted we have the Elms medical practice, which has said it is dedicated to the NHS and wants to serve people but is facing these difficulties. It is asking the Government to rethink their choice on national insurance. This is about those who want to serve and our constituents who need them.

**Lisa Smart:** I very much agree with my hon. Friend. We will all have had constituents and organisations contact us because they are really worried about the impact that these changes will have.

I do not think that the Government intentionally set out to make life more difficult for GPs, and I do not think that they intentionally set out with their Budget to make life more difficult for pharmacies, for hospices or for dental practices, but we need to speak up for constituents who contact us to say that if the Government want to keep the cost of childcare from rising and constituents to be able to access a GP appointment in a timely manner, they need to think again about this rise. I urge them to do so.

6.14 pm

**Louise Jones** (North East Derbyshire) (Lab): A former Conservative leader once had the famous phrase,

"There is no magic money tree."

Sadly, that is a lesson that Opposition Members have yet to learn. Let us be clear about the economic situation that we are facing. In July, when the Conservatives left office, the tax burden was at a 70-year high, and they left us with a £22 billion black hole in our public finances. This is their legacy and they must live with it: confidence in public services is at an all-time low, and the tax burden at an all-time high. They could not even deliver on their promises in my constituency. If they had chosen to invest the money needed into our NHS, they would have seen the benefits. If they had invested the money in our schools, they would have seen the benefits. If they had funded our armed services to take on the challenges of tomorrow, we would all see the benefits.

Instead, when I look at the primary care centre in Clay Cross, I see hard-working health staff let down by the former Government. When I look at Killamarsh junior school, again, I see hard-working staff and young children let down by this former Government. As I speak to my former Army colleagues, I see no improvement in the situation there either, thanks to the former Government. We must take action. It is our duty as a Government to take the hard choices necessary. I believe that in the long run, this is a positive and necessary step for our UK economy, public services and workforce. National insurance contributions are the backbone of funding for our essential services such as healthcare and pensions, and my voters chose that.

**Kanishka Narayan:** The Vale of Glamorgan, and Wales more broadly, is full of small and micro businesses. The Office for National Statistics and the OBR have both told us that most small businesses and micro businesses will be better off or the same as before. The Vale's businesses get not only better public services but a good tax set-up. Does my hon. Friend agree that this is a great Budget and a great proposition for small businesses in the Vale?

**Louise Jones:** I could not agree more. I have heard from so many small business owners in North East Derbyshire who are so thankful for the changes that we are making to support them.

If we fail to make these decisions today, we risk the prospect of cuts to crucial services or an increased burden on future generations, which would fall on the most vulnerable in society.

**Graham Stuart:** The hon. Member talks about cuts to vital services. Does she agree that no one would think less of the Government if they were to take £3 billion or £4 billion out of the £22 billion for the NHS and ensure that social care, hospices, GP surgeries and the like do not lose out, to have a holistic and positive input into the health service rather than the disjointed one that we are at risk of right now?

**Louise Jones:** I am sure that the health team will listen to all and any contributions, and will make a decision.

The Labour Government refuse to balance the books on the backs of the poor, workers or people striving for a better life.

**Wendy Morton:** Will the hon. Member give way?

**Louise Jones:** I am going to make progress, as I know other Back Benchers would like to speak.

Instead of austerity mark II, we choose to invest in our services, our children and the people who fight every day to keep us safe. These increases will strengthen our public services, promote economic stability and invest in the future of our workforce. They are an investment in our long-term prosperity, and I fully support them.

6.17 pm

**Alicia Kearns** (Rutland and Stamford) (Con): The Budget forced businesses to compromise on growth—those are the words of the CEO of the Confederation of British Industry. The OBR has said that the jobs tax will reduce wages by £7.5 billion and increase inflation. Both the OBR and the CBI say that it will result in higher prices, so it is no surprise that, over the past few weeks, my inbox has been full of local organisations that are gravely concerned about this £25 billion stealth tax. We are shocked, and they are heartbroken, because Labour promised not to raise national insurance. Indeed, the then shadow Chancellor called it a jobs tax, and said that Labour would never pursue such a thing.

Of the organisations that have written to me, which are the most worried? St Barnabas Lincolnshire, Lincolnshire and Nottinghamshire air ambulance, Uppingham GP practice and Stamford GP practice—the Royal College of GPs has said that it will cost 2.2 million appointments to service these increases—as well as the Vista (The Royal Leicestershire Rutland and

[Alicia Kearns]

Wycliffe Society for the Blind), local nurseries, my local citizens advice, and my care agencies and hospitality businesses have all written to me. As we approached Small Business Saturday, I had my independent shop competition, where around 100,000 votes were cast for the favourite local independent businesses, but those businesses are writing to me to tell me how worried they are. Family businesses are particularly worried. The tax will affect rural communities most of all, because they have smaller margins—they are already worried about farmers going out of business, on whom they are reliant—and we have small, symbiotic communities who support one another.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): The hon. Lady is making an important point about the impact the changes will have on small businesses. In 2021, she voted for the Health and Social Care Levy Act 2021. I have checked *Hansard*, and she mentioned none of these concerns in 2021. That Act introduced an increase of 1.25 percentage points in national insurance for employers and employees. This is a smaller rise, and it protects employees. Can the hon. Lady say why all of a sudden she is now concerned, when three years ago she was not?

**Alicia Kearns:** The hon. Gentleman may not realise, but at that point we were just coming out of something called the pandemic, and it was a health and social care vote, so yes, I absolutely voted to do what we needed to do at that point in time. It was a specific levy to raise specific funds for our health and social care. I will happily stand behind that vote.

It is interesting, because this tax will make it harder for businesses to recruit; indeed, it will cost three times the price, at about £800 per employee. That is not how to get growth. It is how to lose staff as employers let people go; how to see increased demands on our welfare budgets; how to kill off our town centres; how to see hospices closed; and how to see local authorities ending up reducing services.

Several hon. Members rose—

**Alicia Kearns:** No, I will not give way.

It will be how charities end up redirecting their Christmas appeals, so that people give the pennies they have spare to pay the Exchequer, rather than to support those who are most desperate—those on whom charities should be spending their money.

This change is the largest tax grab of Labour's Budget, and it will impact women and young people most of all. Yet there is an absence of speeches from the Government Benches about its impact on those who will be most affected. Employers are the growth makers, and they are begging Labour to reverse this tax, but working people will be those worst affected. There is still time for Labour to reverse course—to listen and to recognise that the ideology it is pursuing is going to harm our communities. It is time for Labour to think about the impact and reconsider what it is doing, particularly to our GP practices and others—I look forward to hearing from the Minister when I share the letters with him. It is not too late. Labour must reverse course and fundamentally change its ways.

6.22 pm

**Danny Beales** (Uxbridge and South Ruislip) (Lab): The issue at the crux of the debate is one of economic responsibility. It is about a choice whether to invest or to let further decline take place in our public services.

They say a week is a long time in politics. Well, four months is clearly still not long enough for the Conservatives to have learned any lessons from the last general election about why they might be sitting on the Opposition Benches and we might be sitting on the Government Benches. They crashed the economy, wasted billions of pounds of taxpayers' hard-earned money and ran the NHS into the ground. They then called an early election to run away from the mess that they knew this Government would inherit.

As legislators, we need to be honest with the electorate about the trade-offs and challenges this country faces, and we cannot simultaneously rebuild our public services and cut taxes at the same time. As has been said, there is no magic money tree—we saw with the disastrous Liz Truss mini-Budget the impacts of a Government who do not understand those facts.

**John Glen** (Salisbury) (Con): I recognise there are political differences across the House, but the hon. Gentleman surely has to be concerned about the overall impact of the decision on national insurance on the ability and inclination of those who invest in the real economy to generate the wealth and tax revenues that will sustain the economy going forward. Surely he can recognise that the decisions made by his Government are having a negative effect on growth, which will mean more taxes and more borrowing.

**Danny Beales:** I thank the right hon. Gentleman for that rather long intervention. I must say that the Conservatives do not understand the economy. If someone cannot get a train to work, they cannot work; if they cannot get a hospital appointment, they cannot work. Time and again, I hear from employers that they want investment, stability, and for their employees to be able to contribute in the workplace. To separate public services and the private sector into two diametrically opposed parts of the economy is what the Conservatives did for 14 years. They cut public services time and again, and we all face longer-term costs because of that fact.

The Labour Government understand that. Sadly, the Conservative party still does not. The choice we are still hearing is for continuing austerity. No one in this country voted for that and no one on the Labour Benches, at least, wants that. We want NHS waiting lists to fall. We want crumbling schools rebuilt, and investment in our vital public services and armed forces.

**Gregory Stafford:** The hon. Gentleman and I are members of the Health Committee, so I ask him this with all seriousness and genuineness. Does he not see the risk of this tax rise for GP surgeries, the hospice sector and the voluntary sector, which supports a lot of what the NHS does?

**Danny Beales:** I thank the hon. Gentleman for that intervention. What we have both heard on the Health Committee is that the NHS has been left on its knees after 14 years. All sectors of the health service are crying out for investment. I hear in my constituency

from doctors and nurses who are thankful that, finally, they are being recognised with decent pay. Opposition Members declare them to be trade union barons. No. They are nurses, doctors, teachers and police officers.

As I said, we need to invest. Ministry of Defence homes in my constituency must be invested in. My old primary school, Deanesfield, with its crumbling classrooms needs to be invested in. The Labour party has a plan to make that happen and it is vital that we fund those measures—measures that any responsible Government would take. Therefore, we do have to make difficult but necessary decisions and ask the largest businesses to pay slightly more to help fund those vital public services. I understand the concerns that have been raised, but as the Minister put forward, half of businesses will not pay the extra contributions and some, the smallest, will pay even less.

**Graham Stuart:** Will the hon. Gentleman give way?

**Danny Beales:** I have given way a number of times already and I want to make some more progress, if the right hon. Gentleman will allow.

It is a bit rich for the Conservative party to suddenly discover the charity sector and claim to be the party of the third sector. Having worked in the third sector for 10 years, I remember nothing but the Conservative party slamming the charity sector year after year after year. The charities I meet want us to fix the NHS, to fix homelessness, and to fix the social and economic problems we inherited from the previous Government. Locally in Hillingdon, the Conservative council has not been a champion; it has cut them to the bone. Most of the charities I meet have a handful of employees left, at best. Under this Government's measures, they are likely to see support.

Fundamentally, in this Budget we face a choice and we have chosen to protect the most vulnerable in society. However, it appears that the Conservatives still fail to understand basic economics. They want all the benefits of the Budget—at least, they do this week—but they do not seem to know how they will pay for them. They drove our public services into crisis and now oppose the very measures we are taking in the Budget to rebuild them. Nothing has changed. They are not a serious, responsible party of government. They are still addicted to endless cuts to public services, paying more and getting less, constantly taking the short-term, easy approach. It would be immensely irresponsible for any Government to just ignore the crisis in our public services, and to return to austerity, instability and decline. We choose investment over decline. That is what my constituents voted for: more doctors, more nurses, fair pay and investment, not decline.

**Luke Taylor:** On that point, how can the hon. Gentleman say we will see more doctors when our GP surgeries are telling us that they will have to cut doctors, cut staff and cut appointments as a result of the national insurance increase? What would he say to them?

**Danny Beales:** I would say £25 billion for the NHS, a record level of investment since the last Labour Government.

I ask the Opposition: what would they do? Would they prefer to let NHS waiting lists grow, and inequalities widen between state and private education? Would they

reverse our investment in neighbourhood policing, or our increased funding for social care? If not, what taxes would they raise instead to pay for those measures? They cannot continue to have it both ways.

It is clear that the Opposition have not learnt any lessons. Their position continues to be founded on an economic fiction. They are the same old Conservative party that crashed our economy in 2022, and they would do it again. Well, this Budget and this Government will not. We choose investment, we choose our NHS, and we choose to balance our budget.

**Several hon. Members rose—**

**Madam Deputy Speaker (Caroline Nokes):** Order. There will now be a four-minute time limit. A reminder about interventions: Members are using up the time that others could have had.

6.30 pm

**Clive Jones (Wokingham) (LD):** Paul and Melissa Johnson, the directors of Home Instead, are local business owners of an adult social care provider based near Twyford, in my constituency. They predict that the national insurance increase will be in the region of £45,000 a year on the basis of their current payroll, and that the increase in the minimum wage and other costs will add a further £55,000 a year. Some similar businesses may have to scale back their plans for growth or their existing operations, or may even face the prospect of closing down. Inevitably, that will have a significant impact on their elderly clients, along with the local authorities with which they work.

Nationally, it is the same story, because the Government's job tax will be the tipping point for thousands of care providers. This could have been avoided if the Government had instead chosen to increase taxes on big banks, online gambling companies and social media giants, all of which need to pay their fair share of tax. The Conservatives allowed those banks and social media giants to get off the hook; why are Labour doing the same?

Let me ask the Minister this: will the Government commit themselves to exempting social care from the increase in employers' national insurance contributions, and if not, how will they protect those who are affected by the potential closures of social care providers?

The concerns do not end there. I recently visited Twyford surgery and spoke to its fantastic GP partners about the impact that the increase will have on their ability to deliver primary care effectively. It is the same story that we hear all over the country: they are looking at, in effect, a 4% reduction in funding, which will have an impact on the services they are able to offer, including joint injections and contraception. The Chancellor will compensate the NHS for the cost of the tax increase, but that support will not be available to GPs or to the vast majority of care providers that are in the private sector, which will lead to even greater pressures on our health and care services.

At a time when the GP-patient ratio for my area is rising, with 2,101 patients for every GP compared with England's national average of 1,664, this is simply unacceptable—and it is happening at the worst possible time, because general practices are already in crisis. Patient lists are soaring, and we simply do not have



[Clive Jones]

enough GPs. The Government must provide assurances, as a matter of urgency, that general practices will be given the same protection as the rest of the NHS, and will receive the necessary funding to cover these additional costs. I am sure that millions of people across the country will agree that it is simply common sense to protect GPs at a time of crisis.

**Dr Al Pinkerton** (Surrey Heath) (LD): Will my hon. Friend give way?

**Clive Jones:** Okay, yes.

**Dr Pinkerton:** I thank my hon. Friend for that reluctant acceptance, and I congratulate him on his speech. Does he agree with me, and with those in Lightwater surgery in my constituency, that in an average general practice such as Lightwater the national insurance rise equates to the salary of a fully qualified nurse, and that, whether by accident or design, it will have a significant impact on our constituents and their receipt of healthcare?

**Clive Jones:** My hon. Friend is 100% right.

GP surgeries have told me that they spend a disproportionate amount of time seeking out different funding pots, which requires time and resources—time that could be spent on patient care. Will the Minister commit to simplifying the process of funding for GPs?

6.34 pm

**Jake Richards** (Rother Valley) (Lab): The new intake of youngish—I use that description carefully—Members on this side of the House might be forgiven for having shorter memories than other, more long-suffering Members, but this is not the first time a Labour Chancellor has made difficult decisions on tax to invest in the future of public services, particularly our NHS. Twenty-two years ago, a Labour Chancellor told this House that the NHS was in need of reform and modernisation, and that investment was needed not only to deliver better services but to, in the inimitable style of Gordon Brown, “define the character of our country.”—[*Official Report*, 17 April 2002; Vol. 383, c. 589.]

That decision to raise national insurance contributions, combined with far-sighted reforms, delivered the shortest waiting times, and the highest public satisfaction with the NHS, in our country’s history. Now, after 14 years of Tory Government, history has repeated itself. Once again, a Labour Government are fixing the mess made by the Tories, and our NHS is facing questions over its future and quality. Indeed, the choices are more stark today. The challenge before us is not simply to improve standards and resources in the NHS, but to save the very idea itself.

Back in 2002, the Tories opposed making difficult decisions on tax to support our NHS. Their then leader, the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), used precisely the same slogans as the current Leader of the Opposition—the politics of protest, not government. A year later, he was out of his job; his own party lacked confidence in him and got rid of him. We are not able to gamble on political events, but what are the odds of history repeating itself here, too?

The Opposition crow about the Budget, but what is their alternative? Do they oppose the £22 billion investment in our NHS? From which magic money tree will they fund their ever-spiralling spending commitments? Fixing our public finances, without compromising our belief in a strong NHS, is at the heart of this Government’s agenda. That is so important, because I have had countless conversations with constituents who face agonising waits over years for basic operations, and with those who dread the 8 am rush to book an appointment at the local GP, knowing full well that they will often be disappointed. They know that the NHS needs urgent investment, but they also know that the NHS must change.

That is why the investment by this Government has been said to be a down payment on reform. We must transform the way in which our NHS operates; otherwise, the investment will be wasted. The NHS serves a wholly different population in a wholly different context from when the Labour party created it in 1947. We are living longer, our health issues are more structural, technology can transform our interactions with healthcare provision, and patients can feel more empowered, but we need to get funding into the NHS now.

The Tories want all the benefits of investment, but they have no idea how they would pay for it. We can look to history again to tell us what happens when Conservatives make promises without a clue about how they would fund them. Look at the 40 hospitals that have not been built. Look at the £6 billion black hole in our asylum system. Look at the mini-Budget.

**Edward Morello** (West Dorset) (LD): The hon. Gentleman rightly points out the need to invest in the NHS. Does he recognise that imposing NICs on primary healthcare providers such as my constituency’s Weldmar Hospicecare, which provides vital end of life care to residents and must raise £26,000 a day to fund its service, will result—

**Madam Deputy Speaker:** Order. That was perfectly long enough.

**Jake Richards:** That point has been made over and over again in interventions, and the Health Secretary has been very clear that funding allocations for primary care services and other services will be set out in due course. As a result of this Labour Government’s actions, there will be more money available than there would have been.

This debate shows the Opposition to be mere opportunists who are incapable, or perhaps unwilling, to face up to the difficult decisions that we face as a country. We have seen the path that takes us down, and we cannot do that again.

6.39 pm

**Julia Lopez** (Hornchurch and Upminster) (Con): The Chancellor’s Budget has created a right mess. No matter how regularly the Prime Minister bleats that he is fixing the foundations, it is a mess of Labour’s own making, date stamped 30 October 2024. The OBR has forensically dismantled the Government’s pathetic fallacy of a £22 billion black hole, but even if it had not, my constituents are not stupid. If the Chancellor was as worried by the state of the public finances as she said she was, why would she increase borrowing by £32 billion

annually, undermining our financial resilience? Why would she make the choice to splurge cash on union pay rises with no productivity commitments? Why would she make a series of decisions that would lead the OBR to downgrade its growth forecasts since our April Budget?

**Tom Hayes** (Bournemouth East) (Lab): I welcome the extra pay for our teachers and our doctors. Even if the hon. Lady does not think that our public sector heroes deserve that pay rise, does she accept that lost school days cost the economy £900 million and that the NHS has had to spend £9.3 billion on temporary staffing?

**Julia Lopez:** I was interested by the train drivers' pay deal, where the Government actually went back to the deal that we had made and undid the productivity commitments that we put in.

Why would the Chancellor front-load spending on the NHS before the Health Secretary even has a plan for how he will use that precious cash, therefore risking billions being wasted? It makes no sense, and everyone outside this place and all those inside it, apart from the Labour Members who are gleefully wafting their Order Papers around, can see that.

The Chancellor is asking for an extra £40 billion in taxes from the British people, and it is largely being taken from some of the most productive, entrepreneurial people in the country: the people who provide jobs and who do the right thing. I worry deeply that their good money is going to be poured into the public sector and benefits without any noticeable improvement in public services, and that when that happens, the Chancellor is going to come back for more. The incentive for anyone in this country to be entrepreneurial, to stick their neck out, to take the risk of employing people or to build true wealth for this nation will diminish. We will then find ourselves in a downward spiral, ever more unable to withstand external shocks and ever less appealing as a country in which our young people will want to stay to create, to innovate and to build.

As we know, a big chunk of that £40 billion is coming from the sneaky rise in employer national insurance—something the Government obscured from their plans in July—but let us start with the pain that the Chancellor's choice on NI is causing her own Cabinet colleagues. She has blown holes in the budgets of every major Government Department. The Health Secretary now has problems with GPs, pharmacies, social care and hospices. The Deputy Prime Minister has councils telling her that they have to find over £1 billion extra to pay providers for their services. The Culture Secretary has charities, tourism businesses and cultural venues telling her that they have major problems. The Education Secretary has had to raise tuition fees by £400 million because universities are telling her that they now have a hole in their budgets of exactly the same size. It goes on.

I want to talk about the pain that this policy is causing to my constituents, particularly the lowering of the NI threshold, which is whacking the kind of businesses that employ a lot of young lower-wage workers, parents getting back into the workplace and people who are picking up extra jobs to make ends meet. Let me give some examples. The first is a local after-school club provider employing 34 people and offering wraparound clubs that help out hundreds of Havering families. It is the kind of club that makes that work/family juggle

survivable. Because of the NICs hike and the lowering of the threshold, its bill is going to rise from £10,851 to £26,040 annually. The last thing it wants to do is to lose staff or hike fees for local families, but it cannot see a way around that.

Another example is an outdoor activities business that gives young people across London the most amazing opportunities. Its costs next year are going to increase by £70,000 as a direct result of the Budget, and it now worries that it will not be able to fund the young people's bursary that is providing over 1,300 disadvantaged kids in the region with outdoor experiences. A third is a home care business that looks after older people in Havering. Its branch in Hornchurch faces paying an extra £100,000 a year, making it loss-making from April. That is absolutely crazy.

**Josh Fenton-Glynn** (Calder Valley) (Lab): Will the hon. Lady give way?

**Julia Lopez:** No, I am afraid there is simply not enough time.

Finally, I want to mention a small private school in my constituency. Its pupils are some of the most vulnerable and deprived in our capital, as it is an alternative provision school. First, the Labour Government hit it with VAT. Now they are going to hit it with NICs and wage increases. Either it absorbs that cost or it passes it on to the local council. Those are four businesses from Harold Hill to Hornchurch providing critical services to my constituents, employing young people and giving working families opportunities. Now they are going to be hit by tens of thousands in extra costs, and that is before I even talk about the GPs, the pharmacists, the dentists, the charities, the shops, the restaurants and the pubs. It is for them that I am going to wholeheartedly—

**Madam Deputy Speaker (Caroline Nokes):** Order. That brings us to the Front-Bench contributions.

6.44 pm

**James Wild** (North West Norfolk) (Con): It is a pleasure to close this debate on behalf of His Majesty's loyal Opposition. I recognise that many Members have not been able to speak because of the level of concern in the earlier debate about Labour's family farm tax.

In this debate, we have heard talk of difficult decisions, but Labour Members seem to be in denial about the real-world impact of those decisions on the organisations in their constituencies that have to make difficult decisions about wages or jobs. Today, Labour Members have an opportunity to stand with their constituents.

This debate is fundamentally about trust and the promises made by the Labour party. At the election, Labour's manifesto promised:

"Labour will not increase taxes on working people, which is why we will not increase National Insurance".

It was clear to everyone what that meant. The IFS said that this measure would be a "straightforward breach" of the Labour manifesto, but Labour then chose to break its promise by introducing this £25 billion a year jobs tax.

Once again, we have heard the tired claims blaming a fantasy £22 billion black hole—claims debunked by the independent OBR, as well as by my hon. Friend the

[James Wild]

Member for Hornchurch and Upminster (Julia Lopez), who pointed out that the Government's £1 billion pay deals for their union paymasters created a lot of that hole. The voters are not fooled, and they know what Labour said and did: it broke its promise to the British people.

What has been the impact of this £25 billion jobs tax? Business confidence is plummeting, and output has already reduced for the first time in over a year. The Chief Secretary to the Treasury and Labour Members have again claimed that the impact of this measure is limited, but even in the very limited impact assessment he referred to, HMRC estimates that 940,000 businesses will lose out in net terms, with an average annual tax increase of £800 per employee. The average employer losing out will see its liabilities increase by £26,000 a year, and it is working people who will pay the price with lower wages, higher prices and fewer jobs.

Many hon. Members have spoken about the impact on charities and organisations in their constituencies. My thrill-seeking hon. Friend the Member for Hamble Valley (Paul Holmes), who I am glad is still in one piece, spoke about the hit to hospices that provide vital care, which will see higher costs amounting to tens of millions of pounds. Charities will face a bill that is £1.4 billion higher. Marie Curie alone will have a £3 million hit to its costs. The Royal College of General Practitioners has warned that the extra costs could force surgeries to make redundancies or close altogether. Adult social care providers will see a £2.8 billion hit in the next financial year.

Despite the warnings from hospices, care homes, dentists, nurseries, pharmacies and others, there has been cold comfort from the Minister. There has been no clarity on whether support will be provided—no clarity on when support might come, how much it might amount to or if it will come at all. As my hon. Friend the Member for Rutland and Stamford (Alicia Kearns) said, given the impacts on these groups, the Government should rethink their proposals.

Although 800 jobs a day were created under the Conservatives from 2010, Labour's jobs tax is expected to see jobs lost and fewer jobs created. Bloomberg estimates that as many as 130,000 jobs could be lost, but perhaps most concerning is the impact on the lowest paid. The OBR estimates that 80% of the cost of these measures will be paid by reducing wages. Lowering the level at which employer NICs are levied, from £9,100 a year to £5,000 a year, will hurt part-time, female and younger workers in particular. The OBR expects this measure to raise £17.7 billion a year on average. No wonder the CBI has warned that two thirds of its members are reducing their plans to take on staff. The British Retail Consortium has also warned of a £2.3 billion hit, meaning that job losses are inevitable. Of course, this tax will also push up inflation. Tesco, Lidl and all the major retailers have said so—a more expensive weekly shop is the price of this measure.

We have heard today about the need for investment in public services, on which all Opposition Members agree. I am happy to highlight our record of record investment in the NHS and climbing up the international education league tables. That progress is now under threat from the Government's proposals.

We would have made different choices from this tax-raising Budget. Our plans would have grown the economy faster—the OBR downgraded growth after the Budget. Our plans would have delivered £12 billion of welfare savings, but those plans were put in the deep freeze by the Labour party. We would have improved productivity in the public sector by getting back to pre-covid levels, saving £20 billion a year. Labour Members asked for our ideas, so there they are.

Some 4 million jobs were created under Conservative Governments from 2010 on. Youth unemployment was cut by 40%, 1 million more disabled people got into work and we had the fastest growing economy in the G7. By contrast, Labour is breaking promises made only a few months ago and choosing to put up taxes, despite the damage to the economy and to working people. The Chancellor's pledge not to raise further taxes has dropped like a stone; we have seen this movie—they will be back for more. I urge hon. Members to support our motion.

6.50 pm

**The Exchequer Secretary to the Treasury (James Murray):**

I thank all right hon. and hon. Members for their contributions during the course of the debate.

This Government were elected with an immediate and critical need to draw a line under the fiscal irresponsibility and economic mismanagement of the Conservatives. Since day one in office, we have been determined to deliver economic stability, and we have done so by fixing the public finances, introducing tough new fiscal rules, and getting the NHS and other public services back on their feet.

It is on those foundations that we will boost investment and drive long-term economic growth to make people better off. This is not an easy task, as the Chancellor has said, but fixing those foundations is what underpins all the difficult but necessary decisions we have taken. It is the goal of fixing the foundations of our public finances and the NHS that has driven our decision to make the changes to employer national insurance contributions that we have been discussing today.

In taking the difficult decisions at the Budget, the Chancellor has been determined to protect working people. That is why our Budget made no changes to income tax, rates 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 on their payslips. However, a £22 billion black hole in the public finances cannot be fixed without taking any difficult decisions at all. The Conservatives in government hid their heads in the sand and ignored the fiscal realities. Now, both they and other Opposition parties are desperate to have it both ways. They say that they support extra money for the NHS, but they refuse to back the measures to fund it.

**Paul Holmes:** On that point, will the Minister give way?

**James Murray:** I have been very generous over the past 48 hours in giving way in this Chamber, but I will not. My time is very limited, although I would like to hear more about the plane the hon. Gentleman spoke about earlier.

We have made the tough but necessary choices that this set of circumstances requires, which is why we have decided to raise employer national insurance contributions. The changes broadly return national insurance revenues



as a proportion of GDP to the levels they were at before the previous Government's cuts to employee and self-employed NICs, but they do so in a way that does not result in higher taxes in people's payslips.

They also do so in a way that increases protection for small businesses and charities, because we have decided to more than double the employment allowance to £10,500 and remove the business size threshold. That means that from April 2025, all eligible organisations will be able to employ up to four people on the national living wage without paying a penny of employer's national insurance. Over half of all employers will pay the same or less national insurance than they did before, but we acknowledge that the decision will have an impact for other employers. Employers will have a choice about how they respond to the changes, and some of those choices will be hard.

I do not have enough time to respond to all the points raised by hon. Members directly, but I will briefly respond to the right hon. Member for Beverley and Holderness (Graham Stuart)—he has been intervening all afternoon but he is no longer in his place. He asked about table 3.2 in the OBR report. I am sorry to disappoint him, but my answer is nowhere near as interesting as I suspect he thought it might be; the table was simply published in error and has now been corrected. The Government provide support for Departments and other public sector employees with the additional employer national insurance contributions liability, and separately we have provided an additional 3.2% increase to local government spending power, including £600 million of new grant funding for social care.

I thank all the other hon. Members who made contributions: my hon. Friends the Members for Makerfield (Josh Simons), for Stevenage (Kevin Bonavia), for North East Derbyshire (Louise Jones), for Uxbridge and South Ruislip (Danny Beales) and for Rother Valley (Jake Richards), and the hon. Members for Hamble Valley (Paul Holmes), for Hazel Grove (Lisa Smart), for Rutland and Stamford (Alicia Kearns), for Wokingham (Clive Jones) and for Hornchurch and Upminster (Julia Lopez).

I want to briefly respond to the point of order made earlier by the hon. Member for South Shropshire (Stuart Anderson) because I welcome the chance to repeat the fact that the OBR said in October that its March forecast would have been "materially different" had it known what the previous Government did not share with it at the time of the March forecast. I am confident that the *Hansard* record is correct. It specifically includes "materially different" in quotations and not the rest of my statement.

I am grateful to have had the chance to respond on behalf of the Government to the questions that have been raised today. The decision to make changes to employer national insurance was not taken lightly. It was a tough decision for us to take. I recognise that while half of businesses and organisations will pay the same or less than before, others will face difficult decisions of their own. We have asked employers to make a greater contribution, and while we do not expect those affected to welcome that, I hope the majority will understand why we have done it.

The simple fact of the matter is that our country needed a Government prepared to fix the public finances, get public services back on their feet and restore economic

stability. It is only through an ambitious and fiscally responsible approach that we can boost investment in growth, laying the path towards the brighter days ahead. The previous Government had completely lost sight of that.

My office in the Treasury building used to be that of Nigel Lawson. He once said:

"To govern is to choose. To appear to be unable to choose is to appear to be unable to govern."

That very neatly reflects where the Conservative party has ended up now. Before, as the Government, the Conservatives had given up on effective governing, and since then they have given up on effective opposition. This vote today comes down to a choice: between irresponsibility on the Opposition Benches and a Government prepared to do what is needed to build a better future. It is this Labour party in government that is taking the tough but necessary decisions, with a once-in-a-generation Budget to wipe the slate clean and put our country on a better path. It is this Government that have restored economic stability, fixed the public finances and hardwired fiscal responsibility into the Budget-making process. It is this Government that are putting the NHS back on its feet, raising the national living wage and protecting people's payslips, and it is this Government that will invest in our country, create wealth in every nation and region and make people across Britain better off. That is the choice today and that is why we reject the Opposition's motion.

*Question put.*

*The House divided: Ayes 165, Noes 334.*

## Division No. 56]

[6.57 pm

### AYES

Allister, Jim	Darling, Steve
Amos, Gideon	Davies, Ann
Anderson, Stuart	Davies, Gareth
Andrew, rh Stuart	Davies, Mims
Aquarone, Steff	Dean, Bobby
Argar, rh Edward	Dewhurst, Charlie
Atkins, rh Victoria	Dillon, Mr Lee
Babarinde, Josh	Doogan, Dave
Bacon, Gareth	Dowden, rh Sir Oliver
Baldwin, Dame Harriett	Duncan Smith, rh Sir Iain
Barclay, rh Steve	Dyke, Sarah
Bhatti, Saqib	Foord, Richard
Blackman, Bob	Forster, Mr Will
Bool, Sarah	Fox, Sir Ashley
Bowie, Andrew	Franklin, Zöe
Brandreth, Aphra	Fuller, Richard
Braverman, rh Suella	Gale, rh Sir Roger
Brown-Fuller, Jess	Garnier, Mark
Burghart, Alex	Gethins, Stephen
Cane, Charlotte	Gibson, Sarah
Carmichael, rh Mr Alistair	Glen, rh John
Cartlidge, James	Glover, Olly
Chadwick, David	Goldman, Marie
Chamberlain, Wendy	Gordon, Tom
Chope, Sir Christopher	Grant, Helen
Cleverly, rh Mr James	Green, Sarah
Clifton-Brown, Sir Geoffrey	Harding, Monica
Cocking, Lewis	Harris, Rebecca
Coghlan, Chris	Hayes, rh Sir John
Collins, Victoria	Heylings, Pippa
Cooper, Daisy	Hinds, rh Damian
Cooper, John	Hoare, Simon
Cross, Harriet	Holden, rh Mr Richard
Dance, Adam	Hollinrake, Kevin

Holmes, Paul  
Hudson, Dr Neil  
Jardine, Christine  
Jarvis, Liz  
Jenkin, Sir Bernard  
Jenrick, rh Robert  
Johnson, Dr Caroline  
Jones, Clive  
Jopp, Lincoln  
Kearns, Alicia  
Kohler, Mr Paul  
Kruger, Danny  
Lake, Ben  
Lam, Katie  
Lamont, John  
Law, Chris  
Leadbitter, Graham  
Lewis, rh Sir Julian  
Logan, Seamus  
Lopez, Julia  
MacDonald, Mr Angus  
Maguire, Ben  
Maguire, Helen  
Mak, Alan  
Malthouse, rh Kit  
Martin, Mike  
McMurdock, James  
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  
Pinkerton, Dr Al  
Rankin, Jack  
Robertson, Joe  
Roome, Ian  
Rosindell, Andrew  
Sabine, Anna  
Savage, Dr Roz  
Saville Roberts, rh Liz  
Shannon, Jim  
Shastri-Hurst, Dr Neil  
Slade, Vikki  
Smart, Lisa  
Smith, Greg  
Smith, rh Sir Julian  
Smith, Rebecca  
Sollom, Ian  
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  
Trott, rh Laura  
Tugendhat, rh Tom  
Vickers, Matt  
Voaden, Caroline  
Whately, Helen  
Whittingdale, rh Sir John  
Wild, James  
Wilkinson, Max  
Williamson, rh Sir Gavin  
Wilson, rh Sammy  
Wishart, Pete  
Wood, Mike  
Wright, rh Sir Jeremy  
Wrigley, Martin  
Young, Claire

**Tellers for the Ayes:**  
**Nick Timothy 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  
Aldridge, Dan  
Alexander, rh Heidi  
Al-Hassan, Sadik  
Ali, Rushanara  
Ali, Tahir  
Allin-Khan, Dr Rosena  
Amesbury, Mike (*Proxy vote  
cast by Chris Elmore*)  
Anderson, Callum  
Anderson, Fleur

Arthur, Dr Scott  
Asato, Jess  
Asser, James  
Athwal, Jas  
Atkinson, Catherine  
Atkinson, Lewis  
Bailey, Mr Calvin  
Bailey, Olivia  
Baines, David  
Baker, Alex  
Baker, Richard  
Ballinger, Alex  
Barker, Paula  
Barron, Lee  
Baxter, Johanna  
Beales, Danny  
Beavers, Lorraine  
Begum, Apsana

Bell, Torsten  
Benn, rh Hilary  
Betts, Mr Clive  
Billington, Ms Polly  
Bishop, Matt  
Blake, Olivia (*Proxy vote cast  
by Chris Elmore*)  
Blake, Rachel  
Blundell, Mrs Elsie (*Proxy vote  
cast by Chris Elmore*)  
Bonavia, Kevin  
Botterill, Jade  
Brackenridge, Mrs Sureena  
Brash, Mr Jonathan  
Brickell, Phil  
Bryant, Chris  
Burgon, Richard  
Burton-Sampson, David  
Cadbury, Ruth  
Caliskan, Nesil  
Campbell, rh Sir Alan  
Campbell, Irene  
Campbell, Juliet  
Campbell-Savours, Markus  
Carling, Sam  
Carns, Al  
Champion, Sarah  
Charalambous, Bambos  
Charters, Mr Luke  
Coleman, Ben  
Collier, Jacob  
Collins, Tom  
Conlon, Liam  
Coombes, Sarah  
Cooper, Andrew  
Cooper, Dr Beccy  
Costigan, Deirdre  
Cox, Pam  
Coyle, Neil  
Craft, Jen  
Creagh, Mary  
Crichton, Torcuil  
Curtis, Chris  
Daby, Janet  
Dakin, Sir Nicholas  
Dalton, Ashley  
Darlington, Emily  
Davies, Jonathan  
Davies, Paul  
Davies, Shaun  
De Cordova, Marsha  
Dean, Josh  
Dhesi, Mr Tanmanjeet Singh  
Dickson, Jim  
Dixon, Anna  
Dixon, Samantha  
Dollimore, Helena  
Doughty, Stephen  
Dowd, Peter  
Downie, Graeme  
Duncan-Jordan, Neil  
Eagle, Dame Angela  
Eccles, Cat  
Edwards, Lauren  
Efford, Clive  
Egan, Damien  
Ellis, Maya  
Elmore, Chris  
Entwistle, Kirith  
Eshalomi, Florence  
Esterson, Bill  
Evans, Chris

Fahnbulleh, Miatta  
Falconer, Hamish  
Farnsworth, Linsey  
Fenton-Glynn, Josh  
Ferguson, Mark  
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  
Greenwood, Lilian  
Griffith, Dame Nia  
Gwynne, Andrew  
Hall, Sarah  
Hamilton, Paulette  
Hardy, Emma  
Harris, Carolyn  
Hatton, Lloyd  
Hayes, Helen  
Hayes, Tom  
Hazelgrove, Claire  
Healey, rh John  
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  
Jarvis, Dan  
Jermy, Terry  
Jogee, Adam  
Johnson, rh Dame Diana  
Jones, rh Darren  
Jones, Gerald  
Jones, Lillian  
Jones, Louise  
Jones, Ruth  
Jones, Sarah  
Josani, Gurinder Singh  
Joseph, Sojan  
Juss, Warinder  
Kane, Chris  
Khan, Afzal  
Khan, Naushabah  
Kirkham, Jayne  
Kitchen, Gen  
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  
McDonagh, Dame Siobhain  
McDonald, Andy  
McDonald, Chris  
McDonnell, rh John  
McDougall, Blair  
McEvoy, Lola  
McGovern, Alison  
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  
Morgan, Stephen  
Morris, Grahame  
Morris, Joe  
Mullane, Margaret  
Murphy, Luke  
Murray, Chris  
Murray, James  
Murray, Katrina  
Myer, Luke  
Naish, James  
Naismith, Connor  
Narayan, Kanishka  
Nash, Pamela  
Newbury, Josh  
Niblett, Samantha  
Nichols, Charlotte  
Norris, Alex  
Norris, Dan  
Onn, Melanie  
Onwurah, Chi  
Opher, Dr Simon  
Oppong-Asare, Ms Abena  
Osamor, Kate  
Osborne, Tristan  
Paffey, Darren  
Pakes, Andrew  
Patrick, Matthew  
Payne, Michael  
Peacock, Stephanie  
Pearce, Jon  
Pennycook, Matthew  
Perkins, Mr Toby  
Pinto-Duschinsky, David  
Pitcher, Lee  
Platt, Jo  
Powell, Joe  
Prinsley, Peter  
Quigley, Mr Richard

Qureshi, Yasmin  
Race, Steve  
Rand, Mr Connor  
Ranger, Andrew  
Reader, Mike  
Reed, rh Steve  
Reid, Joani  
Reynolds, Emma  
Reynolds, rh Jonathan  
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  
Simons, Josh  
Slinger, John  
Smith, David  
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, David  
Taylor, Rachel  
Thomas, Fred  
Thomas, Gareth  
Thompson, Adam  
Thornberry, rh Emily  
Timms, rh Sir Stephen  
Toale, Jessica  
Tomlinson, Dan  
Trickett, Jon  
Turley, Anna  
Turmaine, Matt  
Turner, Karl  
Turner, Laurence  
Twist, Liz  
Uppal, Harpreet  
Vaughan, Tony  
Vaz, rh Valerie  
Vince, Chris  
Wakeford, Christian  
Walker, Imogen  
Ward, Chris

Ward, Melanie  
Wagh, Paul  
Webb, Chris  
Western, Andrew  
Wheeler, Michael  
Whitby, John  
White, Jo  
White, Katie  
Whittome, Nadia

Williams, David  
Woodcock, Sean  
Yang, Yuan  
Yasin, Mohammad  
Yemm, Steve

**Tellers for the Noes:**  
**Kate Dearden and**  
**Martin McCluskey**

*Question accordingly negated.*

## Business without Debate

### LIAISON COMMITTEE (MEMBERSHIP)

*Ordered,*

That—

- (1) With effect for the current Parliament, notwithstanding Standing Order No. 121 (Nomination of select committees), the Members elected by the House or otherwise chosen to be chairs of each of the select committees listed in paragraph (2) shall each be a member of the Liaison Committee;
- (2) The committees to which paragraph (1) applies are:  
Administration;  
Backbench Business;  
Business and Trade;  
Culture, Media and Sport;  
Defence;  
Education;  
Energy Security and Net Zero;  
Environmental Audit;  
Environment, Food and Rural Affairs;  
Finance;  
Foreign Affairs;  
Health and Social Care;  
Home Affairs;  
Housing, Communities and Local Government;  
Human Rights (Joint Committee) (the chair being a Member of this House);  
International Development;  
Justice;  
Northern Ireland Affairs;  
Petitions;  
Privileges (the chair not being the chair of the Committee on Standards);  
Procedure;  
Public Accounts;  
Public Administration and Constitutional Affairs;  
Science, Innovation and Technology;  
Scottish Affairs;  
Selection;  
Standards;  
Statutory Instruments;  
Transport;  
Treasury;  
Welsh Affairs;  
Women and Equalities; and  
Work and Pensions.—(*Chris Elmore.*)

### HOUSE OF COMMONS COMMISSION

*Resolved,*

That—

- (1) in pursuance of section 1(2)(d) of the House of Commons (Administration) Act 1978, Steve Barclay be appointed to the House of Commons Commission in place of Sharon Hodgson, and



(2) in pursuance of section 1(2B) of that Act, the appointment of Catherine Ward as an external member of the Commission be extended to 31 December 2025.—  
(Chris Elmore.)

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

#### COMPANIES

That the draft Companies and Limited Liability Partnerships (Protection and Disclosure of Information and Consequential Amendments) Regulations 2024, which were laid before this House on 31 October, be approved.—  
(Gerald Jones.)

*Question agreed to.*

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

#### ELECTRICITY

That the draft Contracts for Difference (Miscellaneous Amendments) Regulations 2024, which were laid before this House on 28 October, be approved.—(Gerald Jones.)

*Question agreed to.*

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

#### TRADE

That the draft Movement of Goods (Northern Ireland to Great Britain) (Animals, Feed and Food, Plant Health etc.) (Transitory Provision and Miscellaneous Amendments) Regulations 2024, which were laid before this House on 28 October, be approved.—(Gerald Jones.)

*The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 11 December (Standing Order No. 41A).*

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

#### ENVIRONMENTAL PROTECTION

That the draft Persistent Organic Pollutants (Amendment) Regulations 2024, which were laid before this House on 8 October, be approved.—(Gerald Jones.)

*Question agreed to.*

## Northern Ireland: Legacy of the Troubles

**Madam Deputy Speaker (Caroline Nokes):** Before calling the Secretary of State to make his statement, I remind the House that on 19 November Mr Speaker granted a waiver from the House's sub judice resolution in respect of the case of Dillon and others v. the Secretary of State for Northern Ireland. As such, reference may be made to that case during the statement and the questions that follow.

7.12 pm

**The Secretary of State for Northern Ireland (Hilary Benn):** With permission, Madam Deputy Speaker, I would like to make a statement on the legacy of the troubles in Northern Ireland. The timing of the statement was chosen so as not to take time away from the Opposition day debates we have just had, while also enabling the Northern Ireland Court of Appeal to be updated today.

Addressing the legacy of the troubles was one of the aims of the Good Friday agreement, but this task remains incomplete. Too many families I have met have had to wait too long to find out what happened to their loved ones. I have found it difficult to listen to their stories about the brutality of the killings, the way some of them were treated afterwards, and the passing of the years without finding answers.

The approach taken to legacy by the last Government was wrong. It was rejected by the Northern Ireland political parties, victims' groups and the Irish Government, and it was opposed by the Labour party when we were in opposition. Aspects of the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 have now been found by the courts to be incompatible with our obligations under the European convention on human rights. This must be remedied, and the Government are committed to repeal and replace that legislation, as set out in our manifesto.

I am today laying a remedial order under the Human Rights Act 1998 to take the first steps to honour that commitment. This order will remedy all of the human rights deficiencies in the legacy Act identified by the Northern Ireland High Court in February in the case of Dillon and others, and one issue from the Court of Appeal judgment in September. Specifically, the order, if adopted by Parliament, will remove all provisions from the Act relating to the immunity scheme, which—let it not be forgotten—would have enabled any of those who perpetrated the most appalling terrorist crimes to seek immunity from prosecution from the Independent Commission for Reconciliation and Information Recovery, although, as many victims' families recognise, with the passage of time the prospect of successful prosecutions is increasingly unlikely.

The order will also enable all civil proceedings that were prohibited by the legacy Act, including future cases, to proceed. This means that individuals will once again be able to bring troubles-related cases to the civil courts—a basic right denied them by the legacy Act.

In addition to laying this remedial order, I can also announce today that I will introduce primary legislation when parliamentary time allows. This legislation will implement our promise to restore inquests, starting with those that were previously halted by the legacy Act.

It will also, in direct response to the Northern Ireland Court of Appeal's findings, amend the disclosure regime so that it is fair, transparent and, crucially, allows for the greatest possible disclosure of information, following very closely the model for statutory inquiries and other established processes.

We will also ensure that, in specific circumstances—namely, in cases that are unable to proceed as an inquest—the independent commission is able to hold public hearings, take sworn evidence from individuals and ensure that families have effective representation. Although the courts have found the commission be sufficiently independent to conduct article 2 compliant investigations, the confidence of families in its work is paramount, so we will make further changes to reform and strengthen the commission's independence, powers and accountability. As part of this work, we will consider provisions previously included in the draft Stormont House agreement legislation, as well as learning from the experience of Operation Kenova.

The steps I am outlining today seek to correct the mistakes of the previous Government's approach, ensure compliance with the ECHR and deliver on what this Government have promised: the removal of conditional immunity; the reinstatement of legacy inquests halted by the legacy Act; restoring civil cases; and reforming ICRIR, while enabling it to continue working on behalf of the growing number of families who have already sought its help.

The many conversations that I have had with interested parties in recent months have been invaluable in the development of this approach. I will now undertake further discussions on specific measures to be included in primary legislation so that, together with the remedial order, the Government fulfil our commitment to repeal and replace the legacy Act. This will include families, victims and survivors groups, Northern Ireland parties, civil society and the veterans community, recognising the dedicated service of the vast majority of police officers, members of the armed forces and the security services who did so much to keep the people of Northern Ireland safe during the troubles. I want to take the opportunity to reassure the House that the Government are committed to ensuring that veterans receive the right welfare and, where appropriate, legal support.

I will, of course, also continue to have detailed discussions with the Irish Government, who, as co-guarantors of the Good Friday agreement, are an essential partner in this process. I hope that the UK and Irish Governments will be able to agree a way forward that is underpinned by the principles set out in the Stormont House agreement.

I am sure that everyone recognises that, as time passes and families grow older, we need to get on with enabling them to obtain the information, accountability and acknowledgement that they have long sought. In parallel, the Government also need to set out the grounds for appeal on elements of the Court of Appeal judgment. As I have said, the Government will use primary legislation to respond directly to a number of the Court of Appeal's findings on disclosure. However, the primacy of the Executive in decisions relating to the security of the state is a principle long recognised by UK courts and is a crucial element of our ability to keep people safe. For this reason, we will appeal the Court's specific finding

relating to the Secretary of State's power to preclude the disclosure of sensitive information in circumstances where such disclosure would prejudice the national security interests of the United Kingdom.

Furthermore, the Court's findings relating to effective next-of-kin participation in cases that would otherwise be inquests raise issues that could reach far beyond the scope of the legacy Act. It is important that the Government seek legal clarity from the Supreme Court, and that is why we have decided that the Government must seek to appeal on this particular issue as well. The Government will also pursue an appeal in relation to the findings on article 2 of the Windsor framework, for reasons I set out in my written ministerial statement of 29 July.

I would like to say as clearly as possible that these decisions on appeal are to address wider concerns and their potential impact far beyond the legacy Act and Northern Ireland. They will not slow down our efforts to seek agreement and bring forward legacy legislation so that the ICRIR, which has begun its work, can demonstrate its capacity to assist victims and families.

Finally, what is all this for? It is to ensure that families who have lost loved ones—families who above all should be in our hearts and minds today—can finally learn what happened. Nothing will ever ease the pain that they endure to this day, but we must hope that society in Northern Ireland, which has come such a long way since 1998, can begin to heal the terrible wounds of the past and look to a better future. I commend this statement to the House.

**Madam Deputy Speaker (Caroline Nokes):** I call shadow Secretary of State.

7.22 pm

**Alex Burghart (Brentwood and Ongar) (Con):** I thank the Secretary of State for advance sight of his statement, for giving an oral statement on this very important subject, and for scheduling the statement at such a time as would not interfere with the Opposition day debates—that was very decent of him.

I do not intend to rehearse all of the long debates that were had in the last Parliament over the legacy Act. The Labour party won the general election on a manifesto that included a number of measures that the Secretary of State has just discussed, and it has a mandate to make the changes it wants to make. But I will say this: there was an attempt by the last Government—a desire from the last Government—to draw a line under many difficult things that had happened, and with the actions the Government are now taking that line is being erased.

I will remind the House of the central reasons why the last Government legislated. They did so to try and protect some elderly people, including servicemen, who were being brought before inquests to discuss events that may or may not have happened very many years before. This was a process inevitably weighted against the police and the armed forces, who kept records and whose servicemen were easily locatable and contactable. Tonight there will be many such men harbouring a sense of dread. I know the Government are taking a different approach, but I do ask them to spare a thought for those men this evening and to think very deeply about what they can do to support them and what help they can offer them.

[Alex Burghart]

I have a number of questions for the Secretary of State. I appreciate that he may not be able to answer them all this evening, so I would be grateful if he would undertake to write to me on these very important matters.

The first issue I would like to touch on is the ICRIR, which was set up by the legacy Act. Indeed, for all the Government's current talk of wanting to replace the legacy Act, a very large part of that legislation is concerned with its establishment. I was very pleased earlier in the year that the Secretary of State affirmed his support for the ICRIR and for Sir Declan Morgan, who is doing an admirable job of overseeing it.

In his statement, the Secretary of State said that he will

"reform and strengthen the commission's independence, powers and accountability."

I would be grateful if he could set out exactly how and why he intends to do that, given that in September Sir Declan made it clear that he already had the necessary independence and powers to do his job.

Secondly, I was pleased to hear that the Secretary of State intends to appeal the Court's specific finding regarding the Secretary of State's power to preclude the disclosure of sensitive information in circumstances where disclosure would be prejudicial to national security, but will he confirm that, in the event that his appeal is unsuccessful, the Government will legislate to ensure that national security is protected? If he does so, he will have our support.

Thirdly, I must ask the Secretary of State about the new regime that is emerging—it seems rather more by accident than design—and how it will work. We will have inquests, the ICRIR and inquiries. Who will decide which route a family goes down? Will it be the family, the Government or the courts? What criteria will be used? How will disputes about the route chosen be adjudicated? One of the qualities of the legacy Act was that it greatly simplified the system. The system is now being returned to complexity.

Finally, I must ask the Secretary of State to give the House some clarity on the Government's position on article 2(1) of the Windsor framework. I am pleased that he is continuing his appeal against the Colton judgment handed down in July. That was a decision in which the Court of Appeal sought to disapply statute, and in his statement in July he referred to it as a technical point of law, but it is quite some technicality. Article 2(1) of the Windsor framework is very important in this judgment, and I would like him to be able to give clarity on the Government's position. Is it, as the last Government's position was, that the rights available to the people of Northern Ireland under the Belfast agreement should not be diminished as a result of our leaving the EU, or is it that a broader range of rights available at the time of our departure from the EU should not be diminished as a result of leaving the EU, or is it that the rights of the Northern Irish people should keep pace with EU law as it develops? Those are incredibly important points of law that will have a long consequence in British courts. I would be grateful if he could give the House clarity on those matters.

**Hilary Benn:** I am grateful to the hon. Gentleman for the manner of his response and for acknowledging that the Government have a mandate to introduce the changes

I have set out today, although he did not comment on the fact that a number of elements of the legislation that the last Government put in place have been found to be incompatible with our international obligations under the European convention on human rights, and that alone is a demonstration of the failings of that particular legislation.

I acknowledge the point that the shadow Secretary of State raised about veterans, and we hold them very close to our hearts, as I know does the Defence Secretary, my right hon. Friend the Member for Rawmarsh and Conisbrough (John Healey), who is in the Chamber this evening.

The shadow Secretary of State asked about the ICRIR. Indeed, the courts have found it to be independent, and it has considerable powers. It is currently investigating a first case that I referred to it yesterday, following a report from the Police Service of Northern Ireland. The purpose of the changes that I will be discussing with all the parties I set out in my statement will be to further build confidence in ICRIR. Part of the reason ICRIR does not currently command the confidence of all survivors and victims groups is because it was created in an Act that closed off any other route of remedy. People were told, "You cannot have a civil case. You cannot have an inquest. If you are having an inquest now, we are cutting it short on the 1 May deadline, and the only place you can then go is ICRIR." If I may say so, that damaged confidence in ICRIR. I have great confidence in Sir Declan Morgan, and people have now started coming to ICRIR, and I want to build confidence. That is the basis of the further changes that I propose to come to later on.

On the hon. Gentleman's question on disclosure, I have to say that, if we get leave to appeal, we will have to wait and see what the Supreme Court has to say about that. When it comes to the different regimes, as he will know, for ICRIR, families can approach it and say, "I would like there to be a review or, if you think it appropriate, an investigation." Certain people have powers to refer cases to ICRIR—I have just done so in the case I have outlined. It is for the Government to decide whether to launch public inquiries.

Yes, there is some complexity, as the hon. Gentleman might say, but it does give people a choice, and it does give them their rights. How could we say to citizens in one part of our important United Kingdom that they could no longer have the right to bring a civil case? That is what the legacy Act did, and that is what the Court of Appeal has recently found to be incompatible.

Finally, on article 2, I am not a lawyer but I think the hon. Gentleman set out quite well the range of issues that arise out of the way in which the courts have thus far interpreted article 2 and its application. As the courts have taken what I might describe as an expansive view of what article 2 means compared with what some people might have thought when it was originally written, it is important for the Government, and indeed for the country, to go to the Supreme Court and ask, "Which is the right interpretation?"

**Adam Jogee** (Newcastle-under-Lyme) (Lab): I thank the Secretary of State for his statement. Earlier this week, the Northern Ireland Affairs Committee, led by my hon. Friend the Member for Gower (Tonia Antoniazzi), visited Northern Ireland, where it was clear from our discussions with many stakeholders that real progress



has been made since 1998 but that there is much more to do so. First, how does the Secretary of State think this announcement will bring people in Northern Ireland together? Secondly, will he tell us when he plans to bring forward the primary legislation to which he referred?

**Hilary Benn:** The answer to my hon. Friend's second question, as I have already indicated, is when parliamentary time allows. In answer to his first question, I hope that people will see a Government seeking to address the evidential shortcomings of the legacy Act, but it is my wish to achieve as much consensus as possible. I am not naive, and I am not going to stand before the House today and think that in the end I will get everybody to back the proposals that I have already brought forward and will bring forward in due course, but all of us in all parts of the House should have that aim.

**Dr Al Pinkerton** (Surrey Heath) (LD): I thank the Secretary of State for advance sight of his statement. It has long been recognised that it is neither wise nor sustainable to simply draw a line under the past in Northern Ireland; there is too much hurt and there are too many demands for truth and justice.

The Liberal Democrats believe that Northern Ireland must be able to deal with its past in a manner that promotes reconciliation and is consistent with a shared future. The approach of the previous Government was wrong. We opposed the Northern Ireland Troubles (Legacy and Reconciliation) Act, as did every political party in Northern Ireland. Just as working closely with Northern Ireland political parties is crucial to helping Northern Ireland deal with its past, so too is having a constructive relationship with the Republic of Ireland. To that end, we welcome the Government's new and constructive approach and the announcement of new legislation. I welcome the Northern Ireland Secretary's meeting with Micheál Martin earlier this week.

Does the Secretary of State believe that we might be making progress towards the Irish Government withdrawing their legal case? He said that legislation will be introduced when parliamentary time allows. Will he offer further insight on when that might be?

On the ICRIR, I think we all agree that it is vital to have a body that has the faith and trust of victims and their families, and I pay tribute to Sir Declan Morgan and his colleagues for the work that they have done in hugely challenging circumstances. I heard what the Secretary of State said regarding reforming the ICRIR, but will he keep on the table the option of replacing it entirely, should it turn out that such reforms do not deliver what we all want to see, which is families getting the answers they need in a manner that promotes reconciliation and an institution that commands widespread public trust?

**Hilary Benn:** I hope that it might be possible to reach agreement with the Irish Government about how we take this forward. Whether they withdraw the interstate case is, of course, entirely a matter for them, but only yesterday I had discussions with Micheál Martin, the Justice Minister Helen McEntee and the Under-Secretary of State for Northern Ireland, in which we discussed these matters. I regard that dialogue as very important to building confidence.

In answer to the hon. Gentleman's second question on when the legislation will be forthcoming, I can only repeat myself: when parliamentary time allows. On his third question on keeping open the prospect of abolishing ICRIR, I simply say that one could do that—there are those who would argue for it. That would bring to a halt the cases that have already started, and to each of those families who have taken the decision to approach ICRIR, that case really matters. We would be saying to them, "Right. Forget that" and we would waste all the money that has been put into establishing ICRIR so that it has the capacity to do its work, and waste another year or two. As I have said, nobody is getting any younger.

In the end, in most of the discussions that I have had, I have asked people, "Do you think we need an information recovery function?" They have said yes. I have asked, "Do you think that we need a means of continuing investigation?" They have said yes. That is what was contained in the Stormont House agreement, and I am not yet persuaded that scrapping that, to recreate something that ends up looking not dissimilar from what we have at the moment, is a terribly sensible or pragmatic approach to take. However, I am open to conversations in the way that I set out about what more we can do on ICRIR to increase the public's confidence in it.

**David Smith** (North Northumberland) (Lab): I thank the Secretary of State for his statement. I was in Belfast this week with other members of the Northern Ireland Affairs Committee, and it was clear that all sections of Northern Ireland society were opposed to the legacy Act as it was constituted. Will the Secretary of State work with all stakeholders going forward, including the Irish Government, as he plans a new way forward on legacy and as he considers how to have full co-operation from the Irish Government in relation to information they may hold on legacy cases?

**Hilary Benn:** I am very happy to give my hon. Friend that assurance. I have had a lot of meetings and discussions already, and to quote that phrase, I shall have further such meetings over the next few months, because I am determined to work as hard as I can to try, as I indicated a moment ago, to find a way forward. The discussions that we have had thus far with the Irish Government, who were resolutely opposed to the legislation that the previous Government put on the statute book, along with everybody else, and the fact that we have demonstrated our willingness to be open to a debate about changes that can be made, has been a real step forward.

**Sir Julian Smith** (Skipton and Ripon) (Con): I welcome the Secretary of State's statement. I disagreed with both the manner and the detail of the last Government's Act. This tilts back in favour of the rule of law and in favour of families. Will he continue to manage the expectation of families, given the impact of the passage of time? Will he press the Irish Government on Omagh, on Dublin and Monaghan, and on specific terrorist atrocities that they have information on and we need them now to pass over?

**Hilary Benn:** I am very grateful to the right hon. Gentleman for his question. He played a distinguished role during his time as Secretary of State. He knows, as I know and we all know, the importance of trying to build a consensus to move forward. He raises the question

[Hilary Benn]

of Omagh; I raised that with Micheál Martin only yesterday. I welcome very much the commitment that the Irish Government have given to co-operate with the Omagh inquiry, and I know that the inquiry looks forward to receiving that co-operation in the months ahead.

**Michael Wheeler** (Worsley and Eccles) (Lab): I thank the Secretary of State for the decisive action that he has announced today and for bringing it to us in the House. Nothing can be allowed to jeopardise the progress that has been made in Northern Ireland. Will he confirm that the thread running through this action, and any future action, is the Government's firm commitment to the victims and families, and to getting them the answers that they so richly deserve and finally need?

**Hilary Benn:** I am very happy to give my hon. Friend that assurance. I have talked tonight about a lot of process, future legislation, remedial orders and so on. That is why I said at the end of my statement that, in the end, this is about the families—the families, whom many Members in the House will have met, who still do not know what happened and who carry the incredible pain from what they have been through with them to this day. The very least we can do is to try really, really hard to find a way of giving them the answers that they have been seeking.

**Sammy Wilson** (East Antrim) (DUP): I welcome the fact that the Government, as part of their appeal, will appeal the way in which the scope of article 2 has been extended, even to include overreach into national policy. I say to the Secretary of State that as long as article 2 remains, there will always be contention about how much say the EU will have—not only on law and activities in Northern Ireland, but on policy made in this House.

On the decisions he has made on inquests, civil cases and disclosure, the Secretary of State has to be honest with this House: that is not going to result in terrorists being taken through the courts or through the process in Northern Ireland. It will result only in ageing members of the security forces being dragged once again through the courts and suffering as a result of the service they gave in Northern Ireland. He said he intends to continue to speak with the Irish Government. The Irish Government have shamelessly taken our Government to court while doing nothing about the collusion and activities of the Irish state and Irish security forces in aiding and abetting the killing of soldiers and genocide along the border. Will the Secretary of State ensure that if there is a discussion on legacy, they address the past sins they are guilty of?

**Hilary Benn:** In dealing with the legacy of the troubles it is important that everyone faces up to the consequences of what happened and of what they did or did not do—everyone. It is a painful and difficult process indeed. The implication of what I have announced to the House today is that nobody can escape prosecution, because the immunity that was offered by the legacy Act has been removed. If there is evidence—although I acknowledge to the House that with the passage of time that becomes more and more difficult, for reasons the right hon. Gentleman alluded to—at least that possibility remains.

On article 2, I would simply point out that this agreement was reached between the British Government and the European Union, and it is the British courts—not the European courts—that have interpreted it. That is why the Government are of the view that we should seek to get a definitive ruling on the nature of that interpretation from the Supreme Court.

**Laurence Turner** (Birmingham Northfield) (Lab): On 21 November we marked the 50th anniversary of the Birmingham pub bombings. That date will have been felt most heavily by the families of the 21 people who never came home, and by many more who still carry the mental and physical scars of that day. The Secretary of State knows that the announcement of the repeal of the legacy Act was welcomed at the time it was made. Will he agree to enter into correspondence on the potential implications of his announcement tonight for that campaign?

**Hilary Benn:** I am grateful to my hon. Friend for raising that appalling atrocity. When I was the shadow Secretary of State for Northern Ireland, I met a number of the Birmingham families over video. They have lived for so long with the pain and suffering, and, of course, with the fact that the people who were put in jail for allegedly having done it had not done it, which has only added to their distress. Because it happened in Great Britain, it is a matter for the Home Office. However, I would say that ICRIR is now beginning to look at the case of the Guildford pub bombings. Why? It is because the families have approached ICRIR. I would just point out that it is open to the Birmingham families—if they wish—to approach ICRIR and ask it to look at what happened to their loved ones.

**Sir Julian Lewis** (New Forest East) (Con): I am less enthusiastic than many people for this development. If, as the Secretary of State says, the purpose is for the families to find out the truth, can he confirm first of all that the Northern Ireland (Sentences) Act 1998 remains in being, so that if somebody is prosecuted successfully for the most heinous of offences, they will not serve—whether they are from the armed forces on the one side or the terrorist forces on the other—more than two years in jail? Given that that is the case, which is the more likely to give the families the truth: trying to take people to court, where they will defend their position and try to cover up inconvenient facts; or trying to have an amnesty—that hated word—coupled with a truth recovery process, where the truth can be said because people know that they will not go to jail as a result?

**Hilary Benn:** Clearly, legislation on the statute book, and the provisions that it contains, remains in place until such time as it changes. On the right hon. Gentleman's important point about what the families would prefer, the answer must lie with the families themselves. I, as I know he will also have done, have met a very large number of families. A lot of them acknowledge that a prosecution is unlikely but want the truth. Some of them still want there to be a prosecution for justice to be done. Our responsibility is to give families, and the bodies investigating on their behalf, the means to provide the answers that the families, after all these years, are looking for.

**Louise Jones** (North East Derbyshire) (Lab): As a veteran, I pay tribute to the service of those police officers, members of the armed forces and the security services who did so much to keep people in Northern Ireland safe during the troubles and in some cases paid the ultimate price. None the less, any solution that does not have the support of victims' groups and political parties in Northern Ireland is not, in my view, tenable. Can the Secretary of State assure me that any veterans affected will receive all welfare and, if appropriate, legal support where necessary?

**Hilary Benn:** I can indeed give my hon. Friend that assurance. It is absolutely what we should do when we are thinking, in this particular case, of those who served in the armed forces—the 250,000 people who served in Northern Ireland as part of Operation Banner.

**Robin Swann** (South Antrim) (UUP): In this place on 11 September, the Secretary of State made a statement with regard to another inquiry. At that point, I asked him whether, for those families who had lost loved ones to terrorism, he had closed down all the other options for an inquiry. He told me at that point that ICRIR would be the only option. My understanding tonight is that he has now put back on the table several cases, inquests and inquiries. What confidence do those families now have in ICRIR when the Secretary of State says tonight that it needs reform, that he will bring forward further proposals to reform it, and that he has not detailed them? On the Stormont House agreement, I remind him that the Ulster Unionist party did not support it.

**Hilary Benn:** On the one inquiry I announced to the House, in relation to the murder of Pat Finucane, I explained the unique circumstances that led me to reach that conclusion. If I may correct the hon. Gentleman, inquiries were never taken off the table as an option. They have remained on the table. It is for the Government of the day to decide whether a public inquiry is ordered or not. He is right that civil cases and inquests in due course will return. It is the case that some people do not have confidence in ICRIR. That is why I think it is important that we should take further steps to try to build that confidence, but I have no doubt about its capacity to do the job that is required on behalf of the families that seek its help. As I made clear in the House previously, in the end, ICRIR's effectiveness will be judged by those families. Do they get the answers that they have sought for so long by approaching it? I know that Sir Declan Morgan is really committed to making sure that he can do that.

**Sir Iain Duncan Smith** (Chingford and Woodford Green) (Con): I, like a number of others, served in Northern Ireland. We did not ask to go, and I lost a very good friend there—and others, at the same time. That man's parents died without ever knowing what had happened to him, but it turns out that he may well have been dismembered and disappeared completely. There is no closure for them, and there is no chance, unless Ireland opens up its books and looks into this, that we will ever get any justice for him. He had a family as well, and many friends who wonder what happened to that brave man, and there are many more like him. So I say on their behalf: yes, let there be justice for families, but let us not forget all those soldiers who will now, in

some cases, be hounded for no reason at all—those who lost their friends and their children and who did not want to go there in the first place. Where is the justice for them?

**Hilary Benn:** Let me first thank the right hon. Gentleman for his service in Northern Ireland. Let me also say how sad I am to hear about the case that he has just described. Justice information should be—must be—available to all. I would just point out, however, that there are service personnel who lost their lives in the conflict in Northern Ireland who did not support the legacy Act, precisely because it proposed to give immunity to people who had killed their loved ones. That is another reason why I think it is right to remove immunity from the statute book, which the remedial order that I have laid before the House today will do.

**Jim Allister** (North Antrim) (TUV): I welcome the news that the Government are to pursue an appeal in relation to the findings on article 2 of the Windsor framework in the Dillon judgment. I trust that it is not just an academic pursuit to find out which is the right interpretation, but a determination on the part of the Government to resist the imposition on Northern Ireland, through the Windsor framework, of laws, rights and expectations that do not apply anywhere else in the United Kingdom. If the Secretary of State fails in his appeal to the Supreme Court, will he undertake to legislate to the effect that article 2 cannot have effect in domestic law in Northern Ireland?

The Secretary of State has said that he will be bringing to ICRIR the same disclosure rights that apply to statutory inquiries. Why, then, do we need the Finucane inquiry, if ICRIR will now have the same powers? He said that he would discuss the way forward with the Government of the Irish Republic. They are a Government who have been vigorous in demanding accountability from the British Government, but giving no accountability as to their own forces and a support for terrorism across the border for many years.

**Hilary Benn:** As the hon. Gentleman will know, the purpose of article 2 was to ensure that there was no diminution in the rights of people in Northern Ireland as a result of our withdrawal from the European Union. I certainly support that principle, and I hope that the hon. Gentleman does as well. The last Government thought it right to put it in place, because they negotiated that arrangement.

In respect of an appeal, we will just have to wait and see what the Supreme Court—if we reach that point and it goes there—has to say. I will not prejudge either a verdict or, indeed, what might flow from that. Let me just remind the hon. Gentleman, in relation to the Finucane inquiry, that there were very specific reasons. The previous Labour Government had made a commitment that in certain cases, if an independent judge determined that there be a public inquiry, we would hold one, and I believe that when Governments make commitments, we should keep our word.

**Jim Shannon** (Strangford) (DUP): I welcome the news that the Secretary of State will repeal the legacy Act. This is something that the previous Government—I say this with great respect—simply did not get right, and



[Jim Shannon]

this Government now have an opportunity to get it right. The Secretary of State has outlined the greater scope for investigation and inquiry. I led an Adjournment debate in the last Parliament about the 10 Kingsmill workers murdered by the IRA in Newry, and I would seek an inquiry for them, for the victims of the La Mon massacre, in which the IRA murdered numerous innocent people, and for the four Ballydugan soldiers murdered on 9 April 1990.

Stuart Montgomery was three weeks out of police training college when he was murdered by the IRA in Pomeroy. My cousin Kenneth Smyth was murdered by the IRA on 10 December 1971. His friend Daniel McCormick was murdered beside him. Raymond McCord's son was murdered by loyalists. I could mention many, many others. Will all those who seek justice be able to access that which they have requested in the past, which they have been denied so often—and equal to the decision for the Finucane family? Can the Secretary of State please further expand on the support that will ensure that there will be no witch hunt against armed forces and RUC officers, who served honourably for Crown and country? I apologise for the emotion.

**Hilary Benn:** The hon. Gentleman has no reason to apologise to anybody, because he has just demonstrated what I said in my statement about the pain that endures to this day on the part of families who have lost dearly loved family members. The way that he put his question, and the emotion that he was not afraid to show—I think he had no control over it; of course not, because this is how we feel when we reflect on these terrible incidents. He mentioned one of those killings, and here we are in December, which is a particularly difficult time of year. There are a number of anniversaries, and we are approaching Christmas, when we feel the loss of loved ones so greatly.

We have to work together as hard as we can to provide—if it is possible, because it may not be possible in all cases—the means through which the families can get some answers about what happened. But in the end, each family has to come to terms with the loss that they have endured in their own way. I cannot think of

anything that is more difficult to do, but we need to stand with them every step of the way. I stand with the hon. Gentleman—he is my hon. Friend—in saying that.

**Madam Deputy Speaker:** I thank the Secretary of State both for coming to the House to give his statement and, indeed, for the timing of it; it is hugely appreciated.

## PETITION

### Pimping websites and paying for sex

7.58 pm

**Carolyn Harris** (Neath and Swansea East) (Lab): I rise on the 10th day of the UN's 16 days of activism against gender-based violence to present a petition on commercial sexual exploitation on behalf of my constituents in Neath and Swansea East. Pimping websites are used by traffickers to advertise and facilitate the sexual exploitation of women. Our laws against pimping have failed to keep pace with technological change, and such websites are now readily accessible and play a key role in enabling sex trafficking in this country. Victims of trafficking and exploitation are some of the most vulnerable in our society, and it is our duty to protect them. The petition therefore requests

“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.”

*Following is the full text of the petition:*

*[The petition of residents of the constituency of Neath and Swansea East,*

*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.]*

[P003026]

## End of Radio Teleswitch Service: Rural Areas

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

7.59 pm

**Dave Doogan** (Angus and Perthshire Glens) (SNP): I am pleased to raise the issue of the radio teleswitch service decommissioning in the House this evening. This is a pressured and important matter for 4,665 households in my constituency, a further 80,000 households across the north of Scotland and fully 800,000 households across Great Britain. The ending of the radio teleswitch service, or RTS, which controls “total heating with total control” meters, is of vital importance to electric-only customers and yet remains a troubled landscape to some extent.

RTS is a radio signal that tells “total heating with total control” meters when to switch between peak and off-peak rates, and this obsolete system will come to an end on 30 June 2025. It was originally going to cease on 31 March 2024, but that had to be pushed back because the system was not ready. That should have been when alarm bells started to ring.

Customers are being asked to switch to smart meters, and Energy UK, the trade body for energy suppliers, has advised customers what could happen if they do not:

“You may find that your heating and/or hot water is continually left on or off, or the charging-up happens at the wrong time of day. Your electricity supplier won’t be able to confirm how much electricity you have used during peak or off-peak times, which means your electricity costs could be much higher than before.”

However accurate that message might be, it could easily be a source of alarm for customers. Any of us who have had the misfortune to have electric-only heating will realise that even with the discounted rates, it is still ferociously expensive, so the idea that anyone could have it without the discounted rates is simply not realistic.

**Graham Leadbitter** (Moray West, Nairn and Strathspey) (SNP): Like my hon. Friend, I have significant concerns about the end of RTS in rural Scotland. Moray West, Nairn and Strathspey has a disproportionate number of RTS meters, and I include myself in that statistic. My own experience with OVO Energy and switching to a smart meter from RTS has left a lot to be desired. I have had several telephone conversations with OVO representatives as a private customer regarding the RTS switchover. The main question I had during those phone calls was, “If I switch, will I be better or worse off, or paying the same as I am now for electricity?” I had to push extremely hard to get a straight answer to that. If that is the difficulty I am experiencing, as someone who is experienced in assisting constituents with this very issue, does my hon. Friend share my concern about how more vulnerable people, who may feel immense pressure from operators installing new meters, will be impacted?

**Dave Doogan:** I thank my hon. Friend for his intervention. He has raised a couple of points. One is really important, and that is whether or not customers have an option. They actually do not have a realistic option. The radio teleswitch service is coming to an end at the end of June next year, and they will not want to

be in the position where they do not have a smart meter that can toggle between a reduced-rate tariff and a full-price tariff. That would be ruinously expensive.

My hon. Friend also touched on the communication, and the quality thereof, that supply companies are having with their customers. One of the reasons that the uptake is so slow is that people do not have confidence in smart meters—and why would they? There were plenty of problems with the smart meter roll-out just for regular electricity customers who want to know how much electricity they are using. The stakes are far higher for electric-only customers who heat their homes with electricity. They need confidence that their smart meter will actually work. I will come on to that point in a second.

**Seamus Logan** (Aberdeenshire North and Moray East) (SNP): My hon. Friend mentioned Energy UK, and my hon. Friend the Member for Moray West, Nairn and Strathspey (Graham Leadbitter) mentioned the number of people in his constituency who use the service. I think it is in the region of 3,000 in Aberdeenshire North and Moray East. Those people need clarity about what is going to happen. Does my hon. Friend agree that households need clarity on these proposals, and that the Government should use all means available to them to ensure that the roll-out is fair and that reassurance is provided to customers?

**Dave Doogan:** The operative word of my hon. Friend’s intervention was “fair”, and I will come on to exactly who owns the risk.

**Jim Shannon** (Strangford) (DUP): In my discussion beforehand with the hon. Gentleman, I mentioned what I would be referring to in this intervention. We have similar issues in Northern Ireland, so does the hon. Gentleman agree that the needs of rural areas need to be taken into consideration? The current cost of living crisis centres on an energy crisis, so we need to ensure that people are not paying more because they are unaware of the steps that need to be taken to deal with this change.

**Dave Doogan:** The hon. Gentleman is right that Northern Ireland is a different energy market from Great Britain, but there will be, without question, electric-only customers in the larger settlements of Northern Ireland. I know that Northern Ireland is a heavy user of heating oil, but the same scenario will exist in Northern Ireland. Although it is a different energy market, the same Department has to have oversight of the equity and effectiveness of whatever solution is found for that part of the United Kingdom.

Constituents have contacted me with concerns that they are being asked to switch to a smart meter without a guarantee that the smart meter will work properly. Some customers with poor reception who have switched to a smart meter are being asked by their supplier to submit manual readings. It is not clear whether manual readings are compatible with alternative economy tariffs, as these are based not only on how much energy is used, but on when that energy is used.

The Data Communications Company manages smart meter networks, which can reach 99.3% of properties, and more than half of homes in GB are already connected. Information is transmitted over a wide area network

[*Dave Doogan*]

using mobile phone or radio signals sent from each property's communications hub, but the method of transmission differs. In central and southern GB, smart meter data is transmitted using cellular and wireless mesh technology provided by Virgin Media O2, whereas in the north of England and all of Scotland it is transmitted over long-range radio signals provided by Arqiva.

It would be safe to say that there remains substantial concern about the ability to have two-way communication between supplier and customer over this system. This is no small part of the reason for the hesitancy common among "total heating with total control" customers to rush towards the need to switch.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): The hon. Gentleman has touched on the fact that radio teleswitching is going. It is an analogue technology, and we will be fortunate if it lasts until next June—it could collapse at any second. It will be replaced by smart meters, and surely it is not beyond the wit of man to design a smart meter that provides something like "total heating with total control". They do not at present, but that is just because they are not designed to do so. Is it not the case that this could be fixed if the regulator got the companies and the different players together and told them to produce something that suits the customers, not just themselves?

**Dave Doogan:** The right hon. Gentleman will have no small number of these customers in his constituency, and he touches on the important point of the vagueness around this. Customers are being told that they must do this, and when they ask for any detail about that which they must do, it is scant, vague and conflicting.

We only have to look at the forums on the energy company websites and on Facebook to see that peer-to-peer support is answering people's questions on this issue, rather than there being a cohesive and comprehensive programme of information from the Government, the Department, the regulator and the energy companies, working in concert in a professional and coherent way to let customers know exactly what is going to happen.

On the speed of the roll-out, the energy suppliers, the UK Government and consumer groups have committed to co-operating to replace RTS meters prior to the shutdown, which is a pretty minimal commitment. The 10 energy companies that have pledged their participation are: British Gas, EDF, E.ON, Octopus, Ovo, Scottish Power, So Energy, SSE, Total Energies, Utilita and Utility Warehouse.

Through its call to action, the industry has committed to several measures, including zeroing in on regional hot spots with the highest number of RTS customers. That is good but it is late. The industry has a catch-up job in public relations and customer confidence, which it needs to accept and resource. The industry has committed to expediting meter upgrades for RTS customers, giving prioritisation to vulnerable customers for upgrades, co-operating to solve technical issues, and pooling knowledge and expertise across companies. This should not be a competitive commercial endeavour; it should be a call to action across energy companies.

Different houses are wired up in different ways to accommodate "total heating, total control." They will interact differently with smart meters when they are fitted, which needs to be reconciled. The industry has committed to issuing monthly reports on meter replacement. I urge right hon. and hon. Members to focus on those monthly updates, because the problem we have is that if we continue to replace RTS meters at the current rate, that will take until 2028, when we only have until June 2025. That is why my constituents and I are so concerned.

To be fair, the industry is also concerned. It wants the transition to work because it wants its customers to be supplied and to be paid for that supply. The industry is not trying to make this not happen—quite the opposite—but we need to change gear and pace. Industry is confident that it has the capacity to deliver for every home, but not if all those homes come forward in April, May and June. That will not work, which is why we need a call to action now. We are into December and nothing will happen before the new year, so we need to ensure that we hit the ground running in January with this matter as a priority.

I made sure the Minister had advance sight of my questions, so she could respond at the end of the debate. Is she confident that all properties will have a smart meter installed by the deadline? What options are available to RTS customers with poor or no mobile signal, or no ability to receive the radio signal at their property? Will there be an option in extremis, when it is demonstrated that the signal cannot be received at the property, for the customer to have some type of timer solution, with or without a smart meter?

Will a standard tariff be ruled out as an option, given that it would be ruinously expensive for any customer? What action has been taken with industry to ensure that customers receive a tariff at the same rate or better than that which they had on their "total heating, total control" rate? That is a key concern for my constituents.

What steps will the Government take to ensure that the electrical system, and the statutory and commercial entities that control that electrical system, will carry the risk for inflated bills as a result of the changes? Consumers have no responsibility whatsoever for the functioning of the electricity system so, by any measure of justice, they should not be exposed to the financial risk of a system that no longer works and is being replaced by one that is more expensive. That should not happen.

8.12 pm

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh):** I thank the hon. Member for Angus and Perthshire Glens (Dave Doogan) for bringing this important issue to the attention of the House. As I will set out later, it is important that people who will be affected by the transition are aware of the issue and the steps we need to take to upgrade. I reassure him that we are doing everything we can to ensure that the transition is done with consumers in mind, and that it works for the households we know will be affected.

Since the 1980s, the radio teleswitch service has played an important role in helping many consumers to have lower-cost energy for heating and hot water. However, as has been acknowledged, the technology is coming to



the end of its life. The continuation of the BBC's longwave radio signal is due to end on 1 June 2025. We have already extended the service once, from March this year. When the service ends, as has already been pointed out, there will no longer be the availability to switch between rates. In some instances, consumers may lose control of their heating or hot water. With the deadline fast approaching, I cannot stress enough that this is a big issue for us. It is a priority and we understand that there is a job of work to do to ensure that we can deliver the transition for consumers.

**Mr Carmichael:** The Minister is absolutely right. I raised that with the former Prime Minister at Prime Minister's questions earlier this year, and he agreed to convene a roundtable where we got everybody in the room, because there had just been too much blame-passing around the various partners. That meeting got overtaken by the election, but it happened without parliamentarians at the table. Will the Minister now look at the possibility of reconvening that meeting with parliamentarians so that there is that element of accountability at the table?

**Miatta Fahnbulleh:** Yes, I am very keen to reconvene that. It is absolutely essential that we work with hon. Members across the House who represent constituencies that we know will be affected. From our perspective, we have a big job to engage consumers to ensure that they are aware and that the transition is working. We are keen to work across the House to do that.

One of the outcomes of the roundtable that was put in place was that the taskforce has been established—with Ofgem, industry and the Government—to manage the transition and to put and inject the urgency that we need to see in the ongoing process. In October, the industry signed up to a call to action, representing a collective agreement to take the steps needed to speed the transition away from RTS. Specific actions that were included in that call for action are: targeting of resources towards regional hotspots where we know there are a high number of RTS customers and we know that we need to do work to reach them; fast-tracking of meter upgrades for RTS customers and, in particular, vulnerable customers who we are very worried about; and collaboration on some of the technical solutions that we know are needed.

We are clear that the delivery of the transition away from RTS requires active engagement with consumers, as they will need to agree to appointments, collaborate with their installers and ensure that they have the right solutions in place.

**Dave Doogan:** Does the Minister agree that there needs to be a change of tone and language? It is all very well for the Government, the regulator or the companies to feel the urgency, but if customers do not sense that, we will not get the pace that is required. She talks about how it is a big job, and we can all agree on that. It is a big job that needs to be completed in very little time, so it is not just about the scale but about the pace. If we cannot get customers energised and exercised about the need to get that done, that pace will not happen.

**Miatta Fahnbulleh:** I completely agree with the hon. Member. We have said to suppliers that they must inform all affected customers by 31 December to make sure that we are injecting that sense of urgency, both within the supply chain and, critically, among customers.

There is a collective job for us all to make sure that those who are affected are aware that this is happening. That is why this debate is so important. That is why I am keen to engage with Members from across the House to ensure that we are getting that message out to constituents.

Critically, the taskforce has been asked to establish working partnerships with local authorities, housing providers and other customer-facing organisations, so that we can get the word out that this is happening, that customers need to engage and that they must get in touch with their suppliers so we can provide the best possible options for them as we move forward.

**Graham Leadbitter:** My experience is that the energy company has been in touch with me. The tone of the emails has been quite pushy, which is what we are talking about, in that they need to be pushing quite hard on customers to make that change and get the right meter in place. However, when I have subsequently been in touch with them—I do not have a smart meter yet; it is coming in January—the first time there were no appointments and they were unable to answer that simple question of whether it will be cheaper. I cannot stress enough how much I have had to push them to get that answer out of them.

I am not a vulnerable customer; I understand why this is happening, like everybody else in the Chamber. Vulnerable customers, however, may just accept that. There is a sense of urgency that needs to be injected, but it needs to come with a note of caution about how it is injected and how it is communicated, and it needs to make sure that customers understand how much they are likely to be paying. There also needs to be a transitional arrangement so that if somebody gets the wrong tariff, they are not penalised for that and it can be changed.

**Miatta Fahnbulleh:** I thank the hon. Member for raising his personal experience of the issue. From the perspective of the Government, it is very important that we have sight of where it is not working, because we need to ensure that it is working for consumers. There is a question about capacity that we are very exercised about. We are trying to work with suppliers to ensure, particularly in rural areas, that we are putting in roaming teams and building the capacity to be able to respond in a way that is timely, and sensitive to the fact that we are asking consumers to make a transition and go through disruption.

Smart meters are the natural upgrade for RTS, and we have energy suppliers that will be offering them. If we get this right, smart meters are an opportunity to upgrade people's homes, and critically, for them to access smart tariffs that will give them greater control and reduce bills. I urge consumers to discuss the options with their energy suppliers. I acknowledge that, particularly in rural areas where we have large numbers of RTS users, we have lower levels of smart meter coverage and installer capacity. To address that, we are actively encouraging energy suppliers to ensure that they are building capacity. We are looking at roaming teams, and how we manage demand across different geographies. We know that there are issues with network coverage, and we are working with the data communications company to ensure that we are resolving them. In a minority of cases where households cannot connect, we are advising them to engage with their energy suppliers to think about the right solutions for their home.

[*Miatta Fahnbulleh*]

It would be remiss of me not to acknowledge that customers have genuine concerns and scepticism about smart meters; we have received that intelligence as much as other hon. Members have across the House. It is worth saying that there are 37 million smart and advanced meters in homes and small businesses across the country—65% of all smart meters. Our analysis and data suggest that 90% of smart meters are sending automatic signals and working, but for too many customers the experience of smart metering is not as good as it ought to be.

The number of meters that are not working across the country is problematic, and we are trying to build confidence. There is a really important job for us to do in working with the regulator to deal with those particular issues. The Government are working with Ofgem to introduce new guaranteed standards of performance to improve and protect consumer experience with smart meters, offering compensation when the system is falling short for consumers. Ofgem will be consulting to introduce those new standards in the new year.

Let me end by touching on the wider point about public confidence, which is key to us getting this transition right. I acknowledge that some consumers have lost faith in the energy suppliers, and the levels of satisfaction

have damaged consumer confidence. We hear that when we engage with customers. We absolutely must and are trying to do more to prioritise and protect consumers in the transition, both with RTS and more widely on home upgrades and our warm homes plan. That is why the Government are strengthening the regulator to ensure that it can hold companies to account for wrongdoing and can require higher standards of performance, as well as ensuring that there is automatic consumer compensation where failures occur.

There is a lot to do, but I hope I have reassured the House that we are aware of the challenge and are doing everything we can to grip the problem and to get the regulator and suppliers to work with partners on the ground to make the transition as smooth as possible.

I again thank the hon. Member for Angus and Perthshire Glens for raising the profile of this important issue and highlighting the needs of all communities. We have to get this right, and I confirm my desire to work in concert with hon. Members across the House to make this as easy for constituents as possible.

*Question put and agreed to.*

8.24 pm

*Sitting adjourned.*

# Westminster Hall

*Wednesday 4 December 2024*

[DAME SIOBHAIN McDONAGH *in the Chair*]

## Biosecurity

9.30 am

**Ben Goldsborough** (South Norfolk) (Lab): I beg to move,

That this House has considered biosecurity.

It is a pleasure to serve under your chairship, Dame Siobhain, for my first time leading a Westminster Hall debate.

Hon. Members may wonder why I have secured a debate on such a wide-ranging issue as biosecurity. Our changing climate means that new diseases can thrive here in the UK, and more interconnected supply chains put unprecedented pressure on our borders. Stability is vital for food security and economic growth, but biohazards can undermine our vital horticulture and agriculture sectors. These risks are not abstract concepts but tangible realities for the communities we represent. I thank hon. Members, including my hon. Friend the Minister, for their support since being elected, because I have faced such biosecurity threats in the South Norfolk constituency.

I bring this matter to the House today because South Norfolk has been directly affected. Many will recall the bluetongue outbreak first identified in Haddiscoe on 26 August this year and the chaos wrought by the largest avian influenza outbreak in 2022-23. I will press the Minister on a number of points, including the need to strengthen our border controls, reappraise the insurance industry's practices, improve the preparedness of the Animal and Plant Health Agency, and collaborate closer with trade bodies. I commend the Government on the much-needed investment of £208 million to transform our biosecurity at the Weybridge site, which is an essential step forward.

Hon. Members will remember the recent bluetongue outbreak, which began in my constituency. It was first identified in the small village of Haddiscoe, and a 20 km temporary control zone was swiftly established, but the situation sadly escalated. By 30 August, Norfolk and Suffolk were placed under restriction zones, and on 2 September they were extended to Essex. By mid-November, control zones stretched from Lowestoft to Southampton, and from Brighton to Scarborough. Some infected animals may experience productivity issues, including a reduced milk yield. In the most severe cases, the disease will cause abortions, malformations and fatalities. However, it is important to note that bluetongue does not affect people, and the meat and milk from infected animals remains safe.

Farmers in South Norfolk and across affected counties have been resilient and conscientious in the face of this outbreak and the restrictions placed upon them, but those living within the restriction zone have been hit by a double whammy, as some abattoirs have implemented price deductions. Some sites looking to cover the additional costs associated with the disease have imposed price cuts of up to 50p per kilo. That impact is being handed down to farmers, despite their having selflessly gone above and beyond to protect their livestock and that of

their neighbours. Will the Minister meet me to ensure that farmers are not subjected to more price deductions, and to discuss the long-term measures we can take to prevent future outbreaks?

The 2022-23 avian influenza outbreak was devastating. There were mass sea bird die-offs, and widespread highly pathogenic avian influenza protection zones were put in place across the majority of the country, but particularly in Norfolk. Recent cases of H5N5 in Yorkshire and H5N1 in Cornwall highlight the continuing threat that avian influenza poses to our poultry market.

In addition to biosecurity, there are pressing financial issues. South Norfolk farmers have told me that they find it near impossible to get insurance cover for avian influenza outbreaks, creating the risk that producers will be forced to leave the industry. I would love it if the Minister could say that he will investigate the possibility of picking up where the insurance providers are dropping the ball and failing to provide support. Will he consider a state-backed scheme to help affected farmers to re-enter the poultry industry following an outbreak?

Currently, compensation for AI is paid out to the owners of birds, but many farms operate on a contract basis and so miss out on that compensation. Again, I would love it if the Minister could tell us that he will consider steps to ensure that contractors receive their fair share of compensation from insurers. Of course, there will always be a perpetual worry about border security. Farmers in South Norfolk tell me that they are really concerned about the controls on meat and livestock entering the UK market. Will the Minister consider reassessing the level of controls on those imported goods to give our farmers peace of mind?

African swine fever is a huge issue for Norfolk. We are one of the biggest pork markets—which was obviously a huge deal for the former, rather than the current, Member for South West Norfolk. The UK pig industry is worth £8 billion annually, and faces a potential crisis if African swine fever breaches our borders. The disease is present in multiple European countries, and the consequences of an outbreak could cost between £10 million to £100 million, according to the National Farmers Union.

I welcome the Government's September 2024 ban on personal imports of pork from high-risk areas, and DEFRA's £3.1 million investment into the Dover Port Health Authority, which was a much-needed step forward. Given the critical importance of the pork industry to Norfolk, I urge the Minister to outline the further steps he will take to prevent an African swine fever outbreak in the UK.

It is not just livestock, but crops that are a concern for biosecurity. Virus yellows are key for East Anglia because they cause sugar beet diseases. The sugar beet industry is a cornerstone of the British agricultural economy, supporting around 9,500 jobs. It is anchored by four British Sugar factories, all located in the east of England. The sector faces a significant threat from virus yellows, a devastating group of diseases caused by three different viruses.

Those viruses are transmitted by aphids, which feed on the sugar beet crops. Unlike growers on the continent, UK farmers are particularly vulnerable to the virus, due to our maritime climate. Typically, cold winters suppress the aphid population, reducing the risk of transmission.



[Ben Goldsborough]

Milder winters, driven by climate change, allow aphids to survive for longer and thrive. If the aphids carry over the disease from the previous year to the new year, they can infest crops as early as spring, compounding the threat to the British sugar beet yields.

The year 2020 serves as a stark warning. A mild winter, combined with early aphid migration, created a perfect storm, leading to a catastrophic loss for many growers. Without interventions, those conditions are likely to become more frequent. NFU Sugar has predicted that the UK sugar beet crop area could shrink by up to 25%, if a sustainable solution is not found for virus yellows.

Genetic engineering offers a promising path forward, and I welcome the Government's proactive steps in that area, especially as the Norwich Research Park in my constituency hugely benefits from precision breeding legislation. However, as NFU Sugar rightly points out, that is no silver bullet. A truly effective response must form part of a broader integrated strategy, in order to address the challenges posed by viruses.

Will the Minister provide an update on the actions being taken to support the British sugar industry? Specifically, what is being done to accelerate precision breeding efforts, improve aphid management and ensure sustainable yields for farmers in the face of mounting climate-related challenges?

I do not want to focus solely on agriculture. Horticulture is another vital industry for the UK where biosecurity is a critical concern. If plant diseases breach our defences, the consequences could be devastating, not just for growers but for the environment and the wider economy. One of the most pressing threats is *Xylella*, a bacterial disease hosted by a wide range of plants, including trees such as the British oak. The risk of introduction to the UK via infected host plants is a growing concern.

To tackle that and other biosecurity challenges, the Horticultural Trades Association has laid out several critical recommendations, which I pose to the Minister: first, an urgent summit on border policy; secondly, a review of commodity risk categorisation; thirdly, enhanced pest and disease testing capabilities; and finally, active international engagement to reassure the global horticultural market and the fresh produce supply chains that the UK is open for trade in a safe and secure manner.

Biosecurity is not merely about safeguarding industries; it is about protecting the livelihoods of farmers and the food security of the nation. In South Norfolk, from poultry and sugar beet to livestock, our communities are working tirelessly to meet those challenges. I know that they have the full support of the House in the actions they are taking to protect us all.

I call on the Minister to act decisively to strengthen our borders, work with insurers, and provide the resources and partnerships needed to maintain for the UK's biosecurity resilience the world-class status it deserves. Let us meet these challenges head-on, ensuring that our agricultural and horticultural industries remain robust for generations to come.

**Dame Siobhain McDonagh (in the Chair):** I remind Members that should they wish to contribute to the debate they should bob.

9.40 am

**Jim Shannon (Strangford) (DUP):** It is an absolute pleasure to serve under your chairship, Dame Siobhain, and to see you in your place once again. I thank the hon. Member for South Norfolk (Ben Goldsborough) for leading the debate on this important issue. I also see the chair of the all-party parliamentary group, the hon. Member for York Outer (Mr Charters), in his place, and I look forward to his contribution. It used to be the eggs, pigs and poultry APPG, and then it was elevated to biodiversity, which I hope was a positive move in the right direction—I always thought eggs, pigs and poultry were more exciting, but that is by the way.

The remit for biosecurity is shared across Government, and the Cabinet Office leads on cross-cutting strategy and preparation. However, some policies on biosecurity are devolved and fall under the remit of the Department of Agriculture, Environment and Rural Affairs back home in Northern Ireland, so it is important that we discuss these things here in their totality.

I commend the Minister—I am glad to see him in his place—because one of the first things he did when Labour got into power was go to all of the regions of the United Kingdom. I admire him for that, because it showed a Minister who clearly wanted to discuss matters with all the regions in an integrated way. When I make a contribution about Northern Ireland, I know that the Minister will respond positively with the answers, which we look forward to getting. It is also nice to see the shadow Minister, the hon. Member for Epping Forest (Dr Hudson), in his place; I wish him well in his new role. I am also pleased to see the Lib Dem spokesperson, the hon. Member for Glastonbury and Somerton (Sarah Dyke), in her new role on the Front Bench. The hon. Lady usually sits here with the Back Benchers but, for today at least, she has been elevated. I look forward to her contribution as well.

I represent a largely coastal and rural constituency and have a fantastic relationship—I believe, anyway—with many local fishermen and farmers. I live on a farm on the Ards peninsula—I declare an interest as a member of the Ulster Farmers Union—and, coming from that background, I understand the importance of our biodiversity policies and the methods that must be used to protect against disease.

I want to mention the examples of what has happened back home with avian influenza and tuberculosis to show why biodiversity is so important. There are several notable diseases of concern within the United Kingdom of Great Britain and Northern Ireland. These include avian influenzas, bluetongue, African swine fever and TB. I was grateful to meet with Paul Stewart some time ago, the centre manager of Castle Espie, a wetland centre just outside Comber in my constituency. The centre, which is run by the Wildfowl and Wetlands Trust, is absolutely incredible. It is fantastic for observing and discovering wildlife, and it hosts incredible events for people of all ages. It is very much a must-see venue.

Unfortunately, the centre had to temporarily close due to the confirmed presence of avian influenza. The discovery of a suspect case led to a 1.9 mile—3 km—temporary disease control zone being erected around the wetland reserve. That was absolutely tragic, but they are now out the other side. The avian influenza has been controlled and is no longer there. I am pleased to say

the centre has now reopened with a disease prevention strategy in place. I believe that is incredibly important for the protection of the birds, staff and visitors, and everyone in and around the area.

Only days ago, DAERA commenced a review of Northern Ireland's approach to tackling bovine TB back home. It is a deadly disease that farmers are always at their wits' end worrying about. Around 10% of herds across Northern Ireland are affected by the disease, which cost the public purse some £55.7 million in 2023-24. My neighbours had a case of TB—they are dairy people and milk more than 170 cattle, and also have beef livestock and calves. They had an outbreak of TB. It affected some 40 of their cattle—not all of them, thank goodness, but it still had an incredible effect on the farmer.

It is always hard to quantify this, but I know farmers, and I know my neighbour, and I know how hard he works. To see those 40 calves going away in the lorry to be destroyed—I could see the ache in his heart, which cannot be quantified. Farmers do not just raise their livestock and do all the things they do on their farm to necessarily make money; they have a love of their livestock, as my neighbour clearly has. Furthermore, £36.5 million, almost two thirds of that total of £55.7 million, was paid in compensation to farmers for the removal of animals. It is good that that happens, but it underlines how deadly that disease can be.

The Ulster Farmers' Union has said that the review that has now been undertaken contains "no meaningful action" to address the bovine TB crisis in Northern Ireland. On Saturday morning, the Ulster Farmers' Union expressed concerns in *Farmers Weekly* on behalf of its members: the farmers. Has the Minister had any discussions with the Minister back home on bovine TB and how it can be eradicated? I am ever mindful that farming is a devolved matter, and therefore the Minister here will have no say in what happens. However, the hon. Member for South Norfolk tells me that he has had constructive discussions with the Department back home, so it would be interesting to hear what is happening on that.

**Mr Gregory Campbell** (East Londonderry) (DUP): Does my hon. Friend agree that it is best to liaise across the regions of the UK to replicate best practice? For example, where something to combat the bovine TB issue he talks about is working well, it should be replicated elsewhere. The Minister can hopefully play a part, in consultation with colleagues, to ensure that best practice is repeated across the UK.

**Jim Shannon:** I thank my hon. Friend and colleague for that. On best practice, the Minister, other hon. Members, and you, Dame Siobhain, will know that I always think it important to share ideas across this United Kingdom. Where things are working, whether at county level, regional level or whatever it may be, those examples should be taken and given to others.

The TB outbreak just happened in the last two to three months. I understand the pain that my neighbour felt and the impact that it had on him. Bovine TB is a fatal disease that needs a proper prevention and control strategy. On DAERA's review, the Ulster Farmers' Union deputy president has stated:

"There's extremely limited focus on the most critical issue—the need for an effective eradication programme that addresses all sources of infection. While it references biosecurity measures including post-movement testing and restrictions, it's not enough to only have biosecurity measures."

I would be grateful if DEFRA committed to discussions with the Minister in the Northern Ireland Assembly, Andrew Muir, to assess what DAERA's review is missing and see what more the UK Government can do to support the eradication of bovine TB and support our farmers further.

We have seen in the last month the dangers and potential risks to our biosecurity. A case of bluetongue was found in Wales, for example, and panic—I use that word purposefully, because it was probably at that level—ensued across the United Kingdom about bluetongue and its implications. The hon. Member for South Norfolk referred to bluetongue in his introduction; and I thank him for that. As he clearly outlined, farmers want to protect their herds, their flocks, their business and their farms, and such dangers can have an absolutely critical effect. An outbreak of avian influenza has been confirmed in poultry in England. It affected one of the largest poultry flocks on the mainland.

There is still more to be done to tackle and eradicate all these diseases. They have such an impact on livestock and on farmers. I believe that, to tackle these diseases properly, we must work together to ensure that our strategies are regionally aligned and sustainable. I look forward to engaging further on this matter, and I thank the hon. Member for South Norfolk for bringing this topic to the Chamber. I very much look forward to other contributions and to a constructive and helpful response from the Minister.

9.49 am

**Mr Luke Charters** (York Outer) (Lab): It is a pleasure to serve under your chairship, Dame Siobhain. I congratulate my hon. Friend the Member for South Norfolk (Ben Goldsborough) on securing today's debate on biosecurity. It is great that he is continuing the fine tradition of Members for South Norfolk advocating for pork markets. I am proud to chair the APPG on UK food security—I thank the hon. Member for Strangford (Jim Shannon) for his warm words about that. As colleagues will be getting to know, I am a proud Yorkshireman who will always promote at every turn our region, and the rural communities I represent. However, nothing is more critical than biosecurity, because, as Members have said, biosecurity is national security.

Let me take you on a journey this morning, Dame Siobhain, from DEFRA laboratories and the port of Dover to farms in York Outer. Along that journey, I have heard about everything, including the threat posed by certain midges around bluetongue, illegal raw meat creating the risk of African swine fever, and poultry in ports creating a risk of avian influenza. We have seen that two of those diseases are present in the UK. Thankfully, bluetongue controls are working, and there has been only one very isolated case of an avian influenza outbreak in East Yorkshire.

However, I digress, so let me return to the biosecurity journey I have been on in the past few months. I recently visited the Animal and Plant Health Agency in Weybridge and saw its critical work to safeguard animal and plant health for the benefit of people, the environment and

[Mr Luke Charters]

the economy. I saw laboratories undertaking thousands of genomic sequencings, the infrastructure to ensure surveillance of new emerging disease, how outbreaks are modelled, and the agency's work as an international reference laboratory for many animal diseases. But for all its kit, it was the people who stood out, under the steadfast leadership of Jenny Stewart, the APHA interim chief executive. The people who do that work to keep the UK safe and ultimately protect trade and our food production do it out of vocation, so I thank them.

I hugely welcome the Government's £200 million investment to support the transformation of APHA's facilities at Weybridge. That will enhance its ability to respond to the threat that disease outbreaks pose to health, farming, food security, trade and the economy. However, in my typical Yorkshire style, may I be direct? We must continually keep APHA's resources under review. From what I saw on the ground, if there were a black swan event, or multiple complex disease outbreaks simultaneously, APHA may need additional support. I suppose it is not that dissimilar to what we experienced during the pandemic.

I recently had a meeting with the Dover Port Health Authority. I commend Bev Edmonson, the port health and public protection manager, whose dedication and commitment to public health really stood out. The amount of meat seized by Border Force officials has doubled in a year. The APPG was briefed on cases of illegal meat entering the UK—a risk to human and public health because of *Trichinella*, for example. There is also a significant biosecurity risk of African swine fever coming into the UK via that point of entry and entering into commercial pig production. To underline the point, I am not one for scaremongering, but the National Audit Office estimated that the 2001 foot and mouth outbreak cost the UK economy £8 billion, which is equivalent to almost double that amount today.

As such, I urge Ministers to consider granting the DPHA a multi-year funding settlement, much like our approach to local government, to support its work on an ongoing basis. As I heard from the DPHA, the intensity, complexity and volume of its work is increasing, and a multi-year settlement, rather than the current periodic rolling arrangement, would give it the opportunity to plan for the future. DEFRA should provide an update on the medium-term implementation and status of the border target operating model. Ensuring that the system is effective is critical to trade and health. I am sure we could have an even more specific and niche Westminster Hall debate on that topic, but I will leave BTOM there and invite the Government to provide further updates in due course.

Finally, I will take us back to the meetings I have had with farmers in my constituency of York Outer—be they the Hobsons or the Wilsons. They depend on a biosecure economy to trade—it is their livelihood. They depend on us getting biosecurity right. From my meetings with APHA, DPHA, the APPG and the NFU, and producer groups such as the BPC and the NPA—the British Poultry Council and the National Pig Association—we have quite the alphabet soup. However, I warmly offer Ministers the opportunity to talk about what I have set out in much more detail. I look forward to meeting Baroness Hayman, the Lords Minister

responsible for biosecurity, soon. The recent announcement of funding to the Weybridge lab shows that the Government take biosecurity extremely seriously. I look forward to supporting the Government in that critical work. A good biosecurity system is a bit like a well-built Yorkshire dry stone wall: solid, reliable and it keeps the wrong things out.

9.55 am

**Terry Jermy** (South West Norfolk) (Lab): It is a pleasure to serve under your chairship today, Dame Siobhain. I thank my hon. Friend the Member for South Norfolk (Ben Goldsborough) for securing this timely debate. I commend him on the work that he has done since being elected to this House on key matters in this area. It is a timely debate for my constituency as there is a proposal for a mega-farm at Methwold in South West Norfolk. I and residents are concerned about a number of aspects, not least that intensive farming is contributing to biodiversity loss, as well to as climate change and air and water pollution. Very often such farming practices adversely affect people living nearby, especially because of the health hazard posed by ammonia pollution.

I note with great concern a report commissioned by Compassion in World Farming, which found that the risk of swine and bird flu pandemics could be increased by intensive pig and poultry farming. The farms concentrate significant numbers of confined animals. In the Methwold proposal we are talking about almost a million chickens and 14,000 pigs on one site, increasing biosecurity risks.

That is not the only concern that we face. In 2022-23, as my hon. Friend the Member for South Norfolk observed, Norfolk was badly affected by avian influenza. In the past few years we have seen an unprecedented outbreak, and more than a fifth of all bird flu cases in England have occurred in Norfolk. I am sure that my hon. Friend, as a Member for the eastern region, knows that our region has 20% of all the UK's poultry flock, and that such outbreaks can break farms. Government figures show that the average cost to the Government could be between £2 million and £4 million per outbreak. The Government need to prepare for that, and I welcome the measures announced so far. Prevention, as is so often the case, costs less in the long run, whether in public health, for the farming community or at supermarket checkouts.

I am proud to say that the British Trust for Ornithology headquarters is located in Thetford in my South West Norfolk constituency, and its scientific research and dedication are more important than ever before given the biodiversity loss, climate crisis and biosecurity challenges that we face as a country. That research is critical for our understanding.

In Britain I like to think that we are a global leader when it comes to scientific study; that should be championed. I vividly remember walking around the BTO nature reserve in Thetford, and along our river corridors and forests, and seeing scores of dead birds—wild birds primarily. It was absolutely devastating. One could not miss the sheer number of dead birds, which were evident. Avian influenza significantly impacted our wild bird populations across Norfolk and further afield. Given all the other environmental challenges that we face, that was one that we could have done without.



I congratulate the Minister and the whole Government on the work that they are doing to put Britain back on the map when it comes to leading on environmental policy. I know that the Minister is passionate about farming and biosecurity. He is very well respected by farmers in my constituency. He cares passionately about these issues and all farming-related matters. I hope that in summing up he will provide further reassurance for my residents on the points that have been raised.

9.59 am

**Sarah Dyke** (Glastonbury and Somerton) (LD): It is a pleasure to serve with you in the Chair, Dame Siobhain. I thank the hon. Member for South Norfolk (Ben Goldsborough) for securing this really important debate. We have heard about a range of biosecurity threats. Each of them has real potential to undermine our national security by disrupting our access to food, making our workforce sick, or crippling our export market. What concerns me most, however, is not any single one of those diseases or pests; it is what would happen if the UK were to be hit with two or more outbreaks concurrently.

The likelihood of that happening is greater than ever. We must recognise that threats such as bluetongue, avian influenza and virus yellow, alongside bovine TB, are part of the new normal and that our biosecurity defences need to have enough capacity to deal with them, as well as future threats such as African swine fever, simultaneously. That means ensuring that the Pirbright Institute and the APHA site at Weybridge are fit for purpose, that we are recruiting and retaining enough vets and border control staff, that there is sufficient rendering capacity to dispose of culled animal carcasses, and that we have a proper border control strategy. I was alarmed when Dr Christine Middlemiss, the UK's chief veterinary officer, warned the Environment, Food and Rural Affairs Committee earlier this year that parts of the Weybridge APHA facility were at risk of being taken out of service. I welcome the additional funding that the Government have promised for the facility, and I seriously hope that the £208 million is enough not only to fund a much-needed refurbishment but to transform Weybridge into a facility that will protect the UK from the biological threats of tomorrow.

Our nation's biosecurity defences must consist not just of buildings but of people. Despite the important role that vets and allied professionals, such as meat hygiene inspectors, play in protecting us from disease, and despite the clear evidence that there is a shortage of them in agricultural supply chains, the Government's workforce data is poor. Unlike the United States and Australasia, which are facing similar shortages, we do not even know the scale of the problem, let alone how best to solve it. What we do know is that 45% of vets leaving the industry have less than four years' experience, that the attrition rate in abattoirs is rising by 11% each year and that many of our veterinary schools are struggling to get two qualified applicants for clinical teaching roles.

Workforce shortages are a key challenge facing the veterinary profession, and these problems are particularly pronounced in rural areas such as Glastonbury and Somerton. Solutions such as creating new vet schools and increasing the number of university places will take at least five years to shift the dial on our vet workforce.

That is why it is critical that the Government transfer work visa policymaking from the Home Office to other Departments such as DEFRA.

Improving our biosecurity will ensure that we can continue to prevent major infectious disease outbreaks, which are expensive and harm our international reputation, but it will create opportunities too. The two most widely discussed problems in agriculture are business viability and climate change, and what is often forgotten in these conversations is that vaccinations can play a part in supporting both. As we have heard in this debate, diseases such as bluetongue, Schmallenberg virus and avian influenza can lead to stunted growth in livestock. They fail to reproduce, they abort and they are more likely to die. I spoke to a farmer in Barton St David recently, and they told me that that just means more inputs for lower outputs, and for consumers it means more expensive food. He also said that it means more damage to the environment as well.

Research from my alma mater, Harper Adams University, shows that controlling avian influenza reduces greenhouse gas emissions by almost 16% per kilogram of meat without the need for culling. Following several successful campaigns from industry bodies, most livestock farmers now accept the benefits of regular vaccinations and parasite control. However, our inconsistent domestic vaccine capacity is preventing them from doing so. For example, this summer, sheep farmers saw yet another shortage of enzootic abortion vaccinations and continued shortages of orf vaccinations.

Covid-19 demonstrated that the UK is a vaccination superpower that can develop and procure the best proactive defences against new threats. It also showed us how vulnerable we are if we do not have access to vaccines. I urge the Government to bolster our vaccination production capacity by introducing a research and innovation fund to support new and emerging technologies. Innovation must also be fostered within Departments and Government bodies.

It is worrying that imports of illegal meats have doubled to almost 70,000 kg this year, which leaves us particularly vulnerable to African swine fever and foot and mouth disease. Although this must be tackled first and foremost by developing a joint strategy with Europol and Eurojust, the Government could also slash the demand for these illegal imports by allowing food producers to provide cuts and products favoured by different communities safely. For example, if skin-on lamb was produced in the UK, the incentive to import it illegally would fall to near zero.

Safeguarding the public must be one of the Government's top priorities following 14 years of Conservative failure. Farmers' confidence levels have slumped to a record low, and part of their restoration must be to provide biosecurity measures that will protect the UK from both existing threats and the threats of tomorrow.

10.5 am

**Dr Neil Hudson** (Epping Forest) (Con): It is a pleasure to serve under your chairship, Dame Siobhain, and to have the opportunity to contribute to this vital debate on biosecurity. I sincerely congratulate the hon. Member for South Norfolk (Ben Goldsborough) on bringing the topic to the Chamber. Of the B-words that I have mentioned in this place over the last five years,

[Dr Neil Hudson]

biosecurity is right at the top. It is something that I am absolutely passionate about. I declare a strong professional and personal interest in the topic as a veterinary surgeon.

There have been great speeches today on this important topic. The hon. Member for South Norfolk touched on the important issues of blue tongue, avian influenza, African swine fever, and the vital importance of the Animal and Plant Health Agency. He also touched on virus yellows and the significance of the topic for animal, plant and tree health across the United Kingdom. It is so important, so I thank the hon. Member again for introducing this debate.

I am gutted that I did not get a chance to intervene on my friend, the hon. Member for Strangford (Jim Shannon). He talked about the importance of biosecurity and joined-up thinking right across our precious United Kingdom. He made a powerful intervention on the impact of bovine TB on farmers, speaking of how distressing and devastating it is when there is a positive reactor. I am going to touch on the mental-health impacts of biosecurity breakdowns.

The hon. Member for York Outer (Mr Charters), who is the chair of the UK food security APPG, again talked about the importance of the Animal and Plant Health Agency, and the people within that great institution working on the frontline to keep the United Kingdom safe. He stressed the importance of more support for the APHA, which I will touch on firmly and robustly with the Minister in due course. The hon. Member highlighted, as Members across the Chamber have done, the distressing and alarming situation of illegal meat imports coming into the country and the risks that African swine fever and foot and mouth disease may bring to our agricultural sectors.

The hon. Member for South West Norfolk (Terry Jermy) has personal experience of being on the frontline in his constituency. He spoke of the pivotal risks to both the poultry and pig sectors if those diseases come in. Some of the diseases, such as avian influenza, are here, as we have heard, but heaven forbid we get African swine fever. It would be devastating and catastrophic for this country.

I thank the hon. Member for Glastonbury and Somerton (Sarah Dyke) for championing the veterinary sector. She cited the Environment, Food and Rural Affairs Committee, on which I served during the last Parliament. I chaired the emergency session on veterinary medicine when we heard powerful evidence from the chief veterinary officer, Christine Middlemiss. I take the opportunity—shamelessly—to give a big shout-out to people like Christine Middlemiss, as well as the chief vets right across our precious United Kingdom. The joined-up thinking of those veterinary experts working together to keep our nation safe is important, and we must champion and support them.

I want to state firmly that biosecurity is national security. What we are here to discuss today is not a niche concern but something that is vital for human public health, food security, protecting our precious environment, and upholding animal health and welfare. The priority for the Government must be to shore up the nation's biosecurity or risk the grim consequences of an animal disease outbreak, which could ravage wild and kept animal or bird populations, and doing untold damage to our economy and international trade standing.

My journey to Parliament, as the first veterinary surgeon elected to the House of Commons since 1884, started in 2001, when I spent a period as a veterinary inspector on the frontline of the foot and mouth outbreak. I saw sights then that I never want to see again in my lifetime. The mass culls that devastated our rural communities showed the horrific reality of what can happen when Government gets biosecurity policy wrong. I gently but robustly say to the Minister that that remains an ever-present warning to Ministers of any political party. We must never forget, we must be vigilant and we must stand prepared.

In 2001, previously bustling farms and fields were left empty, and even the hardiest of stoic farmers could not contain their grief. One memory I cannot shake off came after we worked through the night, with logistical support from the Army, to cull an entire herd of cattle, including the calves. In the morning, the farmer and his wife invited my veterinary colleague and me into their home for breakfast. He said to me, “Do you know, Neil, this is the first time of a morning that the only thing I can hear on my farm is complete silence.”

Beyond the personal tragedies and the 6 million animals culled, the outbreak was estimated to have directly cost the public sector more than £5 billion and the private sector £8.7 billion in today's prices when adjusted for inflation. Tragically, we saw lives, livelihoods and community mental health impacted.

Fast-forward 20 years, and the UK now faces a significant threat from diseases, as we have heard today, such as bluetongue virus, avian influenza and—heaven forbid, if it crosses from the continent—African swine fever. As we have heard today, we still have the chronic presence of bovine tuberculosis. This year, we have seen cases of bluetongue across the UK, stretching from Cornwall to North Yorkshire, and Anglesey to East Anglia. In recent weeks, we have seen new outbreaks of highly pathogenic avian influenza strains, including in Cornwall and Yorkshire. We also have the ever-present threat of African swine fever, which is advancing across Europe and now present in many countries, including Germany, Italy and Poland, to name just a few of the countries that are facing that virus. As we have heard, we have seen alarming levels of illegal meat imports being detected.

During the 2022-23 avian influenza outbreak, 5.4 million birds died or were culled, and were then disposed of for disease-control purposes. Distressingly, huge numbers of wild birds also died. That is worrying not purely for birdlife but for other species, including humans. Avian influenza has been reported in the US in dairy cattle, and in South America in marine mammals. We all know the dangers of diseases that cross the species barriers, including zoonotic diseases, which move from animals to people.

I return to the subject of bluetongue, which is spread by midges. Between November 2023 and May 2024, there were 126 identified cases of bluetongue virus serotype 3—BTV 3—in England. As of 25 November this year, 168 cases have been identified. The Minister has previously confirmed that bluetongue is

“challenging to control without vaccination”,

so will he assure the House that the Government are increasing work on vaccine manufacturing and procurement, for ultimate delivery and roll-out?

The European Commission has published figures detailing cases of African swine fever in more than 20 nations across the continent this calendar year. Although we remain incredibly fortunate to have avoided cases in the UK, we must remain vigilant; otherwise, there is a risk that that highly infectious disease will cause catastrophe for our pig sector. The need for vigilance was underlined by a recent freedom of information request by the BBC, which showed that Border Force seized 70,000 kg of illegal, and therefore unregulated, meat in the 2023-24 financial year, up from 35,000 kg the year before.

The Minister has updated us about the border target operating model. Will he update us on its capacity to keep us safe from diseases such as African swine fever and foot and mouth disease? We know that checks will be starting at Sevington, 22 miles inland from Dover. Will the Minister reassure us that we will still be able to carry out random spot checks within the port of Dover itself? It is important that the unscrupulous and immoral people who are trying to smuggle in foodstuffs that could potentially devastate our farming and food sectors know they can be targeted with checks.

Live animal imports to this country can also pose a risk to animal and human health. There have been reports of *Brucella canis*, a disease in dogs that we have not heard about today, which sadly has limited treatment options and which in many cases ends up with the dog being euthanised. There were no cases in 2019 but 187 in 2023. It is a zoonotic disease, which means that it can transfer from animals to people, and there have been reports of dog-to-human transmission in the UK. It is therefore vital that the Government look at pre-import health testing of animals such as dogs coming in from countries in which diseases such as *Brucella canis* are endemic. On Friday, I was on the Front Bench supporting the puppy-smuggling Bill—the Animal Welfare (Import of Dogs, Cats and Ferrets) Bill—which is now going into Committee. I urge the Government to look closely at the possibility of introducing pre-import checks to keep animals that are coming in safe, and to protect human and animal health in this country.

I hope the dangers of the infectious agents that I and others have talked about today are taken seriously. We cannot afford to be complacent about the risks that threaten not just animal but human health, as well as our economy, our trading links and standards, and the wider agricultural sector. To put it simply, if a major outbreak were to occur and we were not fully prepared to deal with it, the consequences would be catastrophic.

The Government, of whatever colour, must protect our nation's biosecurity. To do that, they must fully back the Animal and Plant Health Agency, which is in urgent need of support, as we have heard. I pay tribute to the veterinary professionals, animal officers, scientists and officials at the APHA, who do so much to keep our country biosecure. The APHA's Weybridge site in Surrey is the UK's primary capability for animal health science. In the previous Parliament, I sat on the Environment, Food and Rural Affairs Committee, and we strongly called for the redevelopment of the APHA's Weybridge facilities. A 2022 report by the National Audit Office outlined that the APHA's HQ needed a complete redevelopment, and I guested on the Public Accounts Committee when we looked at that report.

The site needs an estimated £2.8 billion redevelopment; otherwise, we risk being left unprotected against a major animal disease outbreak or, as we have heard today, if

we face simultaneous outbreaks of different diseases. The APHA is hanging on by its fingertips, and if it is challenged with multiple cases, we could have a catastrophe. It is therefore vital that the Government—and I look again at the Minister—invest fully in the APHA to ensure that it maintains state-of-the-art facilities that can identify, respond to and manage emerging risks.

The previous Conservative Government rightly initiated plans, with a £1.2 billion commitment in 2020, so that work could begin, but that must now be followed up by necessary further capital investment as a matter of urgency. I note that in the Budget the new Government have committed £208 million to support Weybridge's transformation—I am sure the Minister will cite that today. But they need to go much, much further, because that does not touch the sides. I therefore urge the Minister to make the case to Treasury colleagues for the site to be funded in full, and for the remaining £1.4 billion to be committed. I repeat: biosecurity is national security. Without the full funding, the APHA's ability to respond to simultaneous infectious disease outbreaks will be severely limited, and we may have a national security disaster.

I ask the Minister to please relay this message to his counterparts at the Treasury: investing in the redevelopment of the APHA headquarters is an investment in our nation's biosecurity, our national security, our economy and the lives and livelihoods of generations to come. Before the general election, many Labour Members, including the Minister himself, called for this funding and for the full redevelopment. I now urge Ministers to put their money where their mouth is and urgently safeguard our biosecurity. If the Treasury will not deliver it through the DEFRA budget, I would urge it to consider delivering it through the Contingencies Fund. I repeat: biosecurity is national security—it needs to be paid for.

I want to come back to farming. We need to support our farming communities when adversity strikes, such as acute disease outbreaks or extreme weather events. Where something is more chronic, as the hon. Member for Strangford said—such as when farms get a positive result during regular bovine TB testing—we need to make sure that the mental health of farmers, vets and everyone else is supported. I again cite the EFRA Committee, which in the last Parliament produced a report on rural mental health that looked at these issues very closely.

The pressures on our farmers' mental health are increasing day by day, with extreme weather events, animal disease outbreaks and financial pressures. The issue is now more important than ever, with the increased pressures that this Labour Government are unnecessarily putting on farming communities with—I have to say it—their incredibly ill-judged and heartless family farm tax. I look to the Minister and say, "Please reconsider." Today we are holding a debate in the main Chamber on this heartless tax, and I hope that every Member in this Chamber, including Labour Members, and their colleagues, will vote for their farmers and their rural communities. That will send a strong message to the Government that they have got this wrong, and that they need to reverse this heartless, awful family farm tax.

We have talked about mental health today, and I am keen for the Minister to reiterate what support the Government will give to the mental health of farmers



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and others in rural communities, who face infectious disease outbreaks when biosecurity breaks down, as well as extreme weather events, and financial stress and pressure. On that point, I want to mention the tremendous work of charities up and down the land in support of the mental health of our farming communities. They include YANA—Opposition Members will know it well, and I met it recently to discuss its outreach coming over into Essex from Suffolk and Norfolk—as well as RABI, Farmerados, the Farming Community Network, Yellow Wellies, Vetlife and many others. I say a deep and sincere thank you to them.

In conclusion—I am being repetitive, but I think it is worth it—biosecurity is national security. Compromised biosecurity affects everything from animal health and public health to the price of food, trade, our position on the world stage and our precious environment. The covid pandemic sent us a clear message that some infectious diseases do not respect borders or species barriers. We ignore that at our peril. I urge the Government from the bottom of my heart to fully fund the APHA HQ redevelopment, to make sure that the burning pyres of slaughtered animals, and the economic and mental health devastation of foot and mouth, remain resolutely confined to the history books.

10.26 am

**The Minister for Food Security and Rural Affairs (Daniel Zeichner):** It is a pleasure to serve with you in the Chair, Dame Siobhain. I thank my hon. Friend the Member for South Norfolk (Ben Goldsborough), not just for securing this important debate—and for winning South Norfolk, which is very precious to me—but for his continued commitment to championing our agriculture sector. East Anglia is a crucial part of the UK's livestock and, in particular, arable sectors and provides quality produce that underpins our nation's food security and is in demand across Europe and beyond.

We have had a thoughtful and sensible discussion this morning. Let me start by reiterating the Government's total commitment to all those who work in the agriculture and horticulture sectors, and all those beyond. They are on the frontline, not only producing our food but protecting our national biosecurity. I was struck by the passionate interventions by all speakers this morning. I listened closely to the hon. Member for Strangford (Jim Shannon) talking about the impact that bovine TB has on people. I was struck by the account that my hon. Friend the Member for South West Norfolk (Terry Jermy) gave of walking through Thetford and seeing the dead birds after the avian influenza outbreak. Of course, I could not help but be struck by the way my hon. Friend the Member for York Outer (Mr Charters) summed up biosecurity as being like a Yorkshire wall—solid, well-built and designed to keep out things we do not want here. I paraphrase, but he gave a very good account of what we are trying to achieve.

I also listened closely to the hon. Member for Epping Forest (Dr Hudson). I do not think anyone could have failed to be moved by his powerful personal account of the foot and mouth outbreak, and I echo his warm words for those in our Government Departments, such as the chief vet, Christine Middlemiss, for the work they do. I think there is actually a lot of

agreement in the Chamber this morning about the importance of the issue and our support for those working on it.

Biosecurity is vital. It underpins safe food, protects animal and plant health, and supports a prosperous economy and trade. It is a joint endeavour: Government, animal keepers, horticulturists and the public must do everything we can collectively to keep disease out. As we have heard from Members this morning, the costs are significant. Plant diseases alone are estimated to cost the global economy over \$220 billion annually, and up to 40% of global crop production is lost to pests each year. Those are huge numbers, and are sadly unlikely to reduce as climate change drives the geographic expansion and the host range of pests and diseases. Healthy plants and animals are not just an important tool in the fight against climate change and biodiversity loss, but contribute directly to many of the UN's sustainable development goals—in particular, ending hunger, achieving food security, improving nutrition, and promoting sustainable agriculture.

Pests and diseases know no borders. New and emerging threats are often the result of trade and globalisation, and are then further exacerbated by climate change. Safe trade is essential to food security in a thriving economy. We want healthy trade to support food security and the economy, but at the same time we need to protect ourselves from risks. That is why DEFRA is a key delivery Department of the UK biological security strategy, which takes a UK-wide approach that strengthens deterrence and resilience, projects global leadership and exploits opportunities for UK prosperity. In parallel, the environmental improvement plan sets out how we will improve our environment at home and abroad, including through enhancing biosecurity. I can assure the House that we have in place robust measures to maintain and improve our ability to understand, detect, prevent, respond and recover from outbreaks that affect animals and that affect plants.

One of our first defences is to understand the threats and monitor the risks, which we do through established expert groups, the veterinary risk group, the human animal infections and risk surveillance group, and the plant health risk group. Our programmes of research support the expert groups. For example, for plant health, DEFRA has invested more than £8 million into ash dieback research, including the world's largest screening trials for resistant trees, the Living Ash Project, while for animal health, DEFRA and the Biotechnology and Biological Sciences Research Council are funding £6.5 million of research projects to better forecast, understand, mitigate and avoid vector-borne diseases transmitted by mosquitoes and ticks.

Our second line of defence is detection through strong surveillance systems. Our network of official laboratories, veterinary investigators, border inspectors and bee, fish, and plant inspectors all contribute to the early warning detections for signs of disease or antimicrobial resistance.

Thirdly, prevention is key. As the saying goes, prevention is better than cure, so this Government will take action to prevent pests and diseases from arriving in the first place. Preventing an outbreak of African swine fever in the UK, for example, remains one of our key biosecurity priorities. Although, as has rightly been said, we have not had an outbreak of ASF in the UK, the overall risk of an incursion is currently assessed to be medium. We continue to prepare for a possible outbreak.

To help prevent ASF incursions in the UK, robust safeguards are in place, prohibiting live pigs, wild boar, or pork products from affected European Union areas from entering Great Britain. Enforcement is carried out by Border Force and Port Health Authority officers at seaports and airports. Under the enhanced safeguard measures introduced in the autumn—I am grateful to my hon. Friend the Member for York Outer for referencing them—travellers are no longer allowed to bring pork products into Great Britain unless they are produced and packaged to the EU's commercial standards and weigh no more than 2 kg. DEFRA and its agencies continuously review the spread of ASF and other diseases, and are ready to introduce further biosecurity restrictions, should they be deemed necessary, in response to new scientific and risk data.

Our fourth line of defence is our response capability. Our disease contingency plans and underpinning legislation are regularly reviewed to ensure that they remain fit for purpose, and that we have the necessary capacity and capability to respond. We exercise our plans regularly and work closely with stakeholders on their own preparedness.

**Dr Hudson:** The Minister is turning to the contingency plans, so let me take us back to African swine fever, as he has not really touched on my question in that regard. Will there be the capability to have random spot checks within the port of Dover itself? We know that the inland centre will be up and running, but it is so important that unscrupulous people coming in know that they could be targeted within the port, so that these illegal meat imports can be snapped out.

**Daniel Zeichner:** I absolutely share the hon. Gentleman's concerns. We are working closely with the Port Health Authority to make sure that everything that needs to be done can be done.

As I was saying, we exercise our plans regularly and work closely with stakeholders on their preparedness. The ongoing response to bluetongue and highly pathogenic avian influenza are cases in point. Officials from across the UK are working closely with sector representatives on the implementation of control measures.

Early identification was crucial in enabling a rapid response to the bluetongue outbreak. DEFRA provided free pre-movement testing to animal keepers in counties at the highest risk of incursion from infected biting midges originating from the continent. A restriction zone covering the counties affected by bluetongue has been established. That measure has been carefully considered to protect the free area from disease spread while allowing the free movement of animals in the zone, keeping business disruption to a minimum. On the question asked by the hon. Member for Epping Forest, permitted use of the BTV-3 vaccine is available, and I am told that just over 14,500 animals have been vaccinated so far.

To respond to my hon. Friend the Member for South Norfolk, I am aware of reports that some meat processors may have taken unfair advantage of the bluetongue outbreak to reduce prices. That is dreadful; I do not condone that behaviour at all, not least since bluetongue does not affect the meat. My understanding is that it is not a widespread issue, and that prices paid to farmers for beef and sheep continue to be stable and at five-year

highs. That is a good example of why this Government consider fairness in the supply chain to be critical for farmers across all sectors. I also reassure hon. Members that the bluetongue virus is not a public health threat and does not affect people or food safety. While no sick animal should enter the food chain, meat and milk from infected animals is safe to eat and drink.

A number of hon. Members raised the issue of virus yellows. A lot of work is going on with British Sugar, particularly at the John Innes Centre, which is just outside Norwich; I understand that there is a project involving the biotech company Tropic. I have stood in fields and looked at sugar beet suffering to varying degrees from yellows. Our proposals on genetic engineering may provide a solution in future, but in the shorter term some new innovations are being looked at. Those should give us better ways of tackling this disease, which is serious, as my hon. Friend the Member for South Norfolk said—particularly for our region in the east of England.

On plant health in general, joint working with the horticultural sector takes place with the Royal Horticultural Society and the Horticultural Trades Association through the plant health accord, the tree health policy group and plant health advisory forum, and the Plant Health Alliance, which leads the plant healthy certification scheme.

As I have said, biosecurity has to be a shared endeavour. The Prime Minister and the President of the European Commission have agreed to strengthen the relationship between the European Union and the United Kingdom, and we are working with the European Union to identify areas where we can strengthen co-operation for mutual benefit. We have been clear that a veterinary and sanitary and phytosanitary agreement could boost trade and deliver significant benefits to the European Union and the United Kingdom, but delivering new agreements will take time. It is important that we get the right agreement, meet our international obligations, and protect the UK's biosecurity and public health throughout the process.

Furthermore, maintaining our high standards requires constant investment. The hon. Member for Epping Forest made a powerful case about the Animal and Plant Health Agency at Weybridge. This Government are not in the business of making unfunded commitments, but we have announced £208 million for the next phase of the redevelopment of the Animal and Plant Health Agency's Weybridge laboratory. I echo the powerful praise from my hon. Friend the Member for York Outer for Jenny Stewart and her staff—we should thank all those, right across the piece, who work on our behalf.

We believe that the £208 million investment will help to safeguard and enhance the UK's capability to respond to the threat from animal and plant diseases, help to protect public health, and underpin the UK's trade capability with animal export products, which are worth £16 billion per year to the UK economy. The APHA is also looking to grow its external income streams over the coming years to support the delivery of key services, recognising the efficiencies that we all need to deliver in these challenging times.

I have talked about bluetongue, so let me turn to the threat to our poultry sector.

**Dr Hudson:** I have a lot of respect for the Minister and I like him a lot as a person, too. I will ask a question about the APHA before he moves on from it. I acknowledge that the Government have put forward £208 million. The previous Government committed £1.2 billion. The APHA still needs £1.4 billion. I know that he cannot make Treasury commitments on behalf of the Chancellor, but please can he give assurances that DEFRA will keep making representations to the Treasury that the refurbishment we have discussed needs to be undertaken in full? The £208 million is a start to help with the transformation, but more money needs to be committed for national security. Please will he and his DEFRA colleagues make that case to Treasury? If the money cannot come from the DEFRA budget, it can come from the Contingencies Fund.

**Daniel Zeichner:** I hear and respect the point that the hon. Gentleman is making, but I gently point out to him that the country is in an economic mess and we can only spend the money that we have. That point will be reiterated in debate after debate. Every part of our rural economy, indeed every part of our country, needs a sound economic basis upon which to proceed. The previous Government did not take that view, but we will.

In response to the detection of two new cases of highly pathogenic avian influenza in poultry in England this autumn, DEFRA and the APHA have stood up the well-established outbreak structures to control and eradicate disease, restore normal trade and assist the recovery of local communities.

We are in a better place than in previous years, but there is absolutely no complacency. Hon. Members regardless of party have referred to the situation that we are in. It is too early to predict the outlook for future seasons, and risk levels may increase further this winter; obviously, we hope that they do not. However, this situation is associated with the migratory pattern of wild waterfowl and the environmental conditions becoming more favourable, sadly, for virus survival. As I have said, I was very taken by the points made by my hon. Friend the Member for South West Norfolk about the impact on the wild bird population as well as on our kept birds.

So, we continue to monitor closely the avian influenza outbreak and any effects it might have on bird keepers, poultry producers and processors, in addition to those wild bird populations that have been mentioned, particularly those of conservation concern. We urge all bird keepers, whether they have pet birds, commercial flocks or just a few birds in a backyard flock, to maintain stringent biosecurity in order to protect the health and welfare of their birds.

Slaughtering of turkeys and other birds for the Christmas market has already begun and we do not currently anticipate avian influenza to have any impact on supplies. Further information on the latest situation and guidance on how keepers can protect their birds from avian influenza can be found online from Government sources.

**Ben Goldsborough:** I gently ask a question about the insurance issue that I raised in my speech. Insurance is a huge part of the sectoral fragilities that we see in

relation to this issue. Would the Department be able to look into insurance companies that refuse to give avian influenza insurance payments?

**Daniel Zeichner:** My hon. Friend makes an important point. Insurance is a complicated issue, but my officials are in discussions about what we might be able to do. Let me conclude—

**Jim Shannon:** First, I thank the Minister for his responses to us. I know that he will do this, but just to have it on the record in *Hansard* I ask him this question: will he have some discussions with the Minister back home, Andrew Muir, in relation to bovine TB? We have had some of the biggest outbreaks in all of the United Kingdom. Is it possible to work better and more closely together to try to address this issue? I understand that Minister Muir would love to hear from him and get his thoughts.

**Daniel Zeichner:** I am grateful to the hon. Gentleman for his intervention. I very much enjoyed meeting Minister Muir a few months before the election, when I was the shadow Minister. Interestingly, it was bovine TB that was being discussed in the Assembly that very day. I absolutely take the hon. Gentleman's point. I am keen to visit. When we are not having weekly debates on other issues, maybe there will be the opportunity to go to talk to friends in the devolved Administrations.

The Government do not underestimate the biosecurity threats we face or the challenges that the agricultural and horticultural sectors are facing. We will continue to test our capabilities regularly to ensure resilience and respond to those threats through exercises and horizon scanning. We will learn lessons when outbreaks do occur and make the necessary improvements. We will continue to work closely with sector groups on preparedness and response, and we remain ever grateful for their insight and commitment.

I thank all hon. Members for a well-informed and thoughtful discussion. I genuinely believe there are many opportunities ahead for the agricultural and horticultural sectors. We are absolutely committed to making the most of them, and to ensuring that the industry can best contribute to our country's food security and economic growth.

10.45 am

**Ben Goldsborough:** What was great about this debate was the unanimity of voice in the personal stories that we heard from across the United Kingdom about the impact of biosecurity fragility, not only on the individuals who farm our land but on those who work to protect our farmers and horticulturists. What has shone through in the debate is our ability to pull together in our national interest. We know that party politics does not determine that—that we need to work together to find a route to protect the agricultural and horticultural sectors, as well as our human health.

As has been noted by hon. Members regardless of party, pathogens can cross from animals to humans; we saw it with covid-19 and with other diseases worldwide, so we must be vigilant. I thank my hon. Friends for attending and raising issues from across my good county of Norfolk, such as the mega-farm issue in South West Norfolk. As chair of the all-party parliamentary group



on UK food security, my hon. Friend the Member for York Outer (Mr Charters) also brought his expertise. This debate will go on, and I know we will have many more discussions about this.

*Question put and agreed to.*

*Resolved,*

That this House has considered biosecurity.

10.46 am

*Sitting suspended.*

## Hospitality Sector: Eastleigh

11 am

**Dame Siobhain McDonagh (in the Chair):** I will call Liz Jarvis to move the motion and then call the Minister to respond. As is the convention for 30-minute debates, there will not be an opportunity for the Member in charge to wind up. I call Liz Jarvis to move the motion.

**Liz Jarvis (Eastleigh) (LD):** I beg to move,

That this House has considered Government support for the hospitality sector in Eastleigh.

It is a pleasure to serve under your chairship, Dame Siobhain. I am grateful to have the opportunity today to discuss the urgent challenges facing the hospitality sector in my constituency of Eastleigh and across the UK.

Hospitality is not only a significant economic driver, but the beating heart of our high streets and communities. From the pubs that act as social hubs to the restaurants and cafés that bring people together, the sector is central to our economy and way of life. My constituent, Lorraine, is the landlady of the Master Builder in West End in my constituency. Her heating costs are around £3,000 a week, placing an unsustainable strain on her business. Although December bookings provide some hope, she worries that the quieter months of January and February could push her pub to the brink. Despite the pressures, Lorraine's commitment to her community is unwavering. Her pub hosts local care home residents for darts and meals and welcomes charities, including Southampton Sight, for Christmas dinners and Sunday carveries. As she says,

"it's not just for coming in on a weekend and letting off some steam, it's about friendship, kindness and community."

Yet with rising costs Lorraine is questioning how much longer she can keep her doors open while working over 90 hours a week to make her business work.

In Eastleigh the hospitality industry contributes £114 million annually. It employs 1,805 people and encompasses 84 venues, including some fantastic cafés such as the Coffee Cabin, which recently celebrated its third birthday, many superb restaurants and 32 local pubs. Eastleigh is also home to Steam Town Brew Co., an independent brewery, and The Steel Tank Alehouse, an independent micropub in Chandler's Ford, both of which embody the entrepreneurial spirit that drives our local hospitality sector. Our football club and world-class cricket ground attract visitors from across the UK and beyond, many of whom stay in our local hotels and enjoy local hospitality.

**Jim Shannon (Strangford) (DUP):** I commend the hon. Lady on securing this debate. I spoke to her beforehand and we share a similar concern in relation to national insurance contributions. The pressure on hospitality businesses is leaving the industry at breaking point. If the Government and the Minister do not provide some form of relief, we will face a lot of empty cafés and restaurants in the coming year. Does the hon. Lady share my concerns?

**Liz Jarvis:** Yes, I do share the hon. Gentleman's concerns. Despite the remarkable community contribution that our hospitality generates, the sector is under immense pressure. Nationally, hospitality employs 3.5 million people. It generates £140 billion in economic activity and pays £54 billion in taxation. The Government's Budget, however, introduced £3.4 billion of cost increases,

[Liz Jarvis]

including rises in employer national insurance contributions. Those measures disproportionately impact lower-paid and part-time workers, who form the backbone of the industry. The Office for Budget Responsibility has said that next year 60% of the employer national insurance contribution's increase will be paid for by staff in reduced real wages.

According to UKHospitality, employer national insurance contributions for a part-time worker on 15 hours will increase by 73%. Combined with reductions in business rates relief from 75% to 40%, these policies are creating unsustainable pressures on businesses already operating on razor-thin margins.

The Steam Town Brew Co. is a local success story. David from Steam Town raised the issues of residual inflation in food and drink, the prices of raw ingredients for brewing and high interest rates. He wants to grow the business, but the current economic conditions and existing market restrictions, such as the lack of access to tied pubs for smaller breweries, have made it challenging. The situation is made worse by the surging costs of energy. Hospitality businesses are among the most energy-intensive sectors, with pubs and restaurants relying heavily on refrigeration, heating and cooking equipment. High energy costs have led to dramatic increases in operating expenses that are becoming too hard to bear.

For smaller businesses the increases are not sustainable and many businesses are at risk of closure. Will the Minister share the steps the Government are taking to help hospitality businesses to manage their energy costs in the coming months? Post-covid recovery remains a significant challenge for hospitality businesses. Many are grappling with debt, reduced footfall and the shift of consumers to online food shopping. Last year alone, 2,704 hospitality businesses went into insolvency, highlighting the fragility of the sector and the urgency for Government support.

The cost of living crisis has created a perfect storm for the hospitality sector, as households across the UK tighten their belts, reducing discretionary spending on dining out, hotel stays and social experiences. That squeeze on disposable income directly impacts the vibrancy of our high streets. Individual prosperity and high street prosperity are intrinsically linked. When families feel they cannot afford to participate in social activities, it is not just their individual wellbeing, but the fabric of our communities that suffers.

**Tom Gordon** (Harrogate and Knaresborough) (LD): I thank my hon. Friend for bringing forward this debate. The high streets in both Harrogate and Knaresborough are struggling. Does she agree that the Government need to do more to reform business rates properly? That is the key that underpins the vibrancy of our local high streets. Reforming business rates would give an injection of cash and the ability to do what they do best.

**Liz Jarvis:** My hon. Friend makes an excellent point and I will say more on that shortly. When the previous Conservative Government presided over an historic drop in living standards—the first time British households ended a Parliament worse off than when it began—it is no wonder that the hospitality sector has struggled in recent years. A sector thrives when people have confidence in their financial futures. That confidence has been

eroded by years of poor economic management. High streets should be centres of activity, creativity and connection. The Government's current policies risk turning them into boarded-up remnants of what once was. Hon. Members know that all too well, as we witness the slow erosion of our high streets with each closed pub, restaurant or café.

What reassurances can the Minister provide that the Government are committed to preventing further closures and fostering growth in our high streets? This weekend sees Small Business Saturday, an opportunity to celebrate and support our small businesses. Instead of stifling those businesses with increased taxes, the Government should lift burdens to allow the hospitality sector to thrive. A strong hospitality sector brings busy pubs, bustling hotels, vibrant nightlife and a renewed sense of community spirit. That is what our towns and cities need to recover from years of economic stagnation.

The Government should create economic conditions so that entrepreneurs are clamouring to open new restaurants, cafés, bars and pubs, finally putting a stop to the steady erosion of the sector in our communities. Every closed hospitality venue is not just a lost business but a lost opportunity for social connection and local employment. The Government must step up and deliver policies that support hospitality and ensure a brighter future for our high streets and the communities they serve.

I would like to know the specific steps the Government are taking to support this vital sector and restore hope to our high streets. If we want to see thriving high streets filled with energy and purpose, the Government must act decisively. At the heart of these challenges lies a deeply flawed business rate system. Business rates actively harm productivity by taxing structures and equipment instead of profits or land value. That outdated system discourages investment, stifling innovation and growth. Liberal Democrats have long called for its replacement with a commercial landowner levy, which would tax only the land value of commercial sites. That reform would encourage investment in buildings and infrastructure, reduce taxes in 92% of local authorities, particularly in deprived areas, and shift the administrative burden from businesses to landlords.

For high streets such as those in Eastleigh, that could provide a much-needed lifeline. It would allow businesses to focus on growth and innovation, while alleviating the crisis faced by small enterprises and hospitality venues. Although the Government have announced plans to introduce lower business rates for retail, hospitality and leisure properties from 2026-27, those changes are far too delayed. By the time those reforms take effect, many businesses will already have shut their doors. Moreover, reducing relief for small businesses from 75% to 40% is a devastating blow to thousands of enterprises trying to recover from years of economic strain.

In particular, pubs are bearing an unjust share of the burden. According to the British Beer and Pub Association, despite accounting for just 0.5% of total business turnover, they pay 2.8% of the business rates bill, an overpayment of around £500 million each year. I ask the Minister what plans the Government have to review that inequity.

**Mr Angus MacDonald** (Inverness, Skye and West Ross-shire) (LD): Apologies for being late. I ask the Minister if the Government have considered the impact on the hospitality industry in Scotland from the national

insurance changes? The reason I ask is that we do not have business rates relief in Scotland, and I believe the impact of the changes is going to be massively bad for the hospitality industry.

**Dame Siobhain McDonagh (in the Chair):** I thank the Member for his intervention and I am sure that the Minister will take it up in his contribution. However, at the moment the Member in charge has the floor.

**Liz Jarvis:** The hospitality sector is about not just numbers, but people, culture and community. In Eastleigh, hospitality businesses provide jobs for students, opportunities for young people entering the workforce, and spaces where people come together. They are integral to our social fabric and our economy. They deserve meaningful support from this Government.

Without decisive action we risk losing not only businesses, but the vibrant communities they sustain. I urge the Government to reform business rates to support productive investment, reverse the increase to employer national insurance contributions and provide targeted relief to the hospitality sector. Let us not allow short-term measures to undermine the long-term health of our economy and communities. In the spirit of hospitality, I conclude by inviting the Minister to visit Eastleigh to meet representatives from the hospitality industry and enjoy the very best that the constituency has to offer.

11.12 am

**The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas):** I appreciate the opportunity to serve under your chairmanship, Dame Siobhain, and in the usual way I congratulate the hon. Member for Eastleigh (Liz Jarvis) on securing this important debate. I thank her for her invitation to visit Eastleigh; I do not know specifically when I will have the opportunity to do so, but I will certainly consider it when I am in the Southampton area. Her constituency sounds like a particularly attractive part of the UK—if she will forgive me for saying so, almost as attractive as Harrow West, where we also have some great hospitality businesses.

The hon. Member rightly alluded to the significance of Small Business Saturday this week, which provides a great opportunity to celebrate the small hospitality businesses that bring such joy and life to the communities of all our constituencies. I will say more about Small Business Saturday in due course.

This debate matters because the hospitality sector is hugely important to the UK economy, employing around 3.5 million people and generating around £140 billion of economic activity. It contributes around £54 billion in revenue per annum. The sector is important to local economies because it helps to create vibrant places that people want to visit, work in and live around. It is important in supporting wider social objectives, providing accessible jobs, community cohesion and welcoming spaces for people to enjoy. The hon. Member referenced the work of the landlady, Lorraine, as just one example of the difference that hospitality makes in so many of our communities. In short, hospitality is the backbone of our high streets and the lifeblood of many of our communities.

I meet regularly with hospitality businesses, and only yesterday hosted a meeting of the Hospitality Sector Council, so I hear first-hand the pressures facing hospitality businesses. A hospitality business, like any other business,

can only prosper and grow on the firm foundation of economic stability. Unfortunately, economic stability is certainly not what we inherited when we came into power in July. At the end of October, at the Budget, the Chancellor made decisions that she did not want to have to make, but however painful those decisions may have been in the short term, they were the right decisions and were necessary to fix the foundations of what most in the House recognise was a broken economy.

The Budget also reflected the need to protect smaller businesses—for example, by more than doubling the national insurance contribution employment allowance from £5,000 to £10,500. It will provide relief for about 1 million small businesses. It also set out the steps that we will take to address the iniquities of an antiquated system of business rates that is particularly unfair for retail, hospitality and leisure businesses. The hon. Member for Eastleigh rightly referred to that in her contribution. Not only is the current system of business rates unfair, but it disincentivises investment, creates uncertainty and places an undue burden on our high streets.

The Budget delivers on our manifesto commitment to make hospitality pay a fairer share of business rates, with a permanently lower multiplier from 2026. Until then, we have extended the retail, hospitality and leisure relief at 40%. In addition, the business rates multiplier will be frozen at 49.9p for small businesses, and we intend to introduce permanently lower multipliers for retail, hospitality and leisure properties from 2026-27. The hon. Member for Eastleigh will also be aware that my right hon. Friend the Chancellor published a discussion paper on business rates reform in order to create a wider debate with the business community about business rates and possible additional ways to reform the system. The proposed business rates reform has been supported by UKHospitality, and the Treasury widely consulted the sector before making those proposals.

Securing access to finance can be a big issue for many businesses, including those in hospitality, and to that end, the Government have provided more than £1 billion in 2024-25 and 2025-26 for the British Business Bank, aiming to improve access to finance for small businesses, including more than £250 million each year for small business loans programmes.

The British Business Bank also supports community development finance institutions—community banks. Recently, I was lucky enough to visit Dhillon's Brewery Spire Bar in Coventry. After the owner initially struggled to access mainstream sources of finance, he approached the Coventry and Warwickshire Reinvestment Trust, a community development finance institution, which stepped up and provided the funds needed for the brewery and bar to survive and prosper. That is just one example of the way in which we are taking action to improve access to finance, helping to grow the economy so that we can deliver a fairer, more prosperous and healthier society, and help the hospitality sector, in particular, to grow. Growth is the Government's No. 1 mission, and our new industrial strategy and small business strategy are both central to that.

The small business strategy Command Paper, which the Chancellor announced we will publish next year, will set out our plan to boost scale-ups, grow the co-operative economy, create thriving high streets, make it easier to access finance, help break into overseas and domestic markets, build business capabilities and provide a stronger business environment.



[Gareth Thomas]

The hon. Member for Eastleigh mentioned the need to do more to support high streets, and I am sure she will be delighted to know about the high street rental auctions policy, which colleagues in the Ministry of Housing, Communities and Local Government have brought into effect. It allows local councils to require landlords to open up high street facilities that have been closed down so that hospitality or other businesses can take advantage of those spaces and bring renewed life to our high streets. In the coming months, we will be setting out further measures linked to the need to invest in our high streets and support small businesses more generally.

We also consulted on an industrial strategy Green Paper, which we published in October, setting out our vision for a modern industrial strategy. With our growth mission, those two strategy papers will ensure we create the conditions for all businesses to invest and grow, and for consumers to be able to spend with confidence. They will help to break down barriers to growth regionally and nationally.

Jobs backed by employment rights fit for a modern economy are at the heart of our plans. In October, we published the Employment Rights Bill, and we will consult to ensure we strike the right balance between the needs of businesses and fairness for workers.

Local growth plans will be a cornerstone of our place-based approach. Locally owned 10-year strategies will set out how mayoral combined authorities will use their devolved powers and funding to drive growth in their regions. That will help to deliver the investment and growth at a local level that our country needs.

Hospitality businesses are not only important to supporting growth in our towns, villages and cities; they are also an integral part of our rural communities. They provide accessible jobs and places for people and communities to come together. In fact, the social value of hospitality is arguably at its greatest in rural and more remote areas. In all areas, hospitality provides opportunities for people to develop important life skills, as well as opportunities for those wanting a fresh start. To enhance those opportunities, we have established Skills England, a new partnership with employers at its heart. It will transform the existing apprenticeship levy into a more flexible growth and skills levy, which will be better suited to support businesses and boost opportunities.

As I mentioned earlier, yesterday I hosted a meeting of the Hospitality Sector Council, which exists to co-create solutions that will help deliver resilience and growth in the hospitality sector. It has done some great work in improving the longer-term resilience of hospitality businesses. I will of course continue to work closely with it as we deliver on our priorities for wider investment and growth, and for reinvigorating our high streets in villages, towns and cities across the UK.

The hon. Member for Inverness, Skye and West Ross-shire (Mr MacDonald) referred to the lack of business rates relief in Scotland. That is clearly a matter for the Scottish Government, but we will continue to have conversations with all the regions and nations about what else we can do to deliver growth in our country.

A couple of other issues have been brought to our attention. Hospitality businesses on our high streets often face challenges with antisocial behaviour and crime. We are increasing the number of police officers on our streets and in our town centres to bring down antisocial behaviour and crime, and make it easier for people to enjoy the many benefits that the hospitality sector brings.

The hon. Member for Eastleigh raised energy costs. We are setting up Great British Energy not only to accelerate the transition to renewable and net zero forms of energy, but to bring down bills, because we recognise that energy costs have risen in recent years. Great British Energy will certainly help us to bring those costs down in due course.

We all know that hospitality businesses are important. As MPs we recognise that they matter to our constituents, and as individuals we know that they matter to us, our friends and our families. Our high streets are going through a period of transition, from traditional shopping centres to a mix of retail, hospitality and leisure. I assure the House that we recognise the role of hospitality in creating places that people will want to visit, and study, work, live and invest in. As the Minister responsible for hospitality, I will continue to represent the interests of that vital sector, not only in my Department but across Government.

*Question put and agreed to.*

11.25 am

*Sitting suspended.*

## Children of Prisoners

[SIR ROGER GALE *in the Chair*]

4 pm

**Sir Roger Gale (in the Chair):** I remind hon. Members that, this being a half-hour debate, there will be no opportunity for the Member in charge to wind up.

**Mr Richard Holden** (Basildon and Billericay) (Con): I beg to move,

That this House has considered support for and identification of the children of prisoners.

It is a pleasure to serve under your chairmanship, Sir Roger. I am delighted to have secured this Westminster Hall debate. First, I want to thank the Government for their manifesto commitment, which states:

“The children of those who are imprisoned are at far greater risk of being drawn into crime than their peers. We will ensure that...young people are identified and offered support to break the cycle.”

That is an important commitment that I know the Minister feels strongly about. Some important work backs that up. Around half of prisoners are parents of children aged 17 or younger, according to a report by the London School of Economics. Often, they and their care givers will both be in need of assistance and support, to provide a stable and nurturing environment, when a partner or former partner is in prison. In some cases, both parents might be in prison and relying on grandparents, and that support is also often required when a mother is in prison.

Children with an imprisoned parent are 25% more likely to suffer from mental health issues, including depression, anxiety, insomnia and eating disorders. Negative school experiences can also come from that—they are common. Many children and families impacted by parental imprisonment also face severe economic hardship—something that can also be worsened by parental imprisonment. Recent data from Oxfordshire county council found that, at the point of a parent’s first imprisonment, half of identified children were receiving free school meals. Following parental imprisonment, that figure rose by at least 20%, if not more. Alarming, those children are also more likely to engage in criminal behaviour, with an estimated 65% of young boys of imprisoned parents—two thirds—eventually going on to offend themselves.

**Jim Shannon** (Strangford) (DUP): I commend the right hon. Gentleman for securing the debate. I always do quick research on these matters. Does he not agree that we must also consider the vulnerable adult children of prisoners and the difficulties they can face in trying to understand the massive shift that can take place in their life? Support is not always readily available for that vulnerable group, and changes need to be made.

**Mr Holden:** I thank the hon. Gentleman for making that point. He touches on the important point behind a lot of this. When parents are imprisoned, caring responsibilities are often the last thing that the state or anybody else thinks about. We are at the crux of what I am trying to get to today.

I would like to thank Sarah Burrows and everyone at Children Heard and Seen, including my friend Ed, who drew me towards the research in this area. I thank them for what they have raised, because this is all about ensuring a child-focused approach. Too often, the children of prisoners are mentioned only in the context of maintaining relationships with the person imprisoned and ensuring that the person imprisoned has a good opportunity—this is a worthwhile thing to do—to reduce their reoffending and recidivism. One thing that has been lost to some degree in this debate is the support required for those children and young people. As the Member for Strangford (Jim Shannon) said, in some cases vulnerable adult children might also need support. That is what I am trying to highlight in this debate today: it is the children affected who are at the centre of this.

Sixty seven per cent of children do not visit a parent in prison, while 37% go further and have no contact with their parent at all. We need to focus on what is best for the child, taking into account the often incredibly difficult family relationships and the issues caused by crimes such as domestic violence—which the Minister is working on at the moment—sexual abuse, in some tragic cases, and parental homicide.

The current system is leaving some children living on their own—I will move on to some case studies in a moment, but that is one of the things that has really hit me about this issue. Children Heard and Seen has heard of multiple cases where a child has been discovered living on their own, and not in just one part of the country. If I may turn to the steps we are pressing the Government to take, that is one of the reasons it is so important that those children are individually identified, to ensure that support is there. If we do not have a national register or a system to ensure that the data is fed in, we will not understand the depth of the issues involved.

I want to pick up on a couple of case studies brought forward by Children Heard and Seen. In one case, a man went to prison for sexual offences, and it was only after the house was targeted by vigilantes that a victim support caseworker found his 15-year-old daughter living there on her own. In another case, a criminologist conducting research in a women’s prison was told by a prisoner that her two daughters were living on their own without any money for food. In another, a 16-year-old boy arrested at the same time as his parents was released shortly afterwards and became the sole carer of his eight-year-old brother. In another, an employer requested a welfare check after a woman had not shown up to work for some time. The employer reached out even though they may well have thought that she had decided to no longer be in employment. When the police went to her address, they found a 15-year-old boy living in his own with no gas or electricity. He had been getting up and going to school every day without anyone knowing that his mum was in prison.

Those are just a few of the cases that have been brought forward. They are particularly important because often in these families the children themselves will have had a difficult relationship with the state over many years. Sometimes, especially if those children are into their teenage years, they may feel able to in some way look after themselves. They could have been in and out of state care or support in some ways over many years,

[Mr Holden]

and might not have positive relationships—they might not have positive relationships with wider family, either. That is one reason it is so important that we get this right.

**Jake Richards** (Rother Valley) (Lab): I praise the right hon. Gentleman for securing this Westminster Hall debate and raising this issue so powerfully. He is right about the focus on young people, which has to be part of the commitment, but this is also about the whole family and making sure that contact between parents, children, the wider family and prisons works for the children as well. Does he agree that that will help everyone and also help to tackle reoffending?

**Mr Holden:** I cannot agree more with the hon. Member. He raises an important point—yes, in many circumstances, help for families and children of prisoners can help the prisoners—but he is also right to say that that would be a side benefit. As a country, we should be concentrating on helping the children of prisoners wherever possible—we also want wider family support and networks to be involved where possible. As in the case studies I have spoken about, there may be situations, particularly if people are somewhat estranged, where the extended family do not know that their child has gone to prison and that their grandchild is therefore trying to care for themselves at home. Some of those family relationships may have broken down. That is another area where the hon. Member makes an important point about what more we can do.

The Government recently brought forward the first published estimate of the number of children of prisoners, which is definitely a welcome step. However, what we really need is a system to identify the children involved, not just an estimate of how many there are. An estimate is useful for helping to determine some of the broader policy changes that may be required, and possibly to help the Government to calculate some of the costs involved and where measures need to be targeted. But what we are interested in—on both sides of the House, I think—is identifying the individuals who need support and ensuring that support is provided, because an estimate does not do anything to identify those most in need.

As I have said, a commitment to identify and support children with a parent in prison was included in Labour's manifesto, and Lord Timpson has stated that it is one of his top priorities as the Minister with responsibility for prisons.

The Ministry of Justice was recently asked what steps it is taking

“to ensure that the children of those imprisoned are (a) identified and (b) offered support”.

The response was that it is

“working closely with the Department for Education to determine how to effectively identify these children and provide support”.

I really hope that, as the MOJ does that, there is no need for a lengthy consultation, because there are children out there today who need such support. It has been suggested that half of prisoners have children under the age of 18. If that is correct, we are talking about tens of thousands of young people, of whom perhaps hundreds or even thousands might not be receiving any proper support.

I say to the Government that there does not need to be a lengthy consultation. Children Heard and Seen has a readymade solution. In collaboration with Thames Valley police, it has created, in Operation Paramount, the first mechanism ever to identify and support children with a parent in prison. Operation Paramount cross-references data from His Majesty's Prison and Probation Service with existing police data to identify children who have been left behind, right from the point that an individual enters the prison system. Data that previously had been used only to track a prisoner's movements through prison to their eventual release can now be used to identify vulnerable family members who were left behind when an individual was imprisoned.

If this system was rolled out nationally and schools were involved, it could essentially act as the national identification system that I hope hon. Members from across the House want to see. There would be two parts. The system would be used first of all to identify these children and young people, and secondly to provide support for them.

When an adult is sentenced or remanded in custody, a combination of the existing data from the Prison Service, the police and the relevant local authority should be used to identify the home address of a child linked to that offender. I do not think that is too much to ask for, because all that data already exists.

Secondly, a designated safeguarding lead at the child's school should be notified before the start of the next working day. Registered nurseries, pre-school settings and childminders could also be informed. I am also particularly interested in the point that the hon. Member for Strangford made about considering other cases, too, perhaps where there is a special need. Within the education setting, the DSL should then be able to liaise with other members of staff and external agencies, if necessary, to deliver the appropriate support for the child in question.

Thirdly, I would ask the Government to consider whether children with a parent in prison should be made eligible for pupil premium funding, as we do in other circumstances. That might be worth considering given reoffending rates, because if we can get some of them down, that would be a very good long-term investment. Although I am obviously speaking as a Back Bencher today, this is something that might receive cross-party support in the future.

Fourthly, we need to ensure that children with a parent in prison are not left to live on their own. If we could identify them and provide the necessary support at the earliest stage, we could help to mitigate some of the impacts I talked about in my opening remarks—children living in absolute poverty, going on to become offenders themselves or being left vulnerable to crime in their homes and communities. We could ensure that, at the earliest possible stage, they are supported to mitigate the impact of their parents' imprisonment and wrongdoing. In this day and age, we should not punish children for the crimes of their fathers or mothers.

4.15 pm

**The Parliamentary Under-Secretary of State for Justice (Alex Davies-Jones):** I thank my friend, the right hon. Member for Basildon and Billericay (Mr Holden), for securing this important debate. He eloquently outlined why we cannot overestimate the impact of parental



imprisonment on children and their families. He reeled off a lot of stats and figures, but then powerfully backed them up with the children's stories. Behind every one of those numbers is a child.

**Cameron Thomas** (Tewkesbury) (LD): On that point, I could not help but notice that the impacts felt by the children of prisoners, listed by the right hon. Member for Basildon and Billericay (Mr Holden), strikingly resembled the impacts felt by the children of deployed armed forces personnel. Does the Minister agree?

**Alex Davies-Jones:** I welcome that intervention. As I will explain, it is difficult for any child when a parent is taken away and is unable to be with them. As a parent, I find it really difficult to have to be away from my child for four days a week. I am sure that the hon. Member understands that the impact is in some regard immeasurable. We do not know the impact on those children but, as a Government or as a parent, we try to give them as much support as we can. When one parent is in prison, that is not always possible. This is about what we can do to provide them with that support.

Growing up with a parent in prison is incredibly tough for many children. As the right hon. Member for Basildon and Billericay outlined, it is widely recognised as an adverse childhood experience that affects not just a child's day-to-day life, but their longer-term opportunities and outcomes. We owe it to every child with a parent in prison to ensure that that disadvantage does not become ingrained from generation to generation.

I am grateful to the organisations that have brought this important issue to the Government's attention, including the Prison Advice and Care Trust, North Eastern Prison After Care Society and Children Heard and Seen. I also thank my hon. Friends the Members for Bristol East (Kerry McCarthy) and for Brentford and Isleworth (Ruth Cadbury), and the noble Lord Farmer.

These children may have parents in prison, but they too are locked in an invisible cell—one of separation, loss and disruption. The situation is particularly acute for children whose mothers go to jail: around three quarters leave the family home while their mam is locked up, losing not only their parent, but their school and home all at once. Many of the children are passed between family members, but some end up in care.

More broadly, research shows a range of immediate and longer-term effects on children who have parents in prison, including on their physical and mental health, and engagement at school. They are also at risk of following the same path into the criminal justice system. We have to ensure that we reach such families and get them the support they need, and in our manifesto we committed to doing just that.

**Mr Holden:** I thank the Minister for recognising the work of charities across the country, and I thank Members of both Houses for pushing the issue. Does she also welcome the work of BBC Radio 4's "Woman's Hour" a couple of weeks ago? It devoted an entire week to the subject, and had the hon. Member for Rother Valley (Jake Richards) and myself on to talk about it. In doing so, it brought to life some of the stories that we are debating today.

**Alex Davies-Jones:** I wholly concur with the right hon. Member's comments. It is important that we talk about the issue more and try to remove some of the stigma, draw back the curtain and show it to the public. It is welcome that we are having this debate to do just that.

In July, the Ministry of Justice produced the first official statistics on the children of prisoners. The Department estimates that over the course of a year, around 193,000 children in England and Wales may be affected by a parent's being in or going to prison. Identifying and supporting children with a parent in prison is a complex area, and it is crucial that we take a sensitive approach that puts the child's needs at the centre. The Under-Secretary of State for Education, my hon. Friend the Member for Lewisham East (Janet Daby), has responsibility for children and families, and our officials are working together closely to deliver this commitment as soon as possible.

We are taking a wide approach, with a focus on providing whole-family support that will improve the overall life chances of children and families. Where appropriate and in the best interests of the child, that will include supporting the parent in prison to maintain, build and improve their relationship with their children, which has been shown to smooth reintegration into family and community on release from prison, in turn reducing the risk that the individual will reoffend and improving outcomes for the whole family. However, when contact with the parent in prison is not in the best interests of the child, we have robust safeguarding measures in place to prevent that; the safety of the children will always be the paramount consideration.

Our aims are threefold: first, to reach a higher proportion of these children and build our understanding of their specific needs and circumstances; secondly, to put in place high-quality support to improve outcomes for children of prisoners and their families; and thirdly, to help maintain and improve relationships between children and parents in prison, where that is appropriate and in the interests of the child. I will take each of those in turn.

First, we are exploring new ways of reaching affected children and families to ensure that they are offered the right support. His Majesty's Prison and Probation Service already has robust safeguarding processes to identify and protect these children where necessary. The Government will also remove parental rights from those who pose a danger to children, to ensure that children are protected from harm. These processes are crucial and we will seek to strengthen them further.

A more bespoke approach is needed to reach a larger number of children and families. There are those who may benefit from support even if there are no safeguarding concerns—especially, as we heard from the hon. Member for Strangford (Jim Shannon), vulnerable adults with parents in prison. We are exploring a range of options, including for how HMPPS can help to encourage more prisoners to voluntarily disclose their parental responsibility, and for how we can better share data between Departments and organisations across criminal justice and family services. There are many great examples of local best practice. The right hon. Member for Basildon and Billericay outlined Operation Paramount in the Thames Valley violence reduction unit. We are continuing to learn from that to determine the best way forward to achieve our aims.

[Alex Davies-Jones]

As I said, children who have experienced parental imprisonment are at increased risk of mental illness, poor educational outcomes and unemployment. We want those children and their families to receive the support they need to thrive. Support for children of prisoners will be properly integrated with existing support as part of our ambition to rebalance children's social care towards earlier intervention while we reform the care system. We want to create an end-to-end system for support—from universal services, including family hubs, through to care—that is more responsive to different needs and how they might change over time.

From April next year, £500 million will be available to local authorities to roll out family help and child protection as a first step towards transforming the system, nearly doubling direct investment in preventive services in 2025-26. Families will have access to family help, which will co-ordinate multi-agency support and with which they can build a trusted relationship and develop a plan based on the child's individual needs. However, we need to better understand the impact of parental imprisonment on children's outcomes and general opportunities. The Department for Education is undertaking rapid research—the right hon. Member will appreciate that—and has already brought together dozens of organisations to discuss this. It is identifying what support is already in place, where the gaps lie, and what extra support children of prisoners may need.

Supporting the parent in prison to build and improve their relationship with their children, when appropriate, can help to reduce some of the negative effects of this adverse experience. Family support interventions improve relationships, wellbeing and communication, benefiting the whole family. HMPPS has commissioned rehabilitative services to further this work and provide support on release. That helps strengthen family relationships and supports the transition from prison back into the community.

Prisons across England and Wales already offer a range of services to maintain family relationships, including social visits, family days and collaborations with organisations, and I have been pleased to see some of that at first hand—as an example, I highlight the award-winning charity-led initiative Storybook Mums and Dads, which enables parents in prison to record bedtime stories for their children. We have also invested £10 million to fund partnerships with third sector specialist family support providers who are working in custody. Those partnerships allow establishments to deliver a range of services to maintain and nurture family ties.

I am delighted that, with my colleagues at the Department for Education, we are pressing ahead with work to address this important issue. We are fortunate to be able to draw on a significant amount of knowledge and experience on the issue among our own frontline staff and partners within the voluntary, charity and social enterprise sector, as well as among our renowned academics. Their expertise will be invaluable in ensuring that we get this right.

Officials from the Ministry of Justice and the Department for Education have already met with many of those partners, and I am keen to involve them actively in the development of our work. My colleague, Lord Timpson, has met with the Children's Commissioner for England to discuss the issue and together with the Under-Secretary of State for Education, they will host a roundtable in the new year to further capture the views of experts.

The Government recognise the significant impact of imprisonment on women with dependent children. With only 12 women's prisons scattered across the country—and none in Wales—mothers are often held far from their homes and families. Pregnancy, mother and baby liaison officers work in women's prisons to identify and signpost support for women who are pregnant and/or have been separated from young children. We are also testing new roles to help women to maintain family ties, including prison-based social workers and resettlement family engagement workers.

We are establishing a women's justice board to provide strategic vision and direction on reforming women's justice, with the ultimate goal of reducing the number of women in custody. Among other areas of work, the board will focus on issues specific to pregnant women and mothers in the system with young children. More fundamentally, the wider measures aimed at driving down the imprisonment rate that we inherited from the last Government, such as our review of sentencing and focus on reducing reoffending, will help reduce the numbers being affected by the issue, and hopefully keep families together.

The Government want every child to flourish, which means ensuring that those affected by parental imprisonment are properly supported and afforded the same opportunities as their peers. I thank again the right hon. Member for Basildon and Billericay for giving me the opportunity to speak on the matter. I hope that I have assured the House of the importance that we place on the issue and that I have laid out the work that we are undertaking to address it head on.

*Question put and agreed to.*

4.26 pm

*Sitting suspended.*

## Future of Farming

4.30 pm

**Carla Lockhart** (Upper Bann) (DUP): I beg to move, That this House has considered the future of farming.

It is a privilege to serve under your chairmanship, Sir Roger, and to bring this timely and important debate to the Floor of the Chamber. I did not think that it would be being debated at the same time in the other place. However, we will progress.

Farming has long been the backbone of our nation, underpinning food security, providing jobs and delivering significant environmental benefits. The agrifood sector across the United Kingdom contributes £148 billion to the economy and employs over 4 million people, including 462,000 directly in agriculture. It is an industry worth protecting and speaking out for.

Today, I speak not just as a politician, but as someone with farming in my blood—the daughter of a farmer, the wife of a farmer, and the mum of a little boy who dreams of becoming a farmer. The future of farming is deeply personal to me, as it is to many of the 209,000 farm owners across the UK, including 26,000 in Northern Ireland. These people work 17 million hectares of land to feed the nation, and care for the countryside. Their average farm size is 82 hectares, and their contribution to the UK economy amounts to £13.7 billion annually. Yet, they now face an existential threat from the proposed changes to agricultural property relief and business property relief.

**Mr Richard Holden** (Basildon and Billericay) (Con): The hon. Lady is talking about the direct impact on farmers, but in her opening comments she mentioned the broader agricultural, business and food sectors across the UK economy. Does she share my concern that, whether it is the tractor manufacturers or those who work in the farm shops in my constituency, the knock-on consequences will be huge if the Government's proposed tax changes get through? They will impact not just the individual family farms themselves, which are the backbone of our economy, but all aspects of our rural and urban economy.

**Carla Lockhart:** I could not agree more: the knock-on impact will be immense.

The Budget's decision to cap full inheritance tax relief at £1 million, with a 20% charge above that, will devastate family farms. These changes know no boundaries and will affect countless small and modest family farm businesses. Independent analysis shows that up to 75,000 farming taxpayers will be impacted over a generation—five times the Government's initial estimate. In Northern Ireland alone, the Department of Agriculture, Environment and Rural Affairs predicts that one third of farms and 75% of dairy farms will be hit the hardest. These figures are not plucked from the sky; these are real, evidenced figures from DAERA. Farmers face the grim prospect of selling off prime agricultural land, probably to big businesses that certainly do not want to use it for food production. This death tax will erode our food security and end future generational farming.

Three weeks ago, at the Eikon centre in Lisburn, I stood in front of 6,000 farmers who had braved Storm Bert to voice their concerns. Their message was clear:

stop the family farm tax grab. The Government must listen. If they proceed with this policy, it will not only destroy an industry that feeds the nation, but tarnish their legacy, with the destruction of rural communities and livelihoods. When we are asked about this Government's legacy thus far, sadly farmers and pensioners come to mind.

**Sammy Wilson** (East Antrim) (DUP): Does my hon. Friend not find it really angering that the Government justify this policy by saying that a few big landowners buy up land as a way of escaping inheritance tax? Yet, the impact is not on the big landowners; it is on ordinary landowners, such as those she has described. The impact on the countryside will be enormous.

**Carla Lockhart:** My right hon. Friend is exactly right: big businesses will be the ones buying over the land, and they are not interested in farming it.

I respectfully ask the Minister to heed the voices of farmers, backed by detailed analysis from the Central Association for Agricultural Valuers and others. Farmers know their industry best. This policy must be revisited to ensure the sustainability of farming for generations to come. Let us act now to protect the custodians of our land, the economic drivers of our rural areas and the hand that feeds our nation.

Our farmers face relentless challenges, and the abolition of agricultural property relief is just the latest in a long list of blatant attacks. For too long farmers have been denigrated and subjected to some of the most draconian environmental restrictions. They are blamed for polluting waterways, while raw sewage goes unaddressed. Across all four nations, farmers are held back by planning restrictions over ammonia, making it nearly impossible to replace or upgrade sheds, despite these improvements benefiting the environment. Farmers face real threats from disease, including bluetongue, tuberculosis and bird flu, with little effective support. In Northern Ireland—this is a devolved issue, but the point is still important—herds of cattle are being slaughtered because of a lack of decisive action on TB, leaving farming families devastated and unsupported.

**Robin Swann** (South Antrim) (UUP): On the bovine TB agenda, does the hon. Member agree that what the recent Minister in Northern Ireland brought forward was a disappointment? There were no concrete proposals as to how to address the issue.

**Carla Lockhart:** I do not want to get into a devolved issue, but I will say that farmers are absolutely reeling from the lack of action by the Minister in Northern Ireland.

Farmers are increasingly being forced to adopt measures under the guise of supporting environmental goals, but many of these come with significant concerns and costs. One topical example is Bovaer, an additive aimed at reducing methane emissions from livestock. It is promoted as a solution to agriculture's environmental impact, but it has raised serious questions in the minds of consumers about the long-term effects on animal health and consumer safety. Consumers are understandably concerned about the food chain, and farmers are left shouldering the burden of implementing often costly solutions, with little clarity on their benefits or consequences.



[Carla Lockhart]

If we genuinely want to support sustainable farming, the Government must ensure that these measures are properly researched and justified and are accompanied by meaningful support for farmers in adopting them. Instead, what do farmers see from this Government? A raft of policies that show nothing but contempt for British farming. In the past month alone we have seen plans to abolish APR and a new tax on double cab pick-ups—the lifeline vehicle for many farmers—which will come into effect in 2025.

We have also seen the galling revelation that foreign farmers are receiving £536 million from the UK aid budget while our own farmers are left to struggle. British taxpayers' money is being used to fund low-carbon agriculture in countries such as Brazil—the 11th richest nation in the world—and Kenya, as well as in Asia, while our own farmers face insurmountable challenges to their food security and sustainability. What good is environmental progress if we import more food from abroad, produced to lower standards and with a far greater carbon footprint than what we can grow here at home?

Our food security matters. Our British farmers matter. Yes, to this Government, it seems that they do not. I implore the Minister to reverse course. He should listen to the voice of farmers and prioritise the future of UK agriculture before it is too late. Let us support the custodians of our land, the drivers of our rural economy and the people who feed our nation.

Labour shortages are adding further pressure on an already stretched industry. Farmers are struggling to secure seasonal workers to pick and process crops. Whether it is heavy goods vehicle drivers, poultry workers, vets, butchers or abattoir staff—the workforce simply is not there. If we want a farming sector capable of meeting our needs and demands, the Government must overhaul their schemes and work directly with those who know the industry best to address these critical shortages.

At the National Farmers Union conference in 2023, the now Prime Minister said:

“losing a farm is not like losing any other business—it can't come back... You deserve better”.

Before the election, he wanted a “genuine partnership” and said:

“We can't have farmers struggling”.

He said they deserve “a government that listens” and “stability” and “certainty”. He wanted to roll up his sleeves and support our British farmers. Well, I call on his party, which is now in the driving seat, to pull back from this cliff edge and start to introduce policies that support our active farmers.

I want to finish where I started. When we think of the future of farming, we must think of those little welly boots at the back door of farm dwellings. We need to support our young farmers, and I call on the Government to do more, particularly on education. The very youngest in our society need to know where our food comes from. Sadly, all too often the answer is, “The supermarkets.” I therefore call on the Minister to address this issue with his counterpart in the Department for Education. We need a syllabus and an education system that teach our young people about the importance of our farmers.

As we stand on the cusp of a vote in the main Chamber, it is important to note that a recent poll demonstrated that more than half of those surveyed supported a farmers' strike, on the basis that farmers are among the groups worst treated by the Government. I believe that those protests are coming, because farmers are at breaking point. Farmers in Northern Ireland increasingly need mental health support from Rural Support. There are reports of things getting too much for some to cope with, with people subsequently taking matters into their own hands. Farmers need our support; they need to know that their work and efforts—night and day—are appreciated, and that they are an integral part of our everyday life.

In conclusion, at the event in the Eikon centre hosted by the Ulster Farmers Union, I had the pleasure of meeting next-generation farmer and young mum, Lorraine Killen. Lorraine was inspirational as she addressed the crowd. She said that uncertainty, disappointment, apprehension, dread and heartbreak are just some of the raw emotions she felt as she reflected on the reality of an industry under immense pressure and a way of life increasingly under threat.

Let us redouble our efforts in this place and fight with every sinew to support our farmers—no farmers, no food.

**Several hon. Members** rose—

**Sir Roger Gale (in the Chair):** Order. We have 13 Members wishing to participate and about 24 minutes. I will put on an immediate time limit of two minutes. If you do the maths, you will find that that does not work. There will be a Division at around 5 o'clock, and injury time will be added on. We will see how many Members come back after the Division, and I will reassess the situation, but for the moment, there is a two-minute time limit.

4.43 pm

**Sarah Smith (Hyndburn) (Lab):** It is a pleasure to serve under your chairmanship, Sir Roger. I grew up in a rural community as well, and I know how hard farmers work. I know how long it takes for generations to pass on the expertise involved in managing and cultivating the land. It is not like any normal apprenticeship or training programme; children learn over decades how to get the most out of the land, how to get the best yield and how to manage the ever-unpredictable set of circumstances that any year on a farm may bring.

However, I suggest that the last thing farmers need right now is the scaremongering that has been undertaken by the Opposition parties; they are protecting the vested interests of wealthy landowners. It is not just a minority of these people who are buying up the land; 50% of our farmland is being bought up by them, and they are on record saying that they are seeking it to avoid inheritance tax. That is the issue we are taking on. The average farmer in my constituency in Hyndburn has nothing to fear. When we look at the numbers in detail—unfortunately, I do not have the time to offer them—they show that those farmers are protected from the tax. The average farmer, even when we look at arable land values and some of the higher-value land, will not be impacted by the tax.

We have to acknowledge the challenges that some farmers face and the rural poverty in this country—we talk about it a lot and it is very real. But that is not the fault of the current policy; it is the result of decades of failure, and particularly of what happened in recent

years under the previous Government, who failed to grasp how to support farmers to be more productive, so that they can earn the money they ought to be earning.

**Jim Allister** (North Antrim) (TUV): The hon. Lady says that 50% of those affected are people who invest in land not for farming; is not the answer to put 40% inheritance tax on them and 0% on the real farmers?

**Sir Roger Gale (in the Chair):** Order. I should have said—I did not, but I will now—that if any Member chooses to intervene, which they are quite entitled to do, I shall treat that as a speech, so they will not get called later in the debate.

**Sarah Smith:** A farming survey shows that the farmers we are speaking about make an average profit of £96,000 per year, which means that even those who are impacted will not be subject to the same level of inheritance tax as many people on similar incomes. They face half the rate of inheritance tax, and through gifting they can avoid that if they undertake the necessary planning. They can of course still protect their farmhouse—that concern is sometimes raised—through the way the system operates. We have to keep coming back to the point that at least 75% of farmers will not be impacted by the measure.

Our Government have an ambitious plan for our farmers. They will invest £2.4 billion in farming next year to focus on sustainable food production and protecting nature. They are getting £60 million out the door through the farming recovery fund and have committed to providing a further £208 million to prevent the collapse of our defences against disease threats—

**Sir Roger Gale (in the Chair):** Order.

4.46 pm

**Alex Easton** (North Down) (Ind): It is a privilege to serve under your chairmanship, Sir Roger. Well done to the hon. Member for Upper Bann (Carla Lockhart) for securing this debate.

I should be able to set out a vision of optimism and resilience for the future of farming in Northern Ireland today, but sadly that is not the case. It appears that, with the proposed inheritance tax, the Government know neither the price that farming families will have to pay nor the value of their industry. Our UK agricultural heritage is a cornerstone of our economy, culture and communities, and it is critical for our future. The 26,000 farmers and their families in Northern Ireland deserve better. When we take into account the food and drinks processing sector, the proposed measure will affect 70,000 jobs in Northern Ireland.

Northern Ireland's fertile lands and valuable climate have long supported diverse farming activities, ranging from dairy and beef to crops such as our world-famous potatoes. As we look to the future, the potential for growth and innovation in our agricultural sector is immense. We should be looking at enhancing cutting-edge technologies, such as precision agriculture, drones and sensors, to increase productivity and ensure environmental sustainability. Our hard-working farming community wants to enhance efficiency in order to protect our natural resources for future generations. Our farmers are the true guardians of the countryside, and sustainability is central to their vision. They are dedicated stewards of

the land, committed to adopting eco-friendly practices such as crop rotation and organic farming. They are also committed to sustainability.

Farmers' efforts not only safeguard our environment but open new markets for our produce, meeting the growing global demand for environmentally responsible products. Farming is more than an economic activity; it is the backbone of our communities. The proposed tax will place an undue burden on families, making it difficult for them to pass down their farms to the next generations—

**Sir Roger Gale (in the Chair):** Order.

4.48 pm

**Baggy Shanker** (Derby South) (Lab/Co-op): Thank you for allowing me to speak under your chairmanship, Sir Roger.

British farmers play a significant role in keeping the nation fed, and they are the custodians of our beautiful countryside. In recognition of their vital role, the Budget is steadfast in its commitment to supporting them. More than £5 billion will be allocated to the farming budget over the next two years to bolster sustainable food production and promote nature's recovery.

Food security is national security, which is why supporting farmers to feed our nation remains a top priority. To achieve that goal, the Government will leverage their purchasing power to ensure that at least half the food procured for hospitals, military bases and prisons is locally sourced and certified to meet high environmental standards. We have provided £60 million through the farming recovery fund and allocated an additional £208 million to strengthen defences against disease threats. Those are clear examples of a commitment to safeguard farming in the UK. That is what tangible support for British farmers looks like.

Opposition Members can moan, but let us remember that since 2010 more than 12,000 farmers and agriculture companies have been forced out of business. Moreover, trade deals with New Zealand and Australia, brokered by the Conservatives, opened up the UK to meat imports produced to standards so low that they would be illegal in Britain. That is their legacy on British farming. Non-farming investors have dominated land purchases, with over half the farms and estates sold being acquired by non-farmers. Meanwhile, a small number of wealthy landowners have disproportionately benefited—

**Sir Roger Gale (in the Chair):** Order.

4.50 pm

**Jess Brown-Fuller** (Chichester) (LD): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for Upper Bann (Carla Lockhart) on securing this important debate.

Farmers are environmental stewards, custodians of our heritage and vital contributors to our local economies. Yet, under the previous Conservative Government, rural and farming communities were totally undervalued and undermined. In my constituency, more than 18,000 hectares of farmland, spread across 178 holdings, produce some of the best food in the country. I have had the pleasure of meeting some of my local farmers, who tell me that their futures are now under threat.

[Jess Brown-Fuller]

The Chancellor's 2024 Budget imposes a series of damaging policies on rural communities. Cutting agricultural property relief risks the viability of family farms. In Chichester, it could affect nearly 50 farms. When farmers are faced with the choice either to be in debt or to sell off land to pay the tax, the choice will be clear and farms will be eroded. The introduction of the carbon border adjustment mechanism will add an estimated £50 per tonne to fertiliser costs. Combined with the 1.9% cut to day-to-day spending at the Department for Environment, Food and Rural Affairs, those changes will make sustainable farming practices harder to achieve.

**Tom Gordon** (Harrogate and Knaresborough) (LD): I recently met a family of farmers in my constituency who mentioned the point about fertiliser. It is not just the changes to inheritance tax that are going to clobber our farmers; it is the combination of a perfect storm. Does my hon. Friend agree that this change is coming down the track after a £227 million underspend by the Conservatives, and that we need the Government to look into that and ensure that farmers get the funding they deserve?

**Jess Brown-Fuller:** I agree with my hon. Friend that it is a series of things, compounded on top of each other, making our farmers feel totally let down. They felt ignored by the Conservative Government for years. When Labour stood on a manifesto pledge of change, farmers did not think this would be the change they were promised.

Farmers in Chichester and across the UK deserve better. They are critical to our food supply, environment and rural way of life. I urge the Government: please stop undermining them and start supporting them. Let us work together to ensure that farming remains a thriving and sustainable pillar of our nation for generations to come. I call on the Government to look at the Liberal Democrats' manifesto pledges, such as a £1 billion increase in the farming budget to support sustainable agriculture, the renegotiation of our trade agreements to protect British farmers from being undercut by imports failing to meet UK standards, and a reinstatement of the capital grants scheme to support environmentally friendly farming practices.

I am aware that many Members want to speak, so I will leave it there.

4.53 pm

**Dan Aldridge** (Weston-super-Mare) (Lab): I think we can all agree that food security is national security. The future of British farming deserves a stable Government with a funding strategy reflective of that significance. I and so many others welcome the Government's £5 billion increase to the farming budget over the next two years—the largest budget for sustainable food production in our history. The size and scale of the commitment to our farming future are unprecedented and not talked about enough. The reforms and investment, all detailed online, will future-proof our domestic food production and food security. I will not go through them now because we do not have time.

When the political winds have blown the Opposition on to another topic, we will be here, in government, to work with farmers on improving the sector and its resilience.

**Jayne Kirkham** (Truro and Falmouth) (Lab/Co-op): Does my hon. Friend agree that the best thing the Government can do is give some direction and certainty to farmers with the new land use framework and the new pipeline of sustainable farming incentives, which are upcoming to balance food production, nature recovery and carbon reduction, so that they have the confidence to invest and to return to profit?

**Dan Aldridge:** As so often, I agree with my hon. Friend and fellow south-west MP. As she has identified, we are trying with the Budget to fix the neglect of the previous Government.

It is important to say that so many of my constituents in Weston-super-Mare are dismayed at the idea that tax relief of up to £3 million is not enough. These are finances outside the concept of the vast majority of my constituents. For people living in a community where we all work together, the rhetoric we are hearing is quite divisive. It is a hard pill to swallow when so many have little to no savings, nor any prospect of owning property to pass on to their children. Many millions of people, including farmers throughout the country, are working harder than ever to pay for the basics that their families need simply to survive. The Government are simply saying that, in any community, those who can pay more should.

4.55 pm

**Ellie Chowns** (North Herefordshire) (Green): It is a pleasure to serve under your chairmanship, Sir Roger. I will focus my comments on areas where I think we can achieve a degree of cross-party agreement. I have already heard agreement that farmers are the stewards of the land. We can agree that farming is a diverse sector, and farmers as a group are very diverse, which we need to bear in mind whenever we make policy.

I would like to discuss four issues that farmers in my North Herefordshire constituency have raised with me. First, farmers need long-term policy certainty. The hon. Member for Weston-super-Mare (Dan Aldridge) talked about record investment in farming, but in real terms it is effectively static. What we need is a significant ramping up of Government support for the farming sector. The Nature Friendly Farming Network has called for a doubling of the farming budget, which is a call that the Green party strongly supports. We need far more investment in environmental land management schemes, as well as the long-term certainty that farmers need to make decisions to put land into those schemes.

Secondly, farmers tell me that they want better regulation of the food sector, such as a more even balance of power between farmers and supermarkets. Too many of them feel under the cosh as price takers, not price makers. That is a real problem. There is also the phenomenon of farmwashing, whereby supermarkets pretend that their food is grown on lovely family farms all over the UK when, in fact, nothing could be further from the truth. We need clear Government regulation on that.

The third issue, which has already been mentioned, relates to the Government's role in public procurement. I am glad the Government are taking some initiative on that, but there is far more that could be done, particularly to ensure that schools provide universal free school meals based on the procurement of local, sustainably grown food—

4.57 pm

*Sitting suspended for a Division in the House.*



5.15 pm

*On resuming—*

**Seamus Logan** (Aberdeenshire North and Moray East) (SNP): I am delighted to serve under your chairmanship, Sir Roger. I thank the hon. Member for Upper Bann (Carla Lockhart) for securing this important debate.

Seventeen per cent of Scotland's population is rural and it delivers some of the best agricultural produce in the world. Seventy-six per cent of the land in my constituency is used for agriculture, and farms are incredibly important to the local economy. Labour shortages have impacted farms across Aberdeenshire. Food can be left unpicked due to labour shortages, and that needs to be addressed, especially following Brexit and the associated migration changes. Even a regional visa for rural farms in Scotland would be an incredible help to farms in my constituency. Technological solutions currently cannot solve labour shortages. In the meantime, there is a risk that, without the right amount of labour at the right time, these types of farms could become unviable in Scotland.

In a discussion about the future of farming, it would be remiss of me not to mention the recent change to agricultural property relief. Many farmers in my constituency have been in touch to express their concerns about the change and the significant financial burden it will place on family farms. I am of the view that the change will be damaging for rural communities and farms across the UK, never mind Scotland, and I would like to see it reversed.

I am sure that Members here and the UK Government understand that food security is national security, and I welcome any action to secure that. It is key to get more people buying local produce, supporting local farms and, in turn, reducing emissions and supply chain issues. Finally, I am delighted to learn of the commitment today by the Scottish Government to support farmers in Scotland, including an investment of £660 million and a capital transformation scheme of £20 million in 2025-26.

5.17 pm

**Ann Davies** (Caerfyrddin) (PC): It is a privilege to serve under your chairmanship, Sir Roger. I thank the hon. Member for Upper Bann (Carla Lockhart) for securing the debate. I declare an interest as a tenant farmer.

Farmers in Wales feel threatened by the approach that this Government are taking to inheritance tax. It concerns me that that approach threatens the viability of working family farms. The UK Treasury data used to calculate the impact of the Government's approach includes smallholdings and non-working farms, distorting the number of Welsh farms affected by inheritance tax thresholds. The Farmers Union of Wales says that had the Treasury focused its estimates specifically on the mainstream farms responsible for the bulk of agricultural outputs, the proportion affected by the changes to agricultural property relief would be revealed to be far higher than it claims.

The FUW estimates that farms responsible for nearly 90% of Welsh food production could be in scope to pay inheritance tax. That would be devastating for farmers in Wales, as the average income of different types of farms is much lower than the potential inheritance tax charge. Livestock farms predominate in Wales, making up 70% to 80% of Welsh farm holdings, and inheritance

tax bills could be many times the annual income of such farms. The changes will also impact tenant farmers. With around 30% of Welsh agricultural land rented, reduced availability of rented land could lead to business closures, homelessness and a decline in new people entering the workforce.

It is clear that Wales's needs have been ignored so far by the Treasury. Will the Government listen to the likes to the FUW and NFU Cymru, which are calling for a Wales-specific analysis of the impact of the changes to APR?

5.19 pm

**Jim Shannon** (Strangford) (DUP): I thank my hon. Friend the Member for Upper Bann (Carla Lockhart) for working so hard to keep the plight of farmers throughout the United Kingdom in the mind of this Parliament. She does her constituency credit, as always. I declare an interest as a member of the Ulster Farmers Union and as a landowner and farmer.

I have spoken on this issue so many times, yet I do not grow tired of it. The reason is clear: without small family farms there is no food sustainability or, subsequently, food safety. Most of the 25,000 farms in Northern Ireland are small family farms run by one or two farmers. They are not the massive profit-making industries that perhaps the Government have been led to believe they are. The farmers might be land rich, but they are cash poor. They love the land; they have it in their blood. They do not toil to make a massive profit, but to pay the bills and continue doing what they love.

The fact is that most farms—65% of farmers—could not survive with this inheritance tax. That does not pave the way for food security or production in Northern Ireland. We do not have large farms making millions each year. We have families who are working farms that cannot even pay a living wage. On some of the best farms in my constituency, the sons work the farm but also work privately for income, as they cannot raise a family on the farming income. That is the reality in Northern Ireland. I beseech the Minister to listen to the points I am making, because they are made with sincerity and honesty. If we add to this the inheritance tax and remove the protection from the farming grant, we are left with unprofitable farms, and sons and daughters who have no option but to sell the land and get a job.

The end of farming as we know it is not simply sad, given the history and the lifeblood that flows through farming families, but worrying, as it leaves us beholden to other nations for our food. The average farm in Northern Ireland is worth £14,000 an acre, and the average farm is 100 acres. If the Minister or his civil servants add up the figures, they will see that that means that the threshold is quickly reached. For many farms in Northern Ireland the situation can be fixed if the Government look at it honestly and come up with a different scenario and a different threshold. The quicker they do it, the better.

5.21 pm

**John Milne** (Horsham) (LD): It is a pleasure to serve under your chairmanship, Sir Roger. My constituency includes a mix of rural and urban areas, but this tax hurts both, and that is the key point that I want to make. Local farms do not exist in isolation; they are part of an ecosystem of businesses that depend on each other to thrive.

[John Milne]

A local farmer, James, has told me about his farm, which has been in his family since all the way back in 1904. James supports his young family and elderly relatives. It is not just a full-time job, but three full-time jobs. That is because to operate the farm successfully, James now runs three businesses: a fallen stock collection business, a pet cremation business, and the farm itself. Without diversifying, he might have gone under a long time ago. Farming alone often is not enough for many farmers to keep their heads above water. Now James faces a national insurance hike, a sharp acceleration in the phasing out of direct payments under the basic payment scheme, and the removal of APR and business property relief. How many businesses do we think one farmer has to run before they simply break?

Yes, there is a problem with non-farmers investing in land to avoid tax, but this family farm tax is not the way to fix it. There is too much collateral damage. It is going to hit too many farmers like my constituent James with a family to support, a business to run on slim margins, and a community that relies on them. The tax comes on top of the pressures imposed by a botched Brexit and trade deals that threaten to bring down the high standards of British farms. The money raised by the tax will not go anywhere near plugging the Budget black hole.

We need to recognise that a strong farming community is our best ally in moving towards a sustainable food system and job-filled rural communities. I call on the Government to work with the farming community to build a national food strategy that benefits farmers in the fields and the shoppers in our supermarkets.

5.23 pm

**Richard Tice** (Boston and Skegness) (Reform): It is a great pleasure to serve under your chairmanship, Sir Roger.

Many hundreds of family farmers in the constituency of Boston and Skegness are appalled at the family farm tax. Just last week, Richard and his son Jake came to see me. Their farm has been in the family for 120 years. They went through the cost increases recently: the fertiliser tax, the reduction in basic payment scheme payments, the carbon tax, and now the increase in national insurance. They say they will not be able to afford to pay the farm tax even with the 10-year payment timeframe, and will therefore have to sell upon death. This tax will bring the exact opposite of what the Government want—what we all want—which is growth.

One farmer told me that he has cancelled a £1 million expansion to his strawberry farm. Another said that he has cancelled an order for a £300,000 piece of equipment. This tax will do the exact opposite of what the Government want. There is a very simple solution: to increase the threshold on which it is payable and increase the qualifying period threshold at which people benefit from the tax relief. With that, the Government can achieve their aims and avoid the abuse, and family farmers can continue to invest.

5.25 pm

**Jim Allister** (North Antrim) (TUV): It is a pleasure to serve under your chairmanship, Sir Roger.

In Northern Ireland, land prices are in some cases twice as high as in other parts of the United Kingdom. The consequence of that is that the farm tax threshold

will be reached more quickly and the burden will be even greater. But the real cruelty of the tax is this. In many cases, when one generation take over a farm, they naturally want to grow, expand and improve their productivity. Very often, during a lifetime, extra land will be bought. That extra land is bought with money on which tax has already been paid. So this is a double taxation: people buy land with profits they have made on which they have paid their tax, then when they die, the Government come looking again. That is so unfair, particularly when it is family farms being crucified by that tax.

I understand that there are people exploiting the market who are interested not in farming, but in tax relief, and own land for that purpose. The Government should hit them with all the might they can with the 40% inheritance tax, but exempt the genuine farmers—those who have a farm business number; those who are in receipt of direct payments; those who are genuine, active farmers. If the Government exempted them and went harder after those exploiting the system, they would probably have the same return at the end of it. Would that not be far more equitable than what is being proposed?

5.27 pm

**Robin Swann** (South Antrim) (UUP): It is a pleasure to serve under your chairmanship, Sir Roger. I thank the hon. Member for Upper Bann (Carla Lockhart) for securing the debate.

I want to take exception to language used by Government MPs here today and in the debate we had in the main Chamber on 11 November, when they accused anyone who raised genuine concern for family farms of being either in the pocket of big business or alarmist. I can assure you, Sir Roger, that the Members I know who have spoken here and those who spoke in the main Chamber on this issue did so out of genuine concern and understanding of the effects that this tax grab will have on our family farms.

I was so concerned that I asked for clarity on the figures that I had used from the Northern Ireland Agriculture Minister. He responded:

“I am disappointed at the UK Government’s dismissal of the figures you quoted and the subsequent comment that our analysis that one third of farmers and up to 75% of dairy farmers will be affected by the new inheritance tax limitations as ‘alarmist’. I can assure you that these figures are based on a solid analytical basis...from data collected as part of the Northern Ireland Agricultural Census 2023.”

I may have many differences with him, but I believe the Agriculture Minister in Northern Ireland over what I have heard from the Labour Government about how the tax will impact Northern Ireland farmers.

A 2023 *Irish Farmers Journal* survey showed that the average price of agricultural land in Northern Ireland is £13,794 per acre. It would be reasonable to assume that by 2026, when the inheritance tax changes take effect, the average price will have increased to £15,000 an acre. Based on that information, farms in Northern Ireland with 67 acres of land will be affected by this tax grab.

5.29 pm

**Mr Lee Dillon** (Newbury) (LD): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for Upper Bann (Carla Lockhart) on

securing this important debate. Farmers are the very foundation of rural communities the length and breadth of the country. They put food on our tables, steward our countryside and sustain rural communities. Farming is more than a profession; it is part of Britain's identity and, as the hon. Member said when opening the debate, something that is worth protecting.

I have the privilege of representing many farmers in my Newbury constituency, who are vital to our local community and our way of life. Farming is a uniquely slow-moving industry, heavily influenced by seasonal uncertainties. In such an unpredictable landscape, scaling up operations becomes essential for achieving profitability. Yet, despite those mounting pressures, successive Governments have failed to support our farmers. I am sure that Labour Members—

**Sarah Smith:** Will the hon. Gentleman give way?

**Mr Dillon:** I will not give way.

I am sure that Labour Members never expected to vote for small farms to close or to be swallowed up by large landowners, but that is what will happen as a result of this policy. In 2022-23, the Conservatives underspent the promised funding to farmers by £227 million and failed to adjust England's farming budget to keep pace with inflation. Labour's manifesto made no mention of the agricultural budget, signalling from the outset that this Government do not prioritise protecting our farming industry.

The changes to agricultural taxation in the recent Budget represent yet another blow, threatening the future of small-scale farms and rural communities across the country. While I understand the challenges that the Government face due to the black hole left by the previous Government, they do not excuse the recent decisions to impose such harsh tax burdens on vital industries.

The Government claim that only 27% of farms will be affected by the changes. That equates to 55 farms in Newbury, similar to the number for my hon. Friend the Member for Chichester (Jess Brown-Fuller), but that figure is based on His Majesty's Revenue and Customs data from 2021-22 and risks significantly under-representing the true impact. The NFU warns that, in reality, around 75% of commercial family farms will exceed the £1 million threshold, making them subject to this tax change. The Liberal Democrats are deeply concerned that this will impact family-run farms, pricing out young farmers from the industry, as well as other rural businesses that rely on the farming economy.

Additionally, over the last week, the Government abruptly paused the capital grant scheme, a crucial resource for funding sustainable farming projects. It is vital to allow farmers to carry on their work, which is essential to public safety, including managing floodwater and storing slurry safely. It is incredibly concerning that the Government have decided to freeze that scheme without warning, and even more concerning given that the Government have made cuts to the basic payment scheme on the basis of expanding environmental grants to farmers. On top of those cuts, farmers have seen their input costs rise sharply in recent years, yet the price they get for their produce at the farm gate has fallen.

I too recently met with farmers in my constituency; during that meeting, one farmer shared that he has worked his land for many years and was looking forward to this year's being the first ever where he was able to make a profit. He calculated that, effectively, his hourly wage as a farmer is just £6.22 an hour—half the national minimum wage. Another farmer shared that only 15p of every £1 spent on agricultural products actually goes back to farmers, which highlights the tight margins in which they operate. According to Riverford Organic Farmers, 61% of farmers in the United Kingdom fear that they could be out of business in the next 18 months as a result of this Labour Government's proposal.

Farmers are at the forefront of protecting our natural environment, but it is extremely important that we provide them with the support they need to ensure that they can continue their work. We look to the future of farming; it is vital that the Government do not make the same mistakes as their predecessors and undervalue rural communities.

In conclusion, I urge the Government to raise the farming budget by £1 billion, as outlined in the Lib Dem manifesto, to renegotiate those trade agreements to protect British farmers and to strengthen the Groceries Code Adjudicator to ensure that farmers can keep farming in fair circumstances. It is essential to our country—it is vital—that we protect farmers at all costs. The Government's proposed changes threaten the future of farming and place undue pressure on this critical industry.

I am proud to represent so many hard-working farmers in Newbury. I, and my Liberal Democrat colleagues, will continue to fight tirelessly to ensure their survival and success for generations to come.

**Sir Roger Gale (in the Chair):** I call Dr Neil Hudson for the Opposition. You have five minutes.

5.34 pm

**Dr Neil Hudson (Epping Forest) (Con):** Thank you, Sir Roger. It is a privilege to serve under your chairmanship. I commend the hon. Member for Upper Bann (Carla Lockhart) for securing this important, forward-looking debate, and for highlighting the challenges facing our farming communities—not least their mental health.

In Parliament today, we have had the biosecurity debate in this Chamber, which I spoke in, the family farm tax debate that has just concluded, and this current debate. Three debates related to farming in one day show how important these issues are to this House, to our constituents and to the farmers who feed us and look after our precious environment.

**Perran Moon (Camborne and Redruth) (Lab):** Will the shadow Minister give way?

**Dr Hudson:** I will not give way, I am afraid.

Hon. Members will all be aware of the ongoing situation with bluetongue virus, avian influenza, bovine TB and other diseases, of threats from outside the UK, from African swine fever to foot and mouth disease, and of the challenges that they pose to our livestock farmers, our economy and our national security. As I said this morning in this Chamber, biosecurity is national security. While I note that the Government have chosen



[Dr Hudson]

to allocate £208 million for the transformation of the Animal and Plant Health Agency HQ in Weybridge, I urge the Minister to make representations to the Treasury to ensure that that HQ is funded in full. In 2020, the previous Government rightly committed £1.2 billion to start that off, but now we need the further full £1.4 billion to complete that critical national security measure.

It is vital that we also make use of new technologies to further build our national resilience against livestock disease, and to protect human, animal and plant health. The Genetic Technology (Precision Breeding) Act 2023, brought in by the Conservative Government, will help with that, in terms of disease resistance in plants and animals, and climate-resilient crop development. Likewise, wider innovation in machinery, horticulture, farming practices and sustainability are all positive processes.

The elephant in the room today is family farm tax, and we cannot have a debate in which we do not include it.

**Sarah Smith:** Will the hon. Gentleman give way?

**Dr Hudson:** I am not going to give way, I am afraid. That tax hits at the heart of future thinking in farming, taking aim at the bond between farming parents and their sons and daughters, and punishing farming families who have worked their land for generations for acting in the best interest of their children and grandchildren, and of our country by looking after our environment and feeding our nation.

What possible incentive can there be for sustainable, thoughtful farming or for improving the productivity of a field, flock or herd when, after a farmer has passed, the farm will have to be broken up to pay that unfair inheritance tax?

There have also been, as we have heard today, worrying developments in the Government's approach to capital grants. Those vital lifelines, which make possible the wider environmental objectives of the environmental land management schemes, have for some bizarre reason been suspended by the Labour Government, with no warning or phase-in period. Farmers want to be able to deliver food for our country in an environmentally friendly way, but that will only be possible if the Government of the day, of whatever political colour, is prepared to support them on that journey. The slashing of those grants is another hugely damaging development in relation to future impact on our farmers, which is what we are considering in this debate.

We must clear away the dark clouds of the ill-judged, short-sighted Labour Budget, in particular the heartless family farm tax, which will damage food security, hollow out rural communities and deeply impact the mental health of the people living and working in those sectors. The Government must start listening now. They must reverse this awful tax, and we must help our farmers to see some sunlight on the horizon.

In conclusion, biosecurity is national security. Food security is national security. The Government must start listening and actually look after the communities that nurture those critical factors for our country. I urge them to consider what they are doing and to do the right thing.

5.38 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mary Creagh):** It is a pleasure to serve under your very crisp chairmanship, Sir Roger. I pay tribute to all hon. and right hon. Members for whittling down what must have been very long speeches into very short, but none the less well-received and well-delivered, speeches.

I thank the hon. Member for Upper Bann (Carla Lockhart), not just for securing this debate but for her work representing her party here in Westminster as a spokesperson on environment, food and rural affairs. She well knows that agriculture is a devolved issue, but we are committed to working closely with devolved Governments as we work to support British farmers and boost the nation's food security. My colleague Baroness Hayman is in Northern Ireland tomorrow, meeting with large food producers, the Ulster Farmers' Union and Northern Ireland's Agriculture Minister.

As the granddaughter of a Fermanagh beef farmer, I too have farming in my blood. The Minister for Food Security and Rural Affairs, my hon. Friend the Member for Cambridge (Daniel Zeichner), has many talents, but he has not yet acquired the skills of cloning himself, so I am here as a pale substitute for him today.

I thank all Members for the comments they have raised. We will never forget that farmers are the beating heart of our great country, and farming and food security is the foundation of a healthy and resilient economy, local community and environment. It is the hard work of our country's farmers that puts food on the table and stewards our beautiful countryside, which is why, despite the difficult fiscal situation, we are maintaining the total level of Government support to farmers across the UK. For the devolved Governments we are removing the ringfence to respect the devolution settlement, and we are providing the same level of funding in 2025-26 as they are receiving in 2024-25. In England, we have committed £5 billion to the farming budget over two years, including more money than ever for sustainable food production. That enables us to keep momentum on the path to a resilient and more sustainable farming sector.

Environmental land management schemes will remain at the centre of our offer to farmers and nature in England, receiving £1.8 billion in the financial year 2025-26. What is more, we have announced that we will rapidly release £60 million through the farming recovery fund, which will support farmers, including those on family farms, affected by the unprecedented extreme wet weather last winter. Roughly 13,000 farm businesses, including family farms, will receive an exceptional one-off payment to help with severe flooding.

The Government are also investing £208 million to protect the nation from disease outbreaks that threaten the farming industry, our food security and, crucially, human health. All of that is part of the Government's new deal for farmers. On a UK-wide level, we are working to cut red tape at our borders and get British food exports moving again—protecting farmers from being undercut by shoddy trade deals done by the previous Government. We will lower energy bills for farmers by switching on GB Energy, and introduce grid reform to allow them to plug their renewable energy into the national grid.

We will use Government purchasing power to back British produce so that half of our food in hospitals, Army bases and prisons is locally produced and all certified to high environmental standards. We will introduce a land use framework that balances long-term food security with nature recovery. Critically, we will introduce the first ever cross-Government rural crime strategy to crackdown on antisocial behaviour, fly tipping and GPS theft—a subject on which I have spent many happy hours in the Chamber.

I will address the agricultural property relief changes head-on. There has been a huge range of figures and analysis quoted on all sides. The Treasury's figures show that 500 estates a year will be affected. That is based on the hard data of actual claims, a figure that is endorsed by the independent Office for Budget Responsibility. It includes the impact of APR, business property relief, nil-rated inheritance allowances, and other capital allowance. The Government have engaged and will continue to engage with the NFU, the CLA, the Tenant Farmers Association, MPs and other stakeholders on the issue. The reforms will not be introduced until April 2026, so there is still time for farmers to plan for the changes and get professional advice on succession planning.

**Jim Shannon:** My hon. Friend the Member for Upper Bann (Carla Lockhart) and I have both contacted the Ulster Farmers Union in Northern Ireland. We have spoken to John McLenaghan, the legal officer, who told us clearly that 65% of farmers in Northern Ireland will be impacted. With great respect, when I hear his legal opinion and the opinion that the Minister has just referred to, there is a chasm of difference. Somebody is telling porkies—I do not know who it is.

**Mary Creagh:** With any fiscal change, we look at the previous year's figures to see what the impact will be. I am not going to get into the analysis around the figures—I want to make some progress. Those figures have been verified by our independent fiscal authority, the OBR.

We know that the current-use rules have been used by wealthy landowners to avoid inheritance tax, and currently the largest estates pay a lower inheritance tax than smaller estates. That is not fair or sustainable.

**Perran Moon:** Does the Minister agree that it falls to this Government, following the abject failure and economic incompetence of the previous Government, to deal with the rampant speculative acquisition of farmland by closing the tax loophole that has been exploited for too long, and that if the Conservatives really cared about

the future of farming, there would be more than one Conservative MP here, with the exception of the shadow Minister and the Chair?

**Mary Creagh:** I thank my hon. Friend for that intervention, which sets out why the Government are better targeting tax reliefs: to make them fairer and to protect the smallest family farms. We believe that that is a fair and balanced approach that safeguards small family farms, while also fixing the public services that farming families rely on. Those families will be able to pass the family farm down to their children just as previous generations have always done.

I will quickly make a couple of other points. The hon. Member for Upper Bann mentioned Bovaer, the feed additive. We know that agriculture is one of our largest emitting sectors, and we consider that methane-suppressing feed products are an essential tool in the decarbonisation of the agricultural sector. Bovaer was approved by the Food Standards Agency in April 2024 for use in the UK as a feed additive. The authorisation process assessed evidence about animal health, consumer health and environmental safety, and the evidence that was provided to demonstrate the methane reduction efficacy of the product. Bovaer is fully metabolised by the cow and is not present in milk or meat, so there is no consumer exposure to it. I hope that reassures her about Bovaer.

I will also discuss the carbon border adjustment mechanism, which was mentioned by the hon. Member for Chichester (Jess Brown-Fuller). Its introduction, including on imports of specific fertiliser products, was announced by the previous Government in December 2023, but it will not come into force until 2027. It is intended to address carbon leakage, which is the movement of production and emissions from one country to another due to different levels of decarbonisation effort. About 70% of UK agrifood imports come from the EU, and fertiliser used by EU farmers will have already faced a carbon price. Many non-EU imports cannot be produced in the UK, so the Treasury expects that the impact on UK farmers will be modest and that there will be no material impact on food prices.

On capital grants, we have seen an unprecedented demand, and we will continue to process the applications that have already been received and accept new applications for woodland tree health grants. Capital grant plans and management plans are important to help Countryside Stewardship Higher Tier arrangements, protection and—

5.48 pm

*Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).*





# Written Statements

Wednesday 4 December 2024

## EDUCATION

### SEND Capital Funding

**The Parliamentary Under-Secretary of State for Education (Stephen Morgan):** Today I am announcing £740 million of capital investment in 2025-26 to support children and young people with special educational needs and disabilities (SEND) or who require alternative provision (AP). This is alongside the previously announced additional high needs revenue funding, which will increase by almost £1 billion in 2025-26, compared with 2024-25.

This new funding can be used to adapt classrooms to be more accessible for children with SEND, to create specialist facilities within mainstream schools that can deliver more intensive support adapted to suit the pupils' needs, and create special schools places for pupils with the most complex needs.

Today's funding announcement is part of the broader £6.7 billion capital settlement for 2025-26 so that we can deliver this Government's mission to break down barriers to opportunity and give every child the best start in life. Ensuring schools have the high-quality and sustainable buildings they need is a key part of that.

Allocations of this funding to local authorities are expected to be published by the end of March.

We have also confirmed that we will not enter into any more safety valve agreements for councils in financial deficits, pending wider reform of the whole system to prioritise early intervention, properly supporting councils to bring their finances under control. Over time, over 30 local authorities have been supported to manage their high needs budgets through the safety valve programme. We will continue to work with LAs with safety valve agreements to deliver their plans.

[HCWS282]

## HOME DEPARTMENT

### eVisas

**The Parliamentary Under-Secretary of State for the Home Department (Seema Malhotra):** The Home Office is developing a border and immigration system that is more digital and streamlined. E-visas—which over 6 million people have been successfully using for several years—are a key part of this transformation and will enhance people's experience and increase the immigration system's security and efficiency. We understand that the move away from physical documents represents a change and that this will be a significant adjustment for many. For this reason, e-visas have been, and continue to be, rolled out incrementally and with support available to help customers use the e-visa and online services. The majority of biometric residence permit cards are due to expire on 31 December 2024 and customers are being supported to move to e-visas. We welcome feedback on how we can improve our services and continue to support customers through the roll-out.

### Benefits of e-visas

It is important to recognise that there are significant benefits from e-visas. Creating a UK visas and immigration account is free and straightforward, and it does not change or remove a customer's underlying immigration status. For example, if someone has leave to remain until September 2025 but their biometric residence card expires on 31 December 2024, their leave until September 2025 is unaffected. E-visas are secure and cannot be lost, stolen or tampered with, unlike a physical document. They can be accessed anywhere and in real time.

Using their UK Visas and Immigration account, customers can share relevant information about their status securely with third parties, such as employers, landlords, travel operators or private service providers. Customers will also benefit from the secure automated access that Government Departments and partners, including the Department for Work and Pensions, the NHS, Border Force and carriers, will have to their immigration status, streamlining processes and access to key services.

An e-visa is like an electronic version of a BRP and is used to view and prove status, for example to work or to rent a home. The e-visa is created by the Home Office for each customer accurately to reflect their immigration status, in line with their physical document. The e-visa is then accessed by the customer setting up a UKVI account with their own log-in—a process which has been shown to be very straightforward in the vast majority of cases.

New statistics we are publishing today have shown that over 3.1 million people, mostly with BRPs, have successfully made the transition to e-visas from March to November this year. There are still a proportion of customers who have not yet signed up, and we would strongly encourage them to do so. We also encourage all parents or carers to create accounts for their children.

This account creation process has been more difficult for a small proportion of customers, for example where they have lost their BRP and have no other form of identity document. We have already made changes to improve the process for these customers, including creating UKVI accounts automatically for newly recognised refugees since 1 November. But we remain concerned that some of the risks of the roll-out, particularly for those making the transition from BRPs and legacy documents, were not clearly identified and managed under the previous Administration, and we have been consulting stakeholders on other issues raised by them, along with the wider concern that this change could lead to another Windrush. For these reasons, we have been working intensively since the summer to understand the challenges being experienced, to listen and respond to the issues raised, and to adjust the roll-out plans accordingly.

That is why today I am updating the House on changes we have made to the roll-out to address some of the areas of concern, and on how we will continue to engage with stakeholders and communities through the transition.

### Legacy document holders

We have streamlined the process for legacy document holders making the transition to e-visas. The updated "no time limit" application process was further streamlined in October, building on enhancements delivered to the

old version of the form in September, and addressing concerns about the evidential burden placed on applicants. This new form, which went live at the end of October, also creates a UKVI account as part of the process, removing the need for NTL customers to take the additional step to create their account and access their e-visa. Any customers who continue to have to use the old process because they have no valid ID document will have an account created manually for them by caseworkers. This is a big step forward in smoothing the journey for legacy document holders.

Those holders of legacy documents (such as passports containing ink stamps or a vignette sticker) will still be able to prove their rights as they do today, where their legacy documents currently permit them to do so, including the right to rent or to travel to the UK. It should be noted that stamps in expired passports have not been acceptable to prove the right to work since 2014. The position for legacy document holders does not change at the end of the year, but we encourage them to transition to e-visas by making a NTL application, to access the significant benefits that e-visas bring to customers. More information on this process is available at:

<https://www.gov.uk/guidance/online-immigration-status-evisa>

#### *Working with carriers*

The Home Office has developed technology to enable carriers to check immigration status automatically via systems checks. Over the course of the last three years, the Home Office has engaged extensively with carriers about the roll-out of ETA and e-visas to travel, to ensure they are fully prepared for the coming changes. This engagement has included direct communications with carriers on an individual basis, regular carrier forums, and direct training sessions for carrier staff. As we get closer to the end of the year, we have enhanced our engagement with airlines to ensure their understanding of e-visas and automated checking of status. We are training staff across the world on the options available to them to check immigration permissions, including use of direct digital checks, the online view-and-prove service, and the 24/7 carrier support hub, which they can contact to confirm a passenger's immigration status where necessary.

We are committed to delivering an approach which enables people to demonstrate their status and access the services in the simplest and most secure way possible. We will continue engaging extensively with our stakeholders to ensure that there is a strong understanding of all changes to our border and legal migration system, and a clear messaging campaign to spread public awareness about our move to e-visas.

#### *Extending use of expiring BRPs*

While we encourage all BRP holders to switch to using their e-visa via their UKVI account before their BRP expires, if a customer has not created a UKVI account by 1 January 2025 and their BRP has expired, they will be able to do so quickly and easily next year, using their expired BRP if needed.

However, we have also listened to concerns about the risk to customers who are travelling after 31 December, where their underlying status has not expired. In order to smooth the transition to e-visas, we have decided to allow carriers to accept a BRP or EU settlement scheme BRC expiring on or after 31 December 2024 as valid evidence of permission to travel until at least 31 March,

and this date will be kept under review. Customers travelling in the early part of the year are therefore advised to continue carrying their expired BRP, as this will add to the range of checking options already available to carriers.

While this will not affect the way that Border Force conducts its passenger checks, it will provide confidence and reassurance to travellers that they will not face unnecessary delays when proving their travel status with airlines and other carriers, and it reflects our strong desire to act on the concerns that have been raised with us and ensure a smooth transition with minimal disruption for travellers at a busy time of the year.

#### *Increasing support for vulnerable people*

We have a number of support services in place to help vulnerable customers to transition to e-visas. There are several national grant-funded bodies and community-based organisations spread across the UK ready to offer immediate, free and specialist support for vulnerable individuals in their transition to an e-visa throughout the rest of 2024 and beyond. Further information about the four national grant-funded organisations and the support that they can provide is available here:

<https://www.gov.uk/government/publications/evisa-community-support-for-vulnerable-people>

Customers can contact the resolution centre, which provides support via email and webchat to those creating their UKVI account, and telephone support to those using the online immigration status services. Individuals can also nominate a helper and give them limited access to their account, so that they can assist with creating a UKVI account, with completing details to access an e-visa, and with submitting any immigration application. Where a person is unable to manage their own affairs due to, for example, age or disability, a proxy, who is authorised, can create and manage the account on behalf of the person.

We recognise that some customers may need further assistance with IT-related aspects of creating a UKVI account. Assisted Digital (in-country only) is a free service provided by UKVI to support digitally excluded customers in creating a UKVI account. More information is available here:

<https://www.gov.uk/assisted-digital-help-online-applications>

#### *Printed documents*

Successful visa applicants receive written confirmation by email or letter that they have been granted permission, which they can keep for their personal records. Where this document cannot be used as evidence of their status, these printed documents can be used when interacting with the Home Office, should any subsequent issues be encountered with their e-visa. Customers may also wish to print out their e-visa profile page, if they would like a physical version for their own records.

We have been recording immigration status information digitally since the turn of the century, and if someone encounters an issue with their e-visa, we can search those records to find their information and confirm their status. BRP holders are also able to retain their expired BRPs for their own records, and legacy document holders who make the switch to an e-visa will also still have their physical documents as evidence of their immigration status.

Customers can continue to use the online right to work and rent services, which have been used by millions of people for over two years to prove their rights. This includes using an expired BRP to access these services, provided the person has valid immigration status.

#### *Technical issues*

We have designed our digital services to be highly resilient, rigorously tested, and deployed across multiple data centres. Services are proactively monitored for failures, which will highlight any potential problems to allow support teams to resolve them as quickly as possible where they occur. We recognise that a small number of customers have experienced issues with their e-visas, which we are working hard to address. This includes a customer's status not being visible or showing incorrectly.

We encourage any users experiencing issues to contact the Home Office to enable these to be investigated and resolved. Where necessary, the resolution centre can enable individuals' status to be verified through alternative means. Customers can contact the resolution centre using an online webchat service or by phone.

#### *Windrush*

We are conscious of the lessons learned from Wendy Williams's extensive review on the Windrush scandal. This Government are committed to ensuring that all customers, including the most vulnerable, are properly supported as we transform our immigration system. We understand that individuals may have concerns about proving their status in the absence of a physical document.

Many Windrush individuals had an immigration status that was automatically conferred on them by an Act of Parliament, so in some cases they had no physical proof. The transition to e-visas is in part designed to address that situation by ensuring that everyone with a right to stay in the UK has an e-visa which provides secure and permanent evidence of their status, as well as giving them access to online services which enable them to share evidence of their immigration status with third parties, such as an employer or a landlord.

We hope that these announcements demonstrate how seriously this Government take the need to ensure that everyone has a smooth transition to e-visas, and that any potential problems are anticipated in advance, as far as we are able to, or dealt with as quickly and smoothly as possible where not. Above all, we recognise the concerns that people have raised with us, and the issues that have needed to be resolved, and we are both taking action to address them, and committing to maintaining an ongoing dialogue with all customers and stakeholders to continue that process in the weeks to come. A copy of the e-visa partner pack will be placed in the Libraries of both Houses.

[HCWS283]

## **TRANSPORT**

### **Passenger Railway Services: Public Ownership**

**The Secretary of State for Transport (Heidi Alexander):** The Passenger Railway Services (Public Ownership) Bill received Royal Assent on 28 November 2024, putting on the statute book this important piece of legislation—one of the first Government Bills to be enacted in this

Parliament. The Act enables the Government to deliver their manifesto commitment to bring passenger services into public ownership as a first step towards wider rail reform.

Following Royal Assent being granted, I am today launching the programme to transition passenger rail services currently operated by privately owned operators into public ownership and confirming that services currently operated by South Western Railway and c2c will be the first to transfer into public ownership when their National Rail contracts expire on 2 May 2025 and 20 July 2025 respectively. The Government are also announcing that, in line with our approach of transferring services as existing contracts expire, Greater Anglia's services will be next to transfer in autumn 2025. The Government will issue an expiry notice to Greater Anglia in due course to confirm the exact transfer date.

I am determined that these will be smooth transitions for passengers and staff. Passengers who use South Western Railway, c2c and Greater Anglia's services can be reassured that trains will continue to run as normal, tickets can be purchased and used in the same way. Tickets bought before the transfer date for travel after that date will continue to be valid.

Safety will be a priority throughout the programme of transitioning passenger services into public ownership and the Department for Transport will work closely with the Office of Rail and Road, the independent regulator for the railways, in this regard. As with any transition, and in line with normal industry practices, appropriate licences, safety certificates and system must be in place before services transfer.

I recognise and value the dedication and expertise of our rail workforce, and the Government will wish to retain the committed and talented staff that keep the railways running for passengers. We will work closely with each operator to ensure that further information is shared directly with staff and trade unions at the appropriate time. The TUPE regulations will apply in the same way as they have done in previous transfers, protecting employees' contractual terms and conditions as they transfer.

Following Greater Anglia, the programme will continue with the transfer of one operator's services roughly every three months. We expect these to follow the order in which operators' current contractual minimum terms expire, unless a TOC defaults on its contract to the extent that there is a contractual right to terminate, in which case it will transfer as soon as reasonably practicable, or other extenuating circumstances arise.

I will be monitoring very closely the performance of all existing train operators who run services under contract to the Department and, as the Government made clear during the passage of the Bill, we will not hesitate to take decisive action where an operator's poor performance means that contractual conditions for early termination of a National Rail contract are met.

The changes made by the Passenger Railway Services (Public Ownership) Act 2024 make appointing a publicly owned operator the default rather than a last resort. Therefore, I am also announcing that, from today, the organisation responsible for managing the public sector operators will be changing its name to DfT Operator Ltd. I look forward to working collaboratively with them as these transfers into public ownership begin and as the work of shadow GBR continues.



Improving our railways will take time, but this is a crucial first step towards fundamental rail reform. Challenges remain in a system that is fragmented, complicated and provides little accountability. In the coming months we will set out more detail about how,

through the establishment of Great British Railways, we will reform our railways to modernise working practices, make tickets simpler and fairer, deliver a better service for passengers and a better deal for taxpayers.

[HCWS281]

# Written Corrections

Wednesday 4 December 2024

## Ministerial Corrections

### HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

#### Topical Questions

*The following extract is from Topical Questions on 2 December 2024.*

**Tessa Munt** (Wells and Mendip Hills) (LD): Non-qualifying leaseholder status gets slapped on a property in perpetuity long after the required safety works are completed. That status means that it is almost impossible to acquire a mortgage—solicitors advise very strongly that purchasers steer clear of such properties, which are very often flats—and the status is inherited by successive owners in perpetuity. Has the Minister considered what this status does for the housing crisis?

**Alex Norris:** I completely understand the challenge. Drawing a line between qualifying and non-qualifying leaseholders—between people who own a property and therefore suffer from things that have been beyond their control, and landlords that are businesses and therefore have multiple assets—will always be a difficult job. At the edge, where the boundary between qualifying and non-qualifying becomes blurred, there are some difficult cases. As a new Government, we are committed to working with people to understand better how we can go forward on that. As for the substantive point on where the liability should lie, it is about finding the right balance between those who built the building and those who live in it.

[*Official Report*, 2 December 2024; Vol. 758, c. 24.]

*Written correction submitted by the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for Nottingham North and Kimberley (Alex Norris):*

**Alex Norris:** I completely understand the challenge. Drawing a line between qualifying and non-qualifying leaseholders—between people who own a property and therefore suffer from things that have been beyond their control, and landlords that are businesses and therefore have multiple assets—will always be a difficult job. At the edge, where the boundary between qualifying and non-qualifying becomes blurred, there are some difficult cases. As a new Government, we are committed to working with people to understand better how we can go forward on that. As for the substantive point on

where the liability should lie, it is about finding the right balance between **those who have financial interests in a building** and those who live in it.

## LEADER OF THE HOUSE

### Business of the House

*The following extract is from the Business Statement on 21 November 2024.*

**Greg Smith:**... Will the Leader of the House get the Chancellor to come to the Dispatch Box, so that we can have an informed debate about the actual impact the family farm tax will have on the constituents of all Members of the House, including her own Back Benchers who represent rural seats? Her colleagues can then decide whether they stand with their party or with the farmers.

**Lucy Powell:** We are absolutely clear and the figures are absolutely clear, because they are based on actual claims for agricultural property relief that have been made in recent years. Those figures show that around three quarters of claims would be unaffected by the changes we have made. Does the Conservative party accept the principle that 40% of the total value of agricultural property relief comes from ownership of the top 7% of claims by land value? Do Conservative Members think that is a fair system? Is that fair to young farmers trying to get into the industry? Do they support the additional £6 billion we have put into farming as a result of the Budget? They cannot support the funding going in if they do not support the measures needed to raise that investment in the first place.

[*Official Report*, 21 November 2024; Vol. 757, c. 400.]

*Written correction submitted by the Leader of the House of Commons, the right hon. Member for Manchester Central (Lucy Powell):*

**Lucy Powell:** We are absolutely clear and the figures are absolutely clear, because they are based on actual claims for agricultural property relief that have been made in recent years. Those figures show that around three quarters of claims would be unaffected by the changes we have made. Does the Conservative party accept the principle that 40% of the total value of agricultural property relief comes from ownership of the top 7% of claims by land value? Do Conservative Members think that is a fair system? Is that fair to young farmers trying to get into the industry? Do they support the additional **£5 billion** we have put into farming as a result of the Budget? They cannot support the funding going in if they do not support the measures needed to raise that investment in the first place.





# ORAL ANSWERS

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**not later than  
Wednesday 11 December 2024**

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