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HOUSE OF COMMONS OFFICIAL REPORT

PARLIAMENTARY DEBATES

(HANSARD)

Monday 16 December 2024

HIS MAJESTY'S GOVERNMENT

MEMBERS OF THE CABINET

(FORMED BY THE RT HON. SIR KEIR STARMER KCB, KC, MP, JULY 2024)

PRIME MINISTER, FIRST LORD OF THE TREASURY, MINISTER FOR THE CIVIL SERVICE AND MINISTER FOR THE UNION—The Rt Hon. Sir Keir Starmer KCB, KC, MP

Deputy Prime Minister, and Secretary of State for Housing, Communities and Local Government— The Rt Hon. Angela Rayner, MP

CHANCELLOR OF THE EXCHEQUER—The Rt Hon. Rachel Reeves, MP

Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations— The Rt Hon. Pat McFadden, MP

SECRETARY OF STATE FOR FOREIGN, COMMONWEALTH AND DEVELOPMENT AFFAIRS—The Rt Hon. David Lammy, MP

SECRETARY OF STATE FOR THE HOME DEPARTMENT—The Rt Hon. Yvette Cooper, MP

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LORD CHANCELLOR AND SECRETARY OF STATE FOR JUSTICE—The Rt Hon, Shabana Mahmood, MP

SECRETARY OF STATE FOR HEALTH AND SOCIAL CARE—The Rt Hon. Wes Streeting, MP

SECRETARY OF STATE FOR EDUCATION, AND MINISTER FOR WOMEN AND EQUALITIES—The Rt Hon. Bridget Phillipson, MP

SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO—The Rt Hon. Ed Miliband, MP

SECRETARY OF STATE FOR WORK AND PENSIONS—The Rt Hon. Liz Kendall, MP

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SECRETARY OF STATE FOR TRANSPORT—The Rt Hon. Heidi Alexander, MP

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SECRETARY OF STATE FOR WALES—The Rt Hon. Jo Stevens, MP

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LORD PRIVY SEAL AND LEADER OF THE HOUSE OF LORDS—The Rt Hon. Baroness Smith of Basildon

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Sarah Jones, MP (Minister for Industry) §

Baroness Gustafsson OBE (Minister for Investment) §

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Justin Madders, MP

Baroness Jones of Whitchurch §

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The Rt Hon. Pat McFadden, MP

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Abena Oppong-Asare, MP

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Baroness Twycross §

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Al Carns OBE MC, MP (Minister for Veterans and People)

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Catherine McKinnell, MP (Minister for School Standards)

The Rt Hon. Sir Stephen Timms, MP (Minister for Social Security and Disability) §

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Janet Daby, MP

Seema Malhotra, MP (Minister for Equalities) §

Dame Nia Griffith DBE, MP (Minister for Equalities) §

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The Rt Hon. Lord Hunt of Kings Heath OBE (Minister for Energy Security and Net Zero)

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Michael Shanks, MP

Miatta Fahnbulleh, MP

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Lord Collins of Highbury §

Mr Hamish Falconer, MP

Baroness Chapman of Darlington

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Stephen Kinnock, MP (Minister for Care)

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Baroness Merron

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Dame Angela Eagle DBE, MP (Minister for Border Security and Asylum)

The Rt Hon. Dame Diana Johnson DBE, MP (Minister for Policing, Fire and Crime Prevention)

The Rt Hon. Lord Hanson of Flint

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Seema Malhotra, MP §

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Alex Norris, MP

Baroness Taylor of Stevenage §

Lord Khan of Burnley

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MINISTERS OF STATE—

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Sarah Sackman, KC, MP

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Lord Ponsonby of Shulbrede §

Sir Nicholas Dakin, MP §

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LORD PRESIDENT OF THE COUNCIL AND LEADER OF THE HOUSE OF COMMONS—The Rt Hon. Lucy Powell, MP

Leader of the House of Lords-

LORD PRIVY SEAL AND LEADER OF THE HOUSE OF LORDS—The Rt Hon. Baroness Smith of Basildon

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Sir Chris Bryant, MP (Minister for Data Protection and Telecoms) §

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Baroness Jones of Whitchurch §

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PARLIAMENTARY UNDER-SECRETARY OF STATE—Kirsty McNeill, MP

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SECRETARY OF STATE—The Rt Hon. Heidi Alexander, MP

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Lilian Greenwood, MP

Mike Kane, MP

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FINANCIAL SECRETARY—Lord Livermore

EXCHEQUER SECRETARY—James Murray, MP

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Emma Reynolds, MP §

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Jeff Smith, MP

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Taiwo Owatemi, MP

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Gen Kitchen, MP

Keir Mather, MP

Gerald Jones, MP

Anna McMorrin, MP

Martin McCluskey, MP

Kate Dearden, MP

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Wales Office —

SECRETARY OF STATE—The Rt Hon. Jo Stevens, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—Dame Nia Griffith DBE, MP §

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Alison McGovern, MP (Minister for Employment)

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Andrew Western, MP

Emma Reynolds, MP §

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MASTER OF THE HORSE—Lord De Mauley

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COMPTROLLER—Chris Elmore, MP

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Lord Collins of Highbury §

Lord Ponsonby of Shulbrede §

Lord Leong CBE

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Baroness Jones of Whitchurch §

Baroness Anderson of Stoke-on-Trent

Baroness Twycross §

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Representing the House of Commons Commission—Nick Smith, MP

REPRESENTING THE RESTORATION AND RENEWAL CLIENT BOARD—Nick Smith, MP



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HEAD OF FINANCIAL PERFORMANCE AND VALUE—Jack Dent

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Head of Portfolio Management—Abiola Babalola

Head of Business Change—Gavin Woods

Head of Project Delivery Centre of Excellence and Profession—Algy Ayson

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Data and Analysis Lead—Sara Elliot

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TEAM ADMINISTRATOR—Poonam Shah

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Speaker's Counsel—Saira Salimi

Counsel—Daniel Denman (Joint Head of Select Committee Legal Advisers), Helen Emes (Deputy Speaker's Counsel), Justin Leslie (Domestic Legislation), Indira Rao MBE (Joint Head of Select Committee Legal Advisers)

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DIRECTOR OF STRATEGIC BUSINESS RESILIENCE—John Owen

Communications Office—

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DEPUTY DIRECTOR OF MEDIA RELATIONS—Alasdair Rendall

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DIRECTOR OF PRODUCTS—Nikola Spicer

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SENIOR FINANCE BUSINESS PARTNER—Gbenga Samuel

HEAD OF COMMUNICATIONS—Rachel Christopher

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DEPUTY DIRECTOR MAINTENANCE OPERATIONS—Andrew Doherty

DEPUTY DIRECTOR MAINTENANCE PROJECTS—Adnan Al-Ammaren

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Engineering Operations Manager—James May

BUILDING SERVICES AND CEREMONIAL WORKS MANAGER—Dave Eyre MBE

SENIOR CONTRACTS MANAGER—Enrique Vallano

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HEAD OF HR SHARED SERVICES—Deborah Macaly

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HEAD OF EMPLOYEE RELATIONS—Liam Cole

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND [WHICH OPENED 9 JULY 2024]

THIRD YEAR OF THE REIGN OF HIS MAJESTY KING CHARLES III

SIXTH SERIES VOLUME 759

EIGHTH VOLUME OF SESSION 2024-2025

House of Commons

Monday 16 December 2024

The House met at half-past Two o'clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Budget 2024: Unemployment

1. **Dr Neil Shastri-Hurst** (Solihull West and Shirley) (Con): What assessment she has made of the potential impact of the Autumn Budget 2024 on levels of unemployment. [901800]

The Minister for Employment (Alison McGovern): The Budget made the choices needed to fix the foundations of our economy. Taking those into account, the Office for Budget Responsibility forecasts that unemployment will fall to 4.1% next year and remain low until 2029. We are taking action to support jobs and growth, and to transform employment support to get Britain working.

Dr Shastri-Hurst: Will the Minister answer a simple question: since the Budget, have unemployment rates gone up or down?

Alison McGovern: I have just given the OBR's assessment. It is worth noting that there are still a significant number of vacancies in the economy. We are determined that the Department for Work and Pensions will be reformed to serve employers better, so that they can fill those vacancies.

Deirdre Costigan (Ealing Southall) (Lab): Many disabled people in Ealing Southall are unnecessarily unemployed purely and simply because their employer refuses to respond to their request for the reasonable adjustments that they need to do their job. Will the Minister consider strengthening the right to reasonable adjustments, so that workers receive a response within a specified number of weeks, in line with the recommendations in the groundbreaking disability employment charter?

Alison McGovern: I thank my hon. Friend for her important question. I know she met my colleague the Minister for Social Security and Disability recently, and I am sure that their conversations were productive on this important point.

Jerome Mayhew (Broadland and Fakenham) (Con): I recognise what was behind the increase in the national minimum wage for 18 to 21-year-olds, but I have been surprised by the reaction of businesses in my constituency. Those businesses have told me, in terms, that they will reduce the number of 18 to 21-year-olds they employ, because there is a higher failure rate associated with their employment, as they are new to the workforce, yet employing them will cost the same as employing those who are older. Does the Minister recognise that issue, and what will she do about it?

Alison McGovern: Anybody who sees that, in the British economy, there are nearly 1 million young people out of work or training—not doing anything—would say that is a dreadful legacy left by the previous Administration. That is why the youth guarantee is at the heart of our "Get Britain Working" plan.

Mr Speaker: Order. Before I call Dr Jeevun Sandher, may I offer him my congratulations on his engagement?

Dr Jeevun Sandher (Loughborough) (Lab): That is incredibly kind of you, Mr Speaker.

Young non-graduates are finding it far harder to get good, well-paid jobs. The number of young people not in education, employment or training has nearly doubled since 2013, and youth unemployment is at its highest rate in almost a decade because young people are not getting the skills they need. On top of that, they are becoming far sicker; one in three young people currently has a mental health problem, and that figure is rising. What are the Government and the Department doing to give young people the skills and the health support that they need to get good, well-paying jobs?

Alison McGovern: That question demonstrates the quality analysis I would expect from recently engaged economists on the Labour Benches. The Minister for Skills and I have been working closely on the youth guarantee, because we know that it is only by colleges and jobcentres working in hand in hand that we will get young people the skills that they need to succeed.

Mr Speaker: I call the shadow Secretary of State.

Helen Whately (Faversham and Mid Kent) (Con): In the run-up to the election, Labour clearly committed to an employment rate target of 80%, but in the past few weeks I have noticed a shift in language from "target" to "ambition". Will the Minister clear this up for us: are the Government still committed to the 80% employment target, or will that be another broken Labour promise?

Alison McGovern: I make no apologies for having ambition for people in our labour market. The figure was always an ambition, because Labour Members want our jobcentres to shift away from pointless admin towards real ambition for everybody who steps through the door.

Helen Whately: I think we all heard that loud and clear: Labour has ditched its employment target. That is already another broken Labour promise. However, I feel for the Minister. How can she be expected to boost employment when her Chancellor is busy taxing jobs and then shrinking the economy? The Government have destroyed business confidence, have put up taxes on jobs, and are piling red tape on employers. Which of those measures will help her to deliver that employment "ambition"?

Alison McGovern: I have brought forward proposals to get Britain working, together with the Secretary of State for Work and Pensions, the Secretary of State for Education, and Secretaries of State right across Government. That is how we will plot a course towards our ambition of an 80% employment rate. I thank the shadow Secretary of State for being kind enough to refer to our "Get Britain Working" plans as

"rearranging the deckchairs on the Titanic".

It was very brave of her to acknowledge that the last Government's legacy for us was a sinking ship.

"Get Britain Working" White Paper

2. **Kanishka Narayan** (Vale of Glamorgan) (Lab): What recent estimate she has made of the number of people who will be supported into work through the proposals outlined in the "Get Britain Working" White Paper. [901801]

The Secretary of State for Work and Pensions (Liz Kendall): Our ambition is an 80% employment rate over a decade of national renewal. We will get Britain working by creating a new jobs and careers service in our overhaul of jobcentres. We will bring forward a new youth guarantee, so that every young person is earning or learning, and will give local areas the power to join up work, health and skills support to help the 2.8 million people who are out of work due to long-term health conditions.

Kanishka Narayan: I thank my right hon. Friend for her response, not least given the dire inheritance from the previous Government: the worst performance of an employment rate in the G7 since the pandemic. I see that inheritance in my community, in Barry in the Vale of Glamorgan, where individuals carry not the indulgence, and not the offence, but the misfortune of ill health. What is the Secretary of State doing to tackle economic inactivity, so that we give hope again, not just to those individuals, but to my community?

Liz Kendall: In the Vale of Glamorgan, the economic inactivity rate is almost one in four people. That is higher than the rate for Wales as a whole, and certainly higher than the UK average. From spring next year, we will launch eight trailblazers to support more people with long-term health conditions into work, including in Wales. That is backed by £125 million of additional funding. We will design the programme jointly with the Welsh Government, and we aim to launch it in the spring. We are determined to boost jobs and growth in every corner of this great country.

Jess Brown-Fuller (Chichester) (LD): Fedcap, a national organisation, is running a scheme to get economically inactive people to become the next generation of solar panel engineers. More such schemes will be necessary to plug the skills gap that developers report, especially if the Government are to meet their ambitious housing target. Will the Secretary of State commit to continued funding for schemes that are delivered by such organisations via jobcentres?

Liz Kendall: I congratulate organisations such as the one that the hon. Lady mentions for their brilliant work, not only to keep energy costs down but to support people into work. I will work closely with the Minister for energy consumers, and others in the Department for Energy Security and Net Zero, to support those organisations, including through jobcentres. More jobs and lower bills are key to improving people's living standards.

Ms Polly Billington (East Thanet) (Lab): In communities like mine in East Thanet, there is above-average youth unemployment. It is important to be reassured that the "Get Britain Working" White Paper will be designed to help young people, particularly in coastal communities like mine, where we need a year-round economy, and support and activity to get young people into work.

Liz Kendall: My hon. Friend is exactly right: we have to deliver better jobs in every part of the country, including coastal communities like hers. We need to give young people the skills that they need, and job opportunities, so that they can build a better life. I look forward to working with her as we deliver our youth guarantee and "Get Britain Working" plans.

Sir Ashley Fox (Bridgwater) (Con): Can the Secretary of State confirm whether she will maintain strong sanctions against those who are capable of working but choose not to?

Liz Kendall: If you can work, you must work, and if you repeatedly refuse to, sanctions will remain, but I know from young people in my constituency that they are desperate to get the skills and opportunities that they need. Unlike the Conservative party, that is what our youth guarantee will deliver.

Mr Speaker: I call the shadow Minister.

Danny Kruger (East Wiltshire) (Con): It is good to hear Front-Benchers being so positive about their White Paper, much of which we are pretty familiar with. Let us look through some of the measures. The integration of employment and health support—we were doing that when we were in government. It was called WorkWell. My hon. Friend the Member for Faversham and Mid Kent (Helen Whately) led on it. What is the youth guarantee that we have been hearing about? According to the White Paper, it

"brings together a range of existing entitlements".

It is a very familiar set of policies. The fact is that the Government's White Paper is just a rehash of existing support, and a bit of money with no strings attached. There is, however, one thing that the last Government were doing that this Government are not: strengthening the conditionality for benefits. The Secretary of State says that she will continue the existing sanctions, but what new measures will she introduce to ensure that people who can work will work?

Liz Kendall: I am not sure where to start. If the Conservatives' programmes were so successful, why do we have a record 2.8 million people out of work due to long-term health problems, and 1 million young people not in education, employment or training? I love the 15 WorkWell pilots, but we want to join up health, work and skills support in every corner of the country, not just a few places.

There will be a different approach for young people under our youth guarantee. There will be the opportunities people need, but also a requirement to take them up, not only for those on unemployment benefit, but for those young people who can work but are out of work due to a health condition. That is the difference a Labour Government make: there is work for those who can, and proper opportunities.

Danny Kruger: I applaud that soundbite, but we did not hear about any new measures that will be introduced, or any additional sanctions that we need. The right hon. Member talks about what the last Government were doing. We were reforming the work capability assessment. The Office for Budget Responsibility said that our reforms would have seen 400,000 fewer people on long-term sickness benefits, saving £5.4 billion over this Parliament. The Labour Government have paused that work while they hold a review. They have had 14 years. I do not know what they were doing to plan for government—not very much, it looks like. [Interruption.] They had all that time. What were they doing? I do not know where their plans are. The Chancellor is counting the savings

to the welfare budget that our party would have delivered. Will the Minister commit to implementing the reforms, and if not, how will she make the savings that she is counting on?

Liz Kendall: The hon. Member is laughing at his own chutzpah. I am happy to talk about the past 14 years, but the work capability assessment is not working. It needs to be reformed or replaced. That is what we said in our manifesto, and we will bring forward our proposals in a Green Paper in the spring. That has to be part of a bigger programme to help people with long-term health conditions and disabilities into work. That is what our "Get Britain Working" White Paper does, and I am happy to discuss it with him more in future.

Mr Speaker: I call the Liberal Democrat spokesperson.

Steve Darling (Torbay) (LD): I hope the Secretary of State will join me in congratulating Chris McCausland and Dianne Buswell on their victory on "Strictly" this weekend. In the light of that victory, how does she plan to make the Access to Work scheme more fit for purpose, so that it can help more people with disabilities reach their full potential?

Liz Kendall: I absolutely join in the hon. Gentleman's comments. It was a great joy to see that victory at the weekend. We want to see Access to Work working better. We want to get the backlogs down, and for that support to be available to more people.

Labour Members believe that disabled people have the same rights as anyone else to work, socialise and take part in life. That is what we are determined to achieve, not just through the Department for Work and Pensions, but through every part of Government. The hon. Gentleman will know that we recently announced lead Ministers for disability in every Department. That shows how important we take this issue to be.

Inflation: Pensioner Living Standards

3. **Susan Murray** (Mid Dunbartonshire) (LD): What assessment she has made of the potential impact of trends in inflation on pensioners' living standards.

[901802]

The Parliamentary Under-Secretary of State for Work and Pensions (Emma Reynolds): Due to the Government's steadfast commitment to the triple lock, pensioners will see an above-inflation increase of 4.1% in their state pension next year, which means that they will be up to £470 better off—and, over the course of this Parliament, over £1,900 better off.

Susan Murray: I thank the Minister for the insight. In Mid Dunbartonshire, nearly a quarter of my constituents are of pension age. Many have placed their hard-earned income into private schemes, yet despite their financial planning, they face the harsh reality that inflation is outstripping the modest yearly increase to their pension, eroding the value of their lifetime of saving. What steps will she take to prevent the erosion in value of private pensions, and to mitigate the problem of the growth in the value of pension funds not being passed on to pension holders?

Emma Reynolds: The Chancellor launched a landmark pensions review in July, which I am leading. It has two objectives: to boost returns for future pensioners, so that when they save into private pensions, they get better returns, the likes of which we see in Australia and Canada; and to boost investment in the UK economy.

Neil Duncan-Jordan (Poole) (Lab): The poorest pensioners in our society are those who are eligible for pension credit but do not claim it, and those who are just a few pounds above the threshold and miss out on passported support. Means-testing, by its very nature, is simply not the best way to get help to those who need it most, so will the Minister reconsider the recent decision to means-test the winter fuel allowance?

Emma Reynolds: We will not reconsider that decision, because as a result of the £22 billion black hole that we inherited from the Conservative party, we have had to take tough decisions in a very tight fiscal environment. However, my hon. Friend has given me the opportunity to remind people that they have until Saturday to make a pension credit claim, which can be backdated and will passport them to winter fuel payments and other related benefits.

Mr Speaker: I call Chris Murray.

Chris Murray (Edinburgh East and Musselburgh) (Lab): Edinburgh is a booming and—oh, sorry.

Mr Speaker: Question 4.

"Get Britain Working" White Paper: Employers

4. **Chris Murray** (Edinburgh East and Musselburgh) (Lab): What assessment she has made of the potential impact of the "Get Britain Working" White Paper on employers and businesses. [901803]

The Minister for Employment (Alison McGovern): We have all been there, Mr Speaker. Businesses are crying out for staff, yet only one in six employers uses jobcentres. Our "Get Britain Working" White Paper will revolutionise employment support to give employers the workforce they need. The support will include a new jobs and career service, designed around employers' needs. We are also launching an independent review of the role of employers in promoting healthy and inclusive workforces.

Chris Murray: Some of us are still getting our heads around our new jobs, Mr Speaker. Edinburgh is a booming economy that has all the raw materials to thrive in the years ahead—especially because we have some of the growth industries that the Government have identified as being key to the future of the economy. However, businesses in my constituency are crying out for workers with the skills that they need. What are the Government doing to ensure that the workforce has the skills that businesses need?

Alison McGovern: My hon. Friend describes exactly why we need a local tailored service: so that all employers can properly engage with jobcentres and work together to find the skilled members of staff that they need. I agree with him that Edinburgh offers so many opportunities

to our young people. I know that all my DWP colleagues in Edinburgh will work with him to get business the skilled staff that they need.

Jim Allister (North Antrim) (TUV): E-commerce is a growing part of our economy. Will the Minister spare a thought for small-scale employers in my constituency and throughout Northern Ireland, who. since Friday, have seen their supply chain clobbered by the imposition on Northern Ireland of the EU's general product safety regulations? Because of the extra paperwork and the need to pay an agent in Northern Ireland, many suppliers in Great Britain are now refusing to sell to Northern Ireland. Will this Government ever take steps to reintegrate Northern Ireland into the internal market—

Mr Speaker: Order. We have to shorten questions a little, so that I can get others in.

Alison McGovern: I am not entirely sure that the issues the hon. and learned Gentleman raises are completely within my responsibilities. However, DWP colleagues in Northern Ireland work closely with business, and I am sure that they will continue to do so, whatever the prevailing economic circumstances.

Universal Credit

5. **Antonia Bance** (Tipton and Wednesbury) (Lab): What plans she has to review universal credit. [901804]

The Minister for Social Security and Disability (Sir Stephen Timms): We are committed to reviewing universal credit to ensure that it is doing the job that we need it to. We have started by announcing the fair repayment rate in the Budget, and we will keep Parliament updated.

Antonia Bance: Twenty-seven per cent of working-age people in Tipton, Wednesbury and Coseley rely on universal credit. I welcome the fair repayment rate announced in the Budget, but a major reason for benefit debt is the design flaw in universal credit, which means that claimants must wait five weeks for their first payment. Will the Minister confirm that the five-week wait will be considered in the review of universal credit?

Sir Stephen Timms: I can assure my hon. Friend that advances of up to 100% of potential universal credit entitlements are available urgently during the first assessment period of a claim, but she is right to raise concerns about the five-week wait. I commend to her the excellent report on this subject published by the Work and Pensions Committee in the last Parliament. The point she has raised is definitely one that we need to consider.

Wendy Chamberlain (North East Fife) (LD): Some of the farmers who work so hard to put food on our tables find it difficult to put food on the table themselves, and need additional Government support. That used to happen via tax credits, but the transition to universal credit has been hugely challenging for farmers, given the seasonal nature of their work. Will the Minister meet me to hear some of their concerns, so that we can incorporate those concerns into the Government's review?

9

Sir Stephen Timms: We are watching very carefully the progress of migration from tax credits to universal credit, which will be complete in the early part of next year, but I would be very happy to meet the hon. Lady and discuss some of the difficulties she is seeing.

Poverty Reduction

6. **David Taylor** (Hemel Hempstead) (Lab): What steps she is taking to help reduce levels of poverty.

[901805]

The Minister for Employment (Alison McGovern): More people in good jobs is the foundation of our approach to tackling poverty. That is why we have set out the biggest reforms to employment support in a generation, on top of extending the household support fund, introducing a fair repayment rate for universal credit, and the extensive work of the child poverty taskforce.

David Taylor: In my constituency of Hemel Hempstead, according to figures given to me by the local charity DENS, there has been a 1,000% increase in the number of people needing to use food banks over the past 10 years. Meanwhile, another institution, the Hemel Hempstead community fridge, sees queues an hour before it opens, in scenes akin to something out of Soviet Russia. Does the Minister agree that there are few more shameful examples of the last Government's record on poverty? [Interruption.] I cannot quite hear the mutterings of Conservative Members, Mr Speaker—I think the word they were looking for was "sorry". Will the Minister also outline further steps that we can take to reduce the need for food banks to exist at all?

Alison McGovern: The statistics my hon. Friend has read out are, I am sorry to say, consistent with those of the Trussell Trust, which distributed 61,000 emergency food parcels in 2010. Last year, the figure was 3.1 million. That is not acceptable, which is why we have committed to tripling investment in breakfast clubs to over £30 million and—as I have said—introduce our fair repayment rate for deductions from universal credit, because if a person is out of debt, they are out of danger. We are increasing the national living wage to £12.21 an hour from next April, which will boost the pay of 3 million workers. That is also why the child poverty taskforce is working very hard.

Ellie Chowns (North Herefordshire) (Green): Benefits such as pension credit and disability living allowance are important in assisting people to stay out of poverty, but delays in processing applications push people into poverty. One constituent of mine is an 82-year-old gentleman who has spent more than 16 weeks waiting for his application to be processed, and another is the mother of a disabled child who has waited more than 18 weeks and is now being told that it will take an extra 25 weeks for a mandatory reconsideration. What steps is the Minister taking to reduce delays in processing applications for pension credit and other state support, in order to help lift households out of poverty?

Alison McGovern: I thank the hon. Lady for the question that she rightly puts to this House. We have increased the number of staff working on pension credit by over 500, and are working very quickly to deal with those backlogs and delays. As she says, we need to get through those backlogs.

Jobcentres: Outreach

7. **Mr Lee Dillon** (Newbury) (LD): Whether she has made an assessment of the potential merits of jobcentres launching outreach initiatives in local communities.

The Parliamentary Under-Secretary of State for Work and Pensions (Andrew Western): Jobcentres work with a range of external providers to offer a wealth of outreach support. In Berkshire, this includes work coach support for customers with complex needs delivered by Reading college, outreach delivered by the Slough homelessness team and at Windsor Homeless Project locations, and employment support delivered by the probation hub in Reading. Outreach work is something that we not only strongly support, but actively encourage.

Mr Dillon: The Minister has named a number of projects in Berkshire, none of which falls within my constituency of Newbury. Would he welcome community interest companies such as Lambourn Junction hosting jobcentres in their facilities to make sure that people in rural constituencies such as mine have access to a jobcentre, rather than having to travel into the main town centre for that support?

Andrew Western: I would very much welcome such an initiative being brought forward in the hon. Member's constituency of Newbury. He may also be pleased to know that there is the potential for a youth hub to open in Newbury, similar to that in Oxford, which was grant funded and is already in operation.

Pensions Auto-enrolment: Lower Earners

8. **Rebecca Long Bailey** (Salford) (Ind): What assessment she has made of the adequacy of levels of pension contributions for auto-enrolled pensions for lower earners.

The Parliamentary Under-Secretary of State for Work and Pensions (Emma Reynolds): Due to the introduction of auto-enrolment, which is at least one policy that has cross-party support—it was legislated for by the last Labour Government and was taken forward by the coalition Government—there has been a 92% increase in the number of employees saving into a workplace pension scheme since 2012, which is over 10 million people saving for a pension who were not saving previously.

Rebecca Long Bailey: The Minister will be aware that around 10% of people automatically enrolled into workplace pension schemes choose to opt out, often due to low pay and cost of living pressures, leaving them losing out not only on building up their contributions, but on the top-ups of their employers. Would the Minister consider a simple tweak and allow employer contributions, which would have been due in any event, to continue in such opt-out circumstances?

Emma Reynolds: I thank my hon. Friend for that question, which is indeed an interesting idea. It is one that was put forward recently by the Institute for Fiscal Studies, and I will consider it. In the pension schemes Bill, which we will introduce next year, low earners with multiple small pots will have those pots consolidated, so that the money works better for them and gives them a better retirement in the future.

Jim Shannon (Strangford) (DUP): I thank the Minister very much for her answers. Both parties—the one now in opposition, and the one in government—have always encouraged people to buy pension contributions in every way they can. However, the fact is that for many people who are low earners, it is not possible to have a pension scheme and at the same time to live, given the age we are in and the cost of living. What can the Minister do to encourage people to do so in a way that does not impact on the money they have coming in?

Emma Reynolds: I thank the hon. Member for that question. A number of ideas have been put forward by think-tanks and research institutes. One such idea is a sidecar savings account, which could be used for a pension, but could also have some money set aside for a rainy day should somebody fall into debt. We are considering that. He raises a very important question, because some of those on low incomes sometimes cannot afford to put in those contributions, but there may be a way between opting out and remaining in the scheme, and we are looking at that.

Refugees: Employment

9. **Tim Farron** (Westmorland and Lonsdale) (LD): What steps her Department is taking to support people newly recognised as refugees into work. [901808]

The Parliamentary Under-Secretary of State for Work and Pensions (Andrew Western): Once people are granted refugee status, they have immediate access to DWP employment support and services. Work coaches work with refugee customers to understand their individual employment needs and provide tailored support, as appropriate, including with CV writing, interview preparedness and help securing work experience. Those who require more intensive support can be referred to DWP employment programmes or other contracted provision.

Tim Farron: The Government are seeking to clear the very unacceptable backlog—the huge backlog—of asylum applications they inherited from the previous Government. As a result, we are already beginning to see an increase in the number of newly recognised refugees, who rightly now have the right to work and to contribute here. Can the Minister say a bit more about the strategic planning and cross-departmental work that is happening on providing tailored support—he talked about tailored support, but the existing scheme of course comes to an end in June—so that refugees who have every right to be here have the ability to take a job, pay taxes and contribute here?

Andrew Western: The hon. Member is entirely correct to recognise the important role of refugees in contributing to our economy. There is a range of tailored support available with things such as language support and, as I mentioned earlier, with CV writing and interview preparedness, but there is also support with ensuring that their qualifications earned elsewhere are transferable to this country. I would of course be very happy to meet him to discuss further the support that could be put in place as we look, as he says, to clear the asylum backlogs. We are in constant communication with the Home Office and other Departments to ensure that there is a holistic approach in doing so.

Parental Leave: Pay and Allowances

10. **Munira Wilson** (Twickenham) (LD): What discussions she has had with Cabinet colleagues on the adequacy of levels of maternity and paternity pay and allowances.

[901809]

The Parliamentary Under-Secretary of State for Work and Pensions (Andrew Western): The Government keep the rates of parental pay under review. Following the Secretary of State's announcement in a written ministerial statement to Parliament on 30 October, and subject to parliamentary approval, parental pay will increase in line with the consumer prices index at the rate of 1.7% from April 2025.

Munira Wilson: At less than half the rate of a full-time national minimum wage, maternity and paternity pay is so low that most parents simply cannot live on it, and they are often forced into debt, or forced back to work sooner than they would like. A poll of fathers found that two-thirds of them would take more leave if paternity pay were higher. If we want to give families choice in how they care for their children in those precious early months, will the Minister discuss with colleagues in the Treasury and the Department for Business and Trade how we can boost rates of maternity and paternity pay?

Andrew Western: I understand the point that the hon. Lady is making, but requests for a significant uplifting of benefits come with a price tag and I heard no suggestions as to how that would be paid for. On support for parents, the Government committed in their manifesto to review parental leave to ensure that it best supports working families. Further details of that review will be announced in due course.

Alistair Strathern (Hitchin) (Lab): Recent damning statistics highlighted that just 2% of parents made use of shared parental leave in the past year, with uptake skewed towards the highest earners. Given the importance of breaking down barriers to equal parenting for employment, will the Minister ensure that he works with the Department for Business and Trade as part of the upcoming review to ensure that enhanced parental leave is considered, including strengthening paternity leave entitlements?

Andrew Western: My hon. Friend is correct to highlight not just the importance and benefits of shared parental leave, but the disparity between those who make use of it. I will, of course, maintain dialogue with the Department for Business and Trade as we go through that review, but I would also welcome a discussion with my hon. Friend about his ambitions and ideas for how we could take that forward.

Universal Credit

11. **Bobby Dean** (Carshalton and Wallington) (LD): What assessment she has made of the adequacy of the rates of universal credit. [901810]

The Minister for Social Security and Disability (Sir Stephen Timms): No assessment along the lines that the hon. Gentleman asks about has been made. Benefit rates are reviewed each year, increasing by 6.7% last April and by 1.7% from next April, in line with inflation.

Bobby Dean: I thank the Minister for his answer, but I would like to focus on the age differential in the rates. He will be aware that people under 25 receive a different rate of universal credit. The Government announced that they will try to abolish the age differential for the national living wage. If it could also be abolished for universal credit, that would be really good for young care leavers. Will the Minister look at potentially phasing out the age differential in universal credit?

Sir Stephen Timms: The hon. Gentleman makes an interesting suggestion. That is not something I am considering at the moment, but as he will have heard me say earlier, we will be reviewing universal credit over the course of the next year or so. We certainly want to support young care leavers—he will know of the recent announcement that we made about changes to carer's allowance—and we are keeping all those matters under review.

Youth Guarantee

- 12. Chris Vince (Harlow) (Lab/Co-op): What assessment she has made of the potential impact of the youth guarantee on young people in Harlow constituency.
- 23. Catherine Atkinson (Derby North) (Lab): What assessment she has made of the potential impact of the youth guarantee on young people in Derby North constituency. [901823]

The Secretary of State for Work and Pensions (Liz Kendall): Our new youth guarantee will ensure that every young person is earning or learning, tackling the scandal that we inherited of almost 1 million young people not in education, employment or training. Young people in Harlow, Derby North and across the country deserve the opportunity to work, get skills and build a better life, and that is what this Labour Government will deliver.

Chris Vince: In my constituency of Harlow, lots of fantastic organisations provide transferable skills for young people, and I thank the right hon. Member for Basildon and Billericay (Mr Holden) for reminding me of the name Jason Shaves, who is an incredible champion for that kind of work. Does the Secretary of State agree that giving local areas such as Harlow the flexibility, power and funding to engage with young people in the way that best works for them will get them back into employment quicker?

Liz Kendall: I absolutely agree with my hon. Friend. That is why we are going to give new powers, responsibilities and funding to local areas to deliver our youth guarantee. They know their communities best. They know the voluntary organisations, schools, training providers and businesses, and the mental health and other support that many young people need. In Harlow, I know that that approach will be key to giving young people the opportunities that my hon. Friend wants and that they deserve.

Catherine Atkinson: Mel was out of work and homeless, but YMCA Derbyshire saw only her potential, not her disadvantage. Now, she is at Toyota and on track for a leadership role. Its working assets programme has a 70% success rate in supporting homeless young people into employment. How will the youth guarantee help the Government join up with, enhance and champion local programmes like that?

Liz Kendall: That sounds like a fantastic programme by the YMCA in my hon. Friend's constituency. That is precisely why we need to join up with what local colleges are doing, with the support provided by local councils and with supported employment programmes run by the NHS. If we join that up and base it on local needs, her young constituent and many others like her will get the chance they need and deserve to build a better life.

Ill Health and Disability Benefits

13. **Jack Rankin** (Windsor) (Con): What steps she is taking to reform the health and disability benefits system.

The Minister for Social Security and Disability (Sir Stephen Timms): We want to reform the system to do a much better job in helping people to enter and stay in work. We will publish a Green Paper next spring and we will be discussing our proposals with disabled people.

Jack Rankin: To protect those in need and to deliver for taxpayers, we need to take tough decisions. Reforming health and disability benefits will require Ministers to make difficult choices, but so far the plans rely on reducing NHS waiting lists, which the Office for Budget Responsibility has said will have hardly any effect on economic activity. Are Ministers willing to make unpopular decisions to solve this issue and, if so, when?

Sir Stephen Timms: I can assure the hon. Gentleman that we will make the right decisions, and they will be set out in our Green Paper in the spring. There is a need to reform the health and disability benefits system—there is no question about that—and we want to talk to disabled people themselves about the details, in order to make sure that we get it right.

"Get Britain Working" White Paper: Long-term Health Conditions

14. Liam Conlon (Beckenham and Penge) (Lab): What assessment she has made of the potential impact of the "Get Britain Working" White Paper on people with a long-term health condition or disability.

The Secretary of State for Work and Pensions (Liz Kendall): Disabled people and people with long-term health conditions deserve the same rights as everybody else, including the right to work. Many of the 2.8 million people out of work due to long-term sickness say that they want to work, if they can get the right help and support. That is what our "Get Britain Working" plan will deliver.

Liam Conlon: A core objective of the "Get Britain Working" White Paper is to support disabled people into employment. As the Secretary of State knows, the blue badge scheme is an important provision in enabling people to get to work, but data released this month shows a sharp rise in blue badge theft, with badges

16

being sold on by criminals for upwards of £500 to people who use them to avoid parking charges. Will the Minister back my campaign to tackle this injustice?

Liz Kendall: Yes, I think it is disgusting that some people think it is all right to steal the blue badges that so many disabled people rely on to work, but also to socialise and to see family and friends. I know that the Minister for Future of Roads, my hon. Friend the Member for Nottingham South (Lilian Greenwood), who is responsible for this issue, is a strong supporter of the campaign by my hon. Friend the Member for Beckenham and Penge (Liam Conlon). I will contact her to stress my support and that of my entire Department.

Josh Babarinde (Eastbourne) (LD): The "Get Britain Working" White Paper rightly says that

"people deserve the opportunity to thrive and that sports, arts and culture are crucial to achieving this goal",

especially for those with disabilities. The Sovereign centre in Eastbourne, where I learned to swim, provides vital sports and leisure opportunities that will help serve that aim. With the future of two of its pools being considered, does the Minister agree that to best honour the aims of the White Paper, Eastbourne borough council should engage with all interested providers who may be able to protect our fun and training pools at the centre before making any final decisions on the next steps?

Mr Speaker: Order. I am not sure that was a relevant question, as well as the hon. Member shoehorned it in. Secretary of State, do you want to answer? It is up to you.

Liz Kendall: I believe that sport, as well as art and culture, can play a huge role in engaging and inspiring people, helping them on the pathway to skills, confidence and jobs. I want to see that provision enhanced in future, because we are determined to have that at the national partnership level, and it needs to happen locally, too, to get people working and earning again.

Low-paid Work

15. Connor Naismith (Crewe and Nantwich) (Lab): What steps she is taking with Cabinet colleagues to help reduce the number of people in low-paid work. [901814]

The Secretary of State for Work and Pensions (Liz Kendall): Our plan to get Britain working is crucial to tackling low pay and increasing living standards in every corner of the country. When only one in six people ever fully escape low pay, the Labour party believes that is not good enough, so our new jobs and careers service, backed by £55 million of additional funding next year, will kick-start our reforms to help more people get work and get on in their work so that they boost their living standards, too.

Connor Naismith: Average wages in my constituency of Crewe and Nantwich—a place with a proud industrial heritage—lag behind the regional and national averages at just £686 a week before tax. Will the Secretary of State outline how the "Get Britain Working" White Paper will support growth as well as high-skilled, well-paid jobs in my constituency, not just the biggest cities?

Liz Kendall: The Government share my hon. Friend's determination to boost the living standards of his constituents, so the "Get Britain Working" White Paper will ensure that every local area-including in his constituency—produces its own get Britain working plan. Alongside our industrial strategy, our plan to make work pay, the national wealth fund and Skills England, that will help people to get work and progress in their careers, with good opportunities for employment right across the country.

Winter Fuel Payment: Pensioner Poverty

16. Mr Richard Holden (Basildon and Billericay) (Con): What assessment she has made of the potential impact of means- testing the winter fuel payment on levels of pensioner poverty.

The Parliamentary Under-Secretary of State for Work and Pensions (Emma Reynolds): Under the last Conservative Government, an estimated 880,000 of the poorest pensioners eligible for pension credit were not claiming it. We have launched the biggest ever pension credit awareness campaign and written to 120,000 pensioners on housing benefit, urging them to apply. As a result, claims for pension credit have more than doubled, and those who receive pension credit will also receive winter fuel payments and other related benefits.

Mr Holden: Before the last general election, the Labour party suggested that removal of the winter fuel payment would mean an extra 4,000 pensioners a year dying, freezing in poverty. How many will die under the Government's policy this year?

Emma Reynolds: The Government remain absolutely committed to supporting low-income pensioners. We are supporting them through the household support fund, which local authorities can use to help people on the lowest incomes with their bills. The Minister for Energy Consumers, my hon. Friend the Member for Peckham (Miatta Fahnbulleh), has also raised £500 million from energy suppliers to help those most vulnerable consumers in debt. We also have the warm home discount and the warm homes plan to help those on low incomes to heat their homes.

Euan Stainbank (Falkirk) (Lab): Under the Conservatives, billions in pension credit went unclaimed. The burden for driving up claims often lies in fantastic organisations such as Christians Against Poverty, the Falkirk and Clackmannanshire Carers Centre and Citizens Advice Falkirk and Denny, as well as the brilliant Falkirk council welfare benefits team in my constituency. What assurance can the Minister give me that beyond 21 December her Department will work tirelessly to prevent billions in benefits from being left unclaimed?

Emma Reynolds: Indeed, we have taken forward the biggest awareness campaign for claiming pension credit that has ever been seen. We are determined that those on the lowest incomes should claim pension credit and be awarded it, which will passport them to winter fuel payments and other related benefits.

Kirsty Blackman (Aberdeen North) (SNP): The Scottish Government are bringing back the winter fuel payment because we are aware what an awful disaster this has been for the Labour Government. People are terrified

18

to switch on their heating. Will the Minister please explain to pensioners living in poverty circumstances but not eligible for pension credit what they should do this winter? Should they just wear an extra blanket?

Emma Reynolds: The Scottish Government have been given a record settlement in the recent Budget. As the hon. Member knows, winter fuel payments and other benefits are devolved to the Scottish Government.

Rachael Maskell (York Central) (Lab/Co-op): I thank the residents of York for donating to my thermals collection on Saturday, but I know that older people in the city of York will really struggle this winter. Will the Minister say how many people across the country have signed up to pension credit since July and what additional steps will be taken to ensure that those who miss the 21 December deadline will still be able to get support to keep warm this winter?

Emma Reynolds: Claims have more than doubled—they have increased by 145% since late July—and we are working at pace to process those claims. We have deployed an additional 500 staff to ensure that those on the lowest incomes get the pension credit that they need.

Topical Questions

T1. [901824] **Alison Griffiths** (Bognor Regis and Littlehampton) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Work and Pensions (Liz Kendall): As a lifelong champion of family carers, dealing with the problem of carer's allowance overpayments is a priority for me and for my right hon. Friend the Minister for Social Security and Disability. Last week we set out the next steps in our independent review led by Liz Sayce, the former chief executive of Disability Rights UK. It will report by the summer and will look at how and why overpayments were built up, the changes we can make for the future and how best to help those affected. Along with the biggest ever cash boost to the earnings threshold for carer's allowance announced in the Budget, it shows our determination to give family carers the support they need and deserve.

Alison Griffiths: In Bognor Regis and Littlehampton more than 23,000 people have lost their winter fuel allowance—more than 90% of former claimants. Does the Secretary of State think that it is fair that someone who has paid tax all their working life will now be taxed on their state pension as well as losing their winter fuel allowance?

Liz Kendall: The hon. Lady talked about the winter fuel payment, but she failed to mention our determination to ensure that the 880,000 pensioners who do not claim pension credit, but are eligible, claim it so that they can get their winter fuel payment. The £4.9 million allocated from the household support fund to West Sussex, which covers her constituency, can be used precisely for those pensioners just above the pension credit threshold who have worked hard all their lives but need extra support with the cost of heating.

T5. [901829] **Tom Rutland** (East Worthing and Shoreham) (Lab): I welcome the review into the overpayment of carer's allowance, which will come as a huge relief to many people in East Worthing and Shoreham. Can the Minister confirm that the Department will do everything it can to prevent family carers unnecessarily getting into debt?

The Minister for Social Security and Disability (Sir Stephen Timms): Yes, I can confirm that. We place a very high value on the contribution of family carers. As my right hon. Friend the Secretary of State said, the Budget announcement on the carer's allowance earning threshold will help avert inadvertent overpayments, and will make an additional 60,000 carers eligible for carer's allowance. We are determined to do everything we can.

Mr Speaker: I call the shadow Secretary of State.

Helen Whately (Faversham and Mid Kent) (Con): How many people who should get the winter fuel payment will get it this winter?

Liz Kendall: We intend to ensure that everybody who is entitled to pension credit, and therefore the winter fuel payment, claims it and gets it. We have seen a 145% increase in claims—far more than was ever achieved under the last Government. If the hon. Lady was so concerned about that, perhaps she should have taken action during her party's 14 years in government.

Helen Whately: Unfortunately, the right hon. Lady simply will not give a straight answer. She will not tell the House what she knows; she knew that the Government's choices would push 100,000 pensioners into poverty and she did not tell the House that, either. Let us try this question instead. The Government's own figures show that pensioners applying now will have to wait until the spring to find out whether they will get winter fuel money. What is her advice to a pensioner sitting in the cold and wondering if they can afford to turn on their heating this Christmas?

Liz Kendall: If the hon. Lady cared so much about pensioners in the cold, why did her Government leave 880,000 not claiming pension credit? Why did they first promise to bring together housing benefit and pension credit in 2011 and never deliver it? This Government are taking action—42,500 more people are receiving pension credit now than when she left government. We are determined to act; perhaps she should apologise for her failure.

T6. [901830] **Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): Many of my more senior constituents are concerned about their finances and winter fuel payments, especially those just above the threshold. In Slough, 1,688 households are currently eligible for pension credit but not claiming this vital benefit, so what steps is the Department taking to increase the uptake and ensure that those who are not eligible are not left out in the cold?

The Parliamentary Under-Secretary of State for Work and Pensions (Emma Reynolds): I place on record my thanks to the 160 local authorities that have worked with the Department for Work and Pensions to raise awareness of applying for pension credit, and also to the various charities around the country that have worked with us.

The number of people claiming pension credit has doubled—a record number—and we are processing those claims at pace.

Mr Speaker: I call the Liberal Democrat spokesperson.

Steve Darling (Torbay) (LD): A report by the National Audit Office last week highlighted how cliff edges in the care allowance system have resulted in 136,000 people owing £250 million. In the light of that, will the Minister ensure that we stop this injustice and stop the demands until a fairer system is introduced?

Sir Stephen Timms: I welcome the NAO report, which I asked for last May, when I was Chair of the Work and Pensions Committee. We are determined to address the problem of carer's allowance overpayments. The cliff edge could be dealt with through the introduction of a taper instead of the current arrangements, as the Chancellor mentioned in her Budget speech in the autumn. If we do that, it will not happen quickly, because it will be quite a major project, but it is something that we are looking at closely.

[901832] Peter Swallow (Bracknell) (Lab): My constituent Gary has seen his real-terms income fall because the pension he built up before 1997 in a definedbenefit scheme is not subject to indexation, even though 80% of defined-benefit schemes are in surplus. Will my right hon. Friend ask the Pensions Regulator to look at this issue?

Emma Reynolds: I thank my hon. Friend for representing the concerns of his constituent. The Department is working closely with the Pensions Regulator. We are looking to gather information on the number of schemes that provide discretionary increases on pre-1997 benefits and those that do not. At the moment, the trustees of those schemes have discretion over the decision to index those benefits.

T2. [901825] **Mr Andrew Snowden** (Fylde) (Con): Over the weekend, James Reed, the chief executive of one of the UK's largest recruiters, said that job vacancies are down 26% compared with the same period last year, which should be a red-light warning that higher unemployment and recession are just around the corner. Will the Secretary of State plead with the Chancellor to reverse the jobs national insurance tax raid that is devastating employment figures before that warning becomes a reality?

The Minister for Employment (Alison McGovern): We still have more than 800,000 vacancies in this economy, and businesses are crying out for staff. That is why, through our reform programme, we are determined that the DWP will serve business better. I look forward to working with Members across the House to make that

T9. [901833] Adam Jogee (Newcastle-under-Lyme) (Lab): On Friday, my constituents Andrew Price and Matthew Whitmore came to my surgery to share their anger and distress at their pensions being stolen by a so-called investment company. They are thousands of pounds out of pocket. Will the Pensions Minister say what protections are in place against this, and will she meet me to discuss how my constituents can get their money back?

Emma Reynolds: There are unfortunately many such cases in which people are preyed on by scammers. I would be happy to meet my hon. Friend to discuss the case further.

T3. [901826] **Sir Desmond Swayne** (New Forest West) (Con): Why did the Office for Budget Responsibility estimate that the Budget would cost 50,000 jobs?

Alison McGovern: I refer the right hon. Gentleman to the OBR report that says that overall, employment will

Douglas McAllister (West Dunbartonshire) (Lab): How does the Secretary of State envision the future of jobcentres in my constituency and across Scotland, and what role will technology play in that?

The Parliamentary Under-Secretary of State for Work and Pensions (Andrew Western): My hon. Friend is absolutely right to highlight that any reform to our jobcentres must come with digital transformation. We are currently exploring schemes such as a "Jobcentre in your pocket" app, as well as looking for ways in which jobseekers can self-serve in terms of meeting the conditions of their conditionality regime.

T4. [901828] Seamus Logan (Aberdeenshire North and Moray East) (SNP): On 4 December, my hon. Friend the Member for Moray West, Nairn and Strathspey (Graham Leadbitter) asked the Prime Minister about the WASPI—Women Against State Pension Inequality Campaign—women, and was told that the Government were working "at pace". Since then, 1,400 or 1,500 more women have died without justice or compensation. Will the Minister tell us what working "at pace" means and give us a timeline?

Emma Reynolds: I was the first Minister for eight years to meet the WASPI campaigners to listen to their concerns. The ombudsman took six years to investigate six cases. We are working at pace on this issue. We hope to come to the House soon—if the hon. Gentleman will listen to my answer—to update him and the public on what we will do next.

Mr Richard Quigley (Isle of Wight West) (Lab): Young people in supported housing, including in my constituency, effectively pay a marginal rate of tax of 55% on their universal credit when they start work, meaning that earnings of just £133 a week see their housing benefit tapered to nil. That means that work does not pay. Will the Minister look at the economic benefits of reducing that taper and increasing the applicable amount, ensuring that work does pay and improving housing security?

Sir Stephen Timms: My hon. Friend raises a very important point. There is a problem in the interaction between the universal credit taper rate and the housing benefit taper for people in supported and temporary accommodation. We are, at the moment, looking at options for how to tackle that quite serious work disincentive problem.

T7. [901831] Mr Paul Kohler (Wimbledon) (LD): This Christmas, over one in four children in this country will be living in poverty. That could be partly addressed by scrapping the two-child benefit cap and paid for simply by reversing the Tory tax cut on the banks. What is more important: hungry children or bankers' bonuses?

Alison McGovern: The hon. Gentleman is right to raise the condition of children living in poverty in this country. That is why, as I mentioned earlier, the child poverty taskforce is doing extensive work on the issue.

Kate Osamor (Edmonton and Winchmore Hill) (Lab/ Co-op): According to the 2022 Migration Observatory report, over 200,000 children are likely to be in families with no recourse to public funds. As the 2022 Work and Pensions Committee report highlighted, those families face particularly tough circumstances without access to benefits. Will the Minister confirm whether the child poverty taskforce is engaging directly with affected families to understand the challenges they face?

Alison McGovern: The child poverty taskforce is considering all children across the UK in all aspects of our child poverty strategy. We recognise the distinct challenges of poverty faced by children in particular groups, such as migrant children, disabled children and others. We are engaging directly with families affected by poverty. We recognise that the causes of child poverty are deep rooted and we will look at all levers to make

Helen Maguire (Epsom and Ewell) (LD): In Epsom and Ewell, local charities such as the Sunnybank Trust are seeing a lack of employment opportunities for people with learning disabilities. In fact, only 6.9% of people with learning disabilities are currently in paid work. What measures is the DWP taking to support employers to help individuals with learning disabilities to get into work?

Sir Stephen Timms: The hon. Member raises a very important point. She will probably be aware of the Buckland review, published before the election, which looks specifically at employment support for people with autism. The Minister for Employment and I met Sir Robert Buckland recently, and we are looking at how we can take forward the ideas he proposed in his report.

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

Debbie Abrahams (Oldham East and Saddleworth) (Lab): A recently published freedom of information request indicates that AI tools used to detect DWP fraud are

biased and disproportionately discriminate against people by age, disability, marital status and nationality. Obviously, that has caused considerable concern. What assurances can the Minister give that the procurement and use of such tools will be covered by strict governance standards, including tests for fairness?

Andrew Western: My hon. Friend will know that we face a significant challenge, with fraud and error costing the Department almost £10 billion a year. It is right that we look to utilise all available tools to tackle it. However, I understand her concerns, although I would remind her that the final decision on whether someone receives a welfare payment is always made by a human. That is the most robust safeguard that we can have in placealthough of course it sits alongside a broader suite.

Aphra Brandreth (Chester South and Eddisbury) (Con): My inspirational constituent, Bells Lewers, has terminal bowel cancer. When she was first undergoing treatment, she was initially turned down for personal independence payment, despite the significant impact on her ability to work and carry out basic daily activities. Has the Minister considered incorporating clinical diagnosis alongside function in eligibility assessments, and will he meet Bells to discuss the assessment process?

Sir Stephen Timms: We do keep the asylum process under review, but I would be happy to look at the details of this particular case and perhaps meet the hon. Lady and her constituent, if that would be helpful.

Sally Jameson (Doncaster Central) (Lab/Co-op): An astonishing £35 billion has been lost to benefit fraud and errors since the pandemic. Will the Minister outline the plans and the timeline for recouping that money?

Andrew Western: My hon. Friend is right to highlight the enormous cost to the Department-upwards of £35 billion—of fraud since the pandemic. She will be pleased to know that the fraud, error and debt Bill is due to come to the House early in the new year. This Government are serious about tackling fraud; it is just a shame that we inherited the mess we did.

United Front Work Department

Mr Speaker: Order. Before I call the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith), I will make a short statement.

The House of Commons respects the jurisdiction of the courts—for example, in our sub judice rule. The sub judice rule applies to all criminal cases, including cases involving espionage, which are currently before courts. It is important that nothing we say should prejudice a fair trial before a jury. The sub judice rule also applies to the majority of civil cases, but it does not apply when a ministerial decision is in question, such as the decision in this case by the Home Secretary to exclude the person known as H6 from the UK on the basis that his exclusion is conducive to the public good on grounds of national security.

I understand that this afternoon the administrative court decided to lift the anonymity order. The Government are responsible to this House, which holds Ministers accountable for what is done on their authority. Although it is important that Members should be able to question Ministers, I remind them of the rule set out in paragraphs 21.20 and 21.23 of "Erskine May" that it is only in order to criticise the conduct of a member of the royal family when debating a substantive motion drawn up in proper terms, which is not the case in this urgent question. I hope that the House now has a feel for the way in which we will debate this subject.

3.37 pm

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con) (*Urgent Question*): To ask the Government if they will make a statement on the extent of the operations of the United Front Work Department within the UK.

The Minister for Security (Dan Jarvis): The first duty of any Government is national security, and we therefore welcome the court's decision to uphold the Home Office's position with regard to the exclusion of H6, who can now be named as Yang Tengbo. The Special Immigration Appeals Commission concluded that there was a "basis for the conclusion" that H6

"had been in a position to generate relationships with prominent UK figures which could be leveraged for political interference purposes by the CCP (including the UFWD) or the Chinese State."

Where there are individuals who pose a threat to our national security, we are absolutely committed to using the full range of powers available to disrupt them. When we encounter foreign interference or espionage, whether it stems from the United Front Work Department or from any other state-linked actor, we will be swift in using all available tools, including prosecutions, exclusions, sanctions and diplomacy, to keep our country safe.

Given the potential for further litigation, it would be inappropriate for me to say any more, but it is important to recognise that this case does not exist in a vacuum. As the director general of MI5 made clear in October, we are in the most complex threat environment that he has ever seen. Alongside the threat from terrorism, we face ongoing efforts by a number of states, including China, Russia and Iran, to harm the UK's security. Our response is among the most robust and sophisticated anywhere in the world.

The National Security Act 2023, which was supported by Members on both sides of the House and which strengthened our powers to protect the UK, is central to our protection against states that seek to conduct hostile acts. To date, six individuals have been charged under the new Act, and the Government have been working hard on the roll-out of a crucial part of it: the foreign influence registration scheme, or FIRS. We will say more about that soon, but we intend to lay regulations in the new year and commence the scheme in the summer.

The Government have also set out our approach to China, which will be consistent and strategic. We will challenge where we must in order to keep our country safe, compete where we need to, and co-operate where we can—for example, on matters such as climate change. That is acting in the national interest, as the Prime Minister reiterated earlier today. However, the threats we face from foreign states are pernicious and complex. The work of our intelligence agencies is unrivalled in mitigating them, and I want to take this opportunity to pay tribute to them for the amazing work that they do to keep our country safe. Today, as ever, they will be pursuing those who wish to do us harm, including those from foreign states. We support our intelligence agencies in their efforts, and we always will—and they will know that at any point when the UK's national security is at risk, we will not hesitate to use every tool at our disposal to keep our country safe.

Mr Speaker: I want to put two things on the record. First, it would have been easier for the Government to come to the House with a statement; obviously, there was more to say than we have allocated time for.

Secondly, I say to Sir Iain: please do not tell the media what you are going to do and how you are going to do it, and do not try to bounce the Chair into making a decision. If anybody else had put in for an urgent question, I would have given it to them—on the basis that I am not dancing to the tune of the media.

It would be helpful if the Government came forward with statements, rather than being dragged to the Dispatch Box. Hopefully, we can all learn from this, and here is a good example of how that will be done: I call Sir Iain Duncan Smith.

Sir Iain Duncan Smith: Mr Speaker, I apologise if that was the case.

Yang Tengbo—H6—was, in fact, not a lone wolf. He was one of some 40,000 members of the United Front Work Department, which, as the Government know, the Intelligence and Security Committee report last year said had penetrated "every sector" of the UK economy, including by spying, stealing intellectual property, influencing, and shaping our institutions. Our agents say they are now frustrated by the lack of action, but they do not seem to have the tools they need to deal with the issue. One of those tools is staring us in the face. Will the Government commit to putting China in the enhanced tier of the foreign influence registration scheme, and will they do it now? There is no need for delay.

The Inter-Parliamentary Alliance on China, or IPAC, found that H6—Yang Tengbo—is already well known as a United Front member, and that he is known to others who are already deep in the political establishment. Parliamentarians are exposed to the United Front on a

26

regular basis. Will the Minister remedy this today, and accept that China is our most prominent security threat and that all action must take priority?

My right hon. Friend the Member for Tonbridge (Tom Tugendhat), who was the previous Security Minister, has said publicly that the Home Office was ready to name China in the enhanced tier of the foreign influence registration scheme, which would have forced United Front members like H6 to register or face serious consequences. Given that doing so is an available option, why have we not done it yet? Is it true, as is being reported by papers, including *The Times*, that behind the scenes the Government are now under pressure from banks, the wider business community and Government Departments not to do it?

When it comes to a member of the royal family, I simply say this: how was it that somebody who was known to the security forces was allowed to get so close to a member of the royal family without proper scrutiny exposing them?

Finally, I note that the Prime Minister said today in response to the issue that we will "co-operate where we can", particularly on environmental issues, and "challenge where we must", particularly on human rights issues. If the Prime Minister means that, why are we still buying from China huge numbers of solar arrays that have demonstrably been made using slave labour? Surely his statement is clearly incorrect; far from challenging China on human rights, it now appears that we are turning a blind eye. Why is that?

Dan Jarvis: Let me first come to the point the right hon. Gentleman made about FIRS. Upon our arrival in government, we found that FIRS was not ready to be implemented, as has been claimed. Since coming into office, we have ensured that more people than ever are now working on FIRS implementation, and the case management team have been recruited and are now in place. As I said in my opening remarks, we plan to lay the regulations that underpin the scheme in the new year, ahead of the scheme going live in the summer. As we have previously committed, we will provide three months' notice of the scheme's go-live date to give all those who will be affected by it adequate time to prepare.

The scheme will be underpinned by an IT solution consisting of a registration platform, a case management system and an online public register. The IT programme developed under the previous Government was not ready for the scheme to go live, and plans were not sufficiently robust. This Government have progressed at pace with the work to ensure that we are in a position to launch FIRS, with the laying of the regulations in the new year with a view to the scheme going live in the summer. Work is also under way to identify which foreign powers will be placed on the enhanced tier. That will be based on robust security and intelligence analysis. The Home Secretary and I plan to begin setting out the Government's approach for the use of the enhanced tier in due course.

Chris Murray (Edinburgh East and Musselburgh) (Lab): The first duty of Government is national security, and the threat that the country faces is the most complex and evolving we have ever seen. Given the range of threats we face from hostile state actors, it is important that the Government take action to protect our critical national infrastructure from cyber-attacks and ransomware

attacks. Can the Minister update us on the plans announced in the King's Speech for a new Bill on cyber-resilience and other actions to improve protections in this area?

Dan Jarvis: My hon. Friend makes an important point. We are working at pace with colleagues across Government, including in the Foreign, Commonwealth and Development Office and the Department for Science, Innovation and Technology, to progress these matters. There is a lot of work going on across Government to ensure that we are as resilient as we can possibly be to the threats we face from a range of actors. He can be assured, as can the House, that this Government will use all necessary measures to protect our security and ensure that our critical national infrastructure is as resilient as it possibly can be.

Mr Speaker: I call the shadow Secretary of State.

Chris Philp (Croydon South) (Con): Can I start by thanking the Security Minister and the Chancellor of the Duchy of Lancaster for the security briefing they arranged earlier today for the shadow Foreign Secretary and myself? We are grateful for the assistance. Chinese infiltration of public organisations is of grave concern, but this is not just about public organisations such as the Government; businesses and universities are also being systemically infiltrated, and intellectual property theft is often at the heart of what the Chinese Government are trying to achieve. When I was Technology Minister, I saw this in areas such as artificial intelligence and quantum computing, and I would like to hear the Security Minister say more about intellectual property theft of cutting-edge technology in a moment.

Last year the head of MI5, Ken McCallum, said that Chinese activity seeking to infiltrate our institutions was taking place on an "epic scale". Last year there were multiple attempts by Chinese companies to get hold of sensitive technology, and MI5 estimates that 20,000 individuals have been approached by Chinese agents who are trying to influence them, or forge contacts in some way. It is likely that at some point, either in the past or in the future, an attempt to contact every Member of this House will be made in one form or

The Opposition will fully support the Government in working to secure our nation's safety, and I will ask the Minister one or two questions in that spirit. First, would he consider expediting the implementation of the foreign influence registration scheme that he referred to? I echo the suggestion from my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) that China should be placed in the enhanced tier of that scheme.

Secondly, will the Security Minister review the wisdom of the Government's approach to China? Given what we have learned and what we now know, the very close relations that the Prime Minister is apparently attempting, and the rather sycophantic tone he took with President Xi at the G20 a few weeks ago, may not be very wise.

Chinese infiltration and intellectual property theft are of very grave concern, and I would welcome some further comments from the Security Minister as to what he will do to combat them.

Dan Jarvis: First, we were pleased to offer that briefing because these are important matters that should not divide us. It will always be this Government's approach that, where we can work co-operatively with all Members of this House on matters relating to national security, we will seek to do so.

United Front Work Department

The right hon. Gentleman made some important points about matters relating to business, higher education and universities. He is a former Technology Minister, so I know he speaks with authority and expertise on matters relating to intellectual property theft, and this is an important point for him to make. I share his concerns. It is completely unacceptable that any entity, whether they are a hostile state or otherwise, should seek to draw intellectual property out of our country, and this Government take the matter very seriously.

The right hon. Gentleman mentioned the comments of the director general of MI5, Ken McCallum, and I would say to him that the National Security and Investment Act 2021 provides a framework for this Government, as it did for the previous Government, when dealing with some of these matters.

The right hon. Gentleman asked about FIRS, and I hope I have been able to provide some reassurance on the Government's intention to table the regulations as soon as practically possible in the new year, with a view to having the scheme up and running by the summer.

On the approach to China, I do not agree with the right hon. Gentleman's characterisation of the Prime Minister's recent meeting. I would just say very gently to him that at least the Prime Minister did not take President Xi to the pub for a pint.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Will the broader China audit include an assessment of the number of Chinese Communist party operatives working in the UK, including through bodies such as the Hong Kong Economic and Trade Office? And will the Minister ensure that everyone targeted, whether they are Members of this place, members of the royal family or members of the public with British national overseas status who are originally from Hong Kong, has access to tailored security support?

Dan Jarvis: We are working with other Departments to carry out an audit of the UK's relationship with China. This is being done to improve our ability to understand and respond to both the challenges and the opportunities that China poses. It is vital that we have a thorough understanding of the bilateral relationship with China, including where we need to challenge to protect the UK's national security. The audit is ongoing, and its outcomes will guide a consistent and coherent approach to China.

British national overseas status is a matter that I know my hon. Friend has rightly pursued for a significant amount of time. This reflects the UK's historical and moral commitment to those people of Hong Kong who chose to retain their ties to the UK by taking up BNO status at the point of Hong Kong's handover to China in 1997. BNO status holders and their families are making significant contributions to our economy and local communities. From the route's introduction on 31 January 2021 to the end of September 2024, more than 215,000 visas were granted.

Mr Speaker: I call the Liberal Democrat spokesperson.

Christine Jardine (Edinburgh West) (LD): I thank the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) for securing this urgent question on a crucial issue for all of us in this place, because we are looking for robust action from this Government to keep our politics and democracy safe from the influence of foreign Governments.

We should not pretend for a moment that the case of H6 is in any way unique or unusual because, as we have heard, the director general of MI5, Ken McCallum, has warned that bodies like the UFWD are

"mounting patient, well-funded, deceptive campaigns to buy and exert influence."

We see it in our business world, and we see it in our universities.

We have the Chinese consulate in my Edinburgh West constituency, and I have, on more than one occasion, been personally chastised by the consul for expressing my views about Uyghur Muslims or for speaking up for Hong Kong residents in this country, so it is a serious problem. In fact, I was once filmed by a mysterious drone while speaking at a Hong Kong protest. We need robust action to clamp down on things like the police stations that we have heard exist in this country. The Government say they are seeking closer relationships with China, so how can the Minister reassure us that they will not weaken their stance or robustness against Chinese influence in this country, or on human rights and democracy in Taiwan and Hong Kong? How will they protect us all from China's insidious approach?

Dan Jarvis: I can assure the hon. Lady that this Government are, and will be, taking the robust action required to combat the nature of the threat that she rightly characterised. She is right to say that the particular circumstances of the case we are discussing today are not unique. The Government are working with the intelligence agencies and partners to combat a much wider threat On matters relating to China, she will understand that the Government have to weigh a number of considerations. While national security will always be our primary responsibility and the thing we take most seriously, there is, as there would have been for the previous Government, a requirement to look for areas where we can co-operate. In truth, we have to balance that relationship, but I can give her an assurance that we will take the robust action required, including through the defending democracy taskforce, which is a useful mechanism that we use across Government to look more closely at these matters.

Amanda Martin (Portsmouth North) (Lab): Members from across the House are right to raise concerns about the security threats and attempts to undermine or infiltrate our institutions that we face from China. On behalf of all Members of the House, will the Minister pass on our thanks to all those who work in the security services for their vital work? Most of us will never know or see that work, but it is constantly protecting us from those threats.

Dan Jarvis: I am grateful to my hon. Friend for making that point. By necessity, the work that our intelligence services do is in the shadows, but since coming into this role a number of months ago, I have been extremely

impressed by the professionalism and dedication of those men and women who work incredibly hard to keep our country safe. We all, across the House and the country, owe them a debt of gratitude, and I will ensure that is passed on.

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

Dame Karen Bradley (Staffordshire Moorlands) (Con): May I urge the Minister to introduce the FIRS scheme as soon as possible and commence it at the earliest possible opportunity? What steps has the Home Office taken to ensure the proposed new Chinese embassy, at the Royal Mint site, has proper oversight, so that we do not allow it to become a new base for spies?

Dan Jarvis: I am grateful to the Chair of the Home Affairs Committee for her questions; I know the Home Secretary is looking forward to appearing in front of the Committee tomorrow.

On the embassy, as the right hon. Lady will know, the Secretary of State for Housing, Communities and Local Government has called in the application, in line with current planning policy. The planning decision sits solely with the Secretary of State for Housing, Communities and Local Government—the Deputy Prime Minister. As the right hon. Lady will understand, I am unable to say anything more about that, but a final decision will be made in due course.

The right hon. Lady also asked about FIRS. I can give her an assurance that we are progressing it at pace, and it is the Government's strong intention to introduce it as soon as practically possible. To that end, we intend to lay the regulations as soon as possible in the new year.

Paul Waugh (Rochdale) (Lab/Co-op): The shadow Home Secretary referred to "sycophancy" towards the Chinese, but I think that charge is better directed at Members of his own party. It is less than five years since Theresa May went to Beijing, where she was praised by the state media; I know that because I was on that trip, in a former career. She was praised for "sidestepping" human rights issues in the furtherance of the wider necessities of the trip. Does the Minister agree that that is not the right approach to the Chinese?

Dan Jarvis: I agree that is not the right approach; the current Government's approach is the right one. I have laid out the strategic approach we intend to adopt with China. We have to be clear headed about the nature of the threat we face, but we also have to look for areas where we can co-operate as well.

Suella Braverman (Fareham and Waterlooville) (Con): Last year, as Home Secretary, I made the decision to exclude Yang Tengbo from the UK because his presence posed a threat to our national security. That decision was based on the advice of MI5, and I am very pleased that the High Court has upheld that decision. I say gently to the Minister that it is regrettable that it has taken a high-profile case, public outcry and Opposition MPs dragging the Minister to the Chamber to finally get the Government to commit to implementing the foreign influence registration scheme—a scheme that we enacted and that was ready to go at the time of the

general election. If the Government are really serious about tackling the unprecedented threat posed by China—malicious cyber-attacks, transnational repression, the Confucius institutes, Chinese police stations, and of course human rights abuses against the Uyghur Muslims—when will they list China on the enhanced tier?

Dan Jarvis: I was not going to make this point, but given the way in which the right hon. and learned Lady has made hers, I will gently point out that the previous Government had a significant period from the passing of the National—

Suella Braverman indicated dissent.

Dan Jarvis: The right hon. and learned Lady shakes her head. It is a statement of fact that the previous Government had a significant amount of time—many months—from the passing of the National Security Act 2023, during which they could have chosen to implement FIRS. They did not implement FIRS. It now falls to this Government to do so, and that is precisely what we will do.

Dan Aldridge (Weston-super-Mare) (Lab): It is disappointing that some Opposition Members are trying to turn what should be a moment of collective unity in the face of a shared security threat into a political row. Does the Security Minister agree that it is pretty incredible for the party whose Defence Secretary was sacked for leaking vital intelligence about the Huawei 5G contract now to pose as the protector of our national security?

Dan Jarvis: I agree. This Government's approach will always be to work constructively across the House on matters relating to national security, but given the record of certain right hon. and hon. Opposition Members, I suggest that humility might be the order of the day for some of them.

Tom Tugendhat (Tonbridge) (Con): I do not want to go over the readiness of FIRS again and again. I will leave it at this: I was assured by the same officials who sit in the Box advising the Minister that it would be ready to go by the end of the year. Clearly the advice has changed. Only one thing in the Department has changed, which is the party leading it, so I can only assume that there has been a change of intent, but I am delighted that it will be ready to go by the summer—better late than never. The real question, of course, is whether it will be worth having. The advice from MI5 was very clear: if China is not in the enhanced tier, it will not be worth having. Will China be in that tier?

Dan Jarvis: The right hon. Gentleman knows that I take these matters incredibly seriously. He and I have known each other for a very long time. I therefore know that he will take on trust my assertion to him and to the House that the scheme was not ready to go when we arrived in government in July this year. We are working at pace. I have today given the House a timeframe and said that we are looking very closely, working with colleagues across Government, at how we can best structure the scheme. We will make announcements in the normal way in due course.

Joe Powell (Kensington and Bayswater) (Lab): One weak point in protecting our parliamentary democracy from hostile state actors is money in politics. Does the Security Minister agree that this latest case shows that it

[Joe Powell]

31

is a priority to ensure that our electoral laws are robust enough that only funds that are clean and sourced entirely from within the UK fund our political parties, because there certainly seems to be some confusion among some of the parties in opposition?

Dan Jarvis: My hon. Friend makes an important point, and speaks with great authority on this matter. He will know that we have just appointed Baroness Hodge as the Government's new anti-corruption champion. She will support the work that we do, looking very carefully at the impact of dirty money on politics. He is right that the Government will want to assure ourselves that the electoral laws that govern the conduct of elections are robust, and ensure that there are no opportunities for people from overseas to intervene in our political processes. That advice should be taken very seriously by all parties across the House.

Mr Paul Kohler (Wimbledon) (LD): In my constituency there are many Hongkongers deeply concerned about surveillance from Chinese agents in this country. Can the Minister give my constituents any assurance that their legitimate fears are being addressed by the Government?

Dan Jarvis: I am grateful to the hon. Member for raising the plight of his constituents. Yes, I can give him those assurances. The Government take very seriously the kinds of interventions he refers to. Through the defending democracy taskforce, we are looking carefully at the issue of transnational repression, and we will have more to say about it in due course.

Josh Simons (Makerfield) (Lab): Can I ask the Minister about the integrity of our democracy? In particular, what steps is he taking to ensure the integrity of the processes and institutions of our political process, especially but not only with regard to China?

Dan Jarvis: My hon. Friend makes an important point. I briefly mentioned earlier the importance that this Government attach to the defending democracy taskforce. We inherited that body from the previous Government. We are working at pace to ensure that it works across Government as effectively as possible. Fundamentally, it seeks to address the point he made about challenging those threats to the integrity of our democracy. This Government will ensure that no stone is left unturned in seeking to address the significant challenges that we all know we face.

Sir Bernard Jenkin (Harwich and North Essex) (Con): Just a few days ago, the head of MI5 talked about having to make "uncomfortable choices" and paring back counter-terrorism operations in order to deal with the huge rise in state threats. If the Government mean what they say about security being the first priority of Government, will the Minister undertake to ensure that MI5 and the security services as a whole have the resources they need to tackle all the threats? By all means, blame the previous Government for the state we are in, but it will not get him far, because I need him to answer that question.

Dan Jarvis: The hon. Gentleman makes a fair point and a good challenge. I can assure him that the Home Secretary and I work incredibly closely with MI5 and

colleagues across Government to ensure that they have the resources they need to do the difficult job they do. I mentioned the remarks that Ken McCallum made in his annual threat lecture back in October. The nature of the threat we face is more challenging and complex than at any point in our lifetimes. That does require resource and expertise. The Home Secretary, I as Security Minister and all the Government will work to ensure that our security services have the resources they need to do the job.

Mr Alex Barros-Curtis (Cardiff West) (Lab): I am grateful for the urgent question and thank the Minister for what he has said, in particular about the defending democracy taskforce. Can he assure me not only that the Government will do all they can to secure our national security but, with respect to the activities of individuals with known links to the Chinese Government and who are considered to be a national security risk, that the fullest of investigations will be done to ensure the integrity of our national security?

Dan Jarvis: I can give my hon. Friend that assurance.

Chris Law (Dundee Central) (SNP): The United Front Work Department is said to have 40,000 members globally, and Mr Yang Tengbo is surely the tip of the iceberg in the UK. The department is tasked with cultivating relationships not only with high-level figures that extend an influence to British nationals, but with those in all walks of society. That means the public need to be much more aware of the risk to themselves. What is the Minister doing to assess the number of those members in our society, and what public awareness campaign will he make for my constituents in Dundee and constituents across these islands?

Dan Jarvis: The hon. Member makes an important point about public awareness, and I will take that away and give it further consideration. With regard to the remarks he made at the beginning, he has essentially underlined the importance of why we need the FIR scheme. As I have said a number of times before, the Government are committed to implementing the scheme. We are getting on and will implement it in the new year.

John Slinger (Rugby) (Lab): Notwithstanding the somewhat chiding tone of some of the comments from hon. Members on the Opposition Benches, does the Security Minister agree with me that it is actually possible both to maintain a consistent and long-term relationship with China, as we must, and to take the robust measures that he has set out today to defend our national interests?

Dan Jarvis: I do agree. That is the challenge for any Government, regardless of their political stripe. Yes, of course national security is the priority and we must defend against the threats that we face, but we also have to co-operate economically. The Government will seek to balance those two responsibilities.

Mark Pritchard (The Wrekin) (Con): The Security Minister mentioned the breadth of the national security threat against the United Kingdom. He mentioned Russia, China and Iran, but, unless I missed it, he did not mention North Korea. Will he comment on that? Following on from the question that my hon. Friend the Member

34

for Harwich and North Essex (Sir Bernard Jenkin) asked about resources, is the Minister confident that the UK intelligence community, across agencies, has sufficient resources to manage the increased threat that he has recognised today?

Dan Jarvis: The right hon. Gentleman speaks with experience and authority on these matters, and he is right to mention North Korea. On his point about resources, I am not remotely complacent about that at all. Mindful of the nature of the threat that we face, the Home Secretary and I will work with our colleagues across Government to ensure that our security services have the resources they need. We have exceptional people stepping forward to serve, and it is the responsibility of Government, regardless of political colour, to ensure that they have the resources and technology they need not just to keep pace with the threat, but to retain a competitive advantage. We will ensure that they have the resources to do that.

Lee Anderson (Ashfield) (Reform): Yang Tengbo is the alleged Chinese spy who has been stalking the corridors of power in our country, rubbing shoulders with royalty, Prime Ministers and business leaders, yet his name was withheld from the great British public. Does the Minister agree that his name was withheld only to avoid embarrassment for previous Prime Ministers and for business leaders, and that that was not in the best interests of the British public?

Dan Jarvis: I am sure that the hon. Gentleman will acknowledge that I named H6. His initial anonymity was a result of a court order; it was not a UK Government decision.

Sir Alec Shelbrooke (Wetherby and Easingwold) (Con): The west certainly learned a lesson about energy supplies and where they come from when Russia invaded. To build on what my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) said, I want to press the Minister on solar and renewables. The Government have an agenda to push this country quickly towards renewable energy, yet China manufactures and processes a lot of the materials that we need for it. Before we accelerate towards that goal, will the Minister undertake an assessment of the risk to our energy supply? That is a crucial piece of our national security.

Dan Jarvis: I am genuinely grateful to the right hon. Gentleman for his reasonable and constructive points, which we will consider further. He will acknowledge that the Government must make difficult judgments about those matters, but I assure him that we will look at them with a clear-headed view of what is in our national interest, and in the end national security will always prevail.

Layla Moran (Oxford West and Abingdon) (LD): Does the Minister agree that it is not just the big schemes that need consideration, but the small ones too? Elite capture can happen at higher education and infrastructure level. Peking University HSBC business school in Oxford wants to expand. The local planning authority narrowly passed the proposal. I asked the previous Government to call it in, but just last week this Government approved the scheme. That is a mistake. The economic benefit will go primarily to the Chinese Communist party. Will the

Minister's Department ask the Ministry of Housing, Communities and Local Government to look again at the scheme? What resilience is he offering local planning authorities on such matters?

Dan Jarvis: The hon. Lady is right. It is not just about the bigger schemes; the smaller ones are important as well. I think what she refers to was essentially a planning matter, but I will look at it further. On matters relating to higher education, we work closely with colleagues in the Department for Education, and mechanisms are in place across Government so that when concerns are expressed, we will follow them up.

John Glen (Salisbury) (Con): I acknowledge the transformation in the security threat that this country faces, and I urge the Government to move forward as quickly as they can with the implementation of FIRS. However, I draw the Minister's attention to the website of the US Department of the Treasury, which today gave a read-out on the seventh meeting of the financial working group between the US and the People's Republic of China, and set out a memorandum of understanding arising from the group's discussions in Nanjing. The Minister should do everything he can to ensure that we have a sophisticated relationship with China. As uncomfortable as that may be, in order to preserve global and financial stability, we need to maintain our relationship.

Dan Jarvis: The right hon. Gentleman makes a very sensible point, as always. I have not yet looked at the US Treasury Department's website, but I give him an undertaking that I will look at it and report back later today. He is right about the sophisticated relationship, as he describes it. As he knows government well, I can tell him that we take these matters incredibly seriously, and that the National Security Council provides the forum for decision making on these issues across Government. A lot of work, effort and political leadership goes into ensuring that that is an appropriate forum for making decisions collectively, across Government. Some of those decisions are not easy—some are more challenging -but we will always seek to do what is in the best interests of our country.

Dr Andrew Murrison (South West Wiltshire) (Con): The Government recently put on hold the Higher Education (Freedom of Speech) Act, passed last year. Does he feel that that has helped or hindered the work of United Front in our universities, particularly our elite institutions?

Dan Jarvis: The right hon. Gentleman makes a fair point, which I am very happy to discuss with him offline. I will look carefully at the suggestion he has made; I know that it is being considered by colleagues across Government, but let me take it away and I will come back to him.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): China is clearly trying to infiltrate all areas of UK society. Will the Minister outline the meetings that he is having with the Department for Business and Trade to ensure that the UK strengthens its foreign direct investment screening and cyber-defences, and focuses in particular on increased data transparency requirements, in order to become more economically resilient?

Dan Jarvis: The hon. Member makes an important point. I can assure him that we are working collaboratively across Government, not only with colleagues in the Department for Business and Trade but with those in the Cabinet Office. He has mentioned cyber, which we take incredibly seriously. I was recently at the National Cyber Security Centre, which is doing extraordinary work with partners across Government. We are co-operating closely with other Government Departments, including the Department for Science, Innovation and Technology, on looking at what more we can do to combat that threat.

United Front Work Department

Bradley Thomas (Bromsgrove) (Con): Can the Minister assure the House that Chinese investments in the UK are properly scrutinised, particularly those that may be used to acquire leverage over UK policy?

Dan Jarvis: Yes, I can give that assurance.

Robin Swann (South Antrim) (UUP): The urgent question asked about the extent of the United Front Works Department's operations in the United Kingdom. What is the Minister's assessment of that department's work with, or within, the devolved Administrations?

Dan Jarvis: The hon. Member makes an important point. On the nature of the threat, I refer him to the annual threat lecture given by the director general of MI5 back in October. We work incredibly closely with all the devolved Administrations, and I hope at some point to visit the hon. Member's part of the world.

Jim Shannon (Strangford) (DUP): I thank the Minister for his answers. He will be aware that I have spoken on numerous occasions about the feelings of my constituents who are British passport holders of Chinese origin, and their impressions of the threats from the Chinese Communist party. Other hon. Members have also spoken on the subject. What the Minister has said is not surprising, but it remains concerning. Does he agree that inaction is not an option, and how can he give Chinese nationals who are British citizens assurance about their safety and security? I have had to make reports to the Police Service of Northern Ireland because I was concerned for these people's safety while they live their life in the United Kingdom of Great Britain and Northern Ireland.

Dan Jarvis: The hon. Gentleman has been consistent in raising this matter. Let me give him an absolute assurance that foreign intervention, wherever it comes from, is completely unacceptable, and this Government will use all tools at our disposal to combat it. We use the mechanism of the Defending Democracy Taskforce, and there is a lot of work looking at the issue of transnational repression. I can assure him that we take these matters very seriously, but if he has specific concerns that he wants to raise with me, I am always happy to discuss them with him.

English Devolution

4.20 pm

The Minister for Local Government and English Devolution (Jim McMahon): With permission, I would like to make a statement on the publication of the Government's English devolution White Paper.

This Government were elected on the promise of change, and we are determined to transform our economy and our country through a decade of reform and national renewal that reverses the chaos and decline that we inherited. We will rebuild Britain from the ground up, so that it works for working people, through a mission-led plan for change that unlocks growth and raises living standards in every region. We will deliver new homes, jobs and opportunities for all by matching investment with reform to improve local services, and to maximise the impact of every penny we spend.

The British people deserve an economy that works for the whole country, and to have control over the things that matter to them. That is why we are moving power out of Westminster and putting it back into the hands of those who know their area best. The White Paper that we have published today sets out the means through which we want to achieve that, backed up by our landmark English devolution Bill, which will finally redress the imbalance of power between this place and communities up and down the country.

This change cannot be delivered soon enough, because for all the promises of levelling up, after 14 years, our nations remain economically divided, with living standards in many parts of the country stagnating. We have an economy that hoards potential and a politics that hoards power. As a former councillor and council leader, I have seen the immediate and tangible difference that local leadership can make. However, I also recognise the frustration that local leaders face in delivering the change that their areas need. In fact, it mirrors the frustration that local people feel when they cannot effect change in their neighbourhood or on their high street. That hits at the heart of what it means to live a decent life. Pride of place and security are rights too often denied in the places that need them the most. This Government are determined to end the top-down approach to decision making in this country, and to replace it with a principle of partnership.

The last Labour Government began the process of change by creating the London Mayor, the Scottish Parliament, the Welsh Senedd and the Northern Ireland Assembly. I saw the transformational impact of empowered local leadership in Greater Manchester when in 2014, a decade ago, I was one of the local council leaders who worked in co-operation to agree the first English devolution agreement outside London—an agreement that created the combined authority, which has delivered genuine change under the leadership of an elected Mayor, working hand in glove with local leaders.

Crucially, none of the now 12-strong mayors would claim that they act alone. Whether they are attracting investment in clean carbon and renewable energy, growing digital and creative industries, bringing buses back under public control, or tackling violence against women and girls, all would point to solid local partnerships and the importance of local government in delivering change, but the truth in England is that the process of devolution remains unfinished. Today, we are introducing to the House the measures to finally get the job done.

At its core, this White Paper sets out how the Government will strengthen and widen the mayoral model of devolution across England, shifting power, decision making and money away from Westminster in a completely new way of governing and driving growth. We are empowering more Mayors by introducing integrated funding settlements, and by giving them a statutory role in the rail network, and greater control over strategic planning, housing funding and skills training, so that they can deliver change that local people can see and benefit from. Ultimately, our goal is mayoral devolution that means that powers can be used to shape local labour markets, integrated transport systems, clusters of businesses, and housing development. That is the sort of strategic decision-making that is not possible over a smaller geographic area. By creating strategic authorities—a new tier of local government—we will give our cities and regions a bigger voice in getting the resources and support that they need.

The Government will shortly set out their devolution priority programme for areas that stand ready to progress devolution on an accelerated timescale, and a plan for inaugural mayoral elections to take place in May 2026. Each of those areas will have an elected mayor sitting on the Council of the Nations and Regions. We will work with those areas that are already in discussions with the Government to confirm their position. To those areas that are ready to move at pace, we say: come forward now. Be part of this movement. Be part of this moment.

We understand that devolution is a journey, and that some areas will need time to decide what course to follow. We want to walk alongside all areas—areas defined locally, not from those at the centre with a map—as they take the first step to realising the potential of devolution, for instance through a foundation agreement to unlock new powers. Our ambition is clear; we will legislate for a new power of ministerial directive that allows the Government to create strategic authorities where absolutely necessary, if local agreement has not been possible, to achieve full coverage of devolution across England. We will deliver a new constitutional settlement for England that makes devolution the default setting, with an ambitious devolution framework secured in law, guaranteeing powers for each level of devolution. All that will be underpinned by improvements to accountability, including an outcomes framework for integrated settlements, so that the system remains fit for purpose as we devolve more powers and funding.

None of this reform can be achieved without strong local government. Councils are the bedrock of our state. They are critical to driving growth and delivering local public services that people can rely on, but they have been neglected for too long. That is why we are establishing a proper partnership with local leaders through multi-year funding settlements, and moving away from farcical bidding wars for limited ring-fenced funding pots. We will give councils the respect and powers that they deserve and need to deliver the missions and the plan for change, so that change is keenly felt in every community. We said that we would reset the relationship between central and local government, and we meant it. We will give councils the certainty and stability that they need to plan ahead and prioritise their budgets, and to tackle local issues through public sector reform and prevention, rather than through more expensive crisis management, for which taxpayers are paying more and more, often for worsening outcomes. We have to tackle that head-on.

It is important that councils be the right size and shape to serve the people they represent, with simpler structures that people can better understand. Through our bold programme of unitarisation, as announced by my right hon. Friend the Chancellor of the Exchequer in the Budget, we will ensure that local government reorganisation and devolution can be delivered in tandem as soon as possible. We look forward to areas coming forward with their own proposals. This statement gives the clear direction that local governments have been asked for, and my door is always open for discussions with colleagues about how that will look and feel in their area. Although I recognise that this will be a challenging process for some, for many there is growing agreement that the time has come for change.

I am under no illusion about the scale of the task that we face in delivering more power into the hands of local leaders, but we are committed to resetting the relationship with local and regional government, and to working with local leaders to deliver the change that the country voted for; that is what the electorate will judge this Government on. Placed alongside the work that we are progressing on fixing the broken audit system, rebuilding the standards regime, and bringing forward plans for community power, this plan shows that the Government are determined to get our house in order and ensure a top-to-bottom redistribution of power in England, as we reset our economy, restore local government, and rebuild our country from the ground up, so that it works, finally, for working people. That is what it means to take back control, and that is what we will deliver. I commend this statement to the House.

Mr Speaker: I call the shadow Minister.

4.29 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): According to the Ipsos MORI veracity index, 41% of our constituents trust local councillors, with just 19% having the same expectation of Government Ministers. That is a reflection of the value we place on local leaders who know and understand our communities. Those local leaders will be getting a clear message from this White Paper: this Government feel that the men from Whitehall know best what their place needs. This is not bottom-up local leadership, but top-down templates for local government. This is not the chance to flourish as a place and a community with a unique identity and history, but an expectation of being subsumed into an anonymous structure that knows and cares little for local areas, focusing instead on Whitehall targets. Through the back door, by stripping local politicians of a say over important planning decisions and by imposing financial assumptions that further constrain local decision making, our local democracy is undermined.

Instead of genuine devolution, this White Paper sets out a reductive approach. It is a mishmash of new tiers and new taxes, taking decision making further away from residents. If the experience in London is anything to go by, it will cost them a fortune at the same time. More concerning still, the approach fails the key test of starting with a clear understanding of what we require our local councils to do. More than 800 services are delivered by each council on average, ranging from education to public health, environmental standards, children and vulnerable adult safeguarding, early years,

[David Simmonds]

libraries and museums, not to mention councils' key regulatory functions, such as trading standards, housing enforcement and acting as the billing authority for billions in taxes. It is hard to see how demanding that all those local officers simultaneously reapply for their own jobs will help them to focus on the needs of their communities, not to mention cope with the huge additional responsibilities heading their way via legislation such as the Renters' Rights Bill.

The approach also does not build on the successes we already see. It is common for councils to share services and staff to reduce the cost to taxpayers. Breckland and South Holland have shared a chief executive for many years. Trading standards has been a shared service across London for a long time. Those measures, driven by local leadership, are what deliver genuine savings and service improvements.

Let us look at some of the most serious concerns that the Opposition have arising from the proposals, above and beyond the years of disruption to council services and rising taxes. When Labour councils are telling the Government that they are already failing on their housing targets and that their plans are undeliverable, why would the Government be focusing on removing elected councillors' say on planning, rather than focusing on building the more than 1 million units that already have planning permission? Why elect mayors to a timetable that is not in any way clear?

At a time when our constituents are labouring under a rising tax burden, the Government set out the chilling prospect of mayoral levies. Those are charged at nil rates by Conservative mayors such as Ben Houchen and Andy Street, but now top £471 per band D household in London under Mayor Khan. The black hole in local government finances just got bigger.

Imposing mayoral control over grant funding for housing and regeneration, detaching it from the host communities, and moving those decisions to a remote mayoral tier further undermine the concept of local consent for development. Perhaps most worrying for local council tax payers are the plans around Great British Energy local power plans, with the potential for even more local authorities to be taken to the edge of bankruptcy, as local energy companies have already done in Nottingham and Bristol.

In conclusion, this announcement could have been so much more. It could have been a chance to rethink from scratch the duties, responsibilities and funding of local government, and to ensure that its form follows its function. Our local leaders, many from my own party, will do their best with what is available, and we will have their backs as they do what they can for the interests of the people they serve, but make no mistake: this is a massive missed opportunity.

The White Paper shows that rewiring our state, rethinking our approach to local government and fulfilling the aspirations of local leaders and communities are being put aside in favour of bureaucratic and structural tinkering. The Minister once stood at the Opposition Dispatch Box and called for genuine fiscal devolution of powers across things such as education and demanded more say for local people to hold decision makers to account. Whatever happened to that local champion?

Jim McMahon: I will come to some of the questions raised, but let nobody in the Chamber take lessons and lectures from the Conservatives when it comes to the perilous state that local government has been left in. Let us talk about the councils that were going bust left, right and centre on their watch. Let us talk about the fiscal discipline on 1,000-audit backlogs. What does that mean? It means £100 billion of public money that they could not account for, which held up the signing off of the national accounts. That was their legacy, and they talk about being custodians of public money—they did not even know where the money was.

What about the crisis that was building up in adult and children's social care and in homelessness? At a time when we should have been thinking about prevention and reform and getting ahead of the problem, essentially the previous Government were making matters worse, not better. When Conservative Members talk about their legacy and being on the side of councillors, we should ask which Government it was that eroded the standards regime—its teeth were put completely to one side leaving councillors open to abuse and intimidation and turning council chambers into hostile, toxic environments. Which Government was it that made councillors publish their home addresses when they were facing death threats?

We are doing the work now to repair the foundations of local government, giving it the funding that is needed. After a decade of year-by-year funding, we have given local government a multi-year financial settlement so that it can get its house in order as part of the rebuilding work. That is what is needed now: grown-up politics, a plan to fix the country and a plan to put local government back on its feet. But just doing that is not enough; we have to break the centralising system.

If a local authority wanted £1 million for a local project, the previous Government made them compete with their neighbouring council for a limited supply of money. The bidding wars that took place wasted millions of pounds of public money, and in the end they did not deliver on their core promise of levelling up. That was the agenda, and it has got to change. We have to change that cap-in-hand, parent-child relationship where power is hoarded at the centre.

The people queuing up to have conversations about reforming public services and devolving powers to mayoral combined authorities may not be Conservative Front Benchers, but they are Conservative council leaders who recognise that they finally have a Government on their side, willing to work in partnership to make the changes where the previous Government failed.

Madam Deputy Speaker (Judith Cummins): I call the Chair of the Housing, Communities and Local Government Committee.

Florence Eshalomi (Vauxhall and Camberwell Green) (Lab/Co-op): I thank the Minister for the statement. It is about how we bring local leaders back to the agenda and back to the central aims that they have been complaining about over the last 14 years. It is important that any devolution reforms build trust among local people, who rely on vital services from housing and planning to social care; the Minister must keep that in mind as he is going through the reforms.

Ultimately, some councils may fear that residents' voices in smaller district areas will be lost if they are absorbed into larger unitary authorities. Will the Minister outline how he will ensure that residents do not feel disenfranchised by losing representation in their community? Will he assure the House that, should residents choose not to adopt a mayoral model, they will not be disadvantaged?

We know that our frontline services are at breaking point, as the Minister outlined, and many will welcome the multi-year settlement, but we do not want to see adult social care and temporary accommodation—all those areas—becoming stuck between a disbanding district authority and a nebulous unitary authority. Will the Minister assure the House that there will be proper accountability during the reorganisation and that we will not see local residents and councillors left in limbo?

Jim McMahon: I thank the Chair of the Select Committee for that very important point about how we maintain public trust and confidence in a period of change. First, local government representations to Government will be self-organised within counties, and we will receive the recommendations and requests that come forward. We will write to all 21 areas in scope to invite them to make representations to be part of the first wave priority programme. From the conversations that we have had, we expect a significant number of local authorities to want to be part of that reorganisation. But to be clear, that is not something that we are imposing. We are writing out and local areas are selforganising, because they understand that reform and modernisation are central.

When it comes to not losing a local voice, the White Paper makes it very clear that the devolution offer is not just about creating new structures, and it is certainly not about creating new politicians. This has to be a genuine shift of power. There is a big section on community power, because a lot of people—and this may even transcend the previous Government—do not feel power in the places where they live. Quite often they feel that things are done to them and, when they see the decline of high streets and town centres, they feel that the change is going one way, and it is not good. The paper is about rebuilding local community power. Our expectation in the White Paper is clear that, regardless of the size of local authority, every council—including existing unitaries—will work out a way of getting to those local communities at neighbourhood level, and reflect in a democratic way and a public service way how best to give local people a voice.

Madam Deputy Speaker: I call the Liberal Democrat spokesperson.

Vikki Slade (Mid Dorset and North Poole) (LD): Local councils are the backbone of our communities, delivering services to every home and business. Under the last Conservative Government their funding was slashed while their responsibilities were broadened, which means that many now face a financial precipice not of their making. As they are alongside residents, they are usually the ones in the firing line when people and businesses are distressed.

I have faced local government reorganisation before, as leader of Bournemouth, Christchurch and Poole council. Five years on in Dorset, the public are not convinced that large unitaries work for them. They do not see services improve; they just see a more remote council that has to cover a much bigger area, moving money from where it was raised to be spent elsewhere, and through an organisation that cannot understand the differing needs. Scale that up even further, and I fear that more issues and individual community needs will slip through the net.

The paper talks of mutual respect and collective purpose, but after giving mayors such extended powers and the ability to levy a mayoral tax, I wonder if the Minister can confirm what specifically will be left for council leaders. For my area of Wessex, which is Thomas Hardy country, rather than being well-known local leaders, the creation of a mega mayor is more likely to be a case of "Jude the Obscure".

I am deeply concerned about the impact on local authority staff both now and in the future, including on their ability to move between councils to develop their skills. Councils have already rationalised staffing to make ends meet and have shared services, as was said by the shadow Minister, and they will struggle to reinvent again. What plans do the Government have to ensure that local authorities will be sufficiently funded to implement such changes, and to limit the outflow of millions of pounds to consultants to make this happen?

Turning to the role of elected members, the lived experience of these community leaders is so worth while. I am deeply concerned about the loss of districts and district councillors and the move to strategically elected members. Those people are likely to be required to travel much further and give much more of their time, making it harder for people with caring responsibilities or full-time careers to serve. The paper brings forward potential sanctions for breaches of standards, which is very welcome, but it says little about how we reset the relationship with those counsellors to make sure that the time and effort they put in is properly reflected.

The White Paper fails to say anything meaningful about the ticking time bomb of social care, and its reference to the financial crisis being faced up and down the country hints at further devolution. [Interruption.] My question is, what can the Minister do to ensure that local communities do not feel like this is a top-down diktat and can make their own decisions about the future?

Madam Deputy Speaker (Judith Cummins): Before I call the Minister, I remind Members that time is at a premium, and I want to be able to get everybody in.

Jim McMahon: I thank the Liberal Democrat spokesperson for her question, and for her service as an elected council member for a period. I understand that there will be concerns about the move to larger unitaries, but the fact is that there is a two-tier premium that the taxpayer is paying. At a time when resources are limited, we have a responsibility to take money from councils' overhead costs in the back office and bring them to the frontline to give people good neighbourhood services. I suspect that if people were asked, "Would you prefer the existing two-tier system or more money being directed at local public services?", most would want the money to go into local public services. However, there is a balance here, and it is for local areas to find it.

We are very clear in the White Paper that we want to move away from councillors being perceived as back-bench. We want to reform them, essentially, as frontline councillors -as the conveners of a community, with greater power and influence and the ability to get things done.

44

[Jim McMahon]

On social care, an additional £4 billion was provided in the Budget, with the provisional settlement to be announced this week. Of that amount, £600 million is for a recovery grant to go to areas with high deprivation but low tax bases, to ensure that we rebalance fairness in the system.

Cat Smith (Lancaster and Wyre) (Lab): Although the Minister said in his statement that the proposal was the end of a top-down approach from central Government, to many of my constituents it looks like a one-size-fits-all model that works for Greater Manchester, which he represents quite ably, but does not necessarily work for the rural English counties. What assurances can the Minister give my constituents—and me, frankly—that this approach will not be imposed on local areas against their will? How will he measure consent from a local area that this is the approach they want?

Jim McMahon: I thank my hon. Friend for her question, and for securing a Westminster Hall debate on this very issue. The Government do not accept the one-size-fits-all argument any more than an argument that councillors work in some areas but not others, and that Members of Parliament work in some areas but not others. In the end, when given the powers and resources, mayors can achieve change in partnership with local leaders.

We are not creating super-councils. We are creating a strategic authority that will give power from this place downwards, giving councillors far more power. On how we will do it, I can say that in Lancashire, in our drive to widen devolution across the country, the principle is for foundation authorities; of course, Lancashire has already agreed to a level 2, which, in the White Paper, would be the equivalent of a foundation authority. In that sense, it already has devolution in place.

Sir Edward Leigh (Gainsborough) (Con): The Government say that they want to end the top-down approach. How does that square with a district council such as West Lindsey in Lincolnshire being denied any say in massive solar farms or wind turbines? Will the Minister do me a favour and confirm that his aim is to pass more power back to district councils? Indeed, will he promise that he will not unilaterally abolish them just because we have a new mayor for Lincolnshire?

Jim McMahon: It would be a bit rude to diminish the powers of the Mayor of Greater Lincolnshire before they are in place, especially as I will move the order enabling the election to happen, and we want them to be a success. We could have taken a different view—it was a legacy agreement that was carried over from the general election—but I recognise genuinely that the leaders there, who are leaders of different parties from my own, worked in good faith to reach an agreement with the previous Government that we felt needed to be honoured. That needs to be the tone of all such conversations. We need to take party politics out of the conversation, which can be difficult to do in this place. Those are not the conversations that I have with council leaders and councillors across the country, who genuinely want to put party politics to one side and to work in the interests of their local community. On the question of power over local planning decisions, if local councils want power, they must have a plan.

Mrs Emma Lewell-Buck (South Shields) (Lab): Decisions taken in this place are subject to rigorous scrutiny and accountability, but recent history in several areas shows that that is not always the case with local decision making—not all councillors and mayors are paragons of virtue. As we dissolve more powers, can my hon. Friend explain what levels of scrutiny and accountability will be built into his plans?

Jim McMahon: It is a very important point, and we were mindful of that concern because devolution in England has been developed by deal, rather than with a clear framework from the outset, so there are natural gaps. I do not decry, by the way, the progress made previously in filling in the map of the midlands and the north of England, but we need to reconcile that now.

If we give more powers and resources downwards, we need to ensure that the checks and balances are robust. There is a lot that we need to do. There are recommendations in the White Paper on the principles of a local public accounts committee, for example, so that public spending can be brought into scope. We are also looking at oversight for the bodies that strategic authorities establish, such as trading companies or joint ventures, to see whether they should be in scope of best value. We are also looking at checks and balances for the officer structure and whether to bring in an accountable officer structure, as in a local authority, to ensure a clear difference between the political and operational leaderships and the powers that each has.

Mr Gagan Mohindra (South West Hertfordshire) (Con): I welcome the Minister to his place; this is the first opportunity I have had to do so. As the Department will be aware, both Dacorum borough council and Three Rivers district council in my constituency do not have a local plan in place. They are both controlled by the Liberal Democrats. Will the Minister confirm what would happen in the case of his proposed plans? Separate to that, we have local county elections next May. What are his intentions for them? Do they still go ahead? There is a lot of uncertainty. In 2026, how many mayoral elections does he anticipate?

Jim McMahon: On local plans, if any areas at this point have failed to get a local plan in place, they are leaving the door open for development to take place without any checks and balances, and in a way that really does take away local power. We are trying to reconcile that and get a balance. I hear quite often about the housing targets that have been set—the 1.5 million new homes. I should say, by the way, that there are a lot of good skilled working-class jobs that go with that 1.5 million new homes. There are 150,000 kids in temporary accommodation who need a home. There are 500 kids in hotels in my constituency who deserve a secure, affordable place to live. There is a bigger crisis here, which is why local plans are so important. Where they are not in place, we will have to look at strategic plans in those areas. We are out to consultation on a number of those points.

On county elections, the letter will go out today to county councils inviting them to make a submission in January. Subject to that submission being robust, it can be part of a priority programme. We will do what the previous Government did and accept the view that if a

local authority will not exist in the near future, it makes no sense to have an election to it. However, we will very soon after want to have an election for the shadow authority that will follow, so further detail will follow on that.

Oliver Ryan (Burnley) (Lab/Co-op): I thank the Minister for his White Paper. At the back of it, there are five pages of powers that are not currently enjoyed by Lancashire, as a foundation authority. Will he agree to work with partners in Lancashire to ensure that we can get a deal done and over the line for a mayoral and a reorganisation package? Lancashire's time is now and, in his words, can we grasp this moment and this movement?

Jim McMahon: Well, I am glad somebody was listening! There are huge opportunities in Lancashire. If we think about the work that has been done to secure a mayoral combined authority in Hull and East Yorkshire, and if we think about the opportunities in Cumbria, Cheshire and Lancashire, that completes the map of the north. Our leaders there are already self-organising through the Great North project, chaired by Mayor Kim McGuinness, to lead from the front on inward investment. It would be a shame, given Lancashire's economic success, particularly on energy and other issues, if it is not part of that agenda. On the organisation, I think most people in Lancashire accept that, after 20 years or more of talking about it, the time had probably come. But it is for local areas to come together and have a plan that is right for their place, and to make a submission to the Government. It is not for the Government to redraw the map of England and impose it on every community. But our ambition is clear and the direction is clear: we absolutely welcome areas making that submission and we want to work towards more mayoral combined authorities.

Lewis Cocking (Broxbourne) (Con): I place on record my thanks to my two district councils, which I wholeheartedly support: Broxbourne and East Herts. Page 17 of the White Paper states that the Government want to create unitary councils of "500,000 or more". What does "or more" mean? Does that mean I could end up with a "super council" for Hertfordshire covering 1.2 million people, which is not a proposal that I would support?

Jim McMahon: In some ways we have to give direction. What we heard during the consultation stage with local government—that includes, by the way, the County Councils Network and the District Councils' Network—is that the more clarity on a framework that can be provided by central Government upfront, the better for local government to be able to organise. We are very clear that on an efficiency level—if the drive is for efficiency—the 500,000 is roughly the population needed to draw out those efficiencies. In the example that the hon. Gentleman gave, it would not be 1.2 million. It might be two or even three councils, because in areas in discussions about a mayoral combined authority, we have accepted—it is outlined in the White Paper—that there will need to be some flexibility in terms of scale and size of the local authorities that sit under it.

Mr Toby Perkins (Chesterfield) (Lab): Derbyshire already has a mayor, but we have a two-tier authority. If we cannot get agreement on the size of the unitary authority, will Derbyshire and similar authorities still

hold elections next May, and how will my hon. Friend break the impasse if those at county level want one Derbyshire and those in the districts want two or three?

Jim McMahon: The assumption is that elections in counties will take place as planned, unless authorities actively approach us to say that they want reorganisation discussions and have proposals that they can work up. In those circumstances, we will take the view that elections to an authority that will not exist should be postponed so that an election for a shadow authority can follow. On Derbyshire, we need to be careful: the Government's role is to invite and to receive, not to draw the maps, which is for local authorities to do. As my role is quasi-judicial and I will need to take a view on potentially competing proposals, I cannot comment on what individual counties may or may not look like.

Mr Lee Dillon (Newbury) (LD): Councils are clearly on their knees, and I welcome multi-year funding settlements and changes in the grant programme, but will the Minister confirm that the Government will support devolution so that not a penny of councils' budgets is spent on it and they can focus on frontline services? In his statement, the Minister said that councils could

"take their time to decide on the course they wish to follow", but went on to say that the Government would "legislate...to create strategic authorities"

where they felt that was necessary. How does the Minister square those two sentences?

Jim McMahon: This is about partnership, about tone and about how we can work together. Because there has been a fair amount of talk in the sector about reorganisation and devolution, even before the White Paper a number of authorities had approached the Government saying that they wanted to have a conversation about local government reorganisation and/or devolution. We have had to respond that we cannot have a hundred hares running all over the place without a transparent plan and timescale that can be understood so that people can make a judgment about whether this option is right for their area or not. What we will have is a proposal to double-run a devolution priority programme alongside a local government reorganisation, with a key point where those two pieces of work must come together for joint decision making. That will at least mean that every authority knows what stage it has reached, and can make a choice: is it at the right point in the process to opt in, or will it need more time?

The point about the backstop is very important. As I have said, there is no map that we are intending to impose anywhere. Let us suppose that within a region we have an agreement to compile every county bar one, and we reach the end of the current Parliament. In that event, I think it legitimate to say, "Well, there is nowhere else to go." It is fairly self-explanatory that there will be a fundamental strategic authority in that area, and that is the type of process that we are considering. We are not considering redrawing the map of England and imposing this in one fell swoop. It is about partnership and working with local areas, and so far those conversations have been very fruitful.

Andy MacNae (Rossendale and Darwen) (Lab): I hugely welcome the White Paper. For us who are in the frontline trying to deliver services to our residents under

[Andy MacNae]

the dysfunctional two-tier system that exists in Lancashire, this is a breath of fresh air. It is exactly what we have been requesting for years. Does the Minister agree that now is the time for Lancashire leaders to put aside short-term personal and political considerations, not to wait for the Bill to be published, and to work with urgency in drawing up proposals for new local government structures that are focused on the needs of residents and, ultimately, bring the highest level of devolution to Lancashire?

Jim McMahon: I entirely understand that there are local tensions in Lancashire, to put it mildly, but my experience of council leaders in all parties and at county, district and unitary level has been positive. Even when there are differences, they are shared in a respectful way. I would not underestimate the progress of the level 2 agreement that we have in Lancashire, which will see a devolution of powers relating to, for instance, skills and compulsory purchase orders as a first step towards overall devolution. The agreement contains a commitment that by autumn next year a proposal for a mayoral combined authority will be submitted to the Government, with or without local government reorganisation. We have been very clear about our direction on local government reorganisation, and our expectation is that those in Lancashire and other places have heard about that direction and will act accordingly. In the end, times change. My son's primary school in Oldham had the Lancashire education committee plaque on it; in Lancashire county hall, there is the Oldham plaque. Times change and boundaries change, but people and communities do not, and the Government who represent them have to be fit for purpose.

Mr James Cleverly (Braintree) (Con): If devolution means anything, it means giving local leaders the right to do things differently. If a future mayor of Essex wants to compete with London by creating a less heavily regulated or less heavily taxed business environment, would that individual have the power to do so under the proposals put forward by the Government?

Jim McMahon: It is in the eye of the beholder. If the right hon. Gentleman wants to turn Essex into Monaco, I suspect that it will not happen. But if he is asking for genuine freedoms and flexibilities so that local leaders can make the right decisions to attract investment, assemble sites, invest in infrastructure, and remove barriers to planning and infrastructure, that is absolutely where we are going. On the issue of tax and fiscal devolution, we are very clear that the White Paper represents a moment in time; it is very much the start, not the end. What should be read in the White Paper is an ambition to provide certainty across Government and to make sure that the level of ambition is raised. When the right hon. Gentleman sees the schedule of devolution across the programme and the competencies—which are very important for economic development and regeneration—he will see that there is a lot of scope there.

Matt Rodda (Reading Central) (Lab): I thank the Minister for his statement. I welcome the prospect of the further devolution of powers over transport, housing and other important economic matters. Can the Minister

outline the greater scope for using those powers? In Berkshire, we would like to see a western rail link to Heathrow, which would dramatically improve connectivity between Reading, Slough and Heathrow airport. Unfortunately, many other strategic projects have been held up, such as a third bridge for Reading. Will he comment on the potential benefits of devolving these issues?

Jim McMahon: My hon. Friend makes a good point. I said that this is less about structures and politicians, and more about outcomes, and those are exactly the types of examples that we need to look towards. The real test for many people is, "If I'm standing at the bus stop on a miserable Monday, when it's raining, does the bus turn up or not?" Having more control over local bus services, through franchising or even public ownership, is part of the offer on the table, but buses alone do not fix the transport system; we also need rail devolution. The White Paper points to an ambitious schedule of devolution when it comes to rail and multimodal transport, and particularly to single ticketing, because, in the end, even if we have co-ordination of transport, it needs to be affordable for people, and different modes of transport need to be linked when it comes to single ticketing. There are definitely opportunities on the transport agenda.

Tim Farron (Westmorland and Lonsdale) (LD): The Minister will know that in Cumbria we are still going through the process of a reorganisation that happened just 18 months ago. For better or worse, all reorganisations are massively distracting and take people's eyes off the ball. Does he understand why residents, businesses and everybody else in both parts of Cumbria—we now have two local authorities—are outraged at the thought that a mayoral model might be imposed on us? Is that not the opposite of devolution? Is it not right that local communities should be able to have the devolution that we want? We are up for all the devolution that the Minister will give us, but we do not see why we have to have a top-down mayoral model and be told that we have to have a reorganisation again, five minutes after the last one.

Jim McMahon: I pay tribute to leaders in Cumbria for the engagement that we have had with them; I recognise that they have just been through a local government reorganisation and that there has been a lot to settle in the area. They have embraced our conversations with great maturity, and those conversations have been fruitful, but we recognise that different places are at different points. Different places have different pressures that they need to reconcile, which is why we are looking at a priority programme for the areas that will soon be ready to go. We need to get the legislation and consultation in place and make the case to the public. We accept that some areas will need longer.

On mayors, I have been here long enough to see a number of Members stand up and protest against the idea of a mayor, only to pop up a bit later as the candidate for the same position, so I say to people in Cumbria: be careful what you wish for.

Madam Deputy Speaker (Judith Cummins): I remind the House that we have around 40 minutes, and around 40 Members wish to speak, so please keep answers and questions succinct.

Perran Moon (Camborne and Redruth) (Lab): I welcome the move to devolve to every corner of the United Kingdom, but in relation to the upcoming Cornish devolution discussions, what is the Minister's vision of how the Government will put into practice the legal obligations to protect and support Cornish national minority status in the same way that minority status is protected for our Celtic cousins in Wales and Scotland?

Jim McMahon: I thank Members in Cornwall and the leaders in Cornwall for the discussions that we have had. I know that devolution is an issue that is strongly felt, and that identity in particular is an issue that is strongly felt. We recognise that we need to strike the right balance, so the White Paper will point to a population size that is optimal in our view—in terms of economic footprint, public service alignment and reconciling public service delivery boundaries—but we recognise that in Cornwall, as in Cumbria, we might have to take a more nuanced approach. I will be clear that our view is to have established powers related to integrated settlements and devolved powers of significance. That will come with a mayor, but of course Cornwall has agreed to a level 2 deal and in the current White Paper, that would be a foundation deal as a starter for that journey.

Dame Harriett Baldwin (West Worcestershire) (Con): Whatever our views on the different flavours of local government, surely we in this House can all agree that good local services are delivered when there are excellent, hard-working local councillors who have been democratically elected. At the moment in counties up and down the land, county councillors are campaigning for re-election for four-year terms next May. The matter before us is an important decision for local people to make and it should be part of the discussions in the election campaign next year, so can the Minister take this opportunity to rule out any suggestion that he is cancelling any county council elections next year?

Jim McMahon: In all things I try to be direct, and I have been direct in saying that if those councils that come to the Government with a request for reorganisation meet the test and have a credible programme in place, the elections will likely not take place until the year after, because they will be postponed to elect the shadow authority that would replace the county and the districts. We are clear on that. To give the hon. Lady assurance, there will not be a mass cancelling of elections for the sake of it, in the hope and prayer that some councils might come forward for reorganisation. There has to be a balanced and proportionate approach, and that is what we intend to take.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Stoke-on-Trent is already a unitary authority, but it is surrounded on either side by a two-tier district system of Newcastle and Staffordshire Moorlands, who are our friendly neighbours and proud communities but fundamentally different places. Can the Minister set out what will happen to existing unitary authorities? Can he also say how, as part of this review, he will protect the identities of communities who look to a place rather than to a compass point and a county name? And if we are going to have new mayors with new powers, can he set out what the corresponding reduction of Ministers in this place will be to reflect the reduced number of services they will provide?

Jim McMahon: On the question of whether we will reduce the number of Ministers, I can easily answer that by saying that that is well above my pay grade, but I hope there will always be a need for a Local Government Minister to oversee, to hold people's hands and to be a well-wisher. The identity question is really important, and any devolution or reorganisation has to get the balance right. The tests that will be applied are in the White Paper. This is about getting the balance right between ensuring: that the economic footprint, which is the real economy, is recognised; that, as much as possible, there is public service boundary alignment to services across policing, the health service and others; and that we capture identity as much as possible. There will be a trade-off in some cases, but it is for local areas to come forward with the right proposal for their area after due consideration.

Layla Moran (Oxford West and Abingdon) (LD): Of the 42 councils across the country that have increased social homes, four are in Oxfordshire. South Oxfordshire district council has doubled the number of social homes it has delivered over the last 10 years. Meanwhile, Oxford city council next door has halved its number. There are district councils that are doing incredible work, so why should they face finding themselves lumped in with underperforming councils? Surely, rather than having a distracting reorganisation, proper devolution to those councils that are doing well is the way to deliver for local people.

Jim McMahon: There is nothing in the White Paper that is about decrying the work that has gone before. In fact, there is a great deal that celebrates the work done by local government, such as the community leadership provided by frontline councillors, council leaders and council executives on a range of issues. They are the builders of devolution, so this is not about something being done to them from the top; it is about local areas coming together and making a request to the Government for local government reorganisation and/or devolution. As a Government, we will work as partners in that development, but we fully appreciate that district councils across England are doing a very good job of delivering good public services, but there also has to be an acceptance that this is not the most efficient way of delivering public services; there are other ways.

Chris Curtis (Milton Keynes North) (Lab): I thank the Minister for the ambition he has shown in his statement, particularly on how we can get local authorities to support the building of the 1.5 million homes that this country needs.

Before the White Paper's publication, the Department saw expressions of interest from various areas. However, some of those initial submissions may no longer reflect the scale of ambition or the devolution options that we now know are available. Can the Minister reassure me that authorities with greater ambition, which are ready to act swiftly in line with the powers and vision outlined in the White Paper, will be given the opportunity to revise their proposals and to fast-track a mayoral model on geographies better suited to delivering results for their residents?

Jim McMahon: There were three types of programme on the transition to the new Government. The first were the legacy devolution agreements that were agreed under

[Jim McMahon]

the previous Government but had not yet passed through Parliament, which we wanted to reconcile. The second were the areas that we wanted to target—by and large, areas in the north of England to complete the map of the north and to populate that area. The third was a write-around from the Deputy Prime Minister to get a real sense of where different areas might be on their approach to partnerships, to the type of scale and to the type of geography. We saw the expression of interest process very much as a temperature check, so the proposals that came forward are certainly not binding either on local areas or on the Government. We expect further proposals to come forward, including from the same areas.

Sir Bernard Jenkin (Harwich and North Essex) (Con): What guarantee can the Minister give that there will be new money from the Treasury to fund the costs of any local government reorganisation in Essex, to avoid the costs of that reorganisation resulting in cuts to public services or increased council taxes?

Jim McMahon: That question was raised earlier, and I apologise for not addressing it. The Government will provide capacity to enable both devolution and local government reorganisation through discussions with local authorities. Some of that might be funding, and quite a lot might be support through workforce development. Last week, we launched the workforce development group—a joint project between MHCLG, other Government Departments and bodies such as the Local Government Association—to make sure that we are addressing the workforce issues. Even before the reorganisation, we know that many counties are struggling to recruit to jobs like adult social care and many districts are struggling to recruit to jobs like planning, so there is a bigger issue here that we are looking to address.

Dave Robertson (Lichfield) (Lab): I draw the House's attention to my entry in the Register of Members' Financial Interests, which lists me as a member of Lichfield city council and Lichfield district council.

I want to touch on the future of parish and town councils, as the White Paper talks in two places about stronger engagement between the new authorities and parish councils. Can the Minister go further by saying how that will work, particularly given their importance in places like Staffordshire? Staffordshire has almost 1 million people, is 3% of the length of England, and has real centres of community and a lot of population centres that are not currently reflected in their district councils but are very much reflected in their town councils in places like Burntwood.

Jim McMahon: Again, we say in the White Paper—I also referenced this in my opening remarks—that it was a Labour Government who introduced quality status for parish councils to recognise that that tier of government has a very important role to play and can do far more if trusted and given the power to do so.

We see that town and parish councils have an important role to play but, in the end, that is notwithstanding reorganisation. Reorganisation will need to take place in many areas, and parish and town councils could or could not do more, but I would say that that is a slightly separate issue.

As to the proposal for individual areas to take account of issues like identity, belonging and the different units of government, we are happy to have those conversations on a one-to-one basis. I can assure the House that there will be ample opportunity to meet me and my fellow Ministers on a one-to-one basis, as well as for drop-in sessions, to make sure that matters that are not picked up on the Floor of the House can be picked up later.

Manuela Perteghella (Stratford-on-Avon) (LD): I refer the House to my entry in the Register of Members' Financial Interests as a district councillor. Real devolution means empowering local communities, not centralising power into regional super-unitary councils. Residents in my constituency of Stratford-on-Avon would be best represented by a south Warwickshire unitary council, rather than a remote Warwickshire-wide unitary council, which will have five different local plans. Does the Minister agree that a top-down minimum target population of half a million people risks dividing existing communities and forcing together communities with no shared identity?

Jim McMahon: That is a fair point. I am losing track of the number of MPs who are standing up to declare they are still councillors, although I recognise there is a transition—I went through it myself—and there may be an overlap between being a councillor and a Member of Parliament. On the detail of individual counties, it is for local areas to make a submission to Government, and for the Government to assess the proposals that come forward. The Government do not have a plan on a map for the hon. Lady's county, but we expect that the county and the district will get together to work out a proposal that they can accept and submit to Government, which we can then review.

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): Cornwall will welcome further devolution. We are a long way from London, but I want to build on the question about town councils. In places like Cornwall, cuts to unitary councils have meant town councils have already taken on a lot of responsibility, so how does the Minister see those town councils continuing in the future?

Jim McMahon: When Labour was last in government, we brought forward landmark legislation to create the Mayor of London, Parliaments in Scotland and Wales and the Assembly in Northern Ireland. The quality council status was introduced for parish and town councils, and powers on wellbeing and other matters were given to local government. The previous Labour Government recognised, just as this Government recognise, that devolution has to work from the top to the bottom and the right powers have to be in the right places. At a neighbourhood level, we see town and parish councils playing a critical role in devolution, and we look forward to further discussions with the sector.

Simon Hoare (North Dorset) (Con): There is much to commend in the White Paper and, broadly, the Minister is to be congratulated. However, he knows as well as I do, as welcome as the multi-year settlement announcement is, it is predicated on an outdated and effectively broken funding system. I understand the Treasury is not keen to revisit that in any meaningful way, but may I urge him to consider a rural-proofing mechanism to the funding formula, to ensure that the additional costs of

delivering local services in rural areas are recognised? Change is scary, but I do not recognise the picture painted by the hon. Member for Mid Dorset and North Poole (Vikki Slade). In Dorset, we became a unitary authority, and no sane person would ever want to go back to a two-tier system, but we benefited from the excellent skills of Paul Rowsell, who died earlier this year and is much missed. Will the Minister ensure there are expert teams within his Department to work alongside those councils that wish to make that important change, which will deliver savings and better services to local people?

Jim McMahon: I thank the hon. Gentleman, who is my predecessor, for his question and for the tone with which he dealt with us in opposition; I honour that in return. The fair funding review is absolutely critical. We are committed to a multi-year financial settlement, which is about giving security, but we all know there is no security if the money is insufficient to meet demand. The hon. Gentleman and the House have absolute assurance that all the cost factors, including the cost of rural service delivery, will be taken into account in a fair funding review.

Mr Bayo Alaba (Southend East and Rochford) (Lab): In comparable countries, a city like Southend would generate £55 billion more across the country. Will the Minister explain what powers the English devolution Bill will give to mayors, so they can drive local growth and areas can fulfil their financial potential?

Jim McMahon: I remember when the Greater Manchester devolution deal was signed in 2014. Its principles were to reform public services, so we could focus on prevention rather than crisis management, which is more expensive and has worse outcomes, and grow the local tax base, because the area would become more productive through investment. I will be honest and say that we did not see the investment in prevention reform, so growth was stunted. However, even in that context, growth in Greater Manchester has outperformed that of other areas, in large part because of the devolution agreement and the leadership and co-ordination involved. Even by independent assessments, allowing our regions to realise their full potential would be worth between £30 billion and £50 billion to the economy that is not currently being realised, so there is an alternative and we have to grasp it.

James McMurdock (South Basildon and East Thurrock) (Reform): Yesterday, a former Labour deputy leader referred to my party as a "threat to democracy". I am sure that that was a cute turn of phrase for television, but given that the framework that the Minister has laid out allows elections next year to be gamed so easily, is the real threat not potentially the Labour party?

Jim McMahon: I would not characterise the hon. Gentleman's party as a threat to democracy, but it might be a threat to sanity. We are all tested on a too-regular basis by fairly ridiculous statements that try to drive a wedge and divide people instead of bringing them together. One thing about devolution is that, regardless of party politics, across Labour, the Liberal Democrats and the Conservatives what we have seen in local areas is that when it comes to people, places and putting communities first, party politics are put to one side. I extend that invitation to the Reform party, too.

Jim Dickson (Dartford) (Lab): It is instructive to hear a former local government Minister on the Opposition Benches, the hon. Member for North Dorset (Simon Hoare), describe the current system as "broken". That is probably why we need the White Paper. My constituents have grown weary and frustrated at non-delivery by various tiers of local government in Kent, particularly when it comes to failures to provide special educational needs and disabilities support for pupils, and poor bus services compared with neighbouring ones in London. What hope for better delivery across all services—schools, social care, health, transport and roads—might we have from the White Paper?

Jim McMahon: It was previously very difficult for the Government to have an honest conversation with local government about what an adequate level of public service provision should be in a given place, because they knew full well that they were not providing the resources to enable that to happen in a fair way across the country. When we fix the financial foundations of local government through the fair funding review and the multi-year settlement, and build rigour around it, we will move away from the hundreds, and in some cases thousands, of top-down metrics that central Government expect councils to report on. We will look to simplify the funding system to end unnecessary ringfences that act as shackles on local government, but there has to be governance, accountability and a very clear responsibility to deliver the outcomes that the Government want in return for those freedoms, flexibility and fair funding.

Clive Jones (Wokingham) (LD): My constituents will be waiting to see how the Department's plans for local government reorganisation affect Wokingham borough council. They will want to ensure that their voices are listened to if we are to be shuffled around, merged or abolished by Whitehall. Importantly, they will want to know whether the Government's plans will hit their wallets. Can the Minister commit to ensuring that funding for any changes will come from his Department, not from council tax, which should instead be used to fund vital local services?

Jim McMahon: Only this week are we seeing a genuine redistribution of money in the local government system so that it goes to the areas that need it the most. For far too long, the funding formula did not recognise deprivation or that some tax bases are weaker at a local level than others. The £600 million recovery grant is intended to get to those areas. On value for money for public services, and getting them down to a neighbourhood level, as I said, there is a two-tier premium that is paid by local taxpayers to the tune of around £2 billion, which could be better used for local public services, and by central Government through the floor protections that we give to district councils, and that frankly could be used in better ways in areas of high deprivation and need.

Alice Macdonald (Norwich North) (Lab/Co-op): I hope that Norfolk will be part of the devolution priority programme so that we can unlock the powers and funding that we need on areas from transport to housing. May I ask the Minister specifically about the role of key cities? Norwich is a key national and regional economic power, but it needs devolution to fully unlock its potential.

[Alice Macdonald]

It is vital that we have a key role and voice in the process of devolution and reorganisation. Can he assure us that that will be the case, and set out the process for cities in particular to do that?

Jim McMahon: Obviously, we inherited the plans for Norfolk and Suffolk from the previous Government. I will be clear that we could not progress with that deal because it would have seen directly elected council leaders assume the role of a mayor, but without the framework in place to support that, which we did not support. We have been working constructively with both counties to look at a mayoral combined authority over a bigger footprint, and we hope they will come forward as part of the programme. That is a matter for them. They may decide now is not the right time, but there is huge potential.

On devolution in Norwich and also Ipswich, it is important that reorganisation is strongly anchored in terms of place and the economy. Of course, in this case, Norwich would be central to that.

Sir Desmond Swayne (New Forest West) (Con): What say will voters in the New Forest have if there are proposals to remove either their district council or their county council?

Jim McMahon: Local government reorganisation is a statutory process, so it requires local areas to produce plans, as does devolution. Both are required to go to public consultation to solicit views—that is part of the process. When the formal process starts, the Government's role is to assess the proposals and the consultation as submitted. We do not take a view on geography and form until we make the final decision.

Andrew Cooper (Mid Cheshire) (Lab): The biggest issues holding back economic growth in Mid Cheshire are long-term under-investment in our transport infrastructure and the lack of a joined-up skills agenda, working with businesses across local authority borders. That is not unique to my constituency. The reality is that, in 2010, east Germany's economy overtook northern England's, and that trend has accelerated over the past 14 years. What new powers will the English devolution Bill give strategic authorities to drive improvements in local transport and to take control of their sub-region's skills agenda?

Jim McMahon: This was one of the reasons why we were so keen to complete the map of the north of England. Most would accept that strategic transport, certainly, crosses county boundaries. If we think about connectivity in the north of England, how Lancashire, Greater Manchester, the Liverpool city region, Cheshire, Cumbria and the rest are joined up, and then even into Yorkshire, requires co-ordination. We want mayors and strategic authorities to work together across that pan-region, so that even more powers can be devolved to address the type of issues that my hon. Friend talks about.

Ben Obese-Jecty (Huntingdon) (Con): According to the White Paper, a constituency like mine will see Cambridgeshire county council and Huntingdonshire district council merged into a unitary council as the principal authority, under Cambridgeshire and Peterborough combined authority as the strategic authority. How will unitary councillors fulfil the roles of multiple district and county councillors in a part-time capacity, and what does it also mean for the forthcoming combined authority mayoral election in Cambridgeshire and Peterborough?

Jim McMahon: The forthcoming election for Cambridgeshire and Peterborough will go ahead as planned. There is no proposal to change the boundary of what is currently a combined authority that will move to being a strategic authority. Local government reorganisation where there is an existing mayoral combined authority, providing that it is coterminous in terms of the review it has undertaken, will not have an impact at all. All that happens is the membership of the combined authority will change to reflect the new council structures as they appear.

Tom Hayes (Bournemouth East) (Lab): As a former councillor of 10 years who sought election to this place to give power back to communities, I am absolutely thrilled by this devolution White Paper, and I congratulate the Minister on bringing it forward. I have two points. On page 16, there is an ambition to make the mayor the chair of the integrated care partnership and also the police and crime commissioner, as in South Yorkshire. I commend that and would like to hear more about it. On page 94, there is a proposal for a right to buy community asset. Hengistbury Head outdoor centre in my constituency just found out that it will be a community benefit society with a lease for 99 years, but it has taken far too long to get to that place. I invite the Minister to come to Hengistbury Head outdoor centre—it may involve getting in a kayak—to find out more about what this right to buy could involve at the ground level. I would love to know more about the Government's intent on the matter.

Jim McMahon: I know many Labour and Co-operative Members of Parliament have been campaigning hard on the extended community right to buy. That is about giving communities the power to take over those important community assets on their high streets and in their town centres in a meaningful way. The Minister for local growth, my hon. Friend the Member for Nottingham North and Kimberley (Alex Norris), is working hard on a communities White Paper, which will provide far more detail. In the end, it is not just about that community right to buy; it is about a genuine shift where people feel far more control, power and agency in the places where they live.

Mr Mark Francois (Rayleigh and Wickford) (Con): Trying to create multiple unitary authorities in Essex will not work, will not have public support, will take the best part of a Parliament to implement and will not save money—in fact, quite the opposite—and there is a risk that local government will grind to a halt in the meantime. As for mayors, in 23 years of canvassing in my constituency, I have never once had a constituent say to me on the doorstep, "I want a mayor of Essex." Indeed, looking up the road to London, the last thing on earth that we in Essex want is another Sadiq Khan.

Jim McMahon: I will put the right hon. Gentleman down as undecided.

Amanda Martin (Portsmouth North) (Lab): I welcome the Minister's ambitious announcement and the opportunities that devolution could bring the people of Pompey, and I thank him and his team for the time that they have given Members of this House and for his offer of an open door. Portsmouth is one of the most densely populated parts of the country, so alongside the commitment to desperately needed affordable housing, will the Minister commit to using the English devolution Bill to empower my communities with the right to buy beloved community assets, such as empty shops, pubs and much-needed community spaces, to ensure that cities such as mine, and the people in them, feel the pride of ownership once again?

Jim McMahon: That is a good point. When we talk about important community assets, we see from an economic point of view that it is far better for them to be used and productive, but in the end we also recognise that they are hugely important to community identity and pride. In a lot of working-class areas, including Oldham, Chadderton and Royton, which I represent, the local civic building, local pub and local church are not just buildings but part of people's story, and people really care about them.

Caroline Voaden (South Devon) (LD): Top-down reorganisation of a failing council such as Conservative-run Devon county council is a bit like shuffling the deck chairs on a sinking ship. We know that years of chronic underfunding have made it impossible for councils to fulfil their obligations, so I welcome the multi-year funding settlement. However, creating larger regional authorities does not devolve power; it shifts power and responsibility away from local communities to a distant, higher-tier authority that will feel remote to towns and parishes in places such as Devon. We must have the opportunity in May to pass our verdict on Conservative-run Devon county council, which has been failing our most vulnerable children for over a decade. Will the Minister assure me that those elections will go ahead as planned in 2025?

Jim McMahon: It would be rude to deny the good people of Devon a spat between the Conservatives and the Liberal Democrats. But in all seriousness, it is for local areas to decide whether they want to apply to the Government to be part of the reorganisation programme. If we receive a request from that area, we will administer it in a fair way, as we would any other.

Steve Race (Exeter) (Lab): I welcome the huge opportunity in the White Paper for cities such as Exeter, which is also held back by Tory-run Devon county council—the upper-tier authority. Can the Minister confirm that devolution and reorganisation will work hand in hand to help Exeter, a key economic growth city, to retain, enhance and expand its historic self-governance, and to unleash its economic potential as an equal partner in a strategic authority?

Jim McMahon: Absolutely. One keenly felt problem with the previous devolution framework was that it did not have due regard for the role of district councils in primary cities, university cities and economic hubs. Reorganisation gives those places the ability to grow, become unitary authorities, and take their place in the new strategic authorities.

John Glen (Salisbury) (Con): Fifteen years ago, just before I joined this House, we saw the reorganisation of Wiltshire county council into the unitary Wiltshire council, and the abolition of several district councils. It seems that another reform in the heart of Wessex will be the probable outcome of these proposals for Somerset, Dorset and Wiltshire. Can the Minister assure the people of Salisbury, who still have some difficulty accepting the abolition of Salisbury district council, that the proposed changes will be positive in terms of the combination of resources for strategic investment in transport and other such services?

Jim McMahon: In any local government reorganisation, there is always a fine balance between trying to create a cohesive new council and respecting the strong local identities that people feel—identities that are unique. When that is done right, the council can be confident in its own standing, because it knows that it is delivering outstanding services; when it is done wrong, it is trying to impose an identity on a place through the form of a council that does not reflect the local identity. For those of us in towns such as Oldham that went through the 1974 reorganisation, that is felt as keenly as in other areas, but that is not about the type of government; it is about culture and approach. When it is done well, it can work.

Adam Jogee (Newcastle-under-Lyme) (Lab): I pay tribute to all the district councillors in the loyal and ancient borough of Newcastle-under-Lyme, including the Tories who tried and failed to defeat me—I will be nice to them. On page 10 of the White Paper, the Minister notes that:

"We must end the top-down micromanaging".

I agree. Notwithstanding how much of this announcement was trailed in the press and on social media in recent days, can I press the Minister on the point raised by my neighbour, my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell)? The Minister has said that there will be trade-offs when it comes to local identities. Who will ultimately decide on those trade-offs, and when will people in the real world be able to have their say on these proposals?

Jim McMahon: People in the real world had their say at the ballot box, because devolution and taking power out of this place was a manifesto commitment that we are absolutely clear-eyed about delivering. The White Paper is about delivering that commitment. As for process and consultation, first, it is for local areas to determine what proposal they will submit to the Government—the Government do not have a proposal that we are submitting to local areas. Secondly, it would be ideal if local areas could get around a single proposal so that the Government's only role is to receive it and say, "Thank you very much," rather than choosing between alternative proposals from the same area.

Alison Bennett (Mid Sussex) (LD): I thank the Minister for the time he made available to me at one of his surgery appointments recently and welcome the announcement of something that we discussed then: the ending of bidding for discrete funding pots, which was a trademark of the last Conservative Government. How will we ensure that these announcements do not impinge on the announcements his Department made last week?

[Alison Bennett]

My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) eloquently set out the challenges of reorganisation in Cumbria. How are we going to make sure that those housing targets can be delivered during this period of uncertainty?

Jim McMahon: We are very mindful that there is a lot of change in the system quite early on. That is deliberate. We believe strongly that when the next general election comes, people will make judgments based on whether they feel better in their own financial security—whether they have money in their pocket and feel like they are getting on in life—and feel secure in the place where they live. Local public services are part of that. As such, we have made a deliberate decision to make the necessary structural changes early on in the Parliament, through the White Paper and other measures, so that we can get them out of the way and people can really see the benefits towards the end of the Parliament.

John Slinger (Rugby) (Lab): I declare an interest as a member of Rugby borough council. Page 16 of the White Paper speaks about

"Reforming and joining up public services", and says that,

"Over the long term, the government is announcing an ambition to align public service boundaries".

Will my hon. Friend expand on how these reforms can enhance people's ability to hold public service leaders to account through their elected representatives, and to exercise greater democratic control over such services?

Jim McMahon: We talk quite a lot about how sufficient funding was not provided over a decade of underfunding, but that does not mean there were not growing costs in the system. We have found that in the end, local government is where all the demand presents itself—whether it likes it or not—when there is failure in other parts of the system, whether that is the failure of developers to build enough properties, the NHS not quite being able to co-ordinate with community services, or the private sector exploiting its audience and charging eye-watering sums, such as in children's services. We have to redesign local public services around people, place and communities, and public sector reform and prevention are part of that. The alignment of public service boundaries is critical; if people do not have democratic control and oversight over things such as integrated care boards or police and crime commissioners, aligned to strategic authorities, we will not make the progress that we need

Tom Tugendhat (Tonbridge) (Con): I welcome the intention to reorganise local government that the Government have set out. Clearly, this has been in play for a while, but the Minister will know that the independent and sovereign kingdom of Kent has had an identity of its own for about 2,000 years. The exact borders of that identity are open to some debate even today—quite extraordinarily, but they are. Will he please tell us what priorities he will use in the devolution priority plan? Will he be championing size—the 500,000-plus—the transport infrastructure or the historical affiliations? How is he going to understand this, and how will he prioritise for the priority plan?

Jim McMahon: I think the right hon. Member has outlined exactly the balance we are trying to get. One priority is about size for efficiency through both devolution to strategic authorities and local government reorganisation, if that follows in the same area. The second is about how the real economy is functioning, because in the end this is about growth and making sure that a functioning economy can be identified and can grow. Those will, of course, be mixed in with identity to make sure that it works. It follows, I think, that in most places the historic counties will be the building blocks for that, but I know that some boundaries are quite hotly contested, as we have seen in Cumbria. However, we are not going back 2,000 years.

Noah Law (St Austell and Newquay) (Lab): Parts of Britain such as Cornwall that have national minority status have been working towards devolution for decades, if not centuries. Given that the Minister has outlined a certain pace and ambition in this White Paper, will he work with Cornwall council, town and parish councils, and ourselves to ensure that that pace and ambition are delivered on and secure Cornwall its rightful place on the Council of the Nations and Regions in due course?

Jim McMahon: There have been a number of competing proposals. I do not believe in elephants in the room, but one was an explicit proposal to have a Devon and Cornwall combined authority with a mayor. It was by and large proposed by Devon, but it was met with what I would describe as quite animated resistance from Cornwall for different reasons. It is not our intention—and, frankly, there are not enough hours in the day—to keep getting involved in local disputes about boundaries and identity. What we want, and this is genuine, is for the local area to self-organise, come up with a proposal that is right for the area, and make that proposal to the Government so that we can work in partnership and deliver the outcome of getting powers out of this place and into places such as Cornwall.

Ellie Chowns (North Herefordshire) (Green): I welcome the elements of this White Paper that are about devolution, but we have to recognise that some elements are about concentration. The Minister has talked about the two-tier premium, but the reality is that his proposals mean that in some places a local tier will be replaced by a more distant mayoral tier. Does he recognise that this risks creating a bit of a democratic deficit? Surely, we should be trying to keep the "local" in local government as much as possible. Given that average turnout in the last lot of mayoral elections last year averaged 30%, what will he do to address the risk of democratic deficit? In particular, will he introduce a fair and proportional system for local elections?

Jim McMahon: The truth is that these strategic authorities are about taking power from this place and moving it down to communities. Every Minister gets hundreds of sign-offs every single day, but as Conservative Members will remember, they include Ministers having to sign off whether cyclists can pass through a local park because the parish council has to apply to central Government for permission. That is part of the centralising nature of the state that we have to change.

Luke Myer (Middlesbrough South and East Cleveland) (Lab): I welcome the statement and the White Paper. Centralisation is part of the reason why we are one of

the most regionally unequal advanced economies, as IPPR North has set out, but it is important that these strategic authorities are run well. What steps will the Minister take to ensure that they are funded fairly, and what assurances can he give that strategic authorities must demonstrate responsible stewardship of the public finances?

Jim McMahon: That is why there is a proposal in the paper to regularise the mayoral precept process. Where combined authorities exist and do not apply a precept, it is not that mayors and combined authorities do not cost money—of course they do—but that local authorities pay for them through a levy or a contribution outside the precept system. Our view is that, for transparency, accountability and political accountability, when mayors and combined authorities or strategic authorities are spending money, the public have a right to see that identified in their council tax, and they can make a judgment about whether that money is being spent wisely.

Dame Karen Bradley (Staffordshire Moorlands) (Con): The residents of Staffordshire Moorlands do not want to be subsumed into Stoke-on-Trent. Can the Minister guarantee that they will not be forced into a devolution deal against their will, and that decisions that matter to them will continue to be taken in the Moorlands and not in Stoke-on-Trent?

Jim McMahon: I do not want to get myself into neighbourhood disputes—there are not enough hours in the day. I hope that it will be clear from reading the White Paper that this is not a forcing together, but a genuine distribution of power from a centralising state to communities where it really matters. My hope is that local disputes, some of which I am sure are well rehearsed and go back a long time, are put to one side. In the end, the prize is the greater good, which is for the benefit

Peter Swallow (Bracknell) (Lab): I welcome the Minister's recognition that unitary authorities deliver for residents. Bracknell Forest council is an example of a unitary authority promoting a strong sense of place and delivering economic growth. Although it is small, it is mighty. Will my hon. Friend agree to work with Bracknell Forest council to develop a plan that works for Bracknell?

Jim McMahon: We are absolutely committed to working in partnership, giving capacity and time to ensure that those local nuances are reflected in whatever follows.

Martin Vickers (Brigg and Immingham) (Con): The Minister has just concluded the Greater Lincolnshire devolution deal, which I welcome and support. As he will know, there were two unitary authorities in the north of the county and the rest is a two-tier system. Do the Government expect that two-tier area to come forward with proposals for unitary authorities? If so, may I remind him that the sparsity factor plays with Lincolnshire, and the target of 500,000 is far too high. Prior to 1974 there were three county councils to cover the whole county.

Jim McMahon: We do not have a proposal for reorganisation for Greater Lincolnshire, but that is not to say that conversations are not taking place locally about making a representation to Government. When that letter goes out later today, we expect areas that are currently not on our list will come forward on that basis. In the end, it is for local areas to determine what submission they want to make, but in terms of sparsity and having an anchor that makes sense, I completely understand the hon. Gentleman's point.

63 16 DECEMBER 2024 Royal Mail Takeover 64

Royal Mail Takeover

5.47 pm

The Parliamentary Under-Secretary of State for Business and Trade (Justin Madders): With permission, Madam Deputy Speaker, I will make a statement on the ongoing takeover of Royal Mail Group's parent company, International Distribution Services plc.

Royal Mail is an iconic national institution, and this Government are committed to ensuring that it remains one. Since taking office in July, the Secretary of State for Business and Trade and I have been clear that the Government will robustly scrutinise the proposed takeover of Royal Mail and ensure that there are safeguards for its future. While a takeover bid is still ongoing and subject to the relevant regulatory processes, the purpose of this statement is to update the House on the legally binding undertakings that have now been given to the Department for Business and Trade by the bidder, EP Group. I wish to be clear that this does not mark the conclusion of the takeover, and these undertakings will become effective only if the takeover goes through. Should the takeover complete, I am pleased to announce that the Department for Business and Trade has secured significant commitments to promote a long-term and financially sustainable future for Royal Mail in the United Kingdom.

It will be helpful if at the outset I set out where Royal Mail was at the time the takeover bid was announced. Before the bid, Royal Mail's financial position was challenging. In its financial year 2023-24, Royal Mail recorded a loss of £348 million. That loss was in part due to a long-term decline in letters, and the significant fixed costs of the universal service delivery network. At the same time, Royal Mail has not met its quality of service targets set by the independent regulator, Ofcom. Royal Mail's performance for the 2023-24 financial year resulted in Ofcom fining it £10.5 million. While the previous Government were happy to accept decline, this Government have worked closely with the buyer to secure significant commitments to deliver the transformation of Royal Mail into a sustainable service, and hard-wired in stronger protections for Royal Mail's identity.

When the discussions with EP Group began, my Department's objectives were: first, to strengthen the financial sustainability of this iconic and important British institution; and secondly, to protect the customers, workers and brand of Royal Mail. Today I can confirm that we have agreed a deed that customers and the workforce alike can welcome, with significant new commitments from the buyer to the Government. This deed is a clear example of the Government's commitment to working hand-in-hand with business to generate reform and investment in public service. It is also yet another example of this Government fixing the foundations where the previous Government did not.

I am proud to announce to the House that we have agreed that the Government will have a golden share in Royal Mail. This golden share will ensure that the Department for Business and Trade now has an ability to prevent Royal Mail from moving its headquarters abroad or moving its tax residency without Government permission. I should make it clear that that is an entirely new measure that was not in place at the time of Royal Mail's privatisation. Except in very limited circumstances,

that measure will remain in place in perpetuity, including when there is a subsequent change in ownership of Royal Mail. I want to be clear that the agreement will not give the Government any role in the day-to-day running of the business—Royal Mail remains a private entity.

Not only have we agreed a golden share, but the EP Group has made a number of other commitments in addition, which I will set out at a high level. Those commitments include a commitment to prevent value extraction unless two tests are satisfied: first, a financial test that takes into account the debts of Royal Mail, so that value cannot be extracted if the company is heavily indebted; and secondly—this recognises a key concern of the public—a quality test to ensure that value is not extracted unless specific performance targets are met.

All businesses need to adapt and improve in order to respond to change, and Royal Mail is no different. Recognising that there is a need for Royal Mail to modernise, there is a commitment from EP Group to ensure that Royal Mail has the financial means to fund the transformation of its business in the three-year period following completion of the acquisition. In addition, EP Group has agreed to take an immediate step to strengthen Royal Mail's balance sheet by removing a significant intra-group debt, which is currently due to the remainder of the International Distribution Services group. The agreed undertakings also include a commitment to ensure that Royal Mail retains ownership or access on fair terms to those assets necessary to meet the universal service obligation.

Next, EP Group has agreed to meet all the regulatory requirements that Royal Mail Group is subject to, including ensuring that it remains the universal service provider for as long as EP Group is in control. We all know—not just in this House, but across the UK—that Royal Mail is an iconic British brand, and that is why there is a commitment to the existing brand protections in place for Royal Mail. Royal Mail is a respected and revered operator, and not just in the UK—it has various international responsibilities at international fora and with the overseas territories. Those will be respected and continued, maintaining the UK's prestigious international position.

EP has stated its long-term commitment to Royal Mail, and the discussions have demonstrated the wide range of areas of public interest in the work of the company, so I am also pleased to confirm that EP has committed to taking steps to facilitate discussions between any future owner of the business and the Government, be that in 10 or 20 years' time. These commitments have been offered by EP Group to the Department on a voluntary basis; nothing has been offered in exchange.

I take this opportunity to thank EP Group. I am confident that we share the same objective of a reliable and financially sustainable universal service provider, while workers and consumers are placed at the heart of a sustainable Royal Mail. I am also pleased that, as well as reaching an agreement with the Department, EP Group has today announced that it has in-principle negotiated agreements with both unions representing the Royal Mail workforce. The Government welcome those agreements, and I am confident that the constructive and collegiate approach between the unions and the buyer can represent a restart for industrial relations in the Royal Mail Group.

I have set out some of the key commitments, but there are further commitments from EP Group that I do not have time to set out in full today. I am therefore placing copies of the deed in the Libraries of both Houses. I will keep the House informed as much as I can as the takeover progresses. I commend this statement to the House.

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

5.54 pm

Dame Harriett Baldwin (West Worcestershire) (Con): May I start by thanking the Minister for advance sight of his statement? Before I get into my questions, can we take a moment to thank every postman and postwoman up and down this country for their hard work, particularly at this time of year? In all the challenging weather, they are out there putting letters through every letterbox in the land and collecting thousands of letters from the red pillar boxes in every corner of our country. I take the opportunity, especially in this Christmas season, to say thank you on behalf of all of us.

Every colleague here will recognise the importance of Royal Mail, both as an institution and as a provider of a vital nationwide service. It has been in existence for more than 500 years, and it has seen a lot of change over those years, but the one consistent thing is that it is still a service on which we all depend every day. It is not the only way we communicate any more, but it is a vital one, and it will continue to be needed, including by Government. What a shame it is that one of the biggest postal deliveries done by Royal Mail this year was from the Government. It was a letter to many pensioners—often on low incomes—cancelling their winter fuel payments.

The dwindling number of letters sent has eroded the base on which the success of Royal Mail was built. The inevitable consequence is that Royal Mail has been facing serious financial challenges, and amid those challenges the service received by people across Britain has become worse, whether that is deliveries missing their deadlines, letters going missing or occasionally, in some areas, people going weeks at a time without post. The example of that failure was shown last week by the fines that Royal Mail received. The cost of this poor service cannot be overstated, whether it is for those who subscribe for services by mail, those who rely on business deliveries or those who miss appointments with their general practitioner, impacting their health and costing the Government. That poor service cannot be allowed to continue.

The inward investment into the service announced today will be scrutinised by shareholders, but given that they are the golden shareholder, I have questions for the Government. What guarantees has the Minister received about the service provision? What commitments has he received about the level of jobs across Royal Mail? How much of Royal Mail do the employees themselves now own? In some places it has been reported that the commitment to the tax residency guarantee is for five years, but I heard the Minister say at the Dispatch Box that it was perpetual. Can he clarify that?

What ongoing role will the Government have in making sure that Ofcom ensures that Royal Mail delivers the service expected by customers? The fines do not seem to be doing it. An important part of the service offered by Royal Mail is the universal service obligation, which now requires post to be delivered six days a week and parcels to be delivered five days a week. When the Royal Mail is working well, the universal service obligation provides an outstanding service. However, Royal Mail wishes for it to be reformed. Does the Minister believe that the obligation must be maintained in its current form? Can he confirm what discussions he has held with EP Group about the obligation? Will he confirm whether there is a sunset on the obligation? He mentioned that there potentially was with a transfer of ownership.

The value of Royal Mail goes far beyond the universal service obligation. Can the Minister outline whether he expects any of the other services provided by Royal Mail to be impacted? For example, can my rural constituents continue to count on their letters being collected from every post box? What risks has he identified with the takeover itself? Although the Post Office and Royal Mail are separate entities, they are closely tied. Just over a month ago, the Government announced that more than 100 post office branches were at risk of closure, with hundreds of jobs lost. Can the Minister explain what assessment he has made of the risks facing the Post Office and how they will be impacted by the sale of Royal Mail?

Royal Mail faces the same headwinds, often created by this Government, as other businesses. Whether it is Labour's employment regulations or the national insurance jobs tax, businesses have warned that they may be forced to put up prices and cut jobs, because of the very actions of this Government. Finally, can the Minister confirm whether Royal Mail has expressed concerns over the Budget or the Employment Rights Bill?

Justin Madders: I thank the shadow Minister for her comments, and I start by joining her in thanking all those postal workers who throughout the year—not just at this time of year, when it is particular busy, but 12 months a year—come rain or shine, sleet or snow, deliver those much-needed communications from friends, family and loved ones. I was pleased to be able to go to my own depot in Ellesmere Port last Friday. I will go to another one in my constituency, in New Ferry, this Friday. All hon. Members should be encouraged to make those visits, because they really show how much we appreciate the work that our postmen and women do.

The hon. Lady is right that the Royal Mail is a service that we all depend on. I agree that performance has not been good enough in recent years. That is why we have had a number of discussions with the company and with Ofcom about how we will get things back on track. That is why the agreement is so important, because the deal will get in the investment needed to try to drive up that performance.

I turn to some of the hon. Lady's specific questions. On guarantees of service provision, the legislative framework is already there for the universal service obligation, and I see the takeover having no impact on that. It has not been part of the discussions—it is an entirely separate issue—but Parliament will have its say on that if needed. Next year, Ofcom will have a consultation on the universal service obligation. I think it is recognised that an awful lot of work is needed to bring standards up to the level that we would like, and one of the protections in the agreement will hopefully deliver on that.

[Justin Madders]

On jobs guarantees, the hon. Lady will be aware that the general secretary of the Communication Workers Union has spoken positively about the agreement reached. He believes that sufficient assurances have been given on jobs. On employee engagement, she asked whether the employees will own the company. That is not the case, but they will have a say in governance in future as a result of an agreement between the Communication Workers Union and EP Group. That is to be ratified by the Communication Workers Union executive, but that will be a groundbreaking arrangement that we did not have previously. She also asked about tax residency in perpetuity, which is what the golden share does indeed intend to deliver.

Madam Deputy Speaker (Judith Cummins): I call the Chair of the Business and Trade Committee.

Liam Byrne (Birmingham Hodge Hill and Solihull North) (Lab): I welcome the statement made by this hard-working Minister. I take it from the announcement that Mr Křetínský has cleared the investment screening tests that the Cabinet Office is responsible for. It would be useful to have that confirmed.

Let me press my hon. Friend about the universal service obligation. Is it his intention that beyond the initial five years he will seek six-day delivery and a universal service obligation in place for Royal Mail for as long as His Majesty's Government retain the golden share?

Justin Madders: I thank the Chair of the Select Committee for his comments. The golden share is to deal with tax residency and headquarters being domiciled in the UK. Obviously, there will be discussions about the universal service obligation. We know that this is a fast-moving market, and that will be for determination by Ofcom some time next year.

Madam Deputy Speaker: I call the Liberal Democrat spokesperson.

Sarah Gibson (Chippenham) (LD): The Royal Mail has been plagued by issues for years, and my constituents do deserve better. A reliable postal service is essential for all of us, but particularly for rural businesses and those waiting for important NHS appointments.

Naturally, in communities like those I represent in Wiltshire, there are some serious concerns about what the statement might mean for the quality of rural services. Last Friday, I met with the brilliant posties in my constituency of Chippenham, some of whom have been in the job for nearly 50 years, who were rushed off their feet delivering Christmas cards. Spending time with them reminded me how important they are—they can often be the first people to notice that someone has not been to their door in days. They are the unseen champions of our community, particularly in rural communities where other people are not walking past. They reminded me that a reliable postal service is essential for our local communities. I therefore join hon. Members in thanking them for their dedication, specifically at this time of year.

Businesses depend on timely deliveries, and many older residents rely on our postal services for banking, utilities and keeping connected. Any weakening of the universal service obligation would disproportionately harm the rural areas of Wiltshire where alternatives are limited. Therefore, the Government and EP must give us a commitment that they will not water down the Royal Mail's service at the public's expense. With the Royal Mail's universal service under review, it is particularly important for the Government to be clear about the future of these services with this new owner. I would be grateful if the Minister made it clear to my constituents at home that the number of delivery days will not be reduced as a result of this sale to EP Group and that any changes on the horizon will not be charged to the public purse.

My questions about the delivery standards are particularly important, given that we are in the middle of Christmas, and many millions of people rely on the Royal Mail, not least for that. One thing that is particularly concerning for us at the moment might well be —[Interruption.] I am sorry, I have one last thing. With it moving abroad—

Madam Deputy Speaker: Order. I am sorry, but the Liberal Democrats get two minutes for their response and we are quite a while after that.

Justin Madders: I assure the hon. Lady that the universal service obligation is not contingent on this deal—that is an entirely separate matter for Ofcom to be considering—but a number of commitments that we have secured in this agreement will hopefully improve standards, which in any event have clearly not been as we would all want.

Gregor Poynton (Livingston) (Lab): I welcome the Minister and the Government's work to secure the long-term future of the Royal Mail. The statement shows that we have got a good deal for UK customers and workers. Will the Minister assure me, Royal Mail customers and workers in the Livingston constituency that when the deal goes through, the new owners will be held rigorously to their obligations on an ongoing basis? We have had too many instances over the last 14 years of privatised industries going off track because the regulatory environment has not ensured that they meet their obligations.

Justin Madders: My hon. Friend will not be surprised to hear that some of my early discussions in this role have been with Ofcom, and indeed with Royal Mail about its performance. There is a shared determination between not just the regulator and the Government but the trade union, the workers and the new owners to drive up that performance, because we can all clearly see that it is not good enough at the moment.

Sir Edward Leigh (Gainsborough) (Con): Thirty-one years ago, when I had the Minister's job, I was trying to privatise the Post Office, but I was stopped by rebellious Tory Back Benchers—nothing new there. I was sacked a week later. So I warn him that this is quite a difficult issue.

What people were worried about was the universal service obligation—it costs so much more to deliver in rural Lincolnshire than in central London—so I think that what we are all worried about is that, as the Royal Mail moves ever further away from public ownership,

this new private company will try to chip away at the universal service obligation, particularly in rural areas. Can the Minister reassure us that he is really on the case?

Justin Madders: I thank the right hon. Member for his question. Is he now the rebellious Back Bencher, I wonder? We all share those concerns about the universal service obligation. This deal is not contingent on the universal service obligation. We have had discussions on how we improve the current state of affairs, because it is clearly not good enough. I hope that his constituents will see an improvement in service as a result of this deal.

Peter Swallow (Bracknell) (Lab): Barely a week goes by without a constituent reaching out to me to express frustration at the quality of service they receive from our local Royal Mail delivery services. What will the announcement mean for them and for the quality of service that they receive?

Justin Madders: We hope that the deal will lead to an improvement in service. Specific investment commitments are being made as part of the deal, which we hope will be used to drive up standards. I think that everyone is committed to seeing an improvement on where we are at the moment.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I have eight Royal Mail delivery offices in my constituency, staffed by a team of hard-working posties who cover a vast rural area around the Scottish Borders. Will the Minister tell them, and me, what commitment the new owner has given to maintaining those offices and staff levels?

Justin Madders: The hon. Member must be busy at Christmas time if he has eight offices to visit. He makes an important point about the Royal Mail's vital role in rural constituencies. We have got commitments to improve standards, and hopefully the deal will deliver on that through the increased investment that has been agreed.

Chris Vince (Harlow) (Lab/Co-op): Postmen and postwomen in my constituency were shaken to the core a couple of months ago when one of our postmen was brutally attacked and hospitalised while doing his rounds. I am sure the Minister will join me in sending my sympathies to him and his family for that terrible incident. When I visited the depot in my constituency—fortunately, I only have one—the postmen were concerned about the long-term future of Royal Mail. What assurances can he give me and postmen in Harlow that he has done all he can to protect Royal Mail and ensure that any future takeover does not lead to a running down of services?

Justin Madders: First, I extend my sympathies to my hon. Friend's constituent who was attacked. We all feel abhorrence when public servants are attacked doing their job.

My hon. Friend can be assured that services will be protected. This is an opportunity to get investment. We have commitments that were not in place previously post privatisation, so we are in a better place than before.

Christine Jardine (Edinburgh West) (LD): On Friday I will be visiting the delivery office in my constituency. Like other Members, I am concerned to reassure those who work there about what this privatisation will mean

for them. We have talked a lot about services and universal obligations, but what reassurances can the Minister give that jobs will not be lost down the line?

Justin Madders: It is not a privatisation—that began under the hon. Lady's party's time in office. This is an important step forward, getting commitments that were not previously in place to protect the Royal Mail brand and delivering the investment that we all clearly see is needed.

Johanna Baxter (Paisley and Renfrewshire South) (Lab): Our posties go above and beyond 12 months of the year, but especially at this time of the year. I welcome my hon. Friend's statement, but I particularly welcome the support that it has garnered from the workforce. Can he say a little more about his conversations with the trade unions during the negotiations about the industrial relations reset that has been discussed by the general secretary of the Communication Workers Union? What steps have been taken to ensure that any future owner of Royal Mail does not run it into the ground?

Justin Madders: The Secretary of State and I have regularly met the Communication Workers Union. As my hon. Friend rightly points out, there has been considerable industrial unrest in recent years, so it is extremely good news that the Communication Workers Union has talked positively about the groundbreaking deal that it has signed with EP Group. I agree with the union that it is time for a fresh start and a complete reset of employee and industrial relations. We want good industrial relations across the whole economy, so we welcome the constructive way that EP Group has engaged with the trade unions. We hope that that spirit carries forward into the future.

Simon Hoare (North Dorset) (Con): As many have mentioned, many rural communities will be concerned to know how this could affect them. I spoke to postal workers in Blandford Forum in my constituency on Friday; they can be the best advocates, so can the Minister ensure that they are well primed to explain to their customers—who they are very proud to serve—what this means for the universal service obligation?

Likewise, the Royal Mail has such a crucial job in delivering elections, particularly but not exclusively with postal votes. There is growing concern about the resilience of Royal Mail to meet the growing demand. I appreciate that it is outside the Minister's brief and he may need to write to me, but can he provide some assurance to the House that the contract that the Government give to Royal Mail will be honoured in full by the new owners to ensure that our democracy can still function?

Justin Madders: The hon. Member may have noticed that I was sitting next to the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Bethnal Green and Stepney (Rushanara Ali), before the statement and we had a brief conversation about that, because we all agree on the importance of Royal Mail delivering our democracy. I assure him and his constituents that it is our intention to see that the universal service obligation is complied with and improved on in future.

Lee Barron (Corby and East Northamptonshire) (Lab): I start by thanking postal workers across the country for the magnificent job that they do all year round. I remind Liberal Democrat Members seeking assurances that it was under the coalition Government that the Royal Mail was privatised in the first place, with none of the assurances that we have currently have.

I refer Members to my entry in the register, and I declare that I started my working life on a Royal Mail apprenticeship. It is a proud part of my life—28 years of service, and I am proud of all of it. The Royal Mail has been run into the ground and is currently broken. Through the golden share, the Minister has been able to get this Government back in the room, because we have been locked out ever since privatisation. That represents a breakthrough, and ensures that Royal Mail does not carry on as it has. The current board is responsible for the biggest failure in quality of service, the biggest attack on its workforce and the creation of a two-tier workforce. Can the Government give us some assurances that those responsible will not walk away filling their wallets, but will turn around and apologise for what they have done?

Justin Madders: I thank my hon. Friend for his questions and his service in the Royal Mail. Clearly, arrangements for those currently in the Royal Mail are a matter for the new owners once the deal goes through, and I am sure that that point will be discussed. He is right that the performance has not been good enough, and we are very pleased to have secured a number of commitments in the deal that were not previously in place.

Chris Law (Dundee Central) (SNP): I welcome many parts of the statement, not least the part on quality assurance. I would like to know a little more about that because one issue in Dundee, which has the largest teaching hospital in Europe, is that appointments letters often arrive too late, which of course has an impact on the NHS.

I want to focus specifically on the question not yet answered, which is about jobs. In Scotland, 11,000 people are employed by the Royal Mail, and they will be listening today to find out what cast-iron assurances there will be for their jobs. Mr Křetínský recently completed a takeover of a French supermarket, promising in 2023, in the run-up to that deal, that there would be no job losses, but one year later there were plans to cut 3,000 jobs. Can the Minister be very specific today and tell us what cast-iron guarantees he has for the 11,000 people employed in Scotland and those who are employed elsewhere across the UK?

Justin Madders: I have no doubt that the Communication Workers Union and the Unite Communication Managers Association would not have spoken positively about the deals that they had struck had they not received sufficient guarantees about the workforce. As I said, the general secretary of the Communication Workers Union has been on the air today, speaking very positively about the commitments that he has received about not just job security but governance arrangements, and about workers having a "meaningful stake" in the success of the business moving forward. This is a really positive deal, and if the CWU is speaking positively about it, I think the hon. Member should be reassured.

Sarah Coombes (West Bromwich) (Lab): On Friday morning, I visited the West Brom Royal Mail sorting office and saw the fantastic work that the staff there do. Many of the posties have worked there for decades, and one for as long as 40 years. How will this deal protect Royal Mail and, critically, the postmen and postwomen who are so important to our communities?

Justin Madders: My hon. Friend is absolutely right. One of the biggest assets in the Royal Mail is the workforce itself. That is widely understood not just on the Labour Benches but by the EP Group. As I said, commitments have been made between the trade unions and the EP Group on job security. I hope that goes some way to dealing with her concerns.

Jim Allister (North Antrim) (TUV): When I visited the two depots in my constituency last week—I join Members in thanking our posties—I noticed how run down and aged the van fleets are. Will there be an upgrade of Royal Mail fleets as part of this deal? Given the Minister has said that the Government's golden share does not extend, maybe understandably, to operational matters, is the takeaway today that there can be no assurance for my rural constituents that their service will be maintained at the level that they expect?

Justin Madders: I can assure the hon. and learned Member that there is nothing in the deal that affects the universal service obligation, and it is our understanding and commitment to continue to ensure that there is a universal service obligation moving forward. There are commitments in the agreement to deliver more investment. On the van network, I know that Royal Mail has purchased a number of vans in recent times, conveniently from the Stellantis plant in my constituency. Hopefully, that will be replicated throughout the country, because it is an ageing fleet. As the company has ambitious targets to meet net zero, I think it wants to improve the make-up of the stock.

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): I thank John Kay, my local CWU rep, for showing me around the Fotherby Street depot on Friday morning. It was very good to see my current postie, Nev, there as well. They pointed out that some of the performance issues, including missed deliveries, come down to a lack of staff, which comes down to the two-tier workforce. It is less desirable now to work for Royal Mail. Has the Minister had conversations with Royal Mail, EP and the CWU about moves to end the two-tier workforce?

Justin Madders: When I visited my depot on Friday, we discussed the two-tier workforce and the variation in terms and conditions. I think it is generally recognised that it is not a helpful thing; I do not think it has helped Royal Mail with retention. My understanding is that there are agreements to be made between the Communication Workers Union and the EP Group on moving away from that. The detail has yet to be ratified by the union's executive, but I hope that will mean there is a common basis to try to deal with the issue.

Chris Webb (Blackpool South) (Lab): I am the proud son of a postie, as the Minister knows, and I refer to my entry in the Register of Members' Financial Interests as a proud member of the CWU. When I met my local

posties at the depot on Friday, they told me that they have seen the demise of Royal Mail since privatisation. My constituents are asking for reassurances—what can the Minister tell them about how we can finally get Royal Mail operating to a decent standard again, ensuring they get their letters on time?

Justin Madders: I pay tribute to the work my hon. Friend father does, and to his work as an official of the Communication Workers Union. What the union has said about the reset in industrial relations is really important to improving standards; of course, the other part of the agreement—on investment in the company—is much needed. When everyone works together, everyone shares the common goal of the business expanding and improving its performance. I think we have got everyone aligned on that at last, and I hope that we will all see improvements off the back of that.

Tom Hayes (Bournemouth East) (Lab): Our posties are friendly, familiar faces who go above and beyond all year round, but never more so than at Christmas. It was a pleasure to visit Bournemouth Royal Mail depot recently, on a tour with Martin and Sonia. Will the Minister outline how the Government will prevent any future owner of Royal Mail from driving the company into the ground? What assurances can he give the people of Bournemouth that Royal Mail will finally deliver?

Justin Madders: There are a number of safeguards in the deed of understanding that relate to value extraction, so the EP Group will not be able to take profits out of the company unless there is an improvement in performance; there are also safeguards in respect of debt leverage. I hope that gives my hon. Friend the assurances he is looking for.

Amanda Martin (Portsmouth North) (Lab): I join Members in paying tribute to and thanking our postal workers. In particular, I thank those at my depot in Portsmouth North, which I will be visiting for the second time next week; that was one of my first visits when I was elected. Like me, the posties and people of Portsmouth North were concerned when the previous Government began to negotiate a takeover deal. We therefore welcome the steps that this Minister and his

team have taken, particularly around the involvement of the workforce and the trade unions. Can he give us further information on those negotiation talks?

Justin Madders: A number of commitments have been made that were not previously in place, and there is no doubt that we are in a much better position than we were post privatisation. As I say, this groundbreaking deal between the unions and the company includes rights in terms of governance, a profit-sharing incentive and guarantees on job security. I am sure that Members will be pleased to hear that we really have made fantastic progress.

Madam Deputy Speaker (Judith Cummins): For the final question from the Back Benches, I call Dave Robertson.

Dave Robertson (Lichfield) (Lab): My hon. Friend the Member for Bracknell (Peter Swallow) is right to raise the issue of complaints, which I am sure all Members from across the House receive from constituents let down by failures to meet the universal service obligation. From speaking to posties, as I did today, it is clear that posties right across the country, just like my hon. Friend the Member for Corby and East Northamptonshire (Lee Barron), are proud of what they do. They are proud of the job that they do, proud of being part of the community, and proud of the identity that working for that iconic brand gives them. It is clear that they are not the ones who are letting the public down; that is down to the current board of the company, which is running the organisation into the ground. Today I spoke to a proud postie, who said that he feels the company is a national disgrace—that shows how far it has fallen under the current ownership. Can the Minister assure me that the new ownership will not be allowed to sink to the depths that the current ownership did under the guidance of the previous Conservative Government?

Justin Madders: I agree with my hon. Friend that when the Royal Mail fails to deliver, it is not the fault of the postmen and postwomen; it is about institutional failure in the company that has been allowed to fester for too long. He will be pleased to hear that we have secured a number of commitments to get the investment and security that we need to ensure that the poor performance does not carry on.

Point of Order

6.25 pm

Lewis Cocking (Broxbourne) (Con): On a point of order, Madam Deputy Speaker. When I spoke earlier on the English devolution White Paper, I forgot to alert the House to my entry on the Register of Members' Financial Interests as a Hertfordshire county councillor. I wanted to correct the record at my earliest opportunity.

Madam Deputy Speaker (Judith Cummins): I thank the hon. Member for prior notice of his point of order, which is now on the record.

Water (Special Measures) Bill [Lords]

Second Reading

6.26 pm

The Secretary of State for Environment, Food and Rural Affairs (Steve Reed): I beg to move, That the Bill be now read a Second time.

I am delighted to open the Second Reading debate on the Water (Special Measures) Bill—something I hope the whole House will consider to be an early Christmas present. I thank the noble Baroness Hayman of Ullock for her outstanding leadership of the Bill during its passage through the House of Lords, where it quite rightly won support from all sides.

Our rivers, lakes and seas are part of our beautiful British landscape and have been enjoyed by generations. Our countryside is one of the things that makes us proudest to be British, but that pride too often turns to dismay because in too many parts of our country, the local river, lake or beach has been made filthy by pollution. People worry that the places they enjoyed when they were younger are no longer there for their own children or grandchildren. No parent should have to worry that their child might get sick from splashing around in the local sea or river. Our green and pleasant land is no longer quite so pleasant. Our rivers, lakes and seas are being choked by record levels of pollution from untreated sewage, as well as chemicals and run-off from agriculture and highways.

The Bill is not just about the desecration of water running through our countryside. Clean water is essential for every home and business up and down the country. It is one of the essential foundations of our economy, our communities and our national security. We use water to cool power stations, generate electricity, supply our leisure industries and grow the food that feeds us, but our water infrastructure is under increasing strain. It is outdated, inadequate and crumbling. The situation is made worse by our changing climate, with more frequent and severe rainfall, floods and droughts. Water supplies to homes and businesses are disrupted too frequently in some parts of the country. I have spoken to residents in Hastings and Rye who were rightly furious at the inadequate information, lack of alternative supply and little to no compensation when yet another outage happened in their locality.

Helena Dollimore (Hastings and Rye) (Lab/Co-op): I thank the Secretary of State for the work he and his Department are doing to change the compensation rules so that when these incidents happen, my constituents get higher levels of compensation—something that the Conservatives had 14 years to do, but failed to do. Had they acted in that time, my residents would not be left without compensation for the incidents that have happened in Hastings, Rye and the villages.

Steve Reed: I pay huge credit to my hon. Friend. She has been such a champion for her communities in Hastings and Rye, demanding the better water services they deserve.

The failure to invest in our water infrastructure means that the demand for clean drinking water will start to outstrip supply as early as the mid-2030s. Without urgent action, some parts of the country would then face water rationing. The water system is broken but, instead of

fixing it, the previous Conservative Government just stood back and watched as our water infrastructure crumbled into disrepair. Instead of strengthening regulation to ensure water companies invested sensibly and at the right time, the Conservatives hobbled the regulator and let water companies divert millions of pounds into wholly unjustified multimillion-pound bonuses and dividend payments.

Chi Onwurah (Newcastle upon Tyne Central and West) (Lab): Does the Secretary of State share my amazement that under the previous Conservative Government organisations had to campaign to have sewage-free rivers, lakes or seas, as if it were some kind of privilege rather than a right for everyone? Does he have any idea of the amount of money that was taken out of the sector, and out of the infrastructure we needed, in profits and bonuses under that Government?

Steve Reed: I agree that it is indeed amazing. I know that all of us on the Labour Benches, and perhaps on the Opposition Benches too, share the public's anger at what happened to our rivers, lakes and seas.

The legacy of 14 years of Conservative Government is the highest level of sewage spills on record, economic growth held back by a lack of water supplies, and now potentially painful bill rises to fix the problems they left behind.

Jerome Mayhew (Broadland and Fakenham) (Con): The Secretary of State says there was the highest level of spills on record. How does he know? When Labour was in power previously, only 7% of sewage outlets were even monitored.

Steve Reed: I have to say to the hon. Gentleman that there is very little point in monitoring sewage in the water if all you do is watch the sewage increase and keep on flowing into our rivers, lakes and seas. The Conservatives seem to be satisfied with the failure they presided over. The Labour party will fix the problem that they left behind.

If you find cracks in the wall of your house and ignore it for years, the problem gets worse and the cost of putting it right escalates. That is exactly what the Conservatives did to our water system. They refused to bring in the investment early enough, so ageing infrastructure crumbled even further and the cost to bill payers has rocketed.

Charlie Maynard (Witney) (LD): We are about a month away from Thames Water signing up for another £3 billion of debt. If that happens, 46% of the bills of every customer in that catchment will be spent on interest expenses, and that is without even paying down the £20 billion of debt. How is that helping anyone?

Steve Reed: I thank the hon. Gentleman for his intervention. One of the reasons the Government commissioned a review into governance and regulation is because of the failure of the current system that the previous Government allowed to continue.

I share customers' anger about the scale of water bill rises they seem likely to face. They are rightly furious at being left to pay the price of Conservative failure. I am grateful that the party opposite has indicated support for the Bill. It is just a shame its support has come so

late. In December last year, while they were still in government, I called a vote on introducing a ban on unjustified bonuses for water bosses, but they refused to do it. They could have acted at any point over the past 14 years, but they would not do it. There have been many times in history when Labour has had to clean up the Tories' mess, but rarely quite so literally as cleaning up the raw sewage polluting our country's waterways.

Mr Richard Holden (Basildon and Billericay) (Con): I thank the Secretary of State for giving way. Does he acknowledge, though, that under the previous Labour Government we saw none of the massive capital investment that we are seeing now with the Thames tideway tunnel, which was started under the Conservative Government in 2016? It will be completed next year and is one of the biggest changes to removing sewage from our waterways in history.

Steve Reed: The Conservatives had 14 years to fix the system and they chose to do absolutely nothing. They have left it to the incoming Labour Government to clear up the mess they left behind.

The truth is that the water sector needs a complete reset. It needs reform that puts customers and the environment first for once, and a new partnership with the Government to invest for the future and upgrade our water infrastructure.

Calum Miller (Bicester and Woodstock) (LD): My constituents do not understand why they may be facing a 50% price increase from Thames Water, partly to service a £3 billion loan. The Secretary of State talks about resetting the water industry. Will he consider taking Thames Water into a special administrative regime, so it can be properly reset and the inappropriate debt built up under the previous Government written off to the benefit of taxpayers and consumers?

Steve Reed: There is a process by which any company would go into administration. That situation has not yet arisen with any company. The Government are, of course, closely monitoring the situation with Thames Water, but as things stand the company remains viable and I reassure consumers in that area that there is no threat, and would be no threat, to water supply in any circumstance.

The Government have a three-stage plan to deliver change and bring in the biggest ever investment in our water sector. That started with the initial reforms I announced in the week following the general election. It continues with the Bill before the House today. It will be completed with the water commission, led by Sir Jon Cunliffe, and further legislation that will follow on from that.

In my first week as Environment Secretary, I met water company chief executives and announced a set of immediate reforms to start the process of change. Money earmarked for investment to upgrade water infrastructure will now be ringfenced, so it cannot be diverted for other purposes, including paying bonuses or dividends. If it is not spent on what it was intended for, it will be refunded back to customers as discounts on their bills. Water companies agreed to formally change their company objectives to place customers and the environment at the heart of everything they do. They will set up powerful

[Steve Reed]

new customer panels to scrutinise key decisions. Customers who face frequent water outages—like the constituents my hon. Friend the Member for Hastings and Rye (Helena Dollimore) talked about—or contaminated tap water, as residents and businesses experienced in Brixham in Devon, will now receive more generous compensation and they will get it faster.

We promised in our manifesto to put water companies under special measures to clean up our water. The core provisions of the Bill do precisely that by strengthening the powers of the regulators and holding water companies to account for poor performance.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The Secretary of State rightly talks about the role that regulators have to play, whether that is Ofwat or the Environment Agency. While the water companies were getting away with what they were doing, the Conservative party took huge amounts of money out of the EA. Independent figures from Unchecked UK suggest an 88% reduction in enforcement activities, and that a 50% reduction in the environmental protection budget led to a 60% reduction in activity. Will he set out more on how regulators will be key to clearing up our water industry?

Steve Reed: Absolutely. My hon. Friend makes some extremely important points. In my speech, I will be coming on to how we intend to ensure the regulator not only has additional powers but additional resources to enforce those powers.

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): On compensation, sewage discharges have a massive impact on the local economy in places like Cleethorpes in my constituency, which relies on holidaymakers to support our tourist and hospitality economy. Will the compensation extend to businesses, or will those companies which are put under special measures be required to support other local businesses that are hampered as a result of sewage discharges?

Steve Reed: That is an important point. Polluted water does not just damage people's health; it damages the health of local economies as well, and the compensation will extend to businesses in a way that it previously did not.

The Bill gives Ofwat legal powers to ban bonuses if water company executives fail to meet high standards. It will introduce stricter penalties, including imprisonment, when senior executives in water companies obstruct investigations by environmental regulators, and it includes provisions to allow automatic and severe fines to be imposed for wrongdoing. When increased costs are a result of penalties being issued by the regulators, for instance under the new automatic penalties regime, penalties will come out of water company profits and not from customers.

Ms Polly Billington (East Thanet) (Lab): In evidence given to the Environment, Food and Rural Affairs Committee, Ofwat confirmed that had the measures to ban bonuses been in place earlier, the boss of Southern Water—which covers my constituency—would not have received his most recent bonus. It was Tory inaction that allowed it.

Steve Reed: My hon. Friend is a doughty campaigner for cleaner water for her constituents, and she is quite right. If millions of pounds had not been diverted unnecessarily and unfairly into bonuses, that money could have been invested in improving the broken water infrastructure.

The Bill will go further by expanding the cost recovery powers for the Environment Agency, Natural Resources Wales and the Drinking Water Inspectorate. That means that water companies will bear the cost of enforcement activities, in line with the "polluter pays" principle, while also giving regulators the extra resources needed to hold water companies properly to account.

Munira Wilson (Twickenham) (LD): As the Bill seeks to strengthen the regulation of our water companies, is this not an opportunity to finally regulate the existence of perfluoroalkyl and polyfluoroalkyl substances in our water? Those highly toxic chemicals can be linked to serious health conditions. Scotland, the European Union and United States have put guidance on a legal footing. Why is the Secretary of State not using this opportunity to regulate the presence of PFAS in our drinking water, and to protect our health and that of our children?

Steve Reed: I recognise the point that the hon. Lady is making, and the Water Minister, my hon. Friend the Member for Kingston upon Hull West and Haltemprice (Emma Hardy), will be pleased to meet her to discuss it further.

This Government will not let water companies get away with abuses that the last Government did nothing to stop. The Bill will open up the sector to greater scrutiny by ensuring that there is consistency and transparency in the reporting of pollution. It requires water companies to report in near real time on discharges from emergency overflows which at are present largely unmonitored. It requires water companies to consider the use of nature-based solutions such as reed beds, wetlands and tree planting when they develop their drainage and wastewater management plans. That will ensure that they consider all possible opportunities to use sustainable approaches that benefit the environment as well as managing water more effectively.

Ben Coleman (Chelsea and Fulham) (Lab): I am extremely encouraged by what the Secretary of State is saying. In my constituency—I have been following this for well over two years—the amount of sewage discharge has been absolutely contemptible. In 2023 alone, Thames Water pumped sewage into the river 116 times, for 990 hours, even when it was not raining. I am heartened to hear that, unlike the last Government, our Government intend to take serious measures to ensure that bosses are forced to clear up the mess that they create, and stop them doing it. Can the Secretary of State reassure me that, unlike the last Government, he will ensure that the regulators use the powers they are given and do not behave as feebly as they have for the past 14 years?

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Before the Secretary of State responds, may I point out that interventions must be short? More than 60 Back Benchers want to speak in the debate.

Steve Reed: My hon. Friend is right to make that point. We are not just giving the regulators more teeth; we are also giving them more resources to ensure that they can carry out enforcement against those responsible for wrongdoing.

The Bill requires Ofwat to consider how it can contribute to achieving targets set under the Environment Act 2021 and the Climate Change Act 2008 when carrying out its functions. Together, these measures will ensure that water companies serve customers and the environment far better in future.

Amanda Martin (Portsmouth North) (Lab): Does the Secretary of State agree with me, and with my constituents, that sewage pumped 193 times for 404 hours, in the context of £41 million in bonuses, produces angry residents, un-swimmable seas and potential bill rises—in short, a real faeces show—and does he agree that it cannot happen again?

Steve Reed: I am grateful to my hon. Friend for explaining why her constituents are so angry about the situation, and why the Bill is so necessary as we start to turn the water industry around so that it serves customers and the environment better than it did previously.

I want to reassure the House that although water is a devolved matter, my Department has engaged with the devolved Governments of Wales, Scotland and Northern Ireland throughout the development of the Bill. All its provisions will apply to both England and Wales, and we will continue to work closely with our Welsh counterparts as it progresses.

Kit Malthouse (North West Hampshire) (Con) rose—

Steve Reed: I hope that Members will allow me to make some progress. I am worried about how much time I am taking, given that so many other Members want to contribute to the debate.

The Bill is just one part of the Government's ambitious and long-term approach to fundamentally transforming the water sector. Together with the Welsh Government, I have commissioned Sir Jon Cunliffe, the distinguished former deputy governor of the Bank of England, to lead an independent commission on the future of the water industry. It will be the most comprehensive review of the industry since its privatisation 35 years ago.

Several hon. Members rose—

Steve Reed: I will make some progress, if Members do not mind.

The commission will review regulation and governance from the bottom up to ensure that we have a robust framework that can attract the significant investment that is needed to clean up our waterways, while guaranteeing future water supplies, restoring public confidence and promoting economic growth. Sir Jon will be supported by an advisory group covering areas including the environment, public health, engineering, customers, investors and economics. The commission will seek advice from stakeholder groups, including environmental campaigners, consumer champions, water companies, regulators and the public, and it will make recommendations by June 2025. This is our opportunity to completely reset the water industry so that it is fit for the future and can finally move on from the failures of the past.

I want to thank my hon. Friend the Member for Hull West and Haltemprice, who will steer the Bill through this House. I know that she will lead this work with the expertise and passion for which she is well known across the House. No one is better suited to lead our Department's first piece of primary legislation under the new Government.

This Bill is our chance to right the wrongs that have so angered members of the public up and down the country. Water pollution is not inevitable and it is not acceptable.

Our children and grandchildren deserve to make the same wonderful memories that we did, splashing about in clean rivers, swimming in the sea or playing on the shores of our beautiful lakes, without fear of getting sick. It is time to clean up our water once and for all, and the Bill is an important step in making that happen. Let us seize the opportunity to give this country back the clean rivers, lakes and seas that are our shared birthright.

Madam Deputy Speaker: I call the shadow Secretary of State.

6.48 pm

Victoria Atkins (Louth and Horncastle) (Con): I welcome the opportunity to debate the vital issue of water and how this Bill may be improved. The Secretary of State will be relieved to hear that I intend to focus on water quality tonight, rather than his selling of farmers, fishermen and family businesses down the river—we dealt with that this afternoon at the London Palladium summit.

Across the House, we agree that there are fundamental problems facing the water and sewerage industry that span decades. While we enjoy high-quality drinking water across the UK, there are, sadly, some streams, rivers and beaches where sewage is discharged with disgusting results, chiefly because our Victorian-era sewerage system cannot cope with a larger population and increasingly volatile weather. We Conservatives recognised that when we entered government in 2010 and started the enormous and decades-long task of turning things around.

Gareth Snell: And how is that going?

Victoria Atkins: I will come on that, and the hon. Gentleman will regret asking that question.

I am going to set out our record on water, because it is important that this Government act on the facts rather than believing their own rhetoric—as was demonstrated, sadly, by the shameful betrayal of farming and family businesses in Labour's Budget of broken promises.

Since 2010, the number of designated bathing waters has increased. We have seen a significant improvement in water quality ratings, with more waters rated as "excellent" or "good", and an increase in blue flag beaches. I gently point out that England performs better than other parts of the UK when it comes to leaks, drinking water quality and bathing water quality. I understand why Labour Members—including the hon. Member for Newcastle upon Tyne Central and West (Chi Onwurah), who is no longer in her place—have raised the issue of dividends, but it is an inconvenient fact that over 65% of dividends were paid out during the New Labour Government era, with a decline over the 14 years that we were in government.

[Victoria Atkins]

There is more to be done, which is precisely why we want to help the Government to improve their piece of legislation. It is also why the work of the last decade must be seen as part of this giant infrastructure project. We were the first Government in history to set out that storm overflows must be reduced. To do that, storm overflows had to be monitored and measured. I have to say that I was surprised that the Secretary of State was so dismissive of the need to monitor. As a Home Office Minister, I was painfully aware that we needed to monitor, for example, reports of sexual violence against women, because once it is measured, we can manage it.

It is surprising that the Secretary of State does not appear to think that monitoring storm overflows matters. The reason why is that the previous Labour Government monitored just 7% of storm overflows in 2010. He cannot say that there are more overflows than ever before, because the previous Labour Government did not measure them. The fact that we increased monitoring to 100% of storm overflows means that we know the frequency and have been able to build a body of work on top of that. [Interruption.] He asks what we have done as a result, and I am very happy to help him with that. The data has empowered enraged residents to demand that their local streams, rivers and beaches be cleaned up. It is a critical part of the decades-long work on our water systems that is required, but we were not content with maximising monitoring. The data must be used—

Several hon. Members rose—

Victoria Atkins: I will give way in a moment.

The data must be used to improve water quality, which is why our landmark Environment Act 2021 gave stronger powers to regulators and imposed stricter demands for tackling pollution. We set legally binding targets to improve water quality and availability, and to reduce nutrient pollution. We rolled out catchment-sensitive farming to 100% of farms in England. Presumably, the Labour Government support the Environment Act 2021, because they seem to be replicating some of it in this Bill.

We recognised that the ageing water infrastructure needs rebuilding. The Conservative Government stepped up the requirements for investment, including investment from water companies in storm overflow improvements and nationally significant infrastructure projects, such as the Thames tideway tunnel super-sewer—the Secretary of State need only walk out the back of this House to see that sewer. He is now taking credit for the last Government's work and is not happy to accept that.

Ben Coleman: May I suggest that if the right hon. Lady wishes to see the situation in the Thames, she need only go three bridges downstream to my constituency of Chelsea and Fulham, where the people who live in the Chelsea Reach houseboats regularly send me photos of the dirt and sewage coming down the river after 14 years of absolute failure to regulate the industry?

Victoria Atkins: I imagine the hon. Gentleman presents himself as a fair-minded individual to his constituents. When the Thames tideway super-sewer is open and functioning, presumably he will say to his constituents that they will see a vast improvement in the terrible situation

that he has just described, thanks to the previous Government securing investment in order to make it possible.

Clive Lewis (Norwich South) (Lab): Listening to the right hon. Lady and the excuses that the previous Government have made for what they did, it seems that what you were doing was equivalent to polishing one of the many turds that you will find in the Thames. Perhaps you would like to listen to your main electoral competitor, Reform UK, which actually has a policy for public ownership—I was quite surprised to find that out myself. Perhaps you think that that could solve many of the problems in UK waters.

Madam Deputy Speaker (Ms Nusrat Ghani): Order. One solution would be not using the word "you". As an experienced Member, he should know much better than that.

Victoria Atkins: Particularly as the hon. Gentleman was talking about effluent, which is not respectful. I know that he is capable of much greater advocacy than that. I am afraid that I will take no lessons from the Reform party, as he encourages, although I understand that Labour may face some threats from that party in the Welsh Senedd elections—but I digress.

We made it clear that the water industry must prioritise action to improve the environment, including protecting priority habitats such as chalk streams. I have the good fortune to have chalk streams in my constituency; they have carved their way through Lincolnshire's wolds for the last 10,000 years. The dedicated chalk streams fund, announced by the Conservatives in 2022, has been put to good use in Lincolnshire. Will the Minister for Water and Flooding, whom I welcome to her place, confirm in her wind-up that the protection schemes for chalk streams will continue?

Following the pandemic, we launched our plan for water, which integrates water and food planning, tackles all sources of pollution and gives the Environment Agency the power to issue bigger penalties to water companies. We banned microbeads in rinse-off personal care products, reduced plastic bag usage by 95% and banned wet wipes containing plastic, which is a huge source of water pollution.

I understand why the Labour Government highlight the bonuses that water company bosses have received. Again, I gently point out to the Secretary of State—perhaps he has not done his homework—that the Environment Act 2021, which his Back Benchers do not seem to have read, gave regulators the power to ban water bosses from receiving bonuses if companies have committed serious criminal breaches. [Interruption.] Labour Members ask whether the regulators used it. They are independent, and it is for the regulators to justify why they have not used that power under the legislation that is available.

Helena Dollimore: Will the right hon. Lady give way?

Victoria Atkins: I will do in a moment—I am not like the Secretary of State.

The truth is that Labour Members do not like hearing the facts. We brought forward measures to ensure that companies that pollute the environment can be hit with unlimited financial penalties. We also set up the water restoration fund, meaning that any fines or penalties levelled at water companies were ringfenced to support projects that improve the environment and keep pressure off bills, rather than being returned to the Treasury. The fact that Ministers appear to have stalled the fund reveals how little this Government understand the countryside or care about it. Indeed, it looks like they have held back £168 million in fines that were due to be paid into the fund.

Why on earth would this Labour Government not want polluters to pay? Why are they content for fines of many millions of pounds to be paid into the Treasury slush fund, rather than local environmental projects that have been damaged by storm overflows? Does the Treasury really need that money, or is it perhaps paying for the Deputy Prime Minister's new, flash apartment? My colleagues and I will work to ensure that the water restoration fund is reinstated and that money goes to local environment projects to protect local environments, as was intended.

Most of the measures in this Bill, including monitoring, blocking bonuses and significant fines, were in fact brought it by the Conservative Government. Indeed, primary legislation is not necessary to put most of these measures into practice.

Josh Fenton-Glynn (Calder Valley) (Lab): I am pleased to hear the right hon. Lady championing her party's record on the environment. Her colleagues are somewhat less confident, given that only 12.5% of the parliamentary Conservative party have bothered to show up to the debate. Is that because they are ashamed or because they do not have the same confidence as she does in their record on the environment and pollution?

Victoria Atkins: No, it is because they know that we have already put most of these powers into place and that this is a PR exercise. None the less, it is an important topic, which is why we will ensure that the Government improve the Bill—there is much improvement to be done—and work constructively across the House to ensure that that happens. We understand that the hon. Gentleman's constituents in Calder Valley want clean water as much as my residents in Lincolnshire do.

In Committee and beyond, we will be working to improve this Bill, and I want to join the Secretary of State in thanking the noble Lords in the other place for already starting this task of improvement. In particular, I congratulate Lord Cromwell, who amended the Bill to improve accountability on debt levels and the financial structuring of water companies. Will the Minister please confirm that the Government will keep those amendments in the Bill?

Mr Holden: On a fairly small technical point, the hon. Member for Calder Valley (Josh Fenton-Glynn) made the point that 12.5% of Conservative Members are here. Perhaps he should look at the statistics, because only 11% of Labour Members are here. I know that the last Labour Government were not interested in monitoring the outflows, but they could at least monitor their own Members.

Victoria Atkins: I thank my right hon. Friend. That shows that we on this side can count, unlike the cockeyed accounting of the Chancellor and her Ministers.

In Committee and beyond, the Conservatives will look to deliver an effective limit on water company borrowing. We will boost the way that nature-based solutions can be used in drainage and sewerage management plans, as well as in water storage and tackling pollution. We will also seek to bring back the water restoration fund as an absolute priority.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): Does the right hon. Member think it is acceptable that 90-year-old residents in Fillongley in my constituency go out in their wellington boots at night to deal with flooding in their village because her Government did not invest in local solutions for the last 14 years?

Victoria Atkins: Of course the constituents' experience that the hon. Lady has described is not acceptable. I do not think anyone would say that it was. Sometimes the public are switched off by this back and forth, because the idea that anyone would be content with the experience that she has described is for the birds. The difference that we draw on—I hope we will have a much more constructive conversation about water than this—is that the investment that was made by the last Government in flooding has had many benefits across the country but, as I acknowledged at the beginning of my speech, there is more to be done. That is why we will support the Bill, but we will be looking to improve it.

I just want to make sure that the Minister got the point that I was making. The amendment that came from the Lords to improve accountability on debt levels and on the financial structuring of water companies is a critical one, and I very much hope that the Government will address this and set out their commitment to keep that amendment that the noble Lords saw fit to put in the Bill.

As I say, in Committee and beyond, the Conservatives will look to deliver effective and constructive amendments to this Bill, but I put down this marker. It is surprising—and, I have to say, disappointing—that the Government have failed to grasp that water companies and sewage are just two elements in managing, maintaining and improving our waterways and water quality. Where are the plans for investment in infrastructure? Where are the plans for nature-based solutions? Where are the plans for the roles of other businesses? As we face the likelihood of increased bills being announced this week, what guarantees and reassurances can the Government give to bill payers? And what plans do the Government have to separate foul water and surface water systems? That is a critical infrastructure question that I hope we will get some answers to in the coming weeks. How will the Government encourage investment, particularly given the depressive effects on growth that this Chancellor and her Budget are having on the economy?

Jim Shannon (Strangford) (DUP): I thank the shadow Minister for her words of wisdom in the Chamber tonight. Does she share my concern over the excessive bonuses that the chief executives of these businesses get? Does she know how much that angers and annoys the ordinary person in the street, who wants to know why somebody is getting a six-figure sum for not doing their job right while they are just trying to make ends meet?

Victoria Atkins: Of course we understand that, and it is why we put the powers into the Environment Act 2021 that I am sure the hon. Gentleman and many others

[Victoria Atkins]

voted to support. I hope we can move away from this back and forth and understand the facts as they are and how we can improve on them, because that is what we all want.

We all care about the quality of our water. Let us not pretend or suggest otherwise. I would not suggest that Labour Members do not care about the quality of water, and I do not understand why they think we do not care about the quality of the water that we and our constituents use, drink and swim in—[Interruption.] It is interesting—the left do not like it when we point out that they use motivations rather than the facts. This is why the Conservatives set in train the measures needed to make a meaningful and long-term difference to water quality in this country. That task is not yet finished, and we will support thoughtful, sensible and cost-effective measures to further improve water quality.

Several hon. Members rose—

Madam Deputy Speaker (Ms Nusrat Ghani): This is a heavily oversubscribed debate and I want to get as many Back Benchers in as I can, so Back-Bench speeches will be limited to a hard stop at four minutes. I call Matt Rodda, who is going to show us how it is done beautifully—

Mr Holden: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Mr. Holden, is this a crucial point of order related to the business taking place right now?

Mr Holden: Yes, Madam Deputy Speaker. The Secretary of State had the opportunity today to make a declaration of interest, in having had football tickets worth £1,800 donated to him by Hutchison 3G UK Ltd, a wholly owned subsidiary of Hong Kong-based CK Hutchison Holdings, which also owns three quarters of Northumbrian Water. I just wonder whether he would like to make a quick declaration on the record.

Madam Deputy Speaker: I am not sure that it is a matter for the Chair to regulate Members' declarations of interest. It is on public record, which is why the hon. Gentleman has been able to make that point on the Floor of the House, and no doubt it has been noted. Now, Mr. Rodda, you have four minutes. The floor is yours.

7.7 pm

Matt Rodda (Reading Central) (Lab): It is a pleasure to speak in tonight's debate, and I start by making my own declaration of interests, in that I have family members who work in hydrology and in environmental science, which is closely related to the water industry.

In support of the Bill, I want to make three points about the real experience of my constituents with water pollution, with water supply issues—which are very serious—and on the need for serious action to tackle those issues. I am lucky to represent Reading. It is a wonderful town at the confluence of two major rivers: the River Thames, one of the country's biggest rivers, and the Kennet, a beautiful tributary of the Thames. It is a chalk stream that starts in the north Berkshire downs and flows into the River Thames at Reading.

Olivia Bailey (Reading West and Mid Berkshire) (Lab): My hon. Friend's constituency neighbours my constituency of Reading West and Mid Berkshire. In addition to the beautiful chalk stream, the Kennet, I also have the beautiful River Pang, which has unfortunately been decimated by the sewage outflows under the previous Government, with children walking to school through raw sewage in the streets—an absolute disgrace. Does he agree that the measures in this Bill will get tough on failing water companies such as Thames Water?

Matt Rodda: I wholeheartedly agree with my hon. Friend. That is exactly the problem, and I want to help Members to picture its seriousness.

In 2023, Foudry brook, which flows into the Kennet, was badly polluted. Next to well-established willow trees on the banks of that small river, which flows through local fields and past people's terraced houses into Reading, I saw with my own eyes putrid green water—the stench was unbelievable—caused by a sewage outfall in Hampshire that flowed into Foudry brook and ultimately into the Kennet, then into the main River Thames. That is the sort of disgusting pollution that we are concerned about, which is why I am so pleased with the Government's action on this important matter. It is also important to local residents who live next to rivers, who walk near rivers, who use canoes or boats in rivers, or who fish in rivers. Thousands of local residents in my area, across our county and in other similar parts of England, as well as those living near lakes and seas, are affected by this issue.

I have seen other appalling instances of pollution. In another case, I was walking with my wife next to the Thames in the middle of winter. It was a beautiful scene and, looking across the river, we could see trees, fields and hillsides in the distance. There was a heron on the water. Sadly, this view was blighted by the sight of dark brown-cream foam frothing on the river and gathering next to an island—the foam was caused by nitrate pollution from sewage.

This was in the River Thames, in a beautiful area just outside Reading, and it is the sort of disgusting pollution that we and our constituents are all having to face. That is why this Bill is so important, and I hope we can all agree to support it because such appalling pollution simply should not be taking place in England, or in any part of the United Kingdom.

I realise that time is pressing, but the measures in this Bill will also tackle some very serious issues with water supply. I have residents who had their water cut off for two days, nearly a year ago, and still have not been compensated. This affected hundreds of people living in east Reading, in the Newtown area near Reading University and the Royal Berkshire hospital. They were unable to shower or cook, and they had multiple other problems caused by the lack of water supply. I endorse the Government's measures to toughen up the response to such failures of service.

We recently had another incident where residents were expected to drive 9 miles to Henley-on-Thames to collect water, which is simply unacceptable. Residents, including vulnerable residents, had to drive for a 45 or 50-minute round trip to collect bottled water from a Tesco supermarket on the outskirts of Henley, yet there were multiple sites in the north part of Reading from where emergency water supplies could have been delivered.

Both examples show why this important legislation is needed. I am grateful for the opportunity to speak tonight, and I look forward to hearing more from my hon. Friends.

Madam Deputy Speaker: I call the Liberal Democrat spokesperson.

7.12 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a great privilege to speak on this Bill on behalf of my party, and a still greater privilege, I dare say, to speak as the Member for Westmorland and Lonsdale, which includes Windermere, Ullswater, Coniston Water, Haweswater, Rydal Water, Grasmere, Elterwater, Esthwaitewater, Brotherswater, the River Kent, the River Eden and much of Morecambe bay. We are a stunningly beautiful part of the country, and also one of the wettest. For us, water is unavoidable and precious. It is precious to our biodiversity, our heritage and our tourism economy.

As the House may have noticed, the Liberal Democrats chose to make water the centrepiece of our election campaign. So much so that my right hon. Friend the Member for Kingston and Surbiton (Ed Davey) spent much of the campaign in the stuff. We continue to champion a radical restructuring of our water industry, because water is the most vital of resources and because we cannot allow a continuation of the poor regulation, wanton pollution and abuse of power that became hallmarks of the water industry under the Conservative Government

There is much to welcome in this Bill, including criminal liability for chief executives who are responsible for severe environmental failure—a measure that I remind colleagues was proposed by the Liberal Democrats before the last election, and that Labour refused to support at the time because it believed the measure to be unnecessary. We are pleased that Labour now agrees with us.

We are also encouraged by the proposals to increase some of Ofwat's powers, to introduce a fit-and-proper-person test for chief executives, to institute an automatic fining system that makes sense, to install real-time monitors, and to create greater data transparency. All these measures are welcome, and they will all help, but they do not yet amount to the radical structural transformation that is so obviously needed.

The recent announcement of Sir Jon Cunliffe's review is welcome, but it is also kind of frustrating. It suggests that the Government might well be up for a more radical change, just not yet. The review will not conclude until next summer, of course, after which many people, including in the Treasury, will need to go over its proposals before it hopefully makes it into a King's Speech, running the risk that the more ambitious part 2 might not find its way on to the legislative timetable in this Parliament.

Of course, fixing the entire water industry and sewerage system is not an overnight job, but this feels like an especially ponderous way to solve such an urgent and pressing issue.

Dave Robertson (Lichfield) (Lab): The hon. Gentleman talks about the perils of acting too slowly, but given that a Liberal Democrat was in charge of the water industry when it was privatised, does he not think that we might all be paying the price for the error of acting too quickly in that instance?

Tim Farron: Unless, to my absolute surprise, the Liberal Democrats were in power in the 1980s and early 1990s, I do not think that could have been the case. I was at university with the hon. Member for Carlisle (Ms Minns) when it happened, and neither of us was in government at the time.

The British people rightly believe that they voted for a far more ambitious plan than the one in the Bill, and they believe that they voted for it to be delivered urgently. The biggest mistake that Labour Governments tend to make is not being ambitious enough, presumably under the impression that they will be in power for longer than they perhaps might be, so my friendly advice to the Government is to seize the day and seize the moment. The millions who voted Liberal Democrat at the election absolutely did vote for ambitious and urgent change.

Gideon Amos (Taunton and Wellington) (LD): Does my hon. Friend agree that the water companies need to be regulated, to protect not profits but the environment? Does he also believe that bathing waters, like the wonderful Tone bathing water in which I was swimming the day before yesterday, should not automatically be de-designated?

Tim Farron: I commend my hon. Friend for his swimming activities, and I agree with him. The regulatory framework should be used to improve our waterways, not to strip them of their vital designations. We take the view that it is our job to campaign with energy and passion for a radical clean-up. We are determined to keep our word to the voters by fighting for that action.

I will take a quick moment to say something that I feel is most important. The people who work on the frontline in our water industry, and those who work for the Environment Agency and Ofwat, deserve our thanks and admiration—yet, because of the failings of the system, they end up taking the blame that ought to land here in this place. The legions of people running our water system do a vital job, so I want us to get the tone of this debate right. We can be rightly outraged about how our water industry is allowed to operate, and at the same time be hugely grateful to those who, despite the system, do outstanding work to serve our communities. I want those people to know, and to hear, that we really value them. They are a blessing to us. They are not the problem; the system is. We are determined to fight for a better system for all those people to work in.

Adam Jogee (Newcastle-under-Lyme) (Lab): In a previous life, I drafted many of the amendments to the Environment Act 2021. I am sorry that the shadow Secretary of State would not let me intervene on her, and I am further sorry that she and most of her colleagues voted against every single one of those amendments. The hon. Gentleman was very kind and wisely voted for them. Although Conservative Members now talk about regulation, all the previous Government did was cut the regulator off at its knees, and we are now dealing with the consequences of their inaction and decisions.

Tim Farron: I thank the hon. Gentleman for his service in a previous life, as well as in this one. He makes a very important point, to which I will turn in a moment. There is no point having great regulatory powers if we do not have a regulator with the resources to do the job that it needs to do. Nevertheless, regulation could be made better.

[Tim Farron]

Water industry regulation is split between the Environment Agency and Ofwat, and that plainly does not work. We have two inadequately resourced regulators, with inadequate powers, being played off against each other by very powerful water companies that are far better resourced and able to run rings around the very good, but very harassed people whose job it is to hold them to account. I welcome the concession made in the Bill requiring Ofwat to contribute towards meeting the targets of the Environment Act 2021 and the Climate Change Act 2008. That is a step in the right direction because I believe it will be the first time that Ofwat will have proper environmental obligations, alongside its business obligations.

We have received promises, as the Secretary of State set out from the Dispatch Box earlier, that this Government will strengthen Ofwat's powers in ways that we do not see on the face of the Bill. For instance, Liberal Democrat peers asked the Minister to confirm that the Government would ban water company bosses getting bonuses when their company had had a major category 1 or category 2 sewage incident the year before, and the Minister in the other place said:

"These are the type of circumstances in which it would be highly inappropriate for a bonus to be awarded."—[Official Report, House of Lords, 20 November 2024; Vol. 841, c. 247.]

That is very welcome, but it is not on the face of the Bill.

I pay tribute to my Liberal Democrat colleagues in the other place, who forensically engaged with the Bill to make it much better. I also pay tribute to the collegiate and constructive manner in which the Minister, Baroness Hayman, worked with them. To be clear, though, the Liberal Democrats would go even further and create a unified and much more powerful regulator, the clean water authority, absorbing the regulatory powers of Ofwat and the Environment Agency, but with many additional powers, including revoking the licence of poorly performing water companies swiftly, forcing water companies to publish the full scale of their sewage spills, reforming water companies to put local environmental experts on their boards, and putting robust, legally binding targets on sewage discharges.

On the issue of discharges, we welcome the change to require data from emergency overflows to be published within an hour of a discharge. That will require companies to monitor all emergency sewage overflows and to ensure that data is reported to the Environment Agency within the hour. To pursue the point made by the hon. Member for Newcastle-under-Lyme (Adam Jogee), my concern is that the Environment Agency is already massively overwhelmed. In my constituency, I see good people working very hard, but with Coniston, Windermere, the River Eden and the River Kent competing for time, attention and resource, as well as the ongoing work of building flood defences in Kendal, it is hard for them to be able to focus.

Anna Dixon (Shipley) (Lab): The hon. Gentleman talks about the Environment Agency being under-powered and under-resourced. With rivers like the River Wharfe, it has clearly failed to address illegal discharges and to enforce the law. Does he, like me, welcome the fact that the Bill will introduce more support for enforcement by allowing the Environment Agency to recover the cost of any enforcement from the offending water companies?

Tim Farron: Yes, to a degree. I thank the hon. Lady for her intervention; it is very welcome, as is the investment that is promised and the way in which it will be provided, but—and I am happy to be put right on this—I think the figure used by the Government is an additional 500 members of staff for the Environment Agency. That is one per constituency in England and Wales. That will not make a noticeable difference. In practice, the Bill could well permit a continuation of the current situation, where water companies will be setting and marking their own homework, with an Environment Agency without the capacity to even manage its current workload, let alone the new duties the Bill will give it to monitor masses of important overflow data. The regulator must be much better funded to do that well. Even then, the regulation rules must be watertight for the Environment Agency to ensure that the water companies cannot pick and choose which information they release or retain.

The Minister indicated that the data will be made publicly available and easy to access. I look forward to hearing more detail about how that will be done. That could be a positive move, allowing citizen scientists and campaign groups—such as the wonderful Clean River Kent Campaign group, the Eden Rivers Trust, the South Cumbria Rivers Trust and the Save Windermere campaign, as well as many others from other communities—to be able to hold the water companies to account to a greater degree. After all, knowledge is power. We are keen to encourage the Government to move forward with that.

We would also like to see water companies publish the volume and concentration of discharge from all emergency overflows, not just their duration and frequency. Will the Minister consider including that duty? And should we really have water companies installing and maintaining their own monitoring equipment? We believe that the Environment Agency or its successor should be doing that, with the full cost of that work paid for by the water companies.

The Bill makes almost no attempt to address the structure of finances and ownership of the water industry. The Minister has indicated that the Bill will seek to change the culture of the industry, which would be welcome, but cultural change will only come with a change to the reckless profiteering that has been the norm. As right hon. and hon. Members on the Conservative Benches have said, Lord Cromwell in the other place tabled an amendment requiring annual updates from water companies on any financial restructuring that they have done or plan to do. It cannot go unacknowledged that financial stability and good governance seriously affect the environmental standards that any water company is able to reach. I am grateful to my hon. Friends the Members for Witney (Charlie Maynard) and for Bicester and Woodstock (Calum Miller) who made those points in relation to Thames Water.

I am grateful to my noble Friend Baroness Bakewell for tabling a Liberal Democrat amendment to the Bill in the Lords to create special status, with special protections, for Windermere as an exemplar of the standards we will expect in our waterways across the whole country. The Campaign for National Parks' health check report, which was released earlier this year, found that only five out of the 880 bodies of water in the national parks of England and Wales met the highest ecological standards, and that every single one was polluted to some degree.

Windermere itself received 140 million litres of pollution in the last two years. Amendments tabled in the Lords, which we will table here also, will seek to tackle that. Water industry leaders must be forced to take responsibility for the care of these world class lakes and waterways, and our amendments to the Bill would ensure that they do so.

Although the privatisation of the water industry was an incredibly bad decision and definitely did not happen on our watch, I am not convinced that renationalisation would be necessary or a good use of public money. I fear it would mean that we would have to buy the assets back, putting taxpayers' money into the pockets of those who have already made so much money out of them, without a single penny of that money going into improving infrastructure. Instead, it seems wiser to move away from the current model and to ensure that water companies should be community benefit corporations, so that all revenue goes into keeping environmental standards higher and solving the long-term problems of our networks. None of our constituents should have to pay for company debt. These were business decisions, taken by those who took risks to make money, rather than to invest in our sewage systems; they should bear the consequences of those risks.

The current regulatory framework seems to leave water companies immune from the highest penalties, despite their repeated failure to meet their basic obligation to prevent sewage from being dumped in our lakes, rivers and coastal areas. The current rules mean that, under special administration procedures, to remove a water company's licence to operator would mean the regulator serving a 25-year notice on them. That is why we are disappointed that the Bill does not go as far as we want, or as far as so many water campaigners have asked for it to go.

The Cunliffe review gives us hope of a more radical set of proposals to come later in this Parliament, but our communities are impatient for change—a change more radical than this Government are so far willing to offer us. Although we see nothing in the Bill to disagree with and much in it to commend, we are left frustrated that any radical transformation will be at best delayed until a second instalment, after Sir Jon Cunliffe's review.

Robin Swann (South Antrim) (UUP): The hon. Gentleman references Sir Jon Cunliffe, and I thank the Secretary of State for commissioning the review. Does the hon. Gentleman agree that Sir Jon's review should look across the United Kingdom, because Northern Ireland Water is both a Government-owned company and a non-departmental public body and I assure the House that the water quality in Northern Ireland, especially in Lough Neagh, is nothing to be celebrated either. Should not Sir Jon Cunliffe's review look at how all bodies regulate their water systems, so they serve the public?

Tim Farron: I think two things. I respect the devolution settlement and think it is important that we do not overstep what we are called to do today. I also, however, agree that the waterways of all corners of our United Kingdom are precious and must be protected. I thank the hon. Gentleman for raising that point.

To conclude, the job of the Liberal Democrats is to be the constructive opposition in this place, and to now use Committee stage to inject into the Bill the ambition and urgency that we feel is currently lacking. To millions of people out there who care deeply about our waterways, the problems are obvious and so are many of the solutions. We call on the Government to accept the amendments that we will table in Committee in good faith, to act ambitiously and comprehensively, and to do so without delay.

Madam Deputy Speaker (Ms Nusrat Ghani): I call Helena Dollimore, a member of the Environment, Food and Rural Affairs Committee.

7.29 pm

Helena Dollimore (Hastings and Rye) (Lab/Co-op): I declare an interest as co-chair of the all-party parliamentary group on water pollution. Today, we will vote on a landmark piece of legislation to begin the clean-up of our water industry. The measures in the Bill ramp up regulation, ban bosses' bonuses and ensure independent monitors on every sewage outlet, linked to a system of automatic severe fines. Make no mistake: these are the biggest increase in powers for a generation, and the changes cannot come soon enough for my constituency.

Before I come to the devastating impact that Southern Water has unleashed on my constituency, I pay tribute to the campaigners and community volunteers who exposed the scandal. It is only because of their determination and detective work that we have understood the scale of the problem. Volunteers from the clean water action group in Hastings go out testing the water three times a week. I also thank our local East Sussex Fire and Rescue Service, who time after time are the first on the scene when sewage is spilling out on to the street.

The community that I represent in Hastings and Rye is furious at the conduct of Southern Water. From Camber Sands to Old Roar Gill, sewage has poured on to our beaches and beauty spots. Our way of life as a seaside community has been compromised. Our appeal as a tourist destination has been tarnished and livelihoods have been ruined. Many people have got sick from swimming in the sea, or caught ear or eye infections. People have ended up in hospital with sickness, and one constituent even attributes her deafness in one ear to an infection that she caught swimming in the sea. Another constituent in Winchelsea beach told me that he cannot grow vegetables because for the last decade his back garden has been regularly flooded with sewage. A family in West St Leonards had to move out of their home for months and live in temporary accommodation after sewage flooded their home.

The town centre in Hastings was flooded twice in one year. Businesses and residents who had just moved back into redecorated homes saw their homes flooded all over again under a foot of sewage water. They then had to be rescued by firefighters. It was shameful. It has cost our community millions in damage, as well as the untold human cost of having possessions, property and livelihoods ruined. In the vast majority of cases, residents and businesses in my constituency have not been properly compensated by Southern Water. We have been left on our own to pick up the pieces, all while Southern Water's boss has been allowed to collect a huge bonus. That money should be spent on fixing broken pipes, not rewarding failure.

Dr Al Pinkerton (Surrey Heath) (LD): I commend the hon. Lady on her excellent speech, and her celebration of local campaigners. In my constituency, Thames Water is responsible for numerous sewage leaks and a great stink that lingered over our market town of Camberley last summer. Does she agree that the Bill needs to provide for tougher regulation, and greater transparency and accountability, to ensure that water companies put health and safety and water quality over shareholder dividends?

Helena Dollimore: I thank the hon. Member for his intervention. One of the things in the Bill that I really welcome is that it will stop water companies marking their own homework. The monitors on every outlet will report independently to the Government, so that we can issue automatic severe fines—a big change and step forward.

If huge amounts of sewage and major flooding in my constituency were not enough for one community to endure, we have also suffered major water outages at the hands of Southern Water. The taps have run dry twice in recent memory. In September 2023, 10,000 residents of Rye were left without water for up to nine days. In May this year, in Hastings, 30,000 people were left without water for five days. It caused huge disruption and had a major impact on local businesses. It has to stop. The Conservatives had 14 years to update the compensation guidelines for such incidents, and failed to act. Because of the action that this Labour Government are taking, if future incidents occur, my constituents will be eligible for greater compensation from Southern Water.

The Conservatives let the water companies off the hook for far too long. Instead of forcing the industry to invest in crumbling infrastructure, customers' money was instead siphoned off into shareholder payouts and bonuses. My constituents now face record water bills because of that failure. We inherited a crumbling water system from the Conservative party, and this Labour Government are acting to clean up the mess. This Government are acting where the previous Conservative Government failed, to end the disgraceful behaviour of the water companies and their bosses with this Bill. This is just the start of the change. I thank the Government for announcing an independent commission on the water sector to see what more they can do to ensure that the water sector works for customers and the environment. I will work very hard to ensure that the voices of my residents in Hastings, Rye and the villages are heard as part of that process.

7.35 pm

Joy Morrissey (Beaconsfield) (Con): I welcome this Government's continuation of the previous Government's monitoring plans, and the fines that we had asked to be imposed upon water companies. I am the MP for Beaconsfield, Marlow and the south Bucks villages, which is a beautiful area along the Thames. We are also on a floodplain, and I have spent years working with the Farnham sewage action group, the Little Marlow sewage treatment works, the community and the Department for Environment, Food and Rural Affairs to ensure that we are monitoring our storm overflow discharge.

I welcome the Government's commitment to increase the capital spend on sewage treatment works. That is a wonderful and welcome sign, particularly when two of my sewage treatment works were approved only in July, when Labour took over. That is great news, which I am very happy to see. The Farnham and Little Marlow treatment works are due to be completed in 2026 and 2028. It is a wonderful opportunity for the Government to put their money where their mouth is, and invest in the future of the Thames in Marlow and Farnham. Will the Minister confirm that that investment will be maintained and hold Thames Water to account on delivery to that timescale? I have heard Ministers speak from the Dispatch Box of the Government's eagerness to commit to this, and I am presenting two wonderful examples that we can monitor in the months to come.

My constituency is home to not only beautiful Marlow but aquatic sports along the Thames, which many young people enjoy. We have the Marlow rowing club and the Borlase rowing club, as well as the Little Marlow treatment centre, which is one of the most heavily fined sewage overflow and treatment centres in the country. Aquatic sports are practised in that area. I would welcome the Minister's consideration of an amendment that I will table in Committee and on Report to ensure that the statutory requirements for areas where aquatic sports are practised are the same as the requirements for bathing areas, so that when young people, particularly secondary school children, row along the Thames they can rest assured of the water quality. I hope that this will be at the centre of cross-party support for ensuring that places such as the Thames, Marlow, Beaconsfield, Farnham and Burnham are looked at in a holistic way, and that the capital spend needed to invest and upgrade our sewage system will be committed to from the Dispatch Box today. I would welcome any further information from the Minister.

7.38 pm

Jon Pearce (High Peak) (Lab): Today, we celebrate the 75th anniversary of the foundation of our national parks. The Peak District, where I live, the majority of which is in High Peak, is our original national park and still the best, but our beautiful nature-rich rivers that run through the Peak District and High Peak are being soiled by raw sewage. High Peak is one of the top 50 constituencies that have been worst affected by sewage being dumped into our rivers. In 2023, the River Derwent and the River Wye suffered thousands of sewage overflows, contributing to water pollution and ecological harm, vet the water company bosses responsible rewarded themselves with outrageous bonuses. In 2022, the United Utilities chief executive officer received £3.2 million of remuneration, including an annual bonus of nearly £1 million. Severn Trent, which was fined £2 million for reckless pollution, still lifted its bonuses to £3.36 million. We must stop rewarding failure.

At the general election, ending the pollution of High Peak's rivers and waters was a top priority. It was raised in all six—yes, six—hustings I did, often more than once. In High Peak, the pumping of raw sewage into our precious rivers has become emblematic of the utter chaos and failure of the past 14 years, so I greatly welcome the measures in the Bill. The independent monitoring of all outlets will provide greater transparency for my constituents and will enable the regulators to hold United Utilities and Severn Trent to account. Combined with the increased ability of the Environment Agency to bring forward criminal charges against lawbreaking water executives with tougher penalties, including up to two years' imprisonment,

and new powers for Ofwat to ban bonuses unless water bosses meet higher standards of protecting our precious environment, that should concentrate the minds of executives at Severn Trent and United Utilities.

It was a Labour Government that created our national parks 75 years ago today, and it is a Labour Government that are taking the steps to protect the rivers that run through those parks for the next 75 years.

7.41 pm

Blake Stephenson (Mid Bedfordshire) (Con): I welcome many of the measures in the Bill and will focus in the time available on the real action our constituents need from Government to bring our sewage network up to date.

Too often and for too long, our constituents have paid the price for a failure of forward planning by the water industry. In September, my constituency was the victim of exceptional flooding. In the aftermath, as we sought to learn lessons, many stories involved raw sewage coming up into people's homes and gardens and flowing down their streets in places such as Harlington, Barton-le-Clay and Greenfield, as excess surface water overwhelmed the sewage system. No one, be they in Mid Bedfordshire or anywhere else in our country, should see a storm cloud overhead and fear that they will end up ankle deep in sewage—not in the 21st century.

I say this is a problem of forward planning because a shocking example of industry neglect during the flooding came from new town Wixams. The town is still being built out, with construction beginning this century, and yet the flooding overwhelmed the wastewater and sewage infrastructure, which could not cope with the amount of water being discharged into it. Thousands more homes will be built in Wixams and across Mid Bedfordshire over the coming years. We must do more to force the water industry to ensure that those homes are served by infrastructure that is fit for purpose and climate resilient.

The previous Government recognised that we have a Victorian sewage network, and they stepped up requirements for water companies to invest in improving our infrastructure. This Government must be similarly ambitious. I welcome clause 4, which talks of the importance of nature-based solutions in drainage and sewage management plans, building on the previous Government's work in their plan for water.

Jess Brown-Fuller (Chichester) (LD): In 2023, Chichester experienced 990 spills lasting over 17,000 hours. It is an environmental scandal and a public health crisis. As the Secretary of State said in his opening comments, it is time to clean up our water once and for all, and I welcome the Bill. Does the hon. Member agree that nature-based solutions, such as wetlands, will play a vital role in reducing spills and can be brought in quickly, but only if the regulation allows?

Blake Stephenson: I absolutely agree on the importance of nature-based solutions, and those solutions are talked about frequently in my community and, I am sure, in communities across the country. They were not necessarily spoken about five or 10 years ago, but we have a real opportunity to make a difference if we focus and deliver on nature-based solutions.

We must go much further in this area to ensure that all our towns and cities are built to absorb water. On implementing sustainable urban drainage systems, I mentioned this previously to the Minister for Water, and I will keep banging on about it. We must bring into force schedule 3 of the Flood and Water Management Act 2010—I recognise that the Act is from 2010 and a lot has happened since then—and take much stronger action to ensure that drains do not become blocked.

One way we could tackle the problem of abstraction and, indeed, flooding is by backing projects like the Bedford to Milton Keynes waterway park, which would run through the Marston Vale in Mid Bedfordshire and help channel water to where it is most needed. I hope the Government will give that project the support it needs.

7.45 pm

Jodie Gosling (Nuneaton) (Lab): I am pleased to be called to speak on this crucial piece of legislation, which will directly benefit the people of Nuneaton. For far too long, water companies have operated with little accountability, prioritising profits and shareholder payouts instead of the wellbeing and community impact that is so important to my residents.

The people of Nuneaton are tired of our river being polluted with raw sewage, and they are tired of being ignored and seeing a lack of action from water companies such as Severn Trent. In 2023 there were 66 sewage dumps, totalling 464 hours of raw sewage flowing into our rivers. That is a staggering 38% increase in the number of dumps and a 60% increase in the duration compared with the year before. Now we are told that in Nuneaton we will be expected to take 60% additional sewage to accommodate for Hinckley. Rather than investment supporting the overflowing infrastructure we have, the infrastructure will only be used to accommodate our neighbours.

Despite Severn Trent failing to meet its compliance targets and risk factors increasing, we are seeing record-breaking profits of nearly £3 million, and there is no benefit to the people of Nuneaton. I have met Severn Trent, and I am interested in the positive narrative that we have heard, but that is incongruent with the experiences of my residents, especially those who live on Church Lane in Weddington, for whom sewage flowing down their streets and contaminated solids in their gardens have become all too commonplace.

I support the Bill to block bonuses for executives who oversee the environmental damage, and to bring criminal charges for those who persistently break environmental law.

7.47 pm

Helen Maguire (Epsom and Ewell) (LD): My constituency is home to two significant rivers: the Hogsmill, a pristine chalk stream; and the River Mole, which tragically ranks as one of the most polluted rivers in the country. The River Mole, stretching 50 miles from Sussex to the Thames, is more than a waterway; it is a much-loved amenity for families, walkers and wildlife. Yet it is fighting for its life. Sewage discharges surpassed 2023 levels by November this year, with over 12,500 hours of raw sewage polluting the river through storm overflows. That is unacceptable. The crisis has been caused by water companies' mismanagement, enabled by Ofwat's failure to hold them to account. Thames Water has

[Helen Maguire]

prioritised shareholder dividends over infrastructure investment, and Ofwat has issued no fines for sewage treatment failures since 2021—an extraordinary regulatory failure.

The Water (Special Measures) Bill introduces vital provisions to block bonuses for water company executives and to impose fines. Although these measures are welcome, they do not go far enough. Ofwat is a regulator that does not work, and it must be replaced with a new regulator with powers to ban bonuses comprehensively, to revoke licences for poor performance and to set legally binding sewage targets. Bonuses must be blocked not just for pollution, but for persistent leaks, missed investment targets and failing infrastructure improvements. The Liberal Democrats would ensure that the companies are held accountable for all their failures, not just the most egregious ones.

We must also rethink water company ownership. Since privatisation, those companies have accumulated £68 billion of debt, while paying out £70 billion in dividends. Customers are now paying for that debt in their bills. In a public-benefit model operating as not for profit, debt-free mutuals would reinvest all profits into upgrading our water system. That model works. Denmark, whose not-for-profit utilities have some of the lowest water losses, ranks among the top EU countries for bathing water quality.

Closer to home, I commend the River Mole river watch group in my constituency. Those dedicated volunteers test water quality and report pollution online. Their work is extraordinary, but they should not have to do it alone. Water companies must publish detailed and transparent data on sewage spills so that the public understands the full extent of the problem. Such local groups deserve more than praise; they need a seat at the table. Those environmental champions should have representation on water company boards, bringing community-driven accountability to decision making.

My constituents and the rest of the public are sick of seeing their rivers turned into open sewers. They are sick of paying higher water bills to subsidise shareholder profits and executive bonuses while vital investment is neglected. The Government must go further by replacing Ofwat with a new regulator that has stronger powers, expanding the ban on bonuses, empowering local communities, and reorganising water companies into public benefit organisations. This is our chance to turn the tide on water mismanagement and restore our rivers to health. The people of Epsom and Ewell, and indeed of the whole country, deserve no less.

7.50 pm

Alison Hume (Scarborough and Whitby) (Lab): Last year, more than 100 people met at South bay in Scarborough to protest about the consistently poor water quality. Ironically, as they prepared to enter the water, they were approached by lifeguards who told them that it was not safe to do so because of the high levels of sewage. The event was organised by Surfers Against Sewage. One of its members, Steve, who is a constituent of mine, has had to close his surfing business because the water quality is so poor that he cannot guarantee the health and wellbeing of his surf students.

I also have the fantastic Wave Project in my constituency of Scarborough and Whitby. That charity is committed to improving children's mental health and wellbeing through its award-winning surf therapy programme, which enables children and young people to build confidence and overcome anxiety barriers through surfing. However, it regularly has to cancel sessions at short notice because of the poor water quality, which causes immense upset for youngsters and their families.

Away from my beautiful beaches, the River Esk starts its 28-mile journey in Westerdale in the north York moors and flows eastward to Whitby. It is the only major river in Yorkshire that flows directly into the North sea, and it is both commercially and ecologically important. It supports Atlantic salmon, sea trout and the endangered freshwater pearl mussel. However, pollution is destroying the health of the River Esk. Eighteen storm overflows—17 of which are in my constituency—discharge into the river. In 2023 there were 637 sewage spills. The worst offender was Ruswarp sewage pumping station, which had 126 spills. Such discharges release pollutants, which reduce water quality and cause harm to aquatic life. That is particularly concerning during the salmon spawning season, as it can affect fish eggs and juvenile fish.

Yorkshire Water has stood back and let that happen. It is hardly surprising that, after Yorkshire Water was fined £47 million for historical sewage spills and poor customer service, campaign groups continue to call on its chief executive to repay the £371,000 bonus that she received last year. Where is the accountability? Official figures show that 87% of rivers in Yorkshire and the Humber fail to achieve a good ecological standard. It cannot be right that people's health and livelihoods, as well as our precious environment, have been so severely impacted by privatised companies that put profit before people and the planet.

I welcome the measures in this ambitious Bill, especially the move to boost accountability, which will mean that the chief executive of Yorkshire Water will no longer receive her bonus unless she meets high standards in protecting the environment and customers. The new requirement on the water companies to report on the frequency and duration of all emergency storm overflows within an hour of a discharge taking place will tell us the real story for the first time. Only then can we draw a line under this disgraceful era of profit at any cost, and move towards fixing the broken water industry.

7.54 pm

Sarah Bool (South Northamptonshire) (Con): It is absolutely right and correct that we debate these measures to improve the water industry. In the light of continued concerns over Thames Water and Southern Water, action must be taken to protect our water service.

It is important to take a step back and put the debate into its proper context. We must appreciate that most of the UK has a combined sewerage system, meaning that both rainwater and wastewater are carried in the same pipes, before wastewater goes into a sewage treatment plant. If, as in recent weeks, we have exceedingly heavy rainfall, capacity can be exceeded and water companies are allowed to spill untreated wastewater into rivers and seas—otherwise, there is a risk of flooding people's homes with waste. There has been an issue of companies doing that when there has been no rain—known as a dry spill—which is not acceptable.

Although it has been miscommunicated by other parties and by the Secretary of State, the previous Government took the vital step of requiring storm overflows to be monitored. As hon. Friends have said, that monitoring increased from 7% in 2010 to 100% in 2024. It has enabled discussions and plans to fix the poor behaviour of the water companies. The overflows were always happening, but the previous Government's monitoring caught the poor behaviour and highlighted the action that was required.

Peter Swallow (Bracknell) (Lab): Will the hon. Lady give way?

Joe Morris (Hexham) (Lab): Will the hon. Lady give way?

Sarah Bool: Not just yet.

No monitoring does not mean that water is clean, as the Secretary of State seemed to suggest. One must be faithful to the facts.

We will support this Bill's Second Reading because it includes many measures that the previous Government established—for example, companies that pollute the environment can be hit with unlimited fines, and water bosses can be banned from receiving bonuses if their companies commit serious criminal breaches. However, some measures need to be amended, including to maintain the previous Government's water restoration fund. Why has that not been continued?

We must ensure that we focus on our water infrastructure, which is largely out of date. Poor maintenance causes leakages, and poor capacity leads to sewage overflows. Tackling those problems will require investment and innovation. Ofwat must use its powers more effectively to better monitor performance and enforce standards in a timely fashion. Although I acknowledge the Bill's focus on penalties for water companies, we must ensure that incentives for investment and change are in place for the years to come.

7.57 pm

Amanda Hack (North West Leicestershire) (Lab): I welcome the Bill as a first step towards broader change across the water sector to ensure that it works for people. The number of complaints about water and the management of our waterways has been a key concern for people in North West Leicestershire for some time, but residents feel that water companies have not acted while bills have predictably continued to rise.

When I was a member of Leicestershire county council's environment and climate change scrutiny committee, I pushed for the water companies in Leicestershire to attend our committee, which they did—eventually—in November 2022. They gave a great presentation with some glossy pictures, but their suggestions, which looked nice on paper, simply have not materialised. My impression was that there was a severe lack of transparency and accountability among those companies about the damage that they were doing to our water system, which followed the previous Conservative Government's unwillingness to act and push them to clear up their mess. The long-term priorities for the water companies have been shareholder and executive pay. They have been taking bonuses while polluting our waterways, and increasing debt without increasing investment.

There are signs of recovery, however. The Bill has not yet become law, but there has been a shift in Severn Trent Water's willingness to clear up its mess in North West Leicestershire, and its hard-working employees have appeared to start engaging with us. That must continue if we are to challenge the constant impact that poor water quality is having on our communities and our environment. Water issues are a constant in my casework files, as they are for so many hon. Members, and local people have been in touch to report dry weather outflows. They are asking, quite rightly, about the legitimacy of outflows in dry weather and of large-volume releases during wet conditions. What is clear is that those releases have been seriously damaging for our communities.

Let me bring home an example of the importance of this Bill. I have been working with a group of residents in Whitwick in my constituency who have a shared garden space next to the Grace Dieu brook, where they have a storm drain. That storm drain regularly releases effluent, and when I visited recently, despite having had a crew to clear up, it was clear that there was still debris. While the water in the brook had been tested immediately after the spill and found to be within a normal range, the residual smell remained—it just clung—meaning that those residents were unable to use their personal space.

There is another site in Donington le Heath, which is home to the most-used sewer outflow in my constituency. I was invited to see a resident who has a smallholding close by. They have a storm drain on their land alongside the River Sence, a particularly beautiful watercourse. When I visited earlier in the year, they had just had an effluent release, and despite 10 bags of rubbish having been cleared from the area, there was still a clear path of debris from the spill. This keeps happening, and it has to stop. Those are just two cases in which our local communities have borne the impact of poor decision making and a lack of investment in infrastructure. They should not have to manage untreated waste while the execs get their bonuses—communities should not have to continue to deal with this.

This Bill puts failing water companies under special measures and sends a clear message that this Government are ready to take the action necessary to fix our foundations. It is the start we need to deliver the transformational change that our water system desperately needs.

8.1 pm

Alison Griffiths (Bognor Regis and Littlehampton) (Con): It is an honour to speak on such an important issue, one that affects my coastal constituency daily. Sewage discharges, water quality, and the related issue of flooding are among the most pressing concerns for my constituents.

The Environment Agency's bathing water classifications, updated on 26 November, reveal alarming declines in water quality. Bognor Regis East's classification dropped from good to sufficient, while Aldwick's remained poor for the third consecutive year. Abuses of our water system are having a serious impact on public health, our vital tourism industry and our natural environment. However, by focusing only on water companies and sewage, this Bill delivers an oversimplified approach. There is an urgent need for holistic and comprehensive solutions to protect our waters, prevent flooding and

[Alison Griffiths]

tackle sewage discharges. This issue is not simply about water companies and sewage, but the Bill falls into the trap of focusing solely on them.

In Bognor Regis and Littlehampton, the situation is compounded by recurring flooding, which affects businesses and homes from Shripney Road and Durban Road on the boundary of the constituency to Fish Lane and Rope Walk in Aldwick and Littlehampton respectively. That flooding is exacerbated by extensive house building on our flood plain and by the local topography. Without infrastructure improvements and an integrated action plan, sewage outflows will continue to blight our coastline. Combined, these issues are causing a decline in our tourism industry, devastation to homes and businesses, increases in insurance premiums and significant financial losses for affected local businesses and employers. This is not a mild inconvenience for a few sea swimmers although I count myself among their number—but something that affects our entire area.

As such, the Water (Special Measures) Bill is a timely opportunity to accelerate essential environmental improvements. I am concerned, though, that the Government are not sufficiently grasping this opportunity. The absence of robust enforcement measures for proposed reporting is particularly concerning. Clause 2 requires water companies to "prepare and publish" annual pollution incident reduction plans. That is a step towards greater accountability, which I welcome. However, the clause lacks enforceability and thus any purpose, as it mandates only the preparation and publication of those plans, not their implementation. As such, will the Government amend the Bill to ensure the delivery of measures set out in those reports and provide the necessary enforcement powers? My constituents, and the public, are weary of empty promises on water quality. It is essential that this Bill mandates that water companies deliver measurable improvements, not meaningless promises.

Ms Billington: The hon. Lady and I share concerns about the safety and health of our seawater. I just want to clarify for her that we have accepted the Lords amendment in relation to the enforcement plans, and are ensuring that those plans will be on the face of the Bill.

Alison Griffiths: I thank the hon. Lady for clarifying that point. Letting the Bill pass without that amendment would have been a disservice, so I am delighted to hear it.

8.5 pm

Dr Allison Gardner (Stoke-on-Trent South) (Lab): In my constituency, we do not have a single unpolluted watercourse. Last year, on the Conservative Government's watch, Severn Trent Water, the company that covers my constituency, was responsible for over 60,000 sewage overflows nationally. In Stoke-on-Trent South, we have had 24 sites polluted by 337 sewage dumps lasting a total of 1,570 hours.

I have spoken many times about the impact of flooding and sewage pollution in my constituency. I have highlighted the ongoing battle of the village of Upper Tean to combat frequent flooding and pollution of the River Tean. Upper Tean's village recreation space, with a children's playground, is frequently flooded with sewage-contaminated water. The people of Upper Tean are good people, and are willing to work with all agencies via the newly created Tean flood action group to positively rectify these problems. Indeed, the most recent meeting had a positive outcome, in that a particular outflow will have CCTV monitoring installed to address the issue of false sensor recordings and to address poor communication within Severn Trent regarding the reporting of incidents. Through local meetings with the people who are affected and with local water representatives who come in good faith, we can make change.

Following on from our experience in Upper Tean, I cannot stress enough the importance of listening to consumers and empowering the citizen voice, so I am pleased to note that new section 35B of the Water Industry Act 1991 will require that consumers be involved in the water companies' decision-making processes, and I welcome the Secretary of State's announcements regarding the requirement for customer panels. I want to ensure that guidelines are laid out so that such panels are not tick-box consultations that can be manipulated with clever questions. They must be truly participatory, with diverse input, offering constructive criticism and solutions that make a difference in real life. We must always put the people and their voice at the heart of decision making.

In Tean, after much prolonged pressure, we have seen that we can develop positive local relationships between representatives of water companies and citizens. However, the same cannot be said of the chief exec, who seems rather resistant to meeting or even replying personally to emails, but is quite happy to take her bonus. As such, I welcome the Bill and its focus on empowering regulators to hold the water companies and their chief executives to account, including by blocking bonuses, bringing criminal charges and being able to implement automatic, severe fines. People are fed up of being taken for mugs—cash cows to deliver paydays for shareholders. We bathe in sewage while shareholders and execs are showered with dividends and bonuses. This Bill is just the start of this Labour Government's journey to hold those companies to account, bringing an end to the profiteering and the decay of our water infrastructure, and to turn the tide on pollution. It should be supported by Members on all sides of the House, and I hope it sails through today.

Madam Deputy Speaker: I call Ellie Chowns, a member of the Select Committee.

8.8 pm

Ellie Chowns (North Herefordshire) (Green): I declare an interest as a founding co-chair of the all-party parliamentary group on water pollution. As the Minister well knows, I have a deep and abiding interest in the theme of water pollution. I gently remind her that agricultural run-off is the primary source of water pollution in my constituency, and I welcome the constructive conversations we had on that topic last week. Today, I will talk about the broader topic of the Bill.

Water companies have extracted £85 billion of value from our water industry since privatisation—that is an extraordinary figure—and their flagrant abuse of our rivers, seas and lakes is a stain on our country, literally as well as figuratively. Some 30% of all water bills now go on debt servicing and dividends, and this is money

that should be going towards maintaining and improving our water infrastructure and services. Thames Water, Southern Water and South East Water have all had their credit ratings downgraded, meaning that about a third of bill payers in England and Wales are now paying their bills to junk-rated companies, which again is extraordinary. As companies' finances get worse, new debt gets more expensive to service, and where does the money come from? The money comes from bill payers.

It is clear for all to see that the interests of water company shareholders and the interests of the public are at odds. It is not possible to use our water as a vehicle for maximum short-term profit and at the same time to deliver safe, reliable, affordable drinking water and a clean environment. One comes at the expense of the other.

Caroline Voaden (South Devon) (LD): Will the hon. Member give way?

Ellie Chowns: I am really sorry, but I will not give way because I know so many Members want to come in.

In my view and that of my Green colleagues, the only way to run a water system in the interests of people and nature is to take away the profit motive entirely. It should never have been allowed near our water industry in the first place. Any steps to end this culture of impunity in the water industry are very welcome. Unfortunately, the measures in this Bill are, in my view, largely to look nice in headlines, and they are maybe a bit of an attempt to look busy. I say that gently, but I do think we need to go further. In fact, the majority of the British public agree with me: 82% of the British public believe that we should have water in public ownership. I challenge the Government to take up that mantle—that mandate—from the British public to do the right thing, and to take the profit motive out of water entirely.

I always believe in talking about areas of common ground, and I recognise that multiple elements of this Bill are positive steps. I will, with my colleagues, be supporting it. I welcome the extension of monitoring requirements for sewage overflows, and I welcome the requirement for more customer involvement in decision making, which I would like to see extended to worker representation as well. I welcome the encouragement for companies to consider much more use of nature-based solutions, and I would love to see this extended even further

To be honest, however, what we have seen with the financial mess that the companies are in is the complete failure of the model of privatisation. We need to do more than just tinkering at the edges. The Government's water commission will not even be allowed to consider the question of public ownership, so it will hunt high and low for solutions while continuing to kick the can down the road. Is it not time that the Minister faced the reality that profit in water has failed, and to do what the majority of the British public want, which is to bring our water and sewage utilities back into public ownership?

8.12 pm

James Naish (Rushcliffe) (Lab): Thank you, Madam Deputy Speaker, for inviting me to speak. Like many colleagues, I stood on the banks of my local river, the River Trent, during the general election campaign, and

looking out over the murky waters, I promised residents that the next Government would change a broken system. This broken system has enabled our water quality to drop to the point where only 14% of rivers and lakes in England have a good ecological status, according to the Environment Agency. Since being elected, hundreds of residents of Rushcliffe have contacted me to say they are concerned about our broken water and sewerage system, describing it as symptomatic of a broken Britain. I am therefore pleased that today's Bill marks the start of a significant turnaround process for the health of our nation's water.

Local to Rushcliffe, the data has been consistently going in the wrong direction. There were 471 sewage dumps in my constituency in 2022, and this more than doubled to 958 sewage dumps in 2023. The absolute number of sewage dumps is of course a crude indicator, but, sadly, the cumulative impact has also grown from 3,733 hours in 2022 to 10,774 hours in 2023. The direct impact on Rushcliffe residents is palpable, especially in villages such as East Leake that are susceptible to flooding, which frequently includes raw sewage. I welcome the works that Severn Trent is starting to take by upgrading a nearby treatment works, doubling processing capacity by the end of March 2025. However, for many residents this investment is far too late and should have been made years ago, in an era when water companies were creaming off profits and failing to act as true and honest custodians of the national water network.

To that end, I encourage the Secretary of State and his team to think carefully about who we want to be the future custodians of our water network. If water and sewage companies go under, I believe we—the state—should always be prepared to step in to offer a genuine public alternative to hedge funds and the like. As with rail and energy, we should be prepared to start a process whereby the state once again offers to play a more active role in running basic universal services, challenging private sector organisations that have happily paid out dividends while allowing 3 billion litres of water every day to be lost through leaky pipes.

Fundamentally, I believe it is the right of each and every one of us to be able to enjoy our beautiful rivers, lakes and seas without the fear of getting sick. So on behalf of my constituents in Rushcliffe, I welcome the many positive measures in this Bill as it seeks to enhance enforcement powers and to start cleaning up our water for good. Moving forwards, there should be no more sticking plaster fixes, because, quite frankly, the very least that my constituents deserve is a water and sewage system fit for the 21st century.

8.16 pm

David Reed (Exmouth and Exeter East) (Con): I thank the Government for introducing this Bill and the Minister for Water for meeting me last week.

This is a vital issue, not least for my constituents in Exmouth and Exeter East. Across my constituency, from Cranbrook to Exmouth, we have felt the full force of South West Water's neglectful and harmful behaviours. This year across the county of Devon, we have experienced the full gamut of the damaging effects of a water company that is crying out to be reformed, be it by legal or regulatory tightening. From cryptosporidium parasite outbreaks in the Brixham area to the closure of beaches

[David Reed]

in Exmouth, our county has had enough. Our local wellbeing, health and economy have been significantly impacted, and our beautiful home is starting to gain a national reputation for all the wrong reasons.

We have a responsibility to ensure that the Bill is as effective and strong as it can possibly be, and that means listening carefully to voices from all parts of the House. Most Members will be familiar with the long history of this issue, so I will not relitigate arguments that have been made already, but it is important to reiterate that this is not a problem that has emerged overnight. We have collectively dropped the ball on this issue—from the last Labour Government under Blair and Brown to the Lib Dem-Conservative coalition and the last Governments, we are all in part complicit—[Interruption.] I think that is a very fair point. This has happened over many decades, and I would very much like to reiterate that point to Labour Members.

Although it is absolutely right that we strive to end the unacceptable practice of sewage discharges, we must confront the hard truth that we cannot transform these crumbling systems overnight without disastrous consequences, such as sewage backing up into people's homes, on to our streets and into our communities. That is why we must commit ourselves to the long haul. This will require sustained investment, careful planning and clear accountability, not short-term fixes or political point scoring.

Caroline Voaden: The hon. Member mentioned the cryptosporidium incident in May in Brixham in my constituency, where 17,000 houses were affected by contaminated water. A boil water notice was enforced for eight weeks, and many of my constituents are still suffering from that. I say to the Minister that, when the Drinking Water Inspectorate reports next year, I hope the water company will be forced to pay proper compensation, because it would appear that its negligence and not maintaining its facilities over the past decades was possibly one of the causes of the contamination.

David Reed: I thank the hon. Member for raising those points; this issue has affected our county, and I hope that members of the Environment, Food and Rural Affairs Committee raise it as fast as possible, to ensure that South West Water is held accountable and placed in front of them to answer questions about how that outbreak happened. I reiterate that our constituents deserve a solution that is ambitious but achievable. It was under the previous Government that the scale of the issue was truly identified—a point that has been raised repeatedly this evening.

Peter Swallow: The hon. Member is correct: many Conservative Members have raised the issue of monitoring, and they have repeatedly mentioned storm overflows. Will he put on record how many emergency overflows are currently being monitored?

David Reed: This is a major issue. We are talking about the sewage network for an entire country. The last Government pushed for storm overflows to be looked at, and I am glad that the Bill, which has been brought forward by this Government, will look at emergency overflows.

As we know, the landmark Environment Act 2021 gave regulators stronger powers to tackle pollution and ensure greater transparency, holding water companies and polluters accountable. The last Government also set legally binding targets to improve water quality, reduce pollution and enhance biodiversity, while the plan for water took a systematic, local, catchment-based approach, requiring significant investment in storm overflow improvements. That was decisive action to hold water companies to account, linking performance to shareholder payments, banning bonuses for water bosses responsible for serious breaches, and empowering regulators to impose unlimited financial penalties on polluters.

Josh Babarinde (Eastbourne) (LD): In Eastbourne, we are blessed with 94 beaches, but our water quality has dropped from "excellent" in 2015, to a low of "satisfactory" under the last Government. At the same time, Southern Water has made significant amounts of money—with more than £2.9 billion in dividends, and the chief executive receiving £183,000 in bonuses this year and a salary of £765,000. Does the hon. Gentleman agree that the last Government allowed that to happen, and will he apologise for what they allowed to happen to our water industry?

David Reed: The hon. Gentleman mentioned 2015, so let me return to the point I just made: these problems did not happen overnight. He will know that the Liberal Democrats were in coalition with the Conservatives until 2015.

The previous Government took decisive action to hold water companies accountable, linking performance to shareholder payouts, banning bonuses for water bosses responsible for serious breaches, and empowering regulators to impose unlimited financial penalties on polluters. Those actions laid a solid foundation, and it is important to note that many elements of the Bill mirror work already undertaken by the last Government. For example, the confiscation of bonuses from water company executives responsible for pollution is already in motion under existing frameworks. Many measures outlined in the Bill were already being implemented and do not require primary legislation.

To make real, lasting improvements, we need a more wide-ranging strategy, and I hope the Government will listen carefully to constructive criticism, because my constituents in Exmouth and Exeter East, like so many others, deserve nothing less. As I have emphasised, we are committed to collaboration on this issue, to ensure that we make vital progress on limiting water pollution.

8.23 pm

Tristan Osborne (Chatham and Aylesford) (Lab): I rise to speak in support of a crucial and overdue piece of legislation: a Bill to regulate, govern, and establish special administration measures for water companies in the United Kingdom. This is not just a matter of environmental stewardship; it is a matter of public trust, local accountability, and the health of all our communities. This issue matters to all our constituents, including mine, who have expressed deep frustration with the way that water companies are managed. In 2023 alone, we witnessed 1,011 sewage dumps in the Medway catchment area—in a tidal area known for its sites of special scientific interest and RSPB nature reserves. Time and

again we see news of raw sewage being discharged into our waterways, resulting in devastating pollution levels.

Watershed investigations have uncovered a cocktail of nearly 500 chemicals in our rivers, and found that the River Medway—a chalk aquifer, no less—is the joint worst most polluted river in the UK. According to the Angling Trust, chemicals detected include ketamine and fluoranthene—a very toxic compound used in pet flea repellent, which undiluted has been described as "Novichok for honeybees", with one drop able to kill thousands and thousands of insects. I think of those who walk along the riverbanks, work on our rivers, enjoy our parks, or fish in our waters, unaware of the devastating pollution levels that were allowed under the previous Government. How can we explain to the people of Medway, or anywhere in the UK, that such practices were allowed to continue?

Over the last 14 years we have seen weakened regulation, a failure to invest in infrastructure, and the turning of a blind eye as water bosses pocketed millions of pounds in bonuses. It was a kind of perverse performance related pay where, it seemed to many, the higher the discharges, the greater the bonuses. Some may argue that privatised water companies are critical for investment and efficiency, that profit motives encourage innovation, and that regulation would stifle growth and deter private sector involvement. It is, however, welcome that there is some element of cross-party consensus that privatised, low-regulation industry has failed this nation.

The truth lies in responsible action. We need strong Government regulation to ensure that water companies meet their obligations, balanced with the empowerment of local governments and communities to oversee and protect their resources. The current state of our rivers is a disgrace and we need change. Let us introduce stricter penalties for water companies that fail to meet environmental standards, and push for greater investment in our infrastructure, including significant upgrades to waste water plants. The Bill is about more than just fixing a broken system; it is about creating a sustainable future for our children. Cleaner, greener rivers mean healthier communities, stronger governance means fairer water bills and better services, and a protected environment means that we can safeguard not just our wonderful wildlife, but also the quality of life for generations to

It is absurd to think that in 21st-century Britain, human waste is being dumped in major waterways, and that we have allowed that to be the status quo. To my colleagues in the Chamber tonight I say: support this Bill. To the people of Medway and beyond, who I represent, I say: demand better from those entrusted with your most vital resource. Together, we can build a system that works for everyone, not just for shareholders, but for families, businesses and the environment.

8.27 pm

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): As the MP for Brecon, Radnor and Cwm Tawe, I am in the honourable position of representing a constituency containing three mighty rivers: the River Usk, the River Tawe, and the world famous River Wye all rise in the hills and mountains of Mid Wales and pass through this giant constituency. All the water in

the Wye ought to be considered a national treasure, stretching as it does across some of the most picturesque landscapes, providing habitats for an array of wildlife, and supporting multiple communities through tourism and recreation. Yet sadly, the Rive Wye is dying at an astonishing speed. That is why strengthening the regulation of our water companies is understandably a major priority for my constituents.

I know that my constituents are disgusted by the reality of sewage dumping, as many of them have told me so. Wild swimmers, anglers and kayakers are just three groups affected by sewage dumping and the knock-on impact that has on our local economy, yet in Wales, the environmental regulator—Natural Resources Wales—is chronically underfunded and has faced decades of budget and staffing cuts by the Welsh Labour Government. Those cuts have left it unable to fulfil its role, meaning that the current legislation is not being properly enforced. NRW requested a minimum of 50 extra staff members just to do its job properly, and 250 additional staff members to do it well.

The expansion of regulatory powers must be matched with the necessary resources to strengthen the regulator's hand and to enable enforcement. Despite the River Wye being probably the most famous case of river pollution in the UK, it might surprise some to learn that the other two rivers in my constituency, the Usk and the Tawe, are in even worse health, with all three sadly placing in the top 30 most sewage-filled rivers in the UK. While I welcome the legislation strengthening the monitoring of emergency overflows, it is important to recognise that citizen scientists, such as the Friends of the Upper Wye and Save the River Usk, have been doing most of the legwork when it comes to telling us what exactly is in our rivers and where particular areas of concern are. That is why the Liberal Democrats are calling for community groups to have the right to representation on water company boards, so that we bring back that local expertise on board.

8.29 pm

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): I refer to my declaration in the Register of Members' Financial Interests. I am co-chair of the all-party parliamentary water group and chair of the all-party parliamentary group for sustainable flood and drought management.

If our forests are the lungs of the environment, then our rivers, streams and other watercourses are its veins and arteries. They carry vital nutrients and elements around their catchments, ensuring that our flora and fauna flourish and thrive. Globally, we know that all species are currently dying out at rates more than 100 times the normal evolutionary rates of extinction. Locally, the picture is just as bleak. According to the most recent Rivers Trust report, "The State of Our Rivers", no single stretch of river in England or Northern Ireland is in good overall health, and toxic chemicals persist in every single stretch of English river.

Pollution in rivers comes from a variety of sources, including trade, agriculture, highways, riparian assets and sewage assets, among others. Whether we are tackling floods, drought or pollution, there is a need to bring all agencies with a responsibility for managing our water together to plan for and deliver a sustainable water future.

[Lee Pitcher]

There has never been so much public focus on the water industry. Recent years have seen: the renewed emergence of open-water swimming in a time where people explored their local environment much more during covid; the growth of citizen science increasing the available data on offer; campaign groups making a huge breakthrough in highlighting the challenges we face; and, increased data transparency showing there to be real problems. The public have lost faith in the industry and in the Government's ability to regulate it, with widespread concerns about under-investment in infrastructure and unacceptable levels of pollution.

The measures in the Water (Special Measures) Bill are the start of fulfilling the Government's ambition for the water sector as a whole. I am proud that within days of taking up Government, the Labour party started to work on this Bill. I am equally pleased that an independent commission led by Sir Jon Cunliffe has been announced to commence a full end-to-end review of the water sector regulation system. This Bill delivers on the Government's promise to ensure that water companies are held to account in delivering service and environmental obligations, and in doing so begin to rebuild much-needed trust.

While there has been much discussion today on combined sewer overflows and other sewage discharges, I am keen to highlight the types of intervention that will be needed to clean up our rivers and seas, and the focus on nature-based solutions in the Bill as part of the drainage water management plans. Grey infrastructure, new pipes, pumps, sewers and additional treatment capacity will always be part of the equation, but as we look to become more sustainable, I am encouraged to see reference to nature-based solutions and their future role in the Bill.

Vikki Slade (Mid Dorset and North Poole) (LD): I completely agree with the hon. Member about natural solutions. The urban wastewater treatment directive seems to be completely counterintuitive. In Wareham in my constituency, we have a chemical-based removal system that cost £10 million and delivered a 10 tonne a year saving, whereas a nature-based solution was calculated to deliver 90 tonnes a year, but at a fraction of the cost. Does he agree that that is definitely the way to go?

Lee Pitcher: I definitely agree that we require a whole range of different types of solution, including blue-green and the more traditional.

Blue-green infrastructure comes from working with the landscape and environment to create a new type of asset that can not only reduce flood risk or store water to be used later in times of drought, but attenuate pollutants before they go into watercourses and improve water quality at source. Such infrastructure includes the creation of ponds and rain gardens, rewilding, woodlands, mini-forests and wetlands, building in buffer strips, hedgerows and green roofs as part of new development, and engaging in smart soil management. Importantly, those have wider-reaching opportunities, too. They bring opportunities for new skills and new jobs, they facilitate nature recovery, and they provide a means of education for young adults.

The Government needed to respond fast with immediate action. They have done just that with the Bill. They needed to ensure that, in parallel, a sustainable view of

the whole water sector regulatory regime was taken. They have done that with the announcement of the commission. That is the difference that a Labour Government make. On behalf of my constituents, I fully support the Bill.

8.35 pm

Ann Davies (Caerfyrddin) (PC): Diolch, Madam Dirprwy Lefarydd. With deteriorating water standards while customers pay higher and higher bills, the water sector's overhaul is no doubt overdue. Tougher restrictions on water companies that have paid eye-watering bonuses as untreated sewage flows into our rivers are welcomed. We have heard numbers from various constituencies, but listen to this, bois: my constituency of Caerfyrddin saw the most sewage dumped in 2023, with over 11,000 dumps lasting over 115,000 hours. Good reporting may be a factor, but the track record of not-for-profit Dŵr Cymru is not fantastic: it was fined £40 million for misleading over poor performance, while Ofwat had to block £163,000 of undeserved customer-funded bonuses, so further regulation is necessary and overdue.

However, I have some concerns regarding the Bill. First, River Action and Surfers Against Sewage have highlighted Ofwat's continued duty to make reasonable returns for water companies, prioritising profit over environmental and public health. Profit-wise, Storm Darragh clearly showed in west Wales that supply becomes an issue when power is lost. Therefore, infrastructure investment is sorely needed.

Secondly, the extension of storm overflow monitoring to cover emergency overflows is a good idea in principle, but to make a real difference we must move away from unreliable and limited event-duration monitors to a better monitoring model that provides more insightful data on volume and discharge type. Some of those are already in motion. The Teifi nutrient monitoring project uses high-frequency monitoring sensors and multi-sondes along the Teifi river. Supported by citizen science, data is collected four times a day, tracking pollution and identifying sources, which will guide action plans for the Teifi, Tywi and Cleddau rivers. When I was a county councillor on Carmarthenshire county council, I was delighted to be part of the nutrient management team putting those sonde monitors into the river and promoting nature-based solutions.

Plaid Cymru believes that Wales should have full control over its water resources. Much of the Bill's provisions are already devolved matters, subject to Senedd consent. According to a recent statement, Labour Senedd Members believe that it is in the "best interest of Wales" for the UK Parliament sometimes to legislate in devolved areas, including where that enables policy objectives to be most effectively achieved. The sanctity of Welsh devolution should never be vulnerable to the whims of any London party politics, and that Labour policy does cause long-term concern.

The aims of the Bill are welcome, and the current scandal of water quality must be resolved. However, we need to ensure that the Bill adequately prioritises environmental and public health without undermining devolution.

Several hon. Members rose—

Madam Deputy Speaker (Caroline Nokes): Order. I am going to reduce the time limit to three minutes, after the next speaker. I call Andrew Pakes.

8.38 pm

Andrew Pakes (Peterborough) (Lab): Phew! Thank you, Madam Deputy Speaker. [Laughter.] I am privileged to speak on Second Reading of a Bill that is of huge interest to my constituents and the country. After 14 years, the new Government have inherited record levels of illegal sewage dumping in our rivers, lakes and seas, an Environment Agency budget halved since 2010, crumbling infrastructure, with bursting pipes and record spills, and unaccountable water companies.

It is time to change that. It is time to hold our water companies to account and to start fixing the problem. That is why this Government have made the Water (Special Measures) Bill a priority. We need immediate action to end the disgraceful behaviour of water companies and their unruly bosses. We had more than 3,000 hours of sewage poured into our rivers in my constituency alone last year. A lot of sewage came out of the last Government, but certainly not the sewage we are talking about tonight.

After our sewage discharges, Anglian Water, which I know is many Members' provider, belatedly had to pay £38 million to Ofwat. The year before, Anglian Water's chief executive received a £1.3 million package in pay and bonuses, despite the company's poor performance. Despite overseeing the catastrophic failure, water chief executives have paid themselves more than £41 million in bonuses and incentives since 2010. It gets worse: Thames Water's boss took a £195,000 bonus at the end of March for just three months' work. That is the unacceptable face of unaccountable privatisation.

Little wonder, then, that constituents writing to me are angry and that people have so little faith in the power of accountability and regulation, when so little was done by the last Government. I asked Ofwat these questions directly when it appeared before the Environment, Food and Rural Affairs Committee recently. The answers were wanting. That is why the Bill is so needed, and why Ministers have brought it forward so quickly. It sets out new powers to make water companies accountable, to ban bonuses for CEOs and senior leaders unless high standards are met, and criminal liability for water executives, and it sets out a new approach to ensuring that water companies live up to their environmental obligations and serve the public good. I want to put on record my thanks to those public servants who have been fighting hard against the water companies, despite the cuts of the last decade: those in the Environment Agency, the public servants in our water utilities, and members of GMB, Unison and Prospect who know what looking after our water and nature is really about.

The Bill treads where the last Government failed to go. Let us be clear about the Conservatives' legacy: they failed to invest in broken infrastructure and let consumer money be spent irresponsibly on bonuses and shareholder payouts. The Bill rightly calls time on that unruly behaviour. It begins to restore trust in the management of our waterways and in public service and accountable regulation. I commend the Bill.

8.42 pm

Jack Rankin (Windsor) (Con): The role of Opposition is to scrutinise the Government, but as a Member of Parliament I will always be willing to support changes in the law that my constituents have been calling for.

This legislation represents an opportunity to start rebuilding our water infrastructure and improve water security for future generations, and we need to get it right. I want to help make sure that it is not simply cosmetic, or contains measures that do not require primary legislation or things that were already being progressed by the previous Government. I wish to offer some constructive thoughts.

Like many Members, I have local issues. In the past week alone, I have been out with the Eton Wick Waterways Group to inspect the effluent overflow of Slough treatment works in the Boveney ditch, which I am working on with my hon. Friend the Member for Beaconsfield (Joy Morrissey), and with residents in the Boltons in Windsor to see the Bourne ditch filled with sewage in a residential area. The south-east has suffered disproportionately; in fact, 90% of serious pollution incidents were caused by four companies, with Thames Water—the main provider in my constituency—responsible for more than 17 last year. That is inexcusable.

I welcome that Thames Water has finally announced upgrades to Slough treatment works following sewage overflows in Berkshire. They will include new tanks, new technology and a new pipeline. It now needs to be made to guarantee the planned improvement project at Slough, which will reduce future sewage spills and provide cleaner effluent entering the waterways around Eton Wick. I hope for the Minister's support to hold Thames Water to account on that. However, as others in this House have raised, such a change is a drop in the ocean since the entire infrastructure system is outdated and creaking. It needs long-term and sustained investment of tens of billions of pounds over decades, and we must face the reality that that will come only with increases to consumer bills.

If we expect the public to tolerate price increases, we need a regulator that works. In my view, Ofwat's determination to keep bills low for consumers has exposed short-term thinking that has led only to higher bills in future. With additional funding, water companies—particularly Thames Water—must show customers that the money is going directly to infrastructure upgrades.

I am aware of my lack of time, Madam Deputy Speaker. I join with Surfers Against Sewage and River Action, which have been working with Members across this House to encourage the Government to make clean water one of Ofwat's legal duties, and to give it the teeth it needs. I welcome the fact that this issue is being considered in the Chamber, and I hope that everybody in this House will join me in scrutinising Ofwat's implementation of the powers granted to it in the Bill, hoping the Government will make clean water one of Ofwat's legal duties and looking for Ministers' support in holding Thames Water to account at the Slough sewage treatment works.

8.45 pm

Tom Hayes (Bournemouth East) (Lab): The water is key to Bournemouth's appeal as the most stunningly beautiful town in our country. [Interruption.] Contentious. Unsurprisingly, Bournemouth East residents are absolutely horrified by the untreated sewage that is forced on our town. Jacqueline from Boscombe has had to make her "Wild and Free" surf therapy sessions surf-free because of sewage in the sea, meaning children and young people whose mental health could be significantly improved

[Tom Hayes]

are let down again. Sarah from Charminster, who is a regular sea swimmer to manage her long covid symptoms, is now worried about the impact of this pollution on her health and on the natural environment. Gareth in Muscliff is clear that:

"Something really must be done about this and soon for the sake of our health and future."

Sarah in Southbourne told me that:

"This is not the only environmental crisis that we face, but focusing on it, and ensuring improvements, would be regarded as major successes."

While the Conservatives may have let the water companies off the hook, the public did not let the Conservatives off the hook, and at the last election we saw change. We are seeing more of that change today with this Bill, which my constituents will warmly welcome. Last week I met the people who run Holdenhurst water recycling centre to see the significant upgrades that have received nearly £30 million of investment, which I support. I have also recently met the chief executive officer of Wessex Water to discuss the pollution that we are experiencing locally, and I am pleased to see significant investments that will improve Bournemouth's ability to manage the automatic operation of storm overflows. However, we can do more. We can change how we see storm overflows so that we no longer see them as a sewage problem; we instead can see them as a rain management problem. If we reimagine rainwater as a resource to be captured where it lands, reused wherever possible and removed from foul water sewage heading to the water recycling centre, we can do a better job.

I welcome the Bill because it will give the Environment Agency and Ofwat, which are central to protecting our waterways, the powers and the support that they need. The EA will now have new powers to bring forward criminal charges against law-breaking water executives, and water companies will now bear the costs of enforcement action taken in response to their failings. The introduction of fixed and automatic penalties will make it quicker and easier for the EA to fine water companies that commit offences. Furthermore, for the first time there will be a requirement to publish real-time data on all emergency overflows, so that the public and regulators can see what is actually going on.

I close by paying tribute to the work of Surfers Against Sewage, and to Christchurch Harbour and Marine Society and Vanessa Ricketts, who have done so much locally to hold the hope while we waited for a new Government to bring forward this Bill. I am proud that this Labour Government are committed to cleaning up the mess that the Conservatives let our waterways become. The Bill is the first step towards doing that.

8.48 pm

Clive Jones (Wokingham) (LD): Rivers are the natural veins of Britain, with the lifeblood of our ecosystems flowing through them. No matter their width, depth or length, we derive so much from our rivers. Yet according to research from the Rivers Trust, not a single stretch of river in my constituency is in good overall health. It is a tragedy as much as it is a scandal—plain and simple. The Conservative party has left a legacy of unacceptable sewage outflows into our waterways, with a total failure to limit those who were responsible for it.

My constituency has the privilege of being the home of the Leander rowing club, which enters many teams in the Henley royal regatta. In June this year, the organisers of that prestigious international event had to issue guidance to participants on how to minimise the risk of illness due to "proximity to polluted water". That should not be happening in 2024.

When I visited the Thames Water sewage treatment works at Wargrave, I met enthusiastic and knowledgeable employees, but the scale of the neglect of our sewage treatment capacity was very clear to see. Thames Water bosses have failed to keep pace with the storm overflow problem, exacerbated by housebuilding, a failing network of pipes and climate change. Now they want to increase bills by 59%. The regulator really must not let that happen. I was left with the distinct impression at Wargrave that, sadly, the company had little idea of how to fix the problem and no expectation of doing so within a reasonable timeframe. Thames Water is currently limping from cash crisis to cash crisis, accruing billions more in debt. It seems to be getting worse before it can get better.

I am aware that I am getting near to my three minutes. Can the Minister guarantee that my constituents will not be burdened by the potential failure of Thames Water? Can the Minister explain how he intends to ensure that investment in Wokingham's sewerage system is guaranteed?

8.51 pm

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): South West Water discharged sewage for nearly 540,000 hours in 2023, which is apparently an 83% rise compared with 2022. It is getting so much worse. I therefore welcome the measures in the Bill. They are desperately needed and cannot come soon enough for places such as Cornwall, which have suffered from sewage spills for far too long.

We all know how important our seas and rivers are for our health and wellbeing, and for our ecosystems and our economy. In rural and coastal areas, they touch on almost every aspect of our lives. In my constituency and across Cornwall we have an amazing community of sea swimmers and surfers who brave the water all year round, but who are frequently unable to go out due to sewage alerts, or who become infected and get illnesses if they do. They have been campaigning tirelessly on water quality for years.

Constituents write to me daily about sewage spills on our beaches. In the 2024 annual bathing water classifications released a few weeks ago, Porthluney in my constituency had its water quality designated as poor. During Storm Bert, sewage overflows were recorded in the River Carnon, River Penryn, Pill Creek, River Fal and many other rivers in my constituency. It affects not just our residents but our visitors too. Tourism is important to Cornwall. People come from all over the world to visit our coastline, but they are deterred when they see raw sewage on the beaches. Sewage dumping in the River Fal is part of what is destroying traditional industries such as the shellfish industry. In May 2023, 11 shellfish sites in Cornwall were forced to close due to dangerously high levels of E. coli. We have seen problems with our infrastructure this summer. A burst water main led to a loss of water pressure across a swathe of Cornwall and many people lost their water, including the hospital. Compensation was very limited and hard to obtain.

The Bill delivers on the Government's manifesto commitments to hold the water companies to account. It gives the Environment Agency more resource to bring criminal charges and fines, and makes them quicker and easier to enforce. The standard of proof will change and be lower, and automatic penalties will be extended. Ofwat will have greater powers to halt performance-related pay bonuses. The Bill also introduces real-time monitoring of every sewage outlet and full transparency. Along with the announcements on investment in infrastructure made in July and the upcoming comprehensive water review, the Bill forms part of a plan for a long-term fundamental comprehensive restructuring of our water industry. We will go much further. I welcome the Bill.

8.54 pm

Charlie Maynard (Witney) (LD): I believe that this Bill is disappointing. It almost totally ignores the financials of the companies, and that is the root of the problem. Unless we fix the financials, we will not fix the problem. Thames Water, for example, has £17 billion of debt, and it is currently expected to have a further £3 billion of debt by the end of January. If that happens, it will cost Thames Water an extra £334 million a year, which means that 46% of the bill of every single one of the 15 million bill payers will be funding interest payments—before the £20 billion of debt that the company will have is paid down. How does that make sense? How do we get this working again? That is not the route to a solution.

The reason Thames Water is not in special administration is that, officially, it is unable, or unlikely to be able, to pay its debts. You do not need a GCSE in business to know that if a company currently has £16 billion of debt and £1.2 billion of cash flows, it is unlikely to be able to pay its debts. I believe that our Government are running scared. They are worried about being sued by big bad American vulture investors, and that is why they are not putting Thames Water into the special administration regime—a regime that was explicitly set up for exactly this purpose. I say to the Government, "Please, do not let Ofwat approve a price rise for Thames Water. Put the company into special administration and start to deal with the problems, because we will not be able to deal with them until we deal with the financials."

I have one minute and 17 seconds in which to ask the Government to steal some of these ideas. Yes, they should reform the three regulators, by putting them all together. In respect of clauses 10 and 11, why should consumers pay for financial losses following Government financial assistance? Why should not creditors and shareholders pay for those losses? It seems pretty weird to me. Pollution baselines should be established for each catchment; we should get that straight. Environment Agency permits for individual sewage treatment works should be reset. The capacity for each STW should be established, and the agency's Environment Agency 3.0 multiplier should be applied to every one of them. There should also be volumetric flow meters, for which clause 3 does not provide—we are not getting them. I invite Members to read clause 3 themselves. We are getting event duration monitors but not flow meters, and that means we are back in the same place where we have been for the last 14 years. We need flow meters, so please can we insist on that? Finally, we need to haircut the debt: we need to get that £20 billion down to £5 billion. That should be the key focus, because then we will be back on a stable footing and able to invest as we need to.

8.57 pm

Darren Paffey (Southampton Itchen) (Lab): It is a pleasure to welcome this much-needed legislation. A couple of weeks ago, I visited Bitterne Park primary school, which is just across the River Itchen from Southern Water's treatment works. I met the school's Eco Warriors, an inspiring group of schoolchildren who are passionate about improving their environment. They told me that the stench from the treatment works sometimes makes them feel so ill that they cannot play outside at lunchtime. That is what happens when there are more than 1,000 hours of sewage dumping, as there were last year alone—a 350% increase on the year before. Those children expressed their outrage, and their desire for change, in a way that grown-ups are often less good at. Let us be clear: this is not something that our children should have to accept as normal. That is why I am campaigning for bathing water status for the Itchen, and I would like to work with Ministers to see how we can clean up the river and achieve that.

This is a big local issue, and one that I am determined to try to help resolve, but—as has been made plain by the excellent contributions of other Members—there is no doubt that it is also a national issue, and that private water companies have been treating our rivers with utter contempt. Let us not forget how we got here: 14 years of Conservative failure have left us with crumbling water infrastructure and record levels of pollution. That is the legacy. Instead of addressing the crisis, Conservative Ministers buried the scale of the problem, hiding sewage data and shielding water companies from scrutiny. That is why I welcome the tough new penalties in the Bill, which will ban unjustifiable and undeserved bonuses.

We have seen and heard how water companies have piled up debt and demanded bail-outs from the taxpayer, all the while paying bumper bonuses—more than £41 million since 2020—to executives who fail to meet the most basic standards of competence. Meanwhile, it is my constituents and those of other colleagues here who have paid the price—in higher water bills, and in the frustration of seeing a river that they treasure polluted by negligence. The Bill draws a line under those wasted years. That is what we mean when we say we are a Government of service, because we are not afraid to stand up to corporate interests. We are here in service of the British people. That means long-term investment in our water networks and ensuring that every penny spent benefits customers and the environment, not just shareholders.

I am grateful to the groups that have campaigned to keep these issues on the agenda. Now it is over to this Government of service to finish the job and hold those responsible to account.

9 pm

Manuela Perteghella (Stratford-on-Avon) (LD): I declare an interest: my spouse is a water economist.

As we have heard from many hon. Members this evening, urgent action is needed to clean up our rivers and waterways, including the Avon, Alne, Arrow and Stour in my constituency of Stratford-on-Avon. Those rivers

[Manuela Perteghella]

and brooks are central to our communities, our local environment and wildlife, and our sporting and recreational activities, yet they are being poisoned. Water is a common good, and the water companies, including Severn Trent Water, have shown utter disregard for our most precious natural resource. This Bill is a welcome step, but much more needs to be done.

Across the UK, untreated sewage was discharged more than 600,000 times last year. It is a national disgrace. In my constituency, spills happened for a total duration of nearly 16,700 hours in 2023. I thank the citizen science champions in my constituency and the many campaign groups, from Shipstone and Stratford to Bidford and Alcester, for shining a light on this crisis. Without their tireless work, much of the devastation would remain hidden. I also pay tribute to our many rural communities, who have experienced repeated sewage flooding and are literally left to clean up the mess.

Although residents stepped up, the previous Conservative Government failed to hold the water companies to account. Shareholder profits should not be prioritised over public health and environmental protection. I urge the Government to consider the Liberal Democrats' proposal to abolish Ofwat and replace it with a clean water authority that has real teeth—a regulator that focuses on environmental performance, demands real-time sewage pollution data, and enforces legally binding targets to eliminate sewage spills by 2030. The Bill must also mandate investment in sewage and drainage infrastructure.

This Bill is a chance to take real, systemic action to clean up our waterways. However, the Government must strengthen the proposed legislation in more radical ways so that we can give our constituents the clean and thriving waterways they all deserve.

9.2 pm

David Burton-Sampson (Southend West and Leigh) (Lab): According to the latest Government figures, the number of sewage dumps along my constituency's small coastline rose from 100 in 2022 to 206 last year—a more than 100% increase. Across the country, this is the legacy of the last Conservative Government. They failed to get to grips with holding our water companies to account, and we and our constituents have suffered, with polluted waterways causing swimmers and those taking part in water sports to become ill—never mind the impact it has had on the natural environment. I am told by Anglian Water that the sewage dumping figures will be significantly lower in 2024, but we will wait to see them published. An immediate positive move by this Labour Government has been to require real-time monitoring, so that the public and the regulators have full transparency on where water spills are happening within an hour of them happening. There will be nowhere to hide.

In Southend, both I and my hon. Friend the Member for Southend East and Rochford (Mr Alaba) have recommenced holding water quality summits. They are a means of bringing together stakeholders and interested members of the public to discuss current issues and challenges, from pollution and sewage dumps to regular flooding. I hope our water quality summits will serve as a good exemplar of how the proposed new customer panels could work across the country.

My Conservative predecessor, the former MP for Southend West, had the right intentions when she started the local water summits during her term. However, she was restricted by the failure of her own Government to put in place sufficient regulation and consequences for the water companies to really fix this issue. In October 2021, the Conservatives voted against a Lords amendment to the Environment Bill that would have placed a legal duty on water companies to reduce sewage discharges into our rivers. In January last year, 292 Conservatives—ironically including my predecessor—voted to give water companies 15 years to clean up their act as part of the environment targets regulations. Yes, 15 years!

Having run my own business and worked in senior roles in other businesses, I know the standards required to consider awarding bonuses. Underperforming on a key metric would not, and should not, be overlooked when considering the payment of bonuses. The same will now properly apply to the water industry, and so it should. I am proud of this Bill and I am proud to support it. The Labour Government have done more in our first few months to tackle this scourge than the Conservatives did in the last 14 years. This Government are serious about bringing the change that is so urgently needed to end the scandal of water pollution once and for all.

9.6 pm

Gideon Amos (Taunton and Wellington) (LD): Few of the natural features of the Taunton and Wellington constituency in Somerset are as valued as the River Tone, which goes through the constituency. Like my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron), I welcome this Bill but wish it would go further. In particular, we need a much stronger regulator. As long as Ofwat has a duty to protect profits and returns for shareholders but not to protect the environment, it will be more of a tame kitten than a watchdog. When it comes to managing the quality of our water and our waterways, profiteering surely has no place in the equation, which is why we want to see privatised water companies replaced with not-for-profit companies, which work very effectively in Denmark. Water companies also need to be held to account for longer when it comes to investing in the infrastructure that is needed.

From preparing and submitting its bathing water status application—with a lot of support from the hard-working volunteers of the Friends of French Weir Park—I know how much goes into designating a bathing water such as the Tone in Taunton. I therefore urge the Minister, in the context of the ongoing parallel bathing water consultation—to completely end automatic de-designation after five years. Wessex Water and the Environment Agency have made it clear that we can get improvements in water quality in the Tone in five years—and who would disagree with improving the tone, Madam Deputy Speaker?—but they are unlikely to be enough to protect its designation unless more time is available.

We in Taunton also strongly disagree with making new designations dependent on already having sufficiently clean bathing water quality. The whole reason that communities are seeking to get their designations is to stimulate that improvement. As Surfers Against Sewage has pointed out, making quality a prerequisite rather than the goal to be established would have prevented almost all the current inland bathing waters from being designated. Also, we would oppose allowing bathing seasons to be curtailed. I hope the Minister will also say something about bringing in water restoration grants, which would have the dual advantages of supporting the drive to eliminate phosphates from the Somerset levels and moors and improving river and bathing water quality.

Having canvassed the views of my fellow swimmers the other day, I know how much people want to see the river improved. We therefore need to give rural communities the support they need for water restoration. We need to establish a tough regulator bound by legal duties to protect the environment, not just profits, and give bathing waters enough time to be brought up to standard without the threat of de-designation and being pushed into the "too difficult" pile. Our rivers and our environment—

Madam Deputy Speaker (Caroline Nokes): Order. I call Julie Minns.

9.9 pm

Ms Julie Minns (Carlisle) (Lab): On the eve of this year's general election, hundreds of Carlisle residents woke to find that brown water was coming out of their taps. Some might describe the stained water as a metaphor for 14 years of Conservative failure but, for most of my residents, it was just another reminder of the poor service they have had to endure from the local water company. Indeed, in the last two weeks alone, there have been 56 sewage discharges within a 5-mile radius of Carlisle, lasting a total of 152 hours.

This not only has the impact of harming local wildlife, as we have already heard this evening, but it also makes our rivers a no-go zone for locals. As someone who enjoys cold-water swimming, I find it a tragedy that our rivers, which have defined our great border city for centuries, have been reduced to the personal polluting pools of United Utilities.

Yet our system rewards this behaviour. Just last month, the company announced hundreds of millions in profit while seeking to further increase customer bills by an astounding 32%. Bonuses just shy of £1.5 million were doled out to two executives, on top of salaries already topping £1 million. This is the state of water regulation in this country—one where polluting, not the polluter, pays.

At least, that was the state of affairs under the previous Government, but not any more. I am delighted that this Bill is giving us the powers finally to hold the water companies to account, finally to block bonuses to underperforming water bosses, finally to levy fines that genuinely deter polluting our waterways, and finally to stop these companies marking their own homework by introducing proper independent monitoring of every outlet.

The water industry was a wild west under the last Government, and I for one am delighted that there is a new sheriff in town.

9.12 pm

Josh Fenton-Glynn (Calder Valley) (Lab): I welcome this legislation and this debate. Nothing typifies this Government's job of cleaning up the mess left after 14 years of the last lot than the need to clean sewage out of our rivers.

The need in Yorkshire is greater than in many other places. Yorkshire Water holds one of the worst records for sewage discharges among water companies. Last year, it spilled sewage into rivers across our region 464,056 times. Of those, a staggering 4,125 discharges were into the River Calder, which runs through my Calder Valley constituency, making it one of the most dumped-in rivers in the country. Both numbers had increased since the previous year, yet Nicola Shaw, the chief executive of Yorkshire Water, took home just over £1 million in remuneration, £300,000 of which was a bonus. To put that in context, she earned £2.22 per sewage spill into a Yorkshire river last year. If that is a reward for good performance, one dreads to think what poor performance looks like.

In Calder Valley, and across the country, we have had enough, and this Bill rightly reflects that. This Bill gives us an opportunity to hold water bosses and their companies to account, not only through fines and clear regulations but through measures that will allow the criminal prosecution of irresponsible bosses.

I welcome this Bill, but I also recognise that it is just a start, an opening step to get our water system back on track. As we continue with our whole-system review, I hope Ministers will also look at the broader impact of water companies, including the cavalier way in which they dig up our roads for weeks on end. Indeed, a road in Hebden Bridge and Todmorden has been dug up to mend a sewer, but businesses are suffering while little work is done over the weekend. More pertinently, in Calder Valley early results from studies by Yorkshire Water into what it can do to alleviate flooding show that in areas like mine, water companies and their assets have a real impact on flooding, so I hope my hon. Friends on the Front Bench will consider looking at the broader role of water companies.

In closing, after 14 years of Tory failure polluting rivers across Calder Valley, I am proud to support the Bill and end the sewage scandal. We are serious about our environment, getting our country back on track and cleaning up the mess left by the Opposition.

9.15 pm

Julia Buckley (Shrewsbury) (Lab): In my rural constituency of Shrewsbury, we have England's longest river, the magnificent Severn. It flows through our historic town centre and meanders through our outlying villages, but my constituents are running out of patience with the current privatised water company, Severn Trent Water. It is failing its customers, failing the environment and, according to last week's "Panorama", failing financially.

Under the last Government, the whole water industry became a haven for profiteering. In the last four years, the boss of Severn Trent Water has been paid £13 million for "performance related pay", yet in 2023 there were over 2,000 incidents of sewage dumping in my constituency alone—an increase of 42% on the previous year. My residents have their own words for that kind of performance, and they are not pretty.

To top that off, we have now heard that customers' bills are set to rise by 46% over the next five years. This is supposedly justified by investment in the long overdue infrastructure upgrades that we need in order to reduce the sewage pollution spills into our rivers. However, companies continue pay out dividends to their shareholders,

[Julia Buckley]

while customers are aggrieved because they have been paying out for years while the pollution went ahead. Quite rightly, customers feel that they are paying twice to solve the problem. Has there ever been a worse case of paying more and getting less?

Although we in this House welcome today's watershed Bill, our residents are much more concerned with a different bill: the average annual water bill for Severn Trent Water customers is set to rise from £439 to £580. That is not acceptable and will be unaffordable for many, but it is also terrible value for money, given the disgraceful pollution of our river that has seen not just public health problems from infections as serious as E. coli, but devastating impacts on our ecology, including depleted fish, birds and flora along the banks of our river, which is now strewn with wet wipes and sanitary products instead of wildlife.

In Shrewsbury we have a very large and active campaign group called Up Sewage Creek, which is ably led by Claire Kirby. Many of the group are citizen scientists who give up their time to test the water quality and highlight the deterioration of our most prized asset. On behalf of my frustrated residents and our otherwise beautiful river, I urge the Minister to not only bring forward the criminal sanctions and stronger regulation in the Water (Special Measures) Bill, but to ensure that the independent water commission into the water sector holds no bars in its examination of the privatised water industry, and explores all avenues to clean up our water and shake up the sector.

9.18 pm

Dan Aldridge (Weston-super-Mare) (Lab): The protection of our beaches, rivers and bathing waters is incredibly important to my constituency, as hon. Members may expect me to say, as I represent a coastal constituency. My friends, family and I are regular swimmers in Weston-super-Mare's fantastic Marine Lake, so my interest is personal as well as professional.

Marine Lake is a 200-metre infinity lake, said to be the largest of its kind in the world. It is a phenomenal asset to our community and I am proud of the work of so many to restore it over recent years. Having Marine Lake in Weston means that despite us having the second highest tidal range in the world—finding the sea in Weston can sometimes be a bit tricky—we have access to bathing water whenever we need it. So many people from across the country have memories of spending summers on the beach, with ice cream, fish and chips and swimming in the sea, creating memories with family and friends; that is part of the very fabric of our town.

In recent years the decline in water quality has damaged that fabric, and compromised access and enjoyment. As the previous Government left office, the number of bathing waters classified as poor across the UK was at a record high. Distressingly, that still includes Weston, Uphill and Sand Bay beaches—that has a profound impact on our town. There is so much anxiety among local residents and businesses about something that we should have certainty about: that it is safe to swim in our bathing waters. Many have also experienced the negative impact that it has had on tourism and hospitality—a vital source of employment to so many in Weston.

The degradation of water quality in recent years must be reversed. Towns like mine need this Government to deliver where the previous Government did not.

I am grateful for the investigations by the Environment Agency and the local bathing water steering group of the causes of the poor water quality, but there is still no smoking gun. I have been reassured that over the next 12 months those investigations will be ramped up to investigate sewage from Avonmouth as the possible cause, but time is critical, and the need of my constituents for answers and swift action cannot be overstated. I have written to the Minister to outline the urgency, and request the boldest action for Weston-super-Mare.

I pay tribute to the amazing work of volunteers in Weston—first, the legendary Debbie Apted of Cleaner Coastlines. Debbie has been a personal inspiration for years because of her tireless advocacy, evidence-led approach and ability to motivate a community to action. I also pay tribute to the fantastic Mudlarks community, who work so hard to maintain Marine Lake, and the litter pickers such as Sophie and Jules from Sophie's Super Litter Picking, and the many individuals who walk our streets and coastline daily to prevent rubbish from ending up in our waterways.

The Bill is so welcome in Weston, and I am especially pleased to see how quickly the Government have acted on this issue. It is clear to me and many campaigners in my constituency that stronger powers to properly hold water companies to account is critical if we are to change behaviour and get them to do their job. I am hopeful that, along with cleaning up our bathing waters, the Bill will go a long way towards restoring the trust that has been so sadly lost.

9.21 pm

Anna Dixon (Shipley) (Lab): Anyone who has visited Shipley will know that the River Aire and the River Wharfe flow through the beautiful dales countryside of my Yorkshire constituency, and indeed that of my neighbour, the hon. Member for Keighley and Ilkley (Robbie Moore). I grew up paddling in the Wharfe, and as an adult I enjoy a regular dip. It was therefore a bit of a shock to learn that raw sewage was being regularly dumped in our rivers—some 1,753 times in 2023. I do not think that that is quite top of the poops, but it is not far off.

I pay tribute to the local activists who have done so much to expose this scandal and campaign to protect our environment. The Ilkley Clean River Group has been at the forefront of the campaign to end the sewage scandal. Formed in 2018, through citizen science it has shown that untreated sewage was being dumped in our rivers even at times of low rainfall. The group worked very hard to secure bathing status in 2020—the Wharfe was the first river to do so in the UK—and the group highlighted the public health risk to bathers, but it should not have needed brave local residents to challenge the water companies. The regulators have failed in their job. That is why I am so proud that the Bill will require more frequent and accurate monitoring, and introduce fixed monetary penalties so that companies do not get away with it any longer.

Under the last Government, our water was catastrophically mismanaged. Regulation was weakened, there was a failure to invest in infrastructure, and record levels of sewage were pumped into our rivers and seas.

Meanwhile, bosses creamed off the profits and paid themselves in bonuses. Along with others, I call on the Yorkshire Water chief executive officer to hand back her £371,000 bonus. It is clear that change is needed, and change is coming with the Bill. It is long overdue that water companies are held to account and that we put in place the mechanisms to restrict executive bonuses. Many of my constituents, though, feel dismayed that it falls on them to pay the price, quite literally, for water companies' failures. Customer bills are due to rise 18% next year in the Shipley constituency. Despite having no debt when privatised in 1990, Yorkshire Water has since accrued £6.5 billion of debt; today 19% of customer bills are spent just on servicing that debt.

Under-investment has left my constituency with creaking infrastructure, high bills and polluted rivers. I am pleased that the Government have set up an independent commission on water. To undertake fundamental reform, it is vital that that includes in-depth analysis of the finances and governance structures. Our once beautiful rivers, such as the Wharfe and Aire, are now awash with sewage, and our water infrastructure is leaking. I welcome the Bill, and the measures that it sets out to deal with the crisis in our water industry.

9.24 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I rise to support the Bill because we basically live in a monopoly. We live in a situation where a group of companies control an incredibly essential part of everyday life—a part that we need. As a consumer, if I do not like the service I receive, I can go somewhere else; I cannot do that with water. If I want to shop around for a better deal, I can do that; I cannot do that with water. The water companies know that—they know that they hold a monopoly on the service they provide—so they think they can get away with raising bills, failing to invest, and ploughing money into shares and dividends. Their time has come, and the Bill is apt. The new Government is providing new opportunities to change the way in which we look at water and consider it as a fundamental part of everyday life.

But as I have been listening to the debate this afternoon, I started to wonder whether the Bill is actually needed, because if we listen to the hon. Members for South Northamptonshire (Sarah Bool) or for Exmouth and Exeter East (David Reed), apparently everything in the Bill has already been done, and we are fine. I struggled to reconcile what the right hon. Member for Louth and Horncastle (Victoria Atkins) said in her opening speech—about this Government copying what the previous Government did in the Environment Act—with the rather gory descriptions of the effluence and other material found in waterways across the country.

I represent Stoke-on-Trent—the clue is in the name; it is the river on which we sit—and I know thousands of hours of sewage have been discharged into that river. Equivalent amounts of sewage are also being pumped into places like the Fowlea brook and the Lyme brook by a water company that is seemingly more worried about protecting its dividends than the health of the people I have been sent here to represent.

How did we get to this point, if everything the last Government did was apparently fine? The hon. Member for Westmorland and Lonsdale (Tim Farron) summed it up perfectly when he talked about the importance of regulation. Actually, we have gap when it comes to regulation—it is an enforcement gap. We have great regulation on paper that says, "You will do this, and this will happen" and "There will be penalties and fines", but the previous Government systematically over time reduced the amount of funding available to the regulatory organisations, so that their enforcement became reactionary to events. According to the Conservatives, the reason why we have 100% monitoring of discharges is not because of some benevolent act by a party that cared about the environment; it is because the previous Government got bored and tired of the community groups around the country campaigning on the issue, and they thought, "We'll do something about it." I find it no coincidence that that happened this year—in an election year.

I hope that the Minister will talk more about how regulatory enforcement will happen, and about how we will provide the powers and the money that are needed.

9.27 pm

Lizzi Collinge (Morecambe and Lunesdale) (Lab): I represent Morecambe and Lunesdale, where beauty surrounds and health abounds. It is the home of Morecambe bay and the River Lune—just two of the fantastic waterways that contribute to the health and enjoyment of my constituents. However, under the last Conservative Government, those waterways have been filled with pollution. Earlier, the shadow Minister, the right hon. Member for Louth and Horncastle (Victoria Atkins), mentioned wanting some facts. Well, here's a fact for her: in 2023 alone, Morecambe and Lunesdale saw 13,500 hours of sewage discharges. That this was allowed to happen is an absolute scandal. Water bosses were allowed to walk off with huge bonuses while people in Morecambe bay found themselves swimming in raw sewage. Again and again, the law has been flouted by water companies and not enforced by the Conservatives, but now we have a Labour Government who will not only enforce the law, but strengthen it.

Morecambe bay is an ecologically special place. It is a site of special scientific interest and a bird watcher's paradise, as a sanctuary for over 240,000 birds each year. Unfortunately, we do not have time for all the interesting bird facts that I prepared. [Hon. Members: "Ah!"] In Arnside and Silverdale, we have—

Josh Fenton-Glynn: Will my hon. Friend tell me about her local aviary life?

Lizzi Collinge: I thank my hon. Friend for his intervention. Between March and July, rare and declining bird nesting species, such as the ringed plover, oystercatchers and the Arctic tern lay their eggs on Morecambe bay's shores. Morecambe bay is also a vital stopover point for migrating birds, offering them a place to rest and refuel. Little terns, with their distinctive face-markings and beaks, will travel 20,000 miles on their migratory journeys so that they can breed in Morecambe bay. In Arnside and Silverdale, we have our beautiful natural landscape and wetlands, which are home to diverse wildlife. Those habitats rely on robust water quality standards to thrive, making the provisions in the Bill absolutely crucial for my constituency.

My constituents have made it clear to me that they expect the Government to take action where the Conservatives failed. The Bill's key measures include

[Lizzi Collinge]

blocking executive bonuses for companies that pollute our waterways, imposing automatic fines for offences, prosecuting company directors for negligence, and mandating the real-time monitoring of overflows. The Bill also requires companies to publish annual pollution reduction plans, and strengthens oversight by regulators. Only through those measures can we protect waterways and keep Morecambe bay and the River Lune clean for future generations. I urge colleagues across the Chamber to support the Bill.

9.30 pm

Mr Bayo Alaba (Southend East and Rochford) (Lab): I am so pleased to be here to discuss the Bill. Water quality is one of the biggest issues facing residents across my constituency, particularly in relation to pollution levels, and under-investment in infrastructure has reduced flood resilience in our residential areas. In Southend, our beaches have lost some of their blue flags in recent months, particularly in Thorpe bay, because of surface water drainage issues. Constituents experiencing significant flooding every time there is increased rainfall. Some constituents living around the Thorpe Hall Avenue area have tried to sell up, and have been forced to sell for up to 15% below the market value as a direct consequence of flooding. That is simply not good enough, and it is why I am so pleased to be here to support the most significant increase in enforcement and regulation of the water industry in a decade.

Since my election, I have co-chaired the Southend water quality summit with my good and hon. Friend the Member for Southend West and Leigh (David Burton-Sampson). We have been trying to bring all community stakeholders back together again to put additional pressure on Anglian Water. The summits are held quarterly, and are an opportunity for residents, water companies and campaign groups such as Southend Against Sewage to come together to raise issues and concerns. That model empowers communities, and I am proud that our city has been a pioneer in holding water companies to account.

After all, Southend is a coastal community, so water quality is completely intertwined with daily life. Our beautiful coastlines are a natural asset that needs to be protected—frankly, they are one of our superpowers—but, frustratingly, our water quality does not always meet the standards that residents, visitors and tourists deserve. However, the Bill means that we can look forward to clean rivers, lakes, seas and estuaries. Not only will it drive up performance by blocking bonuses for executives and imposing automatic and severe fines for those who pollute our waterways, but it will introduce criminal charges for persistent lawbreakers. In 2022, £9.7 million was paid out in executive bonuses—that is simply not good enough.

For too long, water quality and food resilience have been overlooked. Nowhere is that more apparent than in Southend-on-Sea. Suffice it to say that I wholeheartedly welcome the Bill as a first step in the transformation of the water industry.

9.33 pm

Ms Polly Billington (East Thanet) (Lab): On new year's day, I will, like many people in Thanet, take part in a bracing dash into the sea to raise money for

worthwhile causes. However, we should not take our health in our hands as we do so. Swimming should be good for you, not a risky adventure because of pollution. Good governance might seem a long way away from the delights of sea swimming, yet we cannot safely have one without the other.

Water plays such a huge role in the history and culture of East Thanet, not least because of our fantastic beaches. Margate can claim to be the first English seaside resort—I know there are others, but we are the first. For 250 years, people have come to all three of our towns in East Thanet to enjoy the stunning scenery, breathe the fabulous fresh air and swim in the sea, but as a very wise business owner in my constituency told me, "People don't come here to paddle in poo." That is why I and my constituents welcome this Bill, as a great starting point in cleaning up the mess that the Conservative party has left—not a figurative mess, but a literal one in our waterways. For years, the privatised water industry has been under-investing and over-polluting while paying itself millions of pounds in bonuses. That is why the action that the Government are taking through this Bill is extremely welcome and long needed.

Residents in Broadstairs have had to cope with their water being off during a red warning for extreme heat and in the middle of winter in the run-up to Christmas, managing on bottled water, because of infrastructure failures. Bills are up, the quality of service is down, the environment is in ruins, and big bonuses fuelled by gorging on debt are being paid. The water companies argue that they may need to pay more in salary bonuses to get the best people in—well, if this is the best they can get, I will be asking for my money back. We need a fundamental change in the way our water system is run, and critically, we need more accountability to bring that change about.

I know that the Secretary of State does not want to be spending his time running the water companies. I do not want him spending his time doing that either—that is not what I am suggesting. I recommend that this accountability should be local, rather than at the national level. The new independent water commission could look into how we fine water companies that break the rules by exploring the possibility of taking company stock from them instead of money. We could put any stock in a trust held on behalf of local billpayers, who would then benefit.

It may be some time before we can be confident about enjoying our waters again—some time before our rivers and seas are restored to full health—but I believe this Bill will start the process of cleaning up our water industry. It is crucial that we get the future governance right, so that our constituents can feel confident that paddling in poo is a thing of the past.

9.36 pm

John Whitby (Derbyshire Dales) (Lab): Last year, Derbyshire Dales had the 32nd highest number of sewage dumps out of our 650 constituencies. Shockingly, the number of sewage dumps increased by 26% between 2022 and 2023, with sewage spills in Derbyshire Dales lasting a staggering 28,488 hours. That is equivalent to 3.3 years of continuous pollution. It is clear that the previous Government failed to protect our water and, in doing so, endangered the environment, local industries and human health.

Much of Derbyshire Dales lies within the Peak District national park, which is renowned for its stunning scenery and landscapes. However, high levels of pollution are threatening the biodiversity of England's national parks: as of today, only 39% of rivers and 15% of lakes within those parks remain in an ecologically healthy state. In Derbyshire Dales, that pollution is damaging some of our most scenic rivers; for example, just 6% of the surface water of the River Dove currently meets good ecological standards. Not only is that pollution a threat to biodiversity, but it is a danger to public health, as people who swim, canoe or enjoy recreational activities in these waters risk becoming ill if they are exposed to contaminated water. Recently, I witnessed this problem at first hand when I visited the River Derwent with Paddle UK.

The Water (Special Measures) Bill introduces longoverdue reforms to address this crisis. First, it bans bonuses for water company executives who fail to protect the environment and consumers. It is a disgrace that, since 2020, these executives have received £41 million in bonuses, benefits and incentives while water bills have soared and pollution levels have remained unacceptably high.

Secondly, the Bill strengthens the Environment Agency's powers to hold lawbreaking water executives accountable—it is shocking that only five individuals have been prosecuted by the EA to date. I welcome the fact that the Bill is lowering the burden of proof required for the Environment Agency to impose fixed penalty notices from beyond reasonable doubt to the balance of probability. This will help to ensure that those who pollute our waters pay the price for doing so.

Thirdly, the Bill introduces automatic and severe fines for water companies that commit offences such as polluting or failing to meet reporting requirements. The message the Government are sending is clear: "If you pollute, expect to pay." Alongside this Bill, I welcome the fact that the Government have established an independent commission into the water sector, and I look forward to seeing what further recommendations the commission brings forward to help ensure that our waters become clear, safe and healthy.

The people of Derbyshire Dales deserve better. They deserve rivers, lakes and waterways free from pollution. This Bill represents a critical step towards addressing these matters, and I urge all Members to support it.

9.39 pm

Dr Neil Hudson (Epping Forest) (Con): It is a pleasure to wind up for His Majesty's loyal Opposition in what has been a comprehensive debate tonight. I want to thank all Members, who have made so many interesting points across the House about many different aspects of policy.

The hon. Members for Reading Central (Matt Rodda) and for Hastings and Rye (Helena Dollimore) talked about water supply issues and when companies fail to deliver on their duties. The hon. Member for Scarborough and Whitby (Alison Hume) talked about the fantastic Wave Project helping young people with their mental health in her constituency. The hon. Member for Shrewsbury (Julia Buckley) raved about the magnificent Severn, and the hon. Member for Morecambe and Lunesdale (Lizzi Collinge) waxed lyrical about her local birdlife.

My hon. Friend the Member for Beaconsfield (Joy Morrissey) talked about the importance of monitoring and of a holistic approach to water management, as was echoed by my hon. Friend the Member for Bognor Regis and Littlehampton (Alison Griffiths). My hon. Friend the Member for Mid Bedfordshire (Blake Stephenson) talked about the importance of fit-for-purpose water infrastructure for new developments. My hon. Friend the Member for South Northamptonshire (Sarah Bool) eloquently articulated the issues with our Victorian sewage network and about the importance of the water restoration fund. My hon. Friends the Members for Exmouth and Exeter East (David Reed) and for Windsor (Jack Rankin) are proud advocates for standing up for water quality for their constituents.

As for those in the party sitting to my left, the Lib Dems seem to airbrush themselves out of Government history and seem to forget that they were in coalition Government for some five years. May I gently remind the Liberal Democrats that they actually had a Water Minister in that coalition Government who did absolutely nothing on this issue when they were in power? They pivot and posture as the party of protest, jumping on their stand-up paddleboard bandwagon, but far from being concerned about water quality and safety, they appear more than happy to strap on their wetsuits and dive headfirst under the water.

The amendments to the Environment Bill in the last Parliament that Labour and the Liberal Democrats voted for would actually have cost in excess of £300 billion to rebuild the entire Victorian sewage and drainage systems. That was completely unaffordable, and it would have put up taxpayers' water bills by hundreds of pounds each year. They did not tell the public that when they cast their smears on Conservative MPs and peers who voted for sensible, costed plans to realistically address the sewage situation, but they never let the truth get in the way of stand-up paddleboard bandwagons.

Water quality and how sewage is dealt with are of vital importance to all our constituents right across the House, and we on this side—the Conservatives—are proud that we were the party that began the process of addressing this while in government. What we can now see with this new Labour Government is an attempt to copy and paste many of our Conservative achievements and plans, rebadging them as their own. It is an interesting approach and a recurrent theme. They opposed and blocked all of our plans when in opposition, and now they are scrabbling around and trying to say that they agreed with our plans all along. In fact, just look what the Government have been saying this week about the Conservative-delivered comprehensive and progressive agreement for trans-Pacific partnership, which Labour now thinks is the best thing since sliced bread, having distanced themselves from it when they were in opposition. That is the theme of this new Government.

The Labour manifesto promised to put failing water companies under special measures to clean up water and clean up our rivers that have been polluted by illegal sewage dumping. Now it is Labour Members' turn in government to deliver on these promises to ensure that these are not more broken promises, such as their heartless family farm tax, which they promised they would not do and then cruelly went on to do, or their promise not to raise national insurance.

[Dr Neil Hudson]

I note that we would not be talking about this issue today, or we would be talking about a worse situation, had it not been for the previous Conservative Government being the first to investigate the problem, grasp the nettle and meet the ambitious pledge to ensure that 100% of storm overflows are monitored, so that we could get accurate data on what is being put into our waterways. Without that, we would need to do far more groundwork to start determining what we need to do. We must remember that the last time Labour was in charge of DEFRA in England, when it left office in 2010, only 7% of storm overflows were being monitored, compared with 100% when the Conservatives left office. It was left for us to sort and improve monitoring, so that we can have an accurate view of what is happening—an evidence base for policy making, rather than poking around in the dark under Labour.

I really hope that Labour does not break its promises to improve water quality in England, because the story in Labour-run Wales is sub-optimal to say the least. In 2022, the average number of spills from storm overflows was two thirds higher in Labour-run Wales than in England—not exactly the best blueprint for government that Labour at Westminster said it would emulate. Some 92% of English bathing waters meet water quality standards, but that still needs to be higher and we look forward to the new Government detailing their plans to achieve better results.

We have heard from many Members about Thames Water, which is a notable, critical issue at this moment, but so far Labour has failed to come up with a clear plan for how it will address that and protect both the bill payer and the broader taxpayer. The Labour Government are promising to review the water system, with more reviews and more reboots, but what they should be doing is rolling their sleeves up and continuing the progress that the Conservatives started. That progress includes our landmark Environment Act 2021, delivering our plan for cutting plastic pollution and holding water companies to account; our work on measuring storm overflows; our ambitious "Plan for Water"; and strong action on water companies that were illegally dumping sewage into our waters—we have heard a lot about that tonight. That has included quadrupling water company inspections, meaning a pathway to 4,000 inspections a year by April 2025, and 10,000 a year from April 2026. That was part of our plan to crack down on poorperforming water companies.

We banned bonuses for the bosses of water companies that have committed criminal breaches, so that polluting our waters is not rewarded—a Conservative measure that this Bill copies. We also fast-tracked £180 million of investment from water companies to prevent more than 8,000 sewage spills this year, and stepped up requirements on water companies to increase investment in water infrastructure, with a commitment upwards of £60 billion over the next 25 years. We put pressure on those companies. We also prosecuted water companies that illegally pollute our rivers, making it clear that polluters must pay for damage to our natural environment. We tried to give more teeth to the regulator, Ofwat, and to the enforcer, the Environment Agency.

Let me touch briefly on the Bill's passage in the other place. Our colleagues there tabled amendments to the Bill that we are happy were accepted, but we were disappointed that amendment 51, tabled by Lord Roborough, did not pass. It would have stopped customers across the country having their bills increased in the event of a water company being put into special measures. Under the current Bill, if a company in one part of the country is placed in special measures and costs are incurred, consumers in the rest of the country may still be liable to pay for it, despite not using the company that has been placed in special measures. The amendment would have provided a significant improvement to the Bill, and in Committee we will be asking Labour to think carefully about amendments to improve the legislation. It was disappointing that when the Labour Minister in the other place was asked about amendment 51, she failed to commit to protecting consumers from higher bills if a water company goes under.

Our Conservative colleagues in the other place also worked hard to bolster important nature-based solutions, and we are glad that the Government listened to them. We will look to strengthen that, along with the important role of the Water Restoration Fund.

His Majesty's loyal Opposition will support this Bill on Second Reading, and we will look to improve it in Committee, as our Conservative colleagues did in the other place. We will scrutinise the Bill as it goes through the rest of the legislative process, to ensure that it can be the best for all our constituents right across the House. This Bill must function in the way that the British public expect, to continue the work to clean up our British waters. The strong action that began under the Conservatives to improve our waters needs to be upheld by this new Labour Government.

9.50 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Emma Hardy): I thank all Members who have participated in today's debate; it has been a privilege to listen to the thoughtful and varied contributions made by colleagues across the House. I am sorry that, because there were just so many of them, I will be unable to refer to each one individually. However, I add my thanks to the citizen scientists in many constituencies who have been mentioned. I thank the school eco clubs, which have also had a mention, all the workers out there and the regulators. I state my recognition of the impact that sewage pollution has not just on the environment, but on tourism and local businesses. May I say how impressed I am by the number of Members who go wild swimming? I add my mum to the list of people who love doing that.

I must confess that, with nine days to Christmas, my love of Christmas may shine through in these closing remarks. I believe I might even have detected just a sprinkling of Christmas magic in the air, because what other explanation can there possibly be for all the unity we have heard across the Chamber? Nobody is telling us that they want the status quo, everybody thinks the situation has got worse, and through the many conversations I have had as Minister, I know that those opinions are shared by investors, environmental groups, the general public and even the water companies themselves.

I know, like all Members here, that all I want for Christmas are cleaner rivers, lakes and seas. In fact, as I think back to last Christmas, I believe that the public had almost given up hope. Our rivers, lakes and seas were polluted, bonuses were being awarded to polluting water bosses, wrongdoing was often going unpunished, and overseeing that failure were a tired Government who had run out of ideas. Then, something great happened: the wonderful people of our country elected a Labour Government. That Labour Government immediately got to work drafting this Water (Special Measures) Bill, along with a water commission to fundamentally transform our water sector for decades to come. It will prove that we did not need a Christmas miracle to clean up our rivers, lakes and seas; we just needed a Labour Government. The Bill will drive meaningful improvements in the performance and culture of the water industry as part of a wider effort to ensure that water companies deliver for customers and the environment.

During the debate, I have been making a list, checking it twice, and I would like to respond to some of the main points made. On the scope of the Bill, reform and wider issues, Members across the House have spoken about the need for more radical reform and raised concerns about wider quality issues. This Bill is intentionally narrow. We are focused on improving the performance and culture of the water industry as an urgent priority, ahead of the forthcoming £88 billion of investment in the 2024 price review. Many Members spoke about the need to hold companies to account, and the measures in the Bill do just that.

However, we know that this Bill alone will not be enough to fix our water system; we know that we need to go further. That is why we have launched the independent commission, which will look at the roles and responsibilities of the regulator among many other fundamental aspects of the water sector. All Members are invited to participate in the call for evidence in the new year. Many Members have also spoken about our precious chalk streams. The Government are committed to the protection and restoration of our cherished chalk streams, and the best way to achieve that is by fixing the framework for managing our water system, as we are doing through the commission.

Some Members expressed concerns about the timing of the commission. I reassure the House that the commission will publish a report in quarter 2 of 2025, with recommendations for actionable solutions to the sector's problems, which will inform further legislation to transform our water industry.

A few hon. Members mentioned that nationalisation was not in the Bill's scope. To give the short answer, that would be complex and time-consuming, would halt the investment needed—we would lose £88 billion of private investment—and would do nothing to stop sewage pollution.

Many hon. Members have spoken about the need for our regulator to be properly equipped to make use of the new powers in the Bill. As the hon. Member for Westmorland and Lonsdale (Tim Farron) mentioned, the Environment Agency is already recruiting up to 500 additional staff for inspections, enforcement and stronger regulation of the water industry, increasing compliance checks and quadrupling the number of water company inspections by March. However, the measures in the Bill go further and will better enable the regulators to ensure that companies are held to account. The new cost recovery power in the Bill will enable the Environment Agency to fully recover the costs of its water company enforcement activities.

In addition, new automatic penalties will allow the regulators to enforce minor to moderate offences more quickly and proportionately. Collectively, these measures will complement each other to enable the regulators to address widespread water industry underperformance. We are currently looking at the water restoration fund.

On protecting customers, many hon. Members rightly pointed out that companies have not delivered for their customers. I reassure all hon. Members that the Government are clear that customers should be placed at the heart of water company operations. That is why we will bring forward secondary legislation to introduce new and increased compensation—double the previous amount or more—which will be compulsory for water companies to pay customers for poor service, underscoring our commitment to hold companies to account and stand up for customers. That work, together with measures in the Bill that elevate the voices of consumers, will ensure that water companies deliver for their customers as a priority.

On the importance of transparency, we are better equipping customers to hold water companies to account. Clause 3 will close the current monitoring gap. However, monitoring volume and concentration is much more complex, leading to significant costs and a longer roll-out time. Such additional monitoring would not be proportionate for emergency overflows because they should be used only on very limited occasions.

Before we go—I have just a couple more—driving home for Christmas, I will conclude. The Bill will deliver the most significant increase in enforcement powers for water industry regulators in a decade, including strengthening regulation to ensure that water bosses face personal criminal liability for serious lawbreaking and new powers to ban bonuses from being paid if environmental standards are not met. The Bill is not just about policy; it is about protecting consumers, safeguarding our environment and ensuring that water companies operate transparently and responsibly.

I am confident that with the collective expertise and dedication of this House, we can pass this legislation and make a real impact. That is what we promised in our manifesto, and we know how important it is to keep our promises, especially at Christmas. So, in the spirit of Christmas and the season of good will to all, I thank everyone again for their contributions and welcome the opportunity to work collaboratively with all hon. Friends and Members across the House to ensure that we get the changes needed to give the gift of clean water to future generations. Finally, on behalf of the DEFRA Bill team, we wish you a merry Christmas and a happy new year. I commend the Bill to the House.

Question put and agreed to.
Bill accordingly read a Second time.

WATER (SPECIAL MEASURES) BILL [LORDS] (PROGRAMME)

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

That the following provisions shall apply to the Water (Special Measures) Bill [*Lords*]:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

- (2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be broughht to a conclusion on Thursday 16 January 2025.
- (3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and Third Reading

- (4) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
- (5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
- (6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—(Christian Wakeford.)

Question agreed to.

WATER (SPECIAL MEASURES) BILL [LORDS] (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Water (Special Measures) Bill [Lords], it is expedient to authorise:

- (1) any increase attributable to the Act in charges or fees payable under any other Act; and
- (2) the payment of sums into the Consolidated Fund.— (Christian Wakeford.)

Ouestion agreed to.

Business without Debate

DELEGATED LEGISLATION

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

TRADE

That the draft Ivory Act 2018 (Meaning of "Ivory" and Miscellaneous Amendments) Regulations 2024, which were laid before this House on 21 May 2024, in the last Parliament, be approved.—(Christian Wakeford.)

Question agreed to.

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

ROAD TRAFFIC

That the draft Road Transport (International Passenger Services) (Amendment) Regulations 2024, which were laid before this House on 28 October, be approved.—(Christian Wakeford.)

Question agreed to.

COMMITTEES

FOREIGN AFFAIRS COMMITTEE

Ordered.

That Claire Hazelgrove and Matthew Patrick be discharged from the Foreign Affairs Committee and Alex Ballinger and Phil Brickell be added.—(Jessica Morden, on behalf of the Committee of Selection)

International Development Committee

Ordered.

That Gordon McKee be discharged from the International Development Committee and James Naish be added.— (Jessica Morden, on behalf of the Committee of Selection.)

Northern Ireland Affairs Committee

Ordered.

That Jerome Mayhew be discharged from the Northern Ireland Affairs Committee and Simon Hoare be added.—(Jessica Morden, on behalf of the Committee of Selection.)

Public Administration and Constitutional Affairs Committee

Ordered,

That John Lamont be a member of the Public Administration and Constitutional Affairs Committee.—(Jessica Morden, on behalf of the Committee of Selection.)

Welsh Affairs Committee

Ordered,

That Aphra Brandreth be a member of the Welsh Affairs Committee.—(Jessica Morden, on behalf of the Committee of Selection.)

WORK AND PENSIONS COMMITTEE

Ordered,

That Neil Coyle be discharged from the Work and Pensions Committee and Frank McNally be added.—(Jessica Morden, on behalf of the Committee of Selection.)

Victims of Sexual Violence: Court Delays

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

10.1 pm

Mary Glindon (Newcastle upon Tyne East and Wallsend) (Lab): I thank Mr Speaker for granting time for a debate on court delays and victims of sexual violence.

I do not underestimate the challenges that the Minister faces. As I will hopefully draw attention to this evening, the task at hand is considerable, but overturning this situation is owed to survivors. This topic is emotive and cuts deep. Justice is a British value that so many in our country live their lives by—a strong sense of what is right and what is wrong. But justice is also a principle that we should all be able to fall back on. When we fall victim to crime and seek redress, a timely and supported road to justice should be expected. That is a fundamental element of our social contract in Britain.

The situation that thousands of women and girls find themselves in today is far from that. The road to justice for so many victims of rape and serious sexual offences is long and falls desperately short of what is owed to them.

Andrew Cooper (Mid Cheshire) (Lab): Does my hon. Friend share my concern that too many victims of domestic abuse face years of court delays? It is an issue that constituents have raised with me. Those delays have consequences. One told me that her life is on hold, while her abuser is free to go on with his. She feels afraid to go out in her home town in case she is seen by him. Does my hon. Friend agree that it is essential that we not only address court delays but implement fast-track processes for these cases, to ensure that justice is served promptly?

Mary Glindon: My hon. Friend could not have put it better. That is the basis of this whole debate.

According to the quarterly statistics published last week, the number of sexual offence cases waiting to go to Crown court stands at 11,574—up 44.5% on the same time in 2022. Just two weeks ago, the Director of Public Prosecutions said that the delays are as bad as or probably worse than he has ever known them to be.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady on concentrating on this issue, and on securing this debate so that we can all support her. Does she agree that while every victim deserves their day in court, some cases should get priority, in deference to the distress and anxiety involved? Sexual violence crimes must have that designation, and both the Crown Prosecution Service and judges should be able to streamline proceedings. We are all looking for the Minister to come back with a positive answer to hurry the system up.

Mary Glindon: I thank the hon. Gentleman for that intervention. I think we will hear something from the Minister on what the Government intend to do and what we will hopefully get somewhere down the road.

These are women and girls who are sitting at the feet of trauma. Survivors face the enormous challenge of having to relive their experiences in court, and each day until then. The lengthy delays, which can be anywhere from two to five years, draw out this experience. I fear that more and more women and girls are losing faith in our criminal justice system—a system that is supposed to protect them. According to the Criminal Bar Association, the number of victims abandoning prosecutions increased 41% in the first half of this year compared with the first six months of 2023.

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): Does my hon. Friend agree that these delays can have unintended consequences, such as a change in bail conditions? If a victim happened to move, the bail condition to avoid the area may not apply any more, and they would have to go back to the police and back to court. It can become a horrible maelstrom, bringing everything back all the time for the victim.

Mary Glindon: It causes unnecessary and troublesome complexities for people who are already facing so much in their lives. We really cannot emphasise that enough.

In the final quarter of 2022, almost 70% of rape survivors withdrew from the justice system. The situation at present is nothing short of a crisis.

Warinder Juss (Wolverhampton West) (Lab): It is estimated that the number of rape victims who pull out of prosecutions before trial has more than doubled in five years. One reason given is a shortage of lawyers—for both prosecution and defence—willing to take on rape and serious sexual assault cases, because they say that cases are becoming increasingly complex and that they are poorly paid in comparison with other areas of the law. Does my hon. Friend agree that it may be time for us to look at whether the lawyers doing this kind of work should be properly paid?

Mary Glindon: I hope that the review that will take place will look at everything and cover every aspect. I believe its aim is to be comprehensive and to bring justice and fairness to everybody involved in the system.

It is imperative that attention is drawn to the nature of postponements, which bear down on the already fragile mental health of victims. I have heard heartbreaking accounts of court dates being moved on the morning of the scheduled trial. Imagine waiting in anticipation for that day of justice, exerting every ounce of mental strength, just for it to be snatched away on the day of the trial. I invite colleagues to imagine that happening not once, but again and again.

There is also an important public safety element, which is too often overlooked. Many perpetrators are not placed on remand, and, when there is a delay to a case being heard, someone who could be guilty is walking the streets. Returning to the issue of fairness, there is a deep injustice to that: victims must look over their shoulder each and every day and have their lives put on hold, while perpetrators may be able to cling to their freedom for years.

I am cognisant that a number of factors have driven this enormous backlog, including the pandemic, industrial action by criminal barristers, a lack of capacity in the legal profession and an increase in the number of complex cases entering the system. While many of these factors are well known, it has also been brought to my attention that defence barristers may be able to generate a postponement by requesting a last-minute adjournment as a delay tactic. I would be grateful if the Minister

[Mary Glindon]

committed to looking at that issue in more depth. We need greater scrutiny of last-minute adjournments, which are having such devastating impacts on victims.

In the summer, I wrote to the Justice Secretary on postponements and delays, and was grateful for the response that I received from the then Minister of State for Courts and Legal Services, my right hon. Friend the Member for Swindon South (Heidi Alexander), in which I was assured that reducing waiting times for victims of serious sexual offences is a priority for our Government. The Minister advised me that the Government were carefully considering the best way to fast-track rape cases, and were working with the judiciary to understand how that may be achieved. I would be grateful if the House received an update on the Government's progress in delivering that manifesto commitment.

Mrs Sarah Russell (Congleton) (Lab): Does my hon. Friend agree that it is important that we keep the blame for the backlogs exactly where it belongs? Defence barristers are doubtless doing the best they possibly can for their clients in some extremely difficult circumstances, and, as my hon. Friend the Member for Wolverhampton West (Warinder Juss) says, they are paid poorly relative to other members of their profession. The most significant problems in the court system have been caused by 14 years of chronic Tory underfunding of the court system itself, the Crown Prosecution Service and the prison system, which means that: far too few people are held on remand; people are being bailed when they should not be; people are being dealt with very swiftly to try to deal with custody time limits; and there are so many problems baked into the system as it stands that victims are being wholly failed. We need to ensure the system is invested in and reformed in such a way that those problems do not continue to be exacerbated, one of the most enormous ones being-

Madam Deputy Speaker (Caroline Nokes): Order. If the hon. Lady wants to contribute to the debate she always has the opportunity to ask the Member in charge and the Minister, but interventions must be shorter than that.

Mary Glindon: My hon. Friend makes a very good point. I am sure we will hear from the Minister that the Labour Government have a lot of plans to hopefully right all those wrongs.

In recent days, we have heard the Minister for courts and legal services, the Minister of State, Ministry of Justice, my hon. and learned Friend the Member for Finchley and Golders Green (Sarah Sackman) signal toward once-in-a-generation-type reforms, as well as the need to think boldly. I welcome her ambition. For the women and girls who are waiting for their day of justice, I would be grateful if the Minister set out what actions the Government are taking in the short to medium term.

As I bring my speech to an end, I want to give voice to a constituent who wrote to me with her experience. I want her to know that there are people listening. I want her to know that she has shown exceptional bravery by sharing her story in the hope that others will not have to endure what she has. I want her to believe that the

Government can put this right. With your permission, Madam Deputy Speaker, I will end with her words, which are deeply moving and a powerful expression of what she and others are going through:

"In one word, dying. I feel like dying. To end the pain of living every day knowing that the trial could be postponed again, like it has so many times now. I am living in limbo, with the weight of the trial weighing on me every day. The intense anxiety in the run-up to the trial date is unbearable. I can't eat, sleep or enjoy anything. There is absolutely nothing for me to look forward to. It's like trying to walk through the deepest muddiest river and getting absolutely nowhere, just stuck in the same place. And that is what it is like every time the trial is postponed and I have to wait months for the next trial date. And the cycle starts again. It is killing me every single day."

10.13 pm

The Parliamentary Under-Secretary of State for Justice (Alex Davies-Jones): I congratulate my hon. Friend the Member for Newcastle upon Tyne East and Wallsend (Mary Glindon) on securing this very important debate. We have heard some incredibly powerful and moving stories. I know that everyone in this House, despite our political differences, is united in one purpose: that more must be done to bring victims the swift justice they deserve. And more must be done to properly support them throughout the justice process.

As we have heard, for too many victims in this country justice delayed does mean justice denied. As my hon. Friend stated, only last week the new statistics laid bare the scale of the backlog in our Crown court, which is now at a record high. There were 73,000 cases awaiting trial or a sentencing hearing as of September this year. That number has doubled since 2019. Sexual offence cases, including rape, were on average taking 356 days from arrival at the Crown court to completion—a significant increase on the average for sexual offence cases pre-covid.

As politicians, we often reel out statistics, but behind each one of those statistics are real people: real victims, including people who have endured rape and sexual abuse, who are not just waiting months for trial, but years. For some, that seemingly endless wait is quite understandably too much to bear. Left without hope of the justice that they deserve and facing a long road to the closure that they need, many drop out of their cases all together, and when they do, their attackers get away without consequences, free to offend again.

Charlotte Nichols (Warrington North) (Lab): The Minister is making a very important point about victim attrition, but one thing that concerns me is the fact that court delays also mean that when cases are heard, the testimony of victims—including victim-survivors in these cases—will be of much poorer quality given the length of time that has passed, and more cases will end with a not guilty verdict for people who should very much be behind bars. Is the Department looking into that, and are there statistics for what the backlog has meant for the conviction rate?

Alex Davies-Jones: My hon. Friend is right: there are concerns about that, and I hear them, as does the Department. It is true that some of the special measures that were intended to empower victim-survivors giving testimony are potentially having a negative impact. I will say more about that later, but I can say to my hon. Friend that the Department and I are very alive to it.

My aim is to get out there and meet as many victims and survivors as possible to hear directly about their experiences, some of which are unimaginably awful. One victim-survivor of rape told me that her case took years to finally get to trial, and she used words similar to those of my hon. Friend's constituent—words that I will never forget. She said that the entire experience made her "want to die". No one should ever feel that way about our justice system. I am proud that this Government were elected with a landmark mission to halve violence against women and girls within a decade, finally making this a priority after years of neglect. It will not be easy, but I believe that we are up to the challenge. However, if we are to have any hope of doing so, we must improve the way in which the justice system responds to these crimes, and that must include ensuring that victims' cases are heard swiftly by the courts.

As I have said, this Government inherited a criminal courts system that was stretched to breaking point. We have taken the crucial first steps to bear down on that caseload, including funding 106,500 Crown court sitting days in this financial year. We have also extended sentencing powers in magistrates courts to 12 months when they are dealing with offences that can be heard in either a Crown court or a magistrates court, which will free up 2,000 Crown court days and provide more capacity to hear the most serious cases. However, the number of cases entering Crown courts shows no signs of letting up, so if victims are going to see justice more swiftly, we cannot simply do more of the same; we have to go further.

Delivering the Government's bold plan for change and making our streets safer will take a once-in-a-generation reform of our courts system, which is why the Lord Chancellor announced last week that she had commissioned Sir Brian Leveson to carry out an independent review of the criminal courts, looking specifically at how we might speed up the hearing of cases. Sir Brian's review will examine how our courts can operate more efficiently, but it will also look at much more fundamental reform—considering, for instance, the introduction of an intermediate court, in which cases that are too serious to be heard by a magistrate alone could be heard by a judge alongside magistrates. We expect Sir Brian to report on his initial findings in spring next year.

This marks a crucial step towards our ambition of bearing down on the overall caseload and bringing down waiting times for all victims, witnesses and defendants. As I have said, however, we know that victims of sexual violence endure particularly long waits for justice, and, as the House will know, we have therefore made a commitment to fast-track rape cases through the system. We are considering the best way of doing so, and we are keen to build on the work that has already been done by the senior judiciary. I saw one of their initiatives at first hand during my visit to Bristol Crown court over the summer, and was struck by how tirelessly those judges and court staff are working to keep cases moving. It was inspiring to see.

This is a tough challenge, and whatever we do, waiting times will not come down overnight. If we are to keep victims engaged while they continue to face lengthy waits, partners across the criminal justice system and victim support services must pull together, as indeed they are. The Ministry of Justice provides ringfenced

funding for independent sexual violence advisers and independent domestic violence advisers, as well as for community-based domestic abuse and sexual violence services. That is in addition to the core funding that we provide for police and crime commissioners to allocate at their discretion.

I am pleased to say that we are maintaining the 2024-25 funding levels for sexual violence and domestic support next year. The CPS recently announced its victims transformation programme, which has a focus on improving the justice process for victims of rape and serious sexual offences. Pre-trial meetings with prosecutors are now being offered to all victims of adult rape and serious sexual offences, and there will be greater access to independent sexual violence advisers as well as dedicated victim liaison officers.

As my hon. Friend the Member for Warrington North (Charlotte Nichols) has mentioned, victims' experience of court is affected by the interactions that they have there and with the staff.

Jim Shannon: I very much welcome what the Minister is saying; it is really positive stuff. Policing and justice are devolved matters in Northern Ireland, but I know that she takes a big interest in Northern Ireland. Could she share what she has put forward tonight with the relevant authorities in the Northern Ireland Assembly?

Alex Davies-Jones: As an MP for a constituency in a devolved nation, I am acutely aware of the need to ensure that we have a joined-up approach. Although justice and policing are devolved to Northern Ireland, I will happily discuss this issue with colleagues to see how we can best approach it, because somewhere in our United Kingdom a rape or sexual violence victim-survivor is currently suffering an insufferable wait, and we need to do more to protect all victims across the country.

As I have said, we need to look at victims' experience of court. As part of the same programme, over 500 CPS staff who will meet victims have received trauma-informed training. We will also continue to deliver trauma-informed training at Snaresbrook, Leeds and Newcastle Crown courts, with over 400 professionals trained so far, including court staff and police. Witness waiting rooms and in-court technology have been upgraded in those courts so that victims can give their best evidence, watch proceedings away from the courtroom, or simply wait in a comfortable and private space. Attending court can be terrifying, and I know that many victims, quite understandably, fear bumping into the perpetrator when they do.

Charlotte Nichols: The Minister just made a point about victims being able to watch proceedings from another room, which is often not the case in rape trials, where the victim is considered a witness rather than a participant in the case. I know that the Department is looking at things like transcripts. Will they become more readily available, so that victims who, for whatever reason, do not feel like they can participate while the trial is taking place can read what happened after the trial as part of the process of closure?

Alex Davies-Jones: My hon. Friend makes another important point. We are currently offering a pilot on transcripts. I will mention that again in my speech, but it is about how much more comfortable we can make the whole terrifying process for victims and survivors

[Alex Davies-Jones]

when they are in our court system. What more can we do to make their experience as comfortable—if that is the appropriate word—as it can be? As I have said, we know that it can be utterly terrifying.

There are also concerns about the way that victims' evidence is currently presented to the jury. I hear those concerns loud and clear, particularly where the approach can reduce the chance of securing a conviction. The Department is conducting a thorough impact evaluation and looking at section 28 of the Youth Justice and Criminal Evidence Act 1999—the mechanism by which victims can give their testimony in advance of trial—to see whether it affects the case outcome, court effectiveness and the timeliness of cross-examination. We will publish the findings of our review in the new year.

Victims of rape and sexual offences can request transcripts of Crown court sentencing remarks for free through our one-year pilot, which is running until May next year. I encourage all eligible victims and survivors to find out whether that could be helpful, and to please take up the offer.

Charlotte Nichols: Just for clarification, will transcripts be available only for victim-survivors who have secured a successful conviction? Given what we are talking about, it is important that people who were not able to secure a conviction can still access transcripts as part of the important process of closure.

Alex Davies-Jones: My understanding is that any victim who is eligible is able to apply for transcripts, regardless of whether a conviction has been secured, but I will seek clarification for my hon. Friend on that matter.

This is a landmark mission, and we have further to go to support victims of rape and sexual offences—both at court and across the whole of their journey through the system. I am proud that, as well as fast-tracking rape cases through the courts, we plan to begin rolling out our free, independent legal advisers for victims of adult rape from next year. Those advisers will be a real step forward for victims, and offer legal advice at any point between report and trial. We will also introduce specialist rape and sexual offence teams in every police force. We will make sure that police officers receive stronger training on violence against women and girls, and ban anyone with a history of violence against women and girls from joining the police force.

Wherever they are in their journey through the system, I want to make sure that every victim knows their rights and that agencies are held accountable for delivering those rights. The Victims and Prisoners Act 2024 lays the foundation for ensuring that victims know the rights they should receive under the victims code and that agencies are held accountable for delivering them. The

Act also places a duty on local commissioners in England to collaborate in the commissioning of support services for victims of domestic abuse, sexual abuse and serious violence. We will consult on a revised victims code and the duty to collaborate guidance early next year. I am working with my officials to ensure that we have the right data and systems to monitor compliance with the new code. We have also pledged to increase the Victims' Commissioner's powers, so that there is more accountability when victims' needs are not being met.

My hon. Friend the Member for Newcastle upon Tyne East and Wallsend asked me about the impact of adjournments on victims and survivors. I want to reassure her that I am looking at every possible solution and pulling every lever at my disposal across the criminal justice system to ensure that we leave no stone unturned in ensuring that the victims of these abhorrent crimes receive the swift justice that they deserve.

Mrs Russell: I understand that there is a specific problem with the criminal injuries compensation scheme as it stands, whereby a claim has to be brought within two years of the original allegation, even though in many cases there has not even been a prosecution by that point. Is that something that the Department is looking at?

Alex Davies-Jones: My hon. Friend will be aware of the consultations run by the previous Government on the criminal injuries compensation scheme. I have been reviewing those consultations and we are looking to publish the Government's response in the new year, but we are aware of the concerns from the sector, and from victims and survivors, about the scheme. We are looking at how much more we can do to support victims and survivors as a whole on these issues.¹

Let me come to a close by again thanking my hon. Friend the Member for Newcastle upon Tyne East and Wallsend for securing this debate, and all the hon. and right hon. Members who have contributed to such a thoughtful discussion. Sexual offences leave devastation in their wake. Victims are often left traumatised and the very least they deserve is swift justice, but too often that justice process serves only to traumatise them further, whether it is because they are not getting the right support or because they are facing an agonising wait for their case to come to court, as we have heard so powerfully this evening. We have inherited a criminal justice system and a criminal courts system in particular—in crisis, but the rebuilding effort is under way. We have an ambitious package of reform, we are thinking boldly, and while I am realist enough to know that change will not happen overnight, I can assure you all that this Government are up to the challenge.

Question put and agreed to.

10.27 pm

House adjourned.

1WH 16 DECEMBER 2024 Israel and Palestine 2WH

Westminster Hall

Monday 16 December 2024

[Carolyn Harris in the Chair]

Israel and Palestine

[Relevant document: Oral evidence taken before the Business and Trade Committee on 10 December 2024, on UK arms exports to Israel, HC 548.]

4.30 pm

Dr Roz Savage (South Cotswolds) (LD): I beg to move,

That this House has considered e-petitions 653509 and 652949 relating to Israel and Palestine.

It is an honour to serve under your chairmanship, Mrs Harris, and to introduce these two e-petitions on behalf of the Petitions Committee.

I want to open this debate by expressing the grief and horror that many of us have felt so strongly in response to the tragic events in Gaza and Israel, particularly over the last 14 months. I am aware that this issue provokes powerful emotions in this place and across the country, and the roots of the broader Israel-Palestine conflict are deep and complex. I do not presume to speak as an expert on the history or politics of the middle east, but I do speak as someone who deplores the killing of innocent, defenceless people, no matter what their place of origin, their religion or the colour of their skin. The loss of life, including the lives of so many children, is truly heartbreaking, and my thoughts are with all who have been injured, maimed, displaced or bereaved.

I would like to position the debate within the framework of a guiding principle, which is that none of us gets to choose where, when or into which religion we are born. In that spirit, I hope that we can begin the debate from a shared reference point—that what we are watching in the middle east is innocent people being punished unjustly for where and when they were born, that that is wrong and that it is our duty as parliamentarians to do all we can to put a stop to it.

The intensification of this conflict began on 7 October 2023 with Hamas's attacks on Israel, killing more than 1,200 Israelis. As of October 2024, 154 hostages had been freed, but 101 remain in captivity, with 33 believed to have died. The 101 include British national Emily Damari. Across the political spectrum, we are calling on the Government to do all they can to ensure her release.

Over the past year, the situation has escalated dramatically. The official death toll in occupied Gaza stands at more than 42,000 Palestinians, although estimates from reputable sources claim that as many as 186,000 may have been killed. The humanitarian crisis in Gaza is dire, with approximately 90% of the population having been displaced at least once. I continue to call on the Government to do all they can to secure an immediate bilateral ceasefire in Gaza, to put an end to the humanitarian devastation there, to bring the hostages home and to open the door to a two-state solution, which is the only way to ensure dignity and security for Palestinians and Israelis alike.

Afzal Khan (Manchester Rusholme) (Lab): In July, this Government called for an immediate ceasefire in Gaza, but Netanyahu and his Government refused to listen. The only way we can ensure a permanent end to the cycle of violence is by facilitating the establishment of a sovereign Palestinian state alongside Israel, so does the hon. Member agree that it is time for the UK to join the 146 UN member states that recognise the state of Palestine, and that it should do so as a matter of urgency?

Dr Savage: I will come to that point shortly.

The conflict has expanded beyond Gaza's borders. I am sure that we all welcomed the recent ceasefire agreement in Lebanon, which faced a humanitarian crisis of its own. But it is not just in Lebanon; across the whole middle east, from Iran to Yemen, and of course most recently in Syria, we have seen the ramifications of this conflict.

The first petition calls for the immediate recognition of Palestine as a state. It received 283,669 signatures and was started by Sandra Downs, who is in the Public Gallery. I thank Sandra for her time last week, when she met me to discuss her petition.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): I thank the hon. Member for leading on the debate. I am glad that the Government have publicly and repeatedly called for an immediate ceasefire in Gaza, because the sheer scale of bloodshed and destruction is totally intolerable. Does she agree that to attain lasting peace, we need to commit wholeheartedly to a two-state solution and recognise Palestine as soon as possible, because that is the only way that we can have a sovereign and viable Palestine alongside a safe and secure Israel?

Dr Savage: I shall come to that shortly.

The UK bears a unique historical responsibility in this matter, stemming from the Balfour declaration of 1917. The declaration spoke of creating a national homeland for Jews in Palestine, but it was silent on Palestinian political rights, setting the stage for decades of conflict. It paved the way for the Nakba, or catastrophe, in 1948, when 750,000 Palestinians were driven out of their homes.

The UK Government's position on Palestinian statehood, as stated by the Foreign Secretary on 30 July this year, is:

"We want a credible and irreversible pathway towards a two-state solution: a safe, secure Israel alongside a viable, sovereign Palestinian state. We are committed to recognising a Palestinian state as a contribution to a peace process, at a time that is most conducive to that process."—[Official Report, 30 July 2024; Vol. 752, c. 1150.]

Paula Barker (Liverpool Wavertree) (Lab): I, too, pay tribute to Sandra Downs for starting this petition. Does the hon. Lady agree that the recognition of a Palestinian state is the route to peace, not a by-product of peace? We have seen the petulance of Netanyahu and the Israeli Government towards some of our European counterparts, such as Ireland, where they are shutting down an embassy, and with the terrible reaction to Macron. Does the hon. Lady agree that recognition is actually a route to peace?

Dr Savage: I thank the hon. Member for her intervention, but I will make some progress now, as I am aware that I am on a time limit, with the clock ticking.

[Dr Savage]

The Prime Minister has also expressed support for Palestinian statehood as a contribution to the peace process, describing it as an "undeniable right" of Palestinians. The Government, however, have not committed to a fixed timeline for recognition. Currently, the state of Palestine is recognised as a sovereign country by 146 other countries, representing a little more than 75% of UN member states. On 3 December—just earlier this month the UN General Assembly passed a resolution calling for the creation of a Palestinian state based on pre-1967 borders, with 157 votes in favour, including that of the United Kingdom. A YouGov poll in early October found that 70% of respondents agreed that Palestinians have a right to a state of their own. I was proud to stand on a manifesto that committed to the immediate recognition of Palestine on 1967 lines, something that the Liberal Democrats have long called for. In fact, in each of the past three Parliaments, my hon. Friend the Member for Oxford West and Abingdon (Layla Moran) has tabled a Bill to recognise the state of Palestine.

Israel and Palestine

The recognition of Palestine is a tool that will inject into Palestinian society hope that having their own state is possible. We believe that that will help wrest control back from the extremes at the edges of Palestinian society. Ultimately, if such a step were mirrored by other countries, widespread recognition of Palestine would have significant practical and political implications, including full participation in international organisations such as the UN and its agencies; access to economic benefits, including predictable market access; membership of the IMF and World Bank, opening avenues for financial support; and the establishment of full embassies in countries that recognise Palestinian statehood.

Dr Rupa Huq (Ealing Central and Acton) (Lab): More than half of EU nation states recognise Palestine, and the UK recognises it at the International Criminal Court and in UN agencies. Does the hon. Lady agree that it seems a bit inconsistent for His Majesty's Government—of both parties—to have a long-standing policy of pursuing a two-state solution if they recognise only one of those states?

Dr Savage: I thank the hon. Member for her intervention, and I agree.

Given that the Prime Minister and his Foreign Secretary have both committed in principle to Palestinian statehood, and given that the majority of the international community has already recognised the statehood of Palestine, we might validly ask what the Government's criteria are for the time that is "most conducive" to peace, and why we are lagging behind the rest of the world and dragging our feet on this issue.

Wera Hobhouse (Bath) (LD): President-elect Donald Trump has nominated Mike Huckabee as the next US ambassador to Israel. Is my hon. Friend worried, as I am, that a man who has called for a one-state solution will jeopardise the situation? Does she agree that the UK Government should make it clear to the US that we believe firmly in a two-state solution?

Dr Savage: Indeed. I am conscious that I have less than four minutes left, so I will keep it moving.

The second petition, which received 107,316 signatures, demands the revocation of arms export licences to Israel. Under international and domestic law, the UK is

required to prevent the transfer of military equipment and technology where there is a clear risk of it being used to commit or facilitate serious violations of international humanitarian law or human rights law.

Between 7 October 2023 and 31 May this year, 42 export licences were issued for military goods to Israel. The Campaign Against Arms Trade has stated that the UK has granted arms export licences worth £576 million in total since 2008. Fifteen per cent. of the components that make up each F-35 aircraft used to bomb the Gaza strip were produced in Britain. In December last year, the then Foreign Secretary Lord Cameron decided not to suspend any export licences, stating that he was

"satisfied that there was good evidence to support a judgment that Israel is committed to comply with IHL."

Pippa Heylings (South Cambridgeshire) (LD): Does my hon. Friend agree that it is unjustifiable to continue the sale of arms to Israel, especially now that there are concerns about its compliance with international humanitarian standards? The United Nations Relief and Works Agency cannot deliver desperately needed aid to Gaza because of the aggression of the Israel Defence Forces towards its aid workers, and we need to deal with that.

Dr Savage: I wholeheartedly agree with my hon. Friend.

In September 2024, the new Foreign Secretary announced the suspension of around 30 export licences to Israel, including components for military aircraft, helicopters and drones, as well as items that facilitate ground targeting.

A constituent wrote to me to say that although this is a national and international issue, it feels profoundly local to them, because there are factories producing military components for export to Israel in Cheltenham, Bishop's Cleeve, Ashchurch, Tewkesbury and Swindon, which are all close to my constituency of South Cotswolds. My constituent went on to say that they do not believe it is right for the south-west to be so heavily complicit in crimes for which the International Criminal Court has issued arrest warrants for violations of international law, and that Amnesty International has concluded to be tantamount to genocidal in intent and impact.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I agree very much with my hon. Friend on this point. The 2030 road map for UK-Israel bilateral relations, however, has extensive provision in relation to defence and security. It is difficult to see how the current Government could continue with that road map while suspending arms sales. Will she join me in calling for the Minister to clarify today the current Government's position on that road map, because it was entered into by the previous Government?

Dr Savage: I thank my right hon. Friend for his intervention and likewise look forward to the Minister's statement on the matter.

One of the petitions states:

"Palestinian children have been made orphans, people have been crushed by buildings in airstrikes, and there have been many other tragedies. Arms that have been partly manufactured in the UK appear to be being used in the current military action in Gaza...We believe the UK Government is on the wrong side of history, and must stop the sale of arms to Israel." 16 DECEMBER 2024

6WH

I stood on a commitment to ensure better controls on the UK's arms exports to countries with poor human rights records. Liberal Democrats have been calling for a presumption of denial to those countries listed as human rights priority countries by the Foreign Office, including Israel. Accordingly, we have supported a full suspension of arms sales to Israel; indeed, I believe that my right hon. Friend the Member for Kingston and Surbiton (Ed Davey) was the first leader of a major UK party to do so.

I say again that these are complex issues with no easy answers, but I hark back to the guiding principle that I stated at the outset: it can never be right to punish human beings for the time and place of their birth.

Warinder Juss (Wolverhampton West) (Lab): Does the hon. Member agree that to stop the atrocities being committed, allow humanitarian aid into Gaza, ensure the return of the hostages to Israel and have the sovereign state of Palestine, together with a safe and secure Israel, we need to do what we can to urgently achieve a mutual and permanent ceasefire?

Dr Savage: I wholeheartedly agree. As we debate these petitions, we must consider how the UK can best contribute to lasting peace in the region, what role we should play in supporting Palestinian statehood and ensuring Israel's security, and how we can align our arms export policies with our commitment to international law and human rights. I am sure Members will reflect that in their contributions.

The question of how we achieve a sustainable solution to this long-running conflict in line with international law is not easy to answer. However, the widespread public support for these petitions demonstrates that the British people want the UK Government to play their part in helping to end the appalling suffering we have witnessed over these past 14 months and the decades prior.

I close this opening speech with a quote from Nadeem Ahmed:

"From the seeds of hope, the tree of peace shall grow, sheltering both nations."

Several hon. Members rose—

Carolyn Harris (in the Chair): Order. As Members can see, the debate is very oversubscribed. I will set a time limit of four minutes, but if interventions continue as they have, I anticipate that it will be reduced. If Members are on my call list, they need to be at a seat. I ask Members who have made an intervention and who are not down to speak to make way for Members who are waiting to speak. I also remind Members taking interventions that, as generous as it may be to the person they allow to speak, it means that Members at the bottom of the call list will not have an opportunity to speak. I leave that to your judgment.

4.48 pm

Liam Byrne (Birmingham Hodge Hill and Solihull North) (Lab): It is a pleasure to speak in this debate, Mrs Harris. First things first: I utterly condemn the attacks on 7 October. I utterly condemn the kidnap, torture and murder of hostages by Hamas. I also utterly deplore and condemn the destruction of Palestine and Palestinian life that has ensued. That destruction is now so complete that Israel is at risk of turning Gaza into a desert and calling it peace. The prosecution of the war is now so brutal that the Foreign Secretary himself said on 2 September that any exports of weapons from here

"a clear risk that they might be used to commit or facilitate a serious violation of international humanitarian law."-[Official Report, 2 September 2024; Vol. 753, c. 42.]

Kim Johnson (Liverpool Riverside) (Lab): On arms sales, does my right hon. Friend agree that the UK Government need to make a different decision about F-35 parts, think about employing an immediate ceasefire, cease selling arms to Israel and impose sanctions to bring about peace?

Liam Byrne: Let me come to exactly that argument. The Foreign Secretary was followed by the Secretary of State for Business and Trade, who said that there were now "significant doubts" about Israel's "record of compliance". In court, His Majesty's Government said bluntly, in their opening statement on 12 November 2024,

"not committed to complying with international humanitarian law". Yet the Government have not cancelled all licences; they have cancelled some, but not all, and they have kept open the licences for F-35 parts.

Carla Denyer (Bristol Central) (Green): Will the right hon. Member give way?

Liam Byrne: I will not, because time is so short.

Last week, in front of the Business and Trade Committee, a Defence Minister said that although it is technically possible to track the parts, it is contractually impossible. Indeed, Lockheed Martin has supplied me with a letter that states that, if I want to know anything about the parts, I need to address my queries to the Department of Defence in the United States.

The Government defend their case by pointing to the 28 words that allow them to make it up as they go along when it comes to weapons exports. Those words were written by the last Government and were published in the House on 8 December 2021. They state:

"The application of these Criteria"—

the selective licensing criteria—

"will be without prejudice to the application to specific cases of specific measures as may be announced to Parliament from time

There we have it. However, what Ministers have not explained is the part of criterion 1 that states:

"The Government will not grant a licence if to do so would be inconsistent with...the UK's obligations under the United Nations Arms Trade Treaty".

Of course, the UN arms trade treaty is very clear. Article 7 requires this Government, as a signatory, to assess any items that we may seek to export. If there is an overriding risk of the use of those weapons to commit or facilitate a serious violation of international humanitarian law,

"the exporting State Party shall not authorize the export."

Now, if there was any question, doubt or dispute about whether F-35 parts that we supply could be used in such a way, perhaps the Government would have a case for keeping the licences open. But there is nodoubt, dispute or

[Liam Byrne]

question about the Government's analysis of F-35 parts, because in their opening statement to the High Court on 12 November 2024, they said:

Israel and Palestine

"The F-35 carve-out accepts that there is clear risk that F-35 components might be used to commit or facilitate a serious violation of IHL".

We now have the advisory opinion from the International Court of Justice, the arrest warrants and the Government's own assessment. I cannot see how this Government can now legally defend a position of keeping these arms export licences open.

4.53 pm

Jim Shannon (Strangford) (DUP): I start by making my position abundantly clear: I am, and always have been, a steadfast friend of Israel. My commitment to the state of Israel is rooted in its right to exist as a secure and democratic homeland for the Jewish people. For me, that principle is non-negotiable. I hope that my remarks will reflect both my empathy and my unwavering belief in Israel's right to defend itself.

Those who champion such measures as a ban on arms sales to Israel fail to acknowledge the existential threats that Israel faces daily. To remind the House, on 7 October Hamas murdered some 1,200 people. Babies, children and elderly civilians were slaughtered on that day. I have to be blunt: the scale of the barbarism was unthinkable. The world witnessed graphic evidence of men beheaded, women raped and children murdered. If we in this House fail to stand unequivocally against that level of evil, we fail humanity itself. Hamas do not aim for co-existence or peace; their very charter calls for Israel's destruction.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Will the hon. Member give way?

Jim Shannon: I am going to keep to the four minutes—I am sorry. I would normally give way, but I am going to follow Mrs Harris's rules.

It is deeply misguided to suggest, as one of the petitions does, that we should deny Israel the tools it needs to protect its citizens. At the same time, it is essential to acknowledge the human cost of the conflict in Gaza. Thousands of innocent Palestinian civilians, many of them children, have tragically lost their lives as well. Their suffering cannot and must not be ignored.

Hamas's strategy is to use civilians as human shields and embed their terror infrastructure in hospitals, schools and residential areas. As Brigadier General Doron Gavish said, Hamas deliberately target civilians while hiding behind their own population. They hide among the skirts of women and among children. That is what Hamas do, because their goal is the destruction of Israel.

Although I respect the aspirations of Palestinian people, I firmly believe that the path to peace lies in negotiations, not unilateral declarations. Israel has repeatedly extended its hand in peace, most notably through the Oslo accords, but it has been met time and again with rejection and violence.

That brings me to the concept of a two-state solution. I believe in and support a two-state solution in principle, but let us be clear: peace cannot co-exist with the likes

of Hamas. Any discussion of a future Palestinian state must begin with the dismantling of terrorist organisations that perpetuate hatred and violence. Can we hope for a lasting peace that allows Palestinians to thrive along alongside Israelis in safety, dignity and prosperity? I hope we can.

Abandoning Israel would have dire consequences not only for the middle east but for global stability. Israel is a cornerstone of western values in a region plagued by extremism and authoritarianism. To weaken Israel is to embolden its enemies, including Iran, Hezbollah, Hamas and other forces of radicalisation that threaten not just Israel but the wider world. Israel's existence is not just a matter of geopolitics; it is a beacon of hope and freedom in a turbulent region. We must not allow that beacon to be extinguished by those who seek its destruction.

As we debate these petitions, let us do so with compassion for all those affected by this conflict, but let us also stand firm in our support for Israel's right to self-defence and its quest for peace. That is critical, and that is what Israel wants, but it has to be a peace with justice. To abandon Israel now, in its hour of need, would be a betrayal not just of an ally but of the principles of freedom and democracy that this House holds dear.

4.56 pm

Rachel Hopkins (Luton South and South Bedfordshire) (Lab): It is a pleasure to serve under your chairship, Mrs Harris. We are rightly debating these important petitions on arms sales to Israel and the recognition of the state of Palestine. My constituents in Luton South and South Bedfordshire care deeply about these issues, and more than 1,300 of them signed the petitions. However, that is only a fraction of those who have reached out to me since this devastating conflict began. Since October 2023, I have received thousands of emails from people horrified by the events we have seen unfolding on our TV screens and on social media. I share the concerns of my constituents.

We have now passed the one-year mark since this terrible conflict began, and every day we watch the damage and destruction done to the lives of Palestinian people in Gaza. The priority for all of us, of course, is an end to this brutal conflict.

Mohammad Yasin (Bedford) (Lab): I thank the 543 constituents in Bedford and Kempston who signed the petition to recognise the state of Palestine immediately. Does my hon. Friend agree that after a year of Israel's unprecedented bombardment and destruction of Gaza, which has led to massive human suffering and overwhelming evidence of war crimes and crimes against humanity, it is our obligation—our duty—to recognise the Palestinian state now?

Rachel Hopkins: I thank my hon. Friend for making an excellent point. The priority for all of us, of course, is an end to this brutal conflict, and that brings me to the first petition, which relates to UK arms sales to Israel. I respect the swift action taken by the Foreign Secretary when Labour took office to review existing arms licences, and the subsequent decision to suspend several licences to Israel where the Government concluded there was a clear risk they

"might be used to commit or facilitate a serious violation of IHL." However, my constituents continue to be appalled by the death and destruction they are witnessing in Gaza, and they want the Government to go much further.

Seamus Logan (Aberdeenshire North and Moray East) (SNP): Will the hon. Lady give way?

Israel and Palestine

Rachel Hopkins: I have taken one intervention—sorry.

This issue is deeply important to my constituents, and they question why the Government have not restricted arms sales to Israel completely—a position my right hon. Friend the Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) argued for so well. I would therefore be grateful if the Minister set out the Government's rationale for their position and how that position aligns with international law.

We know that only an immediate ceasefire, with the release of all hostages and a huge increase in humanitarian aid, can begin to address the tragedy unfolding in Gaza. That should rightly be the priority at this time, but in the long term, people in all the Occupied Palestinian Territories need hope of peace and a better future for their children, and I am proud that this Labour Government made it a manifesto commitment to provide that hope by pledging to recognise a Palestinian state. As has been said, recognition is essential to make steps towards a peace process and to offer Palestinian people hope of equality and a future free from occupation and violence.

My constituents are unwavering in their support for the Palestinian people and their right to self-determination. They want the Government to make that a priority, so will the Minister outline what steps the Government are taking towards that? We must continue to listen to those across our constituencies who are desperate to see an end to the conflict. Importantly, we must stand firm in our work with international allies and humanitarian agencies to ensure that we bring about a renewed peace process that results in a two-state solution, with a safe and secure Israel alongside a viable and sovereign Palestinian state.

5 pm

John McDonnell (Hayes and Harlington) (Ind): Every week of the last year, virtually, we have had a debate in this or the main Chamber: questions are asked and then we go home and watch on television the bodies of children being dug out of rubble—body parts, in some instances—with those white wrappings around their bodies. In every debate we seem to have got virtually nowhere because the arms are still being sold. We are still supplying essential parts for the F-35—the very vehicle that is dropping the bombs, firing the weapons and killing the children.

Carla Denyer: Was the right hon. Member as shocked as I was to learn that, contrary to the notion that the UK's trade in F-35 parts is untraceable, as we were told previously, not only is it traceable but the US Government are tracking it? The reason we do not have that information is that we have not even asked them.

John McDonnell: I will be careful with my language here, but one of the frustrations, in this debate as well, is getting the truth about what is happening and what is contributing to the murders that are taking place. Unless we can stop that and prevent the UK from participating, we will all be implicated. History will judge us all for not doing enough to stop it.

I am pleased that the petition has taken place and pleased about the numbers; I congratulate the people who organised it. The petition represents the sense of frustration felt out there and the real depth of anger.

I have been on virtually every national demonstration. They have been peaceful, but there is a level of frustration that I do not think we can contain any more. We are alienating whole sections of our own community. It is not about the Labour party or other political parties, but democracy itself. People say, "You're an MP. You go to Parliament. Why aren't you stopping this? It's no good just shouting on demonstrations. Why isn't democracy being exercised to stop this?"

I want to make just one point about the lack of action by the Government. Yes, petitions are taking place, but other people are taking direct action and have been imprisoned. Those cases will be sub judice, so I will not mention them individually. But Palestine Action took direct action to close down an arms factory that was supplying goods and materials for the F-35 and the drones. Those people were arrested under counter-terrorism powers and detained. They are young people, a lot of them young women—some of them just starting out at university. They exercised their influence and power because we failed to exercise ours. Some have been in court; when they are in front of a jury, they usually win the case. A number of them are now on remand and will have been in prison since last March until next November, when their trial is listed.

Carolyn Harris (in the Chair): Order. I remind the right hon. Member that the case is sub judice and we should not talk about it.

John McDonnell: I am careful about not mentioning any names. I am raising the issue of the process itself, which is the use of counter-terrorism powers against direct action groups. The last Government even came forward with proposals and discussions about proscribing Palestine Action as a terrorist organisation. I hope this Government are not going anywhere near that.

But why are the people in prison at the moment on remand? Why can they not be tagged before their trial comes up next November? A number of them, most probably, will be proven innocent, but they will have served nearly two years in prison—for what? For trying to do what we are failing to do: prevent this Government from supplying arms to a regime that kills children.

I say to the Government: it is now time to act. All arms licences need to be closed down. The Minister may say that it is a matter of defending Israel; if so, let us have a conversation with Israel itself about how to supervise that defence internationally, rather than using it as an excuse to kill children. I have had enough of coming back here every week—as you can tell, Mrs Harris. We need action from the Government now.

5.4 pm

Sarah Smith (Hyndburn) (Lab): It is an honour to serve under your chairmanship, Mrs Harris. Last week, a needs assessment carried out by a Gazan NGO and sponsored by War Child Alliance charities revealed the psychological trauma of young people in Gaza living through the ongoing war. The assessment was carried out back in June. The results are devastating: 96% of children feel that death is imminent; 79% are suffering from nightmares; and 49% wish to die because of the war. This makes for distressing reading and highlights the awful plight of Gaza's civilians.

[Sarah Smith]

We know the destruction of the war. We want a full and immediate ceasefire and the hostages to be released. We must continue to urge the Government to uphold international law and enforce further sanctions as necessary.

Israel and Palestine

Seamus Logan: Does the hon. Lady agree that killing civilians through hunger, cold, illness, exhaustion, fear and torture is every bit as reprehensible as bombing and shooting to death 45,000 or more civilians, mostly innocent women and children, and that the only way to force Israel to stop is to completely cease providing them with arms?

Sarah Smith: I do agree with the hon. Gentleman.

We must also recognise the Palestinian state, of course, as the route towards a two-state solution. We know that the United Kingdom is firm in its support for UNRWA, and I welcome the recent announcement of £13 million of further support for it, but it is not good enough if support and vital aid cannot get through. Far too many innocent people have died in this conflict. That devastating recent data shows the specific impact it is having on children and young people. This has to end.

I thank the constituents in Hyndburn who have contacted me about the petition and welcome the work of those who organised it. We must move forward today to make sure that we are working towards peace in the region and an end to the devastation.

5.7 pm

Brendan O'Hara (Argyll, Bute and South Lochaber) (SNP): I want to add my voice and the SNP's to the millions of people across these islands who are demanding an immediate ceasefire, the release of all the hostages, an end to all UK arms sales to Israel and for the UK Government to officially recognise the state of Palestine. Since the atrocities of 7 October, the civilian population of Gaza has been subjected to the most brutal onslaught imaginable. Every day, 10 children lose at least one of their limbs, making this tiny strip of land home to the largest population of child amputees in history—something that does not happen by accident.

Patricia Ferguson (Glasgow West) (Lab): Will the hon. Member give way?

Brendan O'Hara: I will not; I apologise.

About four fifths of those killed were killed while inside residential buildings. The Minister knows that residential buildings are not legitimate targets under international law, but we all know that so much of what has happened since October 2023 has been a violation of international law. Indeed, Lord Cameron let slip at the Foreign Affairs Committee that the UK has long known that Netanyahu was imposing collective punishment against the population by controlling their water supply. We had hoped that things would be different with a change of Government, but that has not been the case. By choosing to deny the evidence of their own eyes in order to supply Netanyahu with the weapons he needs, the UK is complicit and is giving Netanyahu and his Government the degree of international respectability that he desperately craves. This is a shameful episode in UK foreign policy—one that will long be remembered and will not be without consequence.

When it comes to international law, everyone can see the blatant double standards. In September, the right hon. Member for Oxford East (Anneliese Dodds)—Minister of State at the Foreign Office—told this House:

"intentionally directing attacks at civilian objects is a war crime."—[Official Report, 2 September 2024; Vol. 753, c. 29.]

She said that attacks that threaten power, heating and water and impact the safety and livelihoods of millions of Ukrainians are a war crime. She was absolutely right. But why are this Government and the previous one able to call out Putin's war crimes the moment they happen but seem utterly incapable of doing so when the perpetrator is Netanyahu and the victims are Palestinians?

Our system of international law has always been fragile, but operating with such clear double standards in its application and enforcement is a sure-fire way of ensuring its complete destruction. These petitions, these mass demonstrations that we have seen, tell me that this Government are miles behind the people. People want to find a solution in which all arms to Israel are suspended and the Palestinian state is recognised.

People feel so badly let down by this Government's defence of international law, because there seems to be very little difference between the situation now and the situation under the last Government; what change we have seen has been superficial and cosmetic. That was not unexpected, but perhaps we dared to hope that they would be better than the last lot. But there are voices in this place, many of whom we will hear today, that are loud and persistent in continuing to speak up for international law—for justice, for accountability and for peace. Those people in this House will continue to shine a light where too many people do not want it to be shone. We will keep doing it not just for the Palestinians but whenever we see the powerful and the privileged abusing the human rights of the powerless, and wilfully ignoring international law.

5.11 pm

Andy Slaughter (Hammersmith and Chiswick) (Lab): I can be very brief, Mrs Harris, because this speech has been honed by repetition over the past year, since Israeli tanks, troops and planes went into Gaza against not only Hamas but, significantly, the civilian population without discrimination. It mirrors, on a larger scale, the previous attacks on Gaza over the past 15 years, which I have seen with my own eyes. The Minister replying to the debate could not be more empathetic to the situation, and he could not be more sympathetic to the complaints from all parties. However, there has been a lack of action from this Government, as there was from the previous Government, and that lack of action speaks louder than any palliative words.

Dr Simon Opher (Stroud) (Lab): Does my hon. Friend celebrate the work of Standing Together, which is a group of Israelis and Palestinian people working side by side for peace? Would he support it in its call for the suspension of arms transfers to Israel and for the immediate recognition of the state of Palestine?

Andy Slaughter: Standing Together is a fantastic group, and it is one of many Israeli and multinational groups that are protesting; we have seen that on the streets of Tel Aviv, as we have around the world.

14WH

There is yet to be any substantive action by the UK, and war crimes are being committed in Gaza. The evidence is clear; it is clear from journalists, and many brave journalists have been killed. It is evidenced by the actions of the International Criminal Court and from the ICJ, through both its advisory opinion and the South African case, and the Irish Government should be praised for their association with that case last week. It is clear from votes, decisions and debates in the UN, from the evidence of non-governmental organisations on the ground, and from the evidence of medics.

The remedies are also clear, and there are many steps that the UK Government could take. They could look at trade, including settlement trade. Why is that allowed to continue? They could at preferential trade agreements with Israel. They could look at arms sales. They should certainly be re-examining, and asking the law officers to re-examine, on a weekly basis, the actions that UK-supplied arms are being used for—not just in Gaza, but across the occupied territories. They could look at sanctions, including those against settlers that go much further than the few that have happened so far, as well as against members of the Netanyahu Government—particularly the extremists such as Smotrich and Ben-Gvir. Why have they not been taken so far?

We could also look at the question of recognition. It is the policy of the Government to recognise the state of Palestine at some point during negotiations. We are a long way from negotiations at the moment, and there seems to be no reason whatever not to allow recognition.

Munira Wilson (Twickenham) (LD): Does the hon. Gentleman agree that now is the time to provide hope to Palestinians? If we are to have any hope of a political solution, this country must follow our allies in recognising the state of Palestine—not least when extremists such as Smotrich in the Israeli Government are looking to annex the west bank.

Andy Slaughter: I could not agree more. I cannot think of a single reason why we are not moving, as many other European countries have, towards immediate recognition. I heard previously from the Government, "We do not want to go it alone." Well, now we are not just going it alone; we are going behind the curve.

My final point—I do not want to take all my time—is to ask one question to the Government: why have the actions I have mentioned not been taken? I would like to hear a coherent response because what is being said is, "We will not take action against Israel because it is an ally." Well, sometimes we have to speak as sternly to our allies as to our foes. It is also said that Israel will ignore what we say, so we will be shown as a weak country. That is a counsel of despair.

Alternatively, we may be waiting until such time as something more extreme happens—aid no longer going into Gaza, following what is happening with UNRWA, or the threatened annexation of the west bank—and then we will take some action. That is too late. Now is the time—actually, yesterday, last year, or even 10 years ago was the time to take action. I would love to hear from the Minister, who is not only an expert in the field but cares very much about these issues, about what action his Government is going to take.

5.16 pm

Mr Will Forster (Woking) (LD): It is a pleasure to serve under your chairmanship, Mrs Harris, while we debate two important petitions that a number of my Woking constituents have signed. Liberal Democrat policy on this issue is clear: British-made arms must not be sold to countries that are breaching human rights law. This principle is not just a moral standard; it is a legal one. When it comes to Israel, the British Government have failed to demonstrate transparency. Despite repeated calls, Ministers have not released their own legal advice on whether arms exports to Israel align with international law. Given the ongoing cases at the International Criminal Court and the International Court of Justice, the British public have a right to know whether the Government are upholding their own arms export regime. I look forward to hearing the Minister's confirmation on that.

The human cost of war is always staggering, and the last 14 months show that to be true. Tens of thousands of people in Palestine and Israel have lost their lives. The horrific numbers represent families torn apart and communities devastated. According to data from the United Nations and other organisations, Israeli Government attacks have damaged or destroyed more than half of Gaza's homes, 80% of its commercial facilities, and 87% of its school buildings, and left healthcare systems barely functioning, with just 17 of 36 hospitals only partially operational. More than two thirds of Gaza's road networks and cropland have been obliterated. In the wake of this destruction, the ICC's chief prosecutor has stated that there are reasonable grounds to believe that Prime Minister Netanyahu bears criminal responsibility for war crimes and crimes against humanity.

Helen Maguire (Epsom and Ewell) (LD): Does my hon. Friend agree that the UK must uphold its obligations to the International Criminal Court by supporting investigations into alleged war crimes in the region and enforcing any resulting rulings?

Mr Forster: I completely agree with my hon. Friend. We must support the International Criminal Court investigations and uphold whatever it finds.

The Prime Minister of Israel bears criminal responsibility, but it does not stop with him. The former Israeli Defence Minister, Gallant, is also under investigation. That brings me to the urgent need for targeted sanctions against those in Israel's leadership who are directly fuelling the conflict and undermining the chance for peace. Israel's current Finance Minister, Smotrich, is a prominent advocate of settlement expansion, opposes Palestinian statehood, and supports the full annexation of the west bank.

Patricia Ferguson: Will the hon. Gentleman give way?

Mr Forster: Because of time pressure, I will not give way again—sorry. Smotrich has even encouraged the forced transfer of Palestinians out of these territories. The current Minister of National Security, Ben-Gvir, has a troubling past. He has been charged more than 50 times and convicted in eight cases, including incitement to racism and support for a terrorist organisation. Those two individuals need to be sanctioned by the UK, and I look forward to the Minister's response on that. This violence is at risk of escalating even further, and we cannot allow that. That is why the UK should stop selling arms to Israel. It is time for the Government to

[Mr Forster]

demonstrate leadership; halt arms sales where there is evidence of human rights abuses; impose sanctions on the people I have mentioned and on others pushing a conflict; and lead an international effort to stop the bloodbath and rebuild Gaza.

Israel and Palestine

5.20 pm

Helen Hayes (Dulwich and West Norwood) (Lab): It is a pleasure to see you in the Chair, Ms Harris. I am grateful to the Petitions Committee for securing this important debate and to everyone from my constituency of Dulwich and West Norwood who has signed these important petitions. Both the war in Gaza and the horrific actions in Israel on 7 October that started it are intolerable. Fourteen months on from the attack that claimed 1,200 lives, more than 40,000 Palestinian men, women and children are dead and 101 Israelis are still being held hostage. Palestinians in Gaza have been displaced, often multiple times. Aid has repeatedly been prevented from reaching the population and the risk of preventable diseases has continued to rise. There is an horrific humanitarian crisis unfolding in Gaza.

Kirsteen Sullivan (Bathgate and Linlithgow) (Lab/Co-op): With medics working in intolerable conditions, witnessing unimaginable horrors and without the very basics to treat civilian casualties, does my hon. Friend agree that safe and secure routes to allow medical aid into Gaza must be prioritised immediately, without delay?

Helen Hayes: I certainly agree with my hon. Friend on that point.

I welcome the actions that the UK Government have taken since the election in July. However, the UK Government have found that there is a clear risk that UK arms components are being used by Israeli armed forces in Gaza in ways that breach international law. It is welcome that the new Government took swift action to suspend some arms licences, but when there are breaches of international law, they must be clear that they take action to ensure compliance with the law. The importance of the F-35 programme is understood, but the argument that it is justifiable in the current circumstances to carry on with business as usual does not hold water. If the Government believe in the rules-based international order, they cannot recognise breaches of international law and then ignore them. The Government's position on the F-35 licences is not defensible.

I would like to focus on the importance of the recognition of the state of Palestine as an essential precondition for a successful peace process. I have had the privilege of visiting Israel and Palestine twice. I have seen at first hand how oppressive the Israeli occupation is for Palestinians in the west bank: how every day, ordinary Palestinians face systems and actions that seem to be devised to frustrate their normal activity and grind them down; how widespread the practice of illegal settlement is and how it seems designed to ensure that there can never be a viable landmass to form a state of Palestine; and how Palestinians are forced to live under different laws, travel on different road systems, live in different areas and attend different schools.

The UK Government's position is to support a two-state solution, but that position is currently rejected by the Government of Israel. Recognition of a state of Palestine

is an important counteraction to that rejection. It would send an immediate and powerful message that the UK is serious about the only viable route to peace: a two-state solution. That must be accompanied by a much stronger position on illegal settlement and settler violence. Again, we cannot pick and choose which aspects of international law we uphold. Taking a stronger stance on illegal settlements and settler violence in Palestine is not only the right thing to do; it sends a message to Governments around the world that the UK Parliament are serious about the rules-based international order. Israeli settlements in the west bank are illegal.

There should be a process accompanying recognition for supporting and strengthening the Palestinian Authority and building the full capacity of a functioning state. Of course, with recognition comes responsibilities and accountability, but I believe that recognition of a Palestinian state cannot continue to be delayed. To do so is simply to further reduce the possibility of the two-state solution that the Government support ever coming to fruition.

5.24 pm

Shockat Adam (Leicester South) (Ind): It is a pleasure to serve under your chairmanship, Ms Harris. I thank the hon. Member for South Cotswolds (Dr Savage) for securing this vital debate. I also thank Sandra Downs for her e-petition and the thousands of people who signed it, including in my constituency of Leicester South. The hon. Member for South Cotswolds mentioned the Balfour declaration, which indeed promised a Jewish land for a Jewish people, but there was a caveat to that statement: "Nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine".

Patricia Ferguson: I thank the hon. Member for taking an intervention. Does he share my fear that the statements of Israeli officials suggest that they intend to have a long-term presence in Gaza? Will he join me in condemning the de facto annexation of parts of Gaza that is going on at the moment?

Shockat Adam: I certainly agree, and I fear that too.

We of course welcome the cessation of 9% of arms licences to Israel, but that falls woefully short of what is required. Thirty out of 350 is too low, especially given that equipment made in this country is used for the killing machines that are F-35 fighter jets.

Many hon. Members have spoken about the massacre that is taking place. More than 16,000 children have been murdered and 10,000 women have been killed; they were not all hiding behind the skirts of Hamas. Palestinians have been killed since 1948—before the invention of Hamas. Just overnight, 10 Palestinians were killed, including a family—two parents and two children—in a tent in northern Gaza City. They were not hiding behind the skirts of Hamas.

We as a nation have a moral, political and legal duty to uphold international law and the rules of engagement in times of conflict. Under the genocide convention, we have a duty not only to prevent and punish genocide, but to avoid actions that might assist or enable a genocide. With that in mind, I want to raise an important and pressing issue with the Minister: the US Air Force's use of British sovereign airspace in Cyprus. According to

18WH

Declassified UK, at least 13 US planes used by the special forces, nearly all of them unmarked, have gone from Britain's sprawling air base in Cyprus to Israel since Labour took office on 5 July and 10 October. Most flights stayed in Israel for about two hours before returning to Cyprus. Are we providing a base for the delivery of weapons to Israel? That would make us complicit in any war crimes and/or genocide that is happening there.

Tahir Ali (Birmingham Hall Green and Moseley) (Lab): I thank the hon. Member for South Cotswolds (Dr Savage) for opening this debate, and the thousands of my constituents in Birmingham Hall Green and Moseley who have sent me emails, signed the petitions and urged me to speak up about the extremely distressing situation in Palestine.

The situation in Gaza is far beyond breaking point. In the past 14 months, we have seen Israel's deliberate assault on the innocent people of Gaza. More than 45,000 Palestinians have been killed and more than 100,000 have been injured, many of them innocent women and children. The death toll continues to rise every day. The United Kingdom cannot remain complicit any more.

A step towards change would be to cease not 30 out of 350 arms exports licences, but each and every one of them. We cannot allow Israel to destroy Gaza in the way it is doing. The Government say that they want a two-state solution, but to have a two-state solution they have to recognise Palestine. If they do not recognise Palestine, what does that actually mean? It is no more than warm words. Warm words are no longer a viable option; it is time for action, and that has to include immediate recognition of Palestinian statehood. Otherwise, advocating for a two-state solution means absolutely nothing.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): I share my hon. Friend's frustration, because 10 years ago this place voted to recognise Palestine as a state. Many of us took part in that debate. Does he therefore agree that we now need to take that vote to the United Nations? That is where we must recognise Palestine.

Tahir Ali: I thank my hon. Friend for making that important point about the vote that happened here and about taking that to the United Nations. However, the United Nations is not democratic; it is a toothless tiger, because a single nation can stand up and veto such a vote. We have seen that happen time and time again.

What we have to do is to choose to be on the right side of history. One hundred and forty-six countries recognise Palestine as a state. We, as the United Kingdom, say the warm words that we are all in favour of a two-state solution. Before long, however, if Netanyahu gets what he wants in Gaza, which is for Palestinians to leave for Lebanon and Egypt, there will be no Palestine to recognise; there will be no Palestinians left in Palestine or Gaza. That is the agenda of Netanyahu, and we cannot aid and abet it by not recognising Palestinian statehood.

We have to rise above that, with immediate effect and without any further dithering. This Government have to rise to the challenge and say to Netanyahu, "Enough is enough. We will recognise Palestine as a state and we will stop all sales of arms to Israel." If further sanctions are needed, we need to impose further sanctions.

When the Minister responds to the debate, can he explain something? Saying that it is not the right time to recognise Palestine is no longer an excuse. Can he say why the Government are not in a position to recognise Palestine? To use the same rhetoric as the previous Government—that when the time is right, we will recognise Palestine—does not cut the mustard any more. We have to recognise the innocent children, men and women of Gaza who have died because of the genocide—plausible genocide—being carried out by Netanyahu. Arrest warrants are out; ICJ rulings are out; many world leaders have called it a genocide; and we are still debating whether we need to recognise Palestine as a state. That is shameful for this Government and it is shameful to be part of this debate today, advocating recognition of Palestine when that should have happened many, many years ago, as my good and hon. Friend the Member for Walthamstow (Ms Creasy) has mentioned; that vote has already happened. We need to have such a vote again; we need to have it in this Parliament; and we need to carry out not only the wishes of the people out there but the explicit wishes of every single parliamentarian in this Chamber.

5.32 pm

Luke Taylor (Sutton and Cheam) (LD): It is a pleasure to serve under your chairmanship for the first time,

I start by thanking my hon. Friend the Member for South Cotswolds (Dr Savage) for securing this debate and the petitioners for raising these important issues for debate in the House.

I am still deeply saddened by the events of 7 October 2023. More than a year after those horrifying events, many innocent people are still dying every day. I take this opportunity to extend my sympathies to all those who have lost loved ones and who are navigating life amid all the destruction.

The murder or abduction on 7 October 2023 of over 1,000 civilians by Hamas terrorists, 101 of whom are still being held to this day, must always be condemned. Those 101 hostages should be released without delay. It is also true that Israel's response has been hugely destructive. The Gaza strip is now in the midst of a humanitarian catastrophe, with 90% of the population having been displaced at least once and critical infrastructure having been damaged or destroyed.

It would be remiss of us to ignore the fact that the damage takes many forms. It is not just the deaths and permanent life-changing injuries that horrify us, but the psychological scars of being exposed to such combat. It is hard to quantify the extent of the trauma that adults and particularly children have experienced as a result of this conflict. Tragically, we must recognise that no matter how quickly this conflict ends, and it must end quickly, an entire generation of Israelis and Palestinians will live with this horror for the rest of their lives.

In October, I was part of a group of MPs who met Sharone Lifschitz, whose parents were taken hostage on 7 October and whose father is still held by Hamas, as well as Standing Together, a progressive grassroots movement involving Jewish and Palestinian citizens of Israel who stand against the occupation and for peace, equality and social justice. I heard at first hand the pain and anguish of the families of those on both sides of the conflict, who only want to see a lasting peace.

16 DECEMBER 2024

20WH

[Luke Taylor]

The Liberal Democrats have been consistent on the issue for decades: a two-state solution is the only way to guarantee that lasting peace.

Mr Tom Morrison (Cheadle) (LD): All the major political parties went into the last general election saying that they would back a two-state solution and recognise the state of Palestine. Is it not about time that this Government showed leadership on the world stage and formally recognised Palestine?

Luke Taylor: I agree 100%, and I hope we hear the Minister speak with the courage to confirm that the Government will formally recognise Palestine. The dignity and security that both Palestinians and Israelis deserve can only be delivered by a two-state solution. That is why the Liberal Democrat manifesto called for the immediate recognition of Palestine on 1967 lines, and why I reiterate that ambition today.

Our conscience demands that we do that which we can and play our part to accelerate a lasting peace. That is what responsible nations do. Recognition of the state of Palestine is within our gift to grant and can be done at any moment. Contrary to what some cynics say, I believe it is a crucial first step to achieving the goal of lasting peace. It is also important that the UK considers the role its arms exports play in the conflict, so I welcome the current halt of 30 licences as a good first step. However, the UK now needs to use every tool at its disposal in order to obtain the bilateral ceasefire necessary for a lasting peace.

I conclude by echoing calls from across my party and from many parts of civil society for the Government to stop all arms exports to Israel for now, so that we can ensure that British products are not being used in any potential breaches of human rights. I encourage the Minister to act on the calls of the petitioners, to have the courage to recognise the state of Palestine and to suspend sales of arms to Israel, so that we can play our part in securing a lasting peace in the region.

5.37 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve with you in the Chair, Mrs Harris. I congratulate all those involved in bringing the petitions to Parliament, including all my constituents who signed

After 15 months of horror, the death and destruction have to stop. To address the petition on Palestinian statehood, the most important and immediate precondition must be an immediate ceasefire, with the hostages released and adequate aid allowed to flow. When I visited the region for the third time in my life in 2017, I met with peacebuilders in the west bank, Jerusalem and Israel who reaffirmed my belief in a two-state solution, but also told me how distant the prospect of peace appeared even to them.

We have seen a clear change in policy under the new UK Government. As well as calling for a ceasefire, the Government have restored funding to UNRWA, condemned attacks on UN peacekeepers in Lebanon, and committed to upholding the ICC's arrest warrants. The Government also remain committed to a two-state solution. The question we are debating today is how and when that might become a reality. For now, our efforts must be concentrated on providing humanitarian relief and achieving a ceasefire; from that, an independent Palestinian state can emerge.

Like many other hon. Members and constituents, I have watched aghast at the scenes of suffering in Gaza. We have seen hospitals burned and aid convoys and schools bombed, and the return of ghastly, anachronistic diseases such as polio.

Dave Doogan (Angus and Perthshire Glens) (SNP): Does the hon. Member agree that, as a tactical manoeuvre by the state of Israel, the destruction that has been wrought on Gaza and its people is catastrophically counterproductive? These punitive measures against Palestinians will not be a harbinger of peace for Israel. If the UK is a friend of Israel, we must, as a good friend would, say, "This far and no further. You must recant."

Ruth Cadbury: Israel's behaviour towards Palestinians, as I saw 30 or 40 years ago, only worsens the chances of peace. It builds in children's minds the idea that peace is a long way off. In that sense, I agree with the hon. Member.

What we have seen in recent months goes beyond any reasonable definition of self-defence, with destruction on a scale that has left Gaza in ruins. The scale of the destruction and human misery shows Israel's disregard for international law and the rights of Palestinians. The Palestinian people may well take heart from Britain's decision formally to recognise Palestine as a state, but they might take greater comfort from knowing that the bombs will stop falling from the skies above them. A two-state solution is still the only route to lasting peace, but we need a ceasefire now.

As well as causing intolerable suffering in Gaza, the conflict has helped to distract from the continued unlawful expansion of illegal Israeli settlements in the west bank; there are way more than when I first went 40 years ago. This is in violation of international law and provides one of the biggest obstacles to a lasting two-state solution. For as long as the conflict continues, illegal settlements and settler violence will continue, making the reality of Palestinian statehood all the more distant. Our Government must do more to put pressure on Israel and to end the conflict in Gaza. I ask the Government to take note of the concerns expressed last week by the Select Committee on Business and Trade.

No conflict is inevitable, no matter how intractable. Within our lifetimes, we have seen conflicts that threatened to outlive us resolved, but we must not let such a conflict happen again. We must end this grim inheritance. We must have peace.

5.41 pm

Apsana Begum (Poplar and Limehouse) (Ind): A few weeks ago, a surgeon broke down as he told the Select Committee on International Development what he had witnessed in Gaza. He spoke in particular of drones descending after a bombing and shooting—yes, deliberately targeting—children. He even spoke of wounds that he was worried indicated some sort of artificial intelligence. He was literally expressing fears of autonomous drones hunting down children. Likewise, we are aware of the long-standing partnership between the UK and Israel regarding drones in warfare, and the role of companies such as Elbit Systems is widely known, so will the **16 DECEMBER 2024**

22WH

Minister clarify today whether drones either developed or made in the UK are being used in this way—that is, to shoot children or doctors—and whether F-35 fighter jets containing UK-made components are being used to slaughter Palestinian families and cause mass destruction?

Iqbal Mohamed (Dewsbury and Batley) (Ind): Will the hon. Member give way?

Ms Diane Abbott: Will the hon. Member give way?

Apsana Begum: I will make a bit more progress. Can the Minister categorically rule out any UK products being sent to Israel to be used in Gaza, including via indirect routes and shipping between partner companies? There is a particularly chilling significance to the role of advanced weaponry and the reported use of artificial intelligence by the Israel Defence Forces against starving civilians who have been trapped in relatively small and increasingly uninhabitable pieces of land. Why is it that a modern and well-equipped army, which openly advertises that it has some of the most advanced precision weaponry in the world, is killing so many civilians, on an unprecedented scale, unless it is aiming to do so?

I know that today my constituents, who are among the top signatories of both petitions, want to hear a clear condemnation of Israel's actions from the Minister, and not the political double-speak that Israel "must uphold international law" in theory. We all know that it should uphold international law; the point is that we all know that it is not doing so. My constituents also want a clear and unequivocal recognition of the right of self-determination for Palestinians—a right that is being brutally denied them. Crucially, my constituents want accountability for the role of the UK as the close and staunch ally of a Prime Minister who is facing an arrest warrant for war crimes, and as a country that continues proudly to profess that it stands firmly shoulder to shoulder with a regime that openly states its intention to destroy Palestinians as a people and then openly enacts this intention with a horrific, unprecedented war on civilians, wiping out entire multi-generational families. Indeed, a recent Amnesty International report concluded:

"Israel has committed and is continuing to commit genocide against Palestinians"

I do wonder whether the enormity of what has happened over the past year has been properly understood, and whether the British political establishment fully knows the tremendous damage that has been done to democracy at home, the UK's reputation abroad and, indeed, the standing of human rights benchmarks around the world. There is a complete disjunction between the majority of people and those who are meant to represent them.

Beyond the political bubble, the hypocrisy and double standards are plain for everyone to see: the disregard for Palestinian lives, the censorship, denial and, yes, the fact that UK-made weapons are being used to kill and maim civilians, 70% of them women and children. Without doubt, everything that the UK has done, everything it continues to do and everything it fails to do will forever haunt us.

5.45 pm

Jeremy Corbyn (Islington North) (Ind): I am delighted we are having this debate. It has only come about because hundreds of thousands of people signed their signatures, demanding that we have a debate. It is a shame that such a debate is being held in Westminster Hall—when a debate is of this significance, it should be in the main Chamber, to indicate how seriously we take the subject.

Public opinion and feelings on this are absolutely huge. Look at the size of the demonstrations, the numbers of people signing petitions and the number of people who contact us directly. The Amnesty International briefing sent for the debate should be required reading for all Members. Amnesty measures its words very carefully in how it puts it—it is careful not to take an overtly political opinion—but goes on in devastating detail to point out that the International Court of Justice, meeting in The Hague, has concluded that acts of genocide have been taking place; that the International Criminal Court has issued arrest warrants for the Prime Minister of Israel and two other people; and that the argument that Britain is using about the continuing supply of weapons and arms equipment to Israel is utterly fallacious.

The argument about the supply of parts for F-35 jets claims that it is impossible to separate the parts that are supplied to Israel from those that are supplied to other places that use F-35 jets. I cannot believe that the manufacturers, the Government and the Ministry of Defence do not have a highly detailed account of every single piece of equipment that is supplied to Israel, and every single piece of equipment that goes into those planes. It is perfectly possible to identify them.

Ms Abbott: People in Hackney and country-wide feel strongly about this issue. Does my right hon. Friend agree that, far from moving towards a two-state solution, Israel is deliberately trying to disrupt it with settlements on the west bank and the annexation of the Golan heights?

Jeremy Corbyn: My right hon. Friend is absolutely correct. The point I was making was about weapons supplies. I mentioned the F-35 jets specifically, but there are all the other weapons that are supplied. Others, including my right hon. Friend the Member for Hayes and Harlington (John McDonnell), have pointed out that a mysteriously large number of flights have been taking off from the Royal Air Force base at Akrotiri, going to Israel and coming back two hours later. It seems to me that they could well be delivering weapons to Israel.

The point made by my right hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott) is absolutely correct. Israel's intentions in all this are to occupy Gaza, to expel the population of Gaza into the Sinai, and thus to create a new Gaza strip in Sinai—and in 20 years' time, we will be back here, having exactly the same debate about the plight of Palestinian people who have been expelled from their own land.

We need to recognise what public opinion is doing in Britain. I have been on every single one of the 24 national demonstrations that have been held in support of the Palestinian people. They are huge and diverse, and include a pretty wide range of political opinions, but all are united on the humanitarian case. The very large blocs of Jews for Justice for Palestinians and other groups present at the demonstrations indicate the diversity. A petition asking us to have a debate is one thing, but is it to be a safety valve for public opinion, whereby Parliament has had a debate on it and that is the end of the matter, or will it be a call to action? I look forward to the Minister telling us in his reply that there will be a suspension of all arms supplies to Israel.

24WH

5.49 pm

Richard Burgon (Leeds East) (Ind): It is a pleasure to serve under your chairmanship, Mrs Harris.

We cannot carry on with a business-as-usual approach to Israel. That has become a green light for war crimes. That is why 60 MPs and Lords from seven parties recently called on the Foreign Secretary to introduce sanctions, which is what needs to be done.

I want to use my time to put on record in this House the submission made by the Government to the latest High Court hearing into the legality of ongoing exports of F-35 fighter jet parts that end up in Israel. The Government have accepted that Israel is

"not committed to compliance with International Humanitarian Law in Gaza, including in the conduct of hostilities";

"the overall picture was of obvious concern, especially having regard to the number of civilian casualties";

"there is a clear risk that F-35 components might be used to commit or facilitate a serious violation of IHL".

Yet the Government conclude that these exports "should nonetheless continue."

It is important that we address this issue head-on. The Government have decided to carve out F-35 exports from their own licensing criteria, which are meant to ensure adherence to international law, but international law and our own laws cannot be opted into and out of at will. The F-35s are the main military export to Israel. They have been used to drop the deadliest bombs on Gaza, and they have been used since the beginning of the war. The sale of these arms is not only in flagrant violation of international law, but totally immoral and leaves Britain complicit in war crimes. The sale of these arms must end.

I hope that the Minister will answer some specific questions. The Government admitted to the Business and Trade Committee last week that all F-35 parts in the global spares pool are in fact tracked by the US Government. My first question is: do the UK Government have access to that information? If not, why not, and have they asked for it? My second question is: does the UK Government know what portion of F-35 parts that the UK exported to the global spares pool has ended up in Israel since 7 October 2023? My third question is: is the Minister certain that neither domestic nor international law is being violated by this carve-out?

I also put on record that I have been told by lawyers that the ongoing export of F-35 parts leaves workers in Britain, including civil servants in Government Departments, at risk of being held individually criminally liable for war crimes and other crimes under international law, including genocide. I want a very clear answer from the Minister and the Government as to whether they have provided legal advice to workers on this. How are the Government planning to protect the civil servants and other workers who export F-35 parts that end up in Israel from potential complicity in breaches of international humanitarian law? These are important questions, and I look forward to them being answered by the Minister.

5.53 pm

Mike Tapp (Dover and Deal) (Lab): The petitions reflect the deep concern and passion of many in our society about the ongoing conflict and suffering in the middle east, and I respect the sentiment behind them. This Government are already working towards the same objectives that many of the signatories seek: an end to the violence in Gaza, the immediate release of all remaining hostages, an improved supply of humanitarian aid and, crucially, irreversible progress towards a lasting two-state solution. Peace in the middle east will come from negotiations, dialogue and the willingness of both sides to find common ground.

I turn first to the question of recognising the state of Palestine. Both the Israeli and Palestinian peoples have a legitimate right to self-determination. The foundation of a two-state solution is an independent, viable and democratic Palestine living alongside a safe and secure Israel. Since the Oslo accords, the principle has been clear: a two-state solution can be reached only through direct negotiations between Israel and the Palestinians. An action that undermines that principle, such as unilateral recognition of Palestine by the UK, only complicates that matter and makes peace more difficult. It creates the false impression that a Palestinian state can be imposed from the outside, without the necessary negotiations. Unilateral recognition, as seen with countries such as Spain, Norway and Ireland, has led to no real progress on the ground. It is a symbolic gesture, but it does not advance the cause of peace.

We must also approach the matter of arms exports with a clear-eyed view of the facts. Revoking UK arms export licences would once again be a largely symbolic gesture, with little practical impact on the situation in Gaza. It would also undermine our credibility as a security partner in the region and send the wrong messages to adversaries, including Iran.

Andy McDonald (Middlesbrough and Thornaby East) (Lab): Presumably, my hon. Friend will recognise that 15% of the F-35 construction parts come from the United Kingdom, and they are the choice of delivery of the 2,000 lb bombs that obliterate civilian populations in Gaza. Does he share my concern that continuing to participate in that programme leaves the United Kingdom at risk of being prosecuted under various conventions for complicity in those heinous acts?

Mike Tapp: We must bear in mind that 95% of weapons come from the US and Germany, and on the legal side of things, the Prime Minister and the Government have been clear that they have consulted legal advice, which of course will continue—I expect that there will be more from the Minister on that.

That is not to say that we ignore the suffering or the rights of Palestinians—far from it—but revoking arms sales to Israel, particularly when the country is engaged in a seven-front conflict against Iran and its proxies, would undermine our national security interests in the middle east. The UK has a long-standing defence and security relationship with Israel, which played a key role in defending Israel against an unprecedented Iranian ballistic attack earlier this year.

We have real-world experience in peacebuilding through initiatives such as the International Fund for Ireland, which invested in cross-community projects in Northern Ireland long before the Good Friday agreement was signed. Over time, these projects help to change attitudes and foster the conditions for political leaders to negotiate and compromise. The UK can and must apply those

26WH

lessons to the middle east. By supporting peacebuilding civil society organisations in both Israel and Palestine, we can build the foundations for lasting peace. That approach has already received backing from the G7, and was reinforced by the Prime Minister's recent announcement on supporting civil society peacebuilding.

I urge us all to focus on actions that have a tangible long-term impact. Unilateral recognition of Palestine or the withdrawal of arms exports to Israel may offer a moment of symbolic protest, but will not move us closer to a genuine and lasting peace. The real path to peace lies in dialogue, supporting peacebuilding initiatives and encouraging both Israelis and Palestinians to come to the table. The UK can play a meaningful role by investing in projects that build trust and create the conditions necessary for a sustainable two-state solution.

5.58 pm

Richard Foord (Honiton and Sidmouth) (LD): It is an honour to serve under your chairship, Mrs Harris.

I will limit my remarks to arms exports, but before I do, I want to recognise what an appalling atrocity 7 October 2023 was. I also want to mention the 101 hostages who are still held captive, including the British citizen Emily Damari. Like the British Government, I demand their immediate release. I have just got back from King Charles Street, where the Foreign Affairs Committee was visiting the consular team. It is plain that they do really sensitive work with the families of British hostages held overseas.

My remarks about arms exports to Israel are largely based on last Tuesday's Business and Trade Committee sitting, where I was a guest as a member of the Foreign Affairs Committee, which has been carrying out two inquiries, one on the middle east and one on soft power. We have found that British soft power has been damaged by the lack of full compliance with international law. It undermines the UK's reputation if we do not pursue international law consistently.

[Mark Pritchard in the Chair]

Layla Moran (Oxford West and Abingdon) (LD): My hon. Friend makes a powerful point about international law. Does he agree that the judgment that we all need to look at is the ICJ advisory opinion on the occupation? The Government are working through the process of understanding what it means—including, potentially, in respect of banning illegal settlement goods—but what is taking them so long? Our reputation has suffered hugely as a result of such prevarication, particularly from the last Government, and it is now up to this Government to repair it.

Richard Foord: My hon. Friend is absolutely right. The ICJ advisory opinion is crucial, and the Government need to crack on with their rulings in the light of that opinion.

My remarks are about the carve-out for the F-35 fighter jet and, specifically, the five licences that are somehow exempt in terms of international law. The licences are what are called open general licences—that is, they can be of an indefinite duration and an unlimited quantity. The British state does not have to set out the quantities of weapons being exported. At the Business

and Trade Committee last week, Ministers from the Foreign, Commonwealth and Development Office, the Department for Business and Trade, and the Ministry of Defence talked about how the F-35 is different: 15% of it is British, and the other 85% is produced by a collaboration involving Italy, the Netherlands, the US, Canada, Norway, Denmark, Turkey and Australia—and, by the way, we contribute only the ejector seats, the batteries and the rear parts of the tail.

The point is that we in the west have to abide by international law. The British Government have been asking for an immediate ceasefire since 4 July—the Liberal Democrats have been calling for one for a great deal longer—but Israel are not listening to the British Government. In the absence of any influence, the UK Government need to take the next step. I want to address those who allege that it is somehow contradictory to ask Israel to stop using arms while it has to defend itself against Iran. I am proud that the UK was instrumental in defending Israel against the attack by Iran last April, but I see no contradiction whatsoever. The withholding of arms exports to Israel is a policy lever that we now have to pull.

Finally, we have to remember that we are talking about the principle of distinction, which is a firm principle in international humanitarian law that every British soldier is taught: that of distinguishing between combatants and non-combatants. Evidence gathered by Danish NGOs, for example, shows that 2,000 lb bombs delivered by F-35 fighter jets killed 90 Palestinians at the al-Mawasi camp on 13 July. That is little surprise, because a 2,000 lb bomb will kill people within a 360-metre radius of the detonation. The British Government are failing to comply with international humanitarian law. They need to abide by the principle of distinction. We need to abide by international law.

6.4 pm

16 DECEMBER 2024

Ian Byrne (Liverpool West Derby) (Ind): It is an honour to serve under your chairship, Mr Pritchard.

Hind Rajab was a five-year-old Palestinian girl. Her family were fleeing Gaza City when their car came under attack. The first shot killed Hind's aunt, uncle and three of her cousins. Just Hind and her 15-year-old cousin Layan were left alive. Trapped in the car and surrounded by the bodies of dead relatives, Layan phoned for help. The recording of her call with the Palestinian Red Crescent was later released. Layan told the operator:

"They are shooting at us. The tank is next to me."

Layan's last moments were then heard: machine gun fire, a scream, and the phone went dead.

The Red Crescent phoned back. Five-year-old Hind answered. She was now alone in the car, her cousin was dead, and Israeli forces were still close by.

"I'm so scared, please come,"

Hind told the operator. For three hours, Hind pleaded to be rescued:

"Come take me. You will come and take me?"

As it grew dark, she told the operator how frightened she was.

Eventually, Israeli authorities gave the green light for a Palestinian Red Crescent ambulance to be dispatched to her rescue. When it arrived, the ambulance was attacked and contact was lost. Two weeks passed before [Ian Byrne]

the bodies of Hind, her family and the two paramedics were recovered. All had been killed by Israeli forces. In the aftermath of these horrific events, images of Hind's beautiful smile and the recording of her final moments caught the world's attention.

Israel and Palestine

Next month marks a year since Hind was killed. Since then, the slaughter of Palestinians has not stopped. Hind is one of more than 17,000 children killed in Israel's assault, and one of more than 45,000 Palestinians of all ages killed. A study published last week found that 96% of children in Gaza believe that their death is imminent and that, following the trauma they have been subjected to, almost half want to die.

A new report by Amnesty International has concluded that Israel's actions in Gaza constitute genocide; last month, Human Rights Watch said that Israel had committed ethnic cleansing against Palestinians in Gaza; in January, the International Court of Justice found that there was a plausible risk of genocide in Gaza; and in July the Court said that Israel's occupation of Palestine breached the international convention that guards against segregation and apartheid. The Israeli Prime Minister and his former Defence Secretary are now wanted by the International Criminal Court for crimes against humanity. So no one in this place can say they did not know what was happening or that the facts were unclear. We know what has happened in Gaza. It is an unthinkable, unspeakable

The time for expressions of regret and concern are long past. International law is clear and urgent action is needed. This means ending all arms sales to Israel, including parts for the F-35 fighter jets that are raining down hell on Gaza, and, as has been explained throughout this debate, it means sanctioning Israel and boycotting trade with illegal Israeli settlements. It means upholding the ICC's arrest warrants, and it means revoking the 2030 road map that deepens economic, trade and security ties with Israel. These measures would go some way in showing that here in Britain we recognise our shared humanity and our legal and moral responsibilities.

6.7 pm

Mr Paul Kohler (Wimbledon) (LD): It is a pleasure to serve under your chairmanship, Mr Pritchard. I thank my hon. Friend the Member for South Cotswolds (Dr Savage) for introducing the debate and the petitioners for calling for it.

I believe I stand with everyone here today when I say that what is happening in Gaza is appalling and unacceptable. The death and devastation have caused anguish around the world and left many—including my constituents in Wimbledon—deeply distressed. The events that started this current cycle of violence on 7 October must not be forgotten-Hamas's evil attacks are indefensible, and Israel undoubtedly had the right to protect its citizens by targeting those brutal terrorists in accordance with international law—but it is clear that Israel is not acting within international law and that a humanitarian catastrophe is now taking place.

Thousands of men, women and children are being killed in Gaza, without a peaceful settlement in sight. We cannot stand by and let the current situation continue. Children have lost parents and parents have lost children as a result of Israel's disproportionate response. The killing must stop, with all the hostages released and an immediate bilateral ceasefire. But that alone is not enough, as we desperately and urgently need long-term peace. To achieve that, we must secure an enduring resolution of the underlying issues, which is why my party and I have long advocated for a two-state solution based on the 1967 borders and the immediate recognition of a Palestinian state. I consequently echo the calls of my hon. Friends: the Government must follow the example of our allies, including Spain, Norway and Ireland, in formally recognising a Palestinian state.

That alone, of course, will not solve the issues. We must work with the international community and the Palestinian people to establish a democratic future for Palestine. In my previous role as head of the school of law at the School of Oriental and African Studies, I visited Palestine and worked with Palestinian activists and academics who were committed to such a future and united in their view that Hamas did not represent the Palestinian people.

Furthermore, the Government must take a presumptionof-denial approach to the sale of arms to any country deemed by the Foreign Office to be breaching international standards on human rights. We should be doing far more to sanction the settlers and their illegal settlements, which, as I saw with my own eyes, are designed to undermine and make impossible a two-state solution. The world has had a duty to act, and we must play our part.

6.10 pm

Ayoub Khan (Birmingham Perry Barr) (Ind): It is a pleasure to speak under your chairmanship, Mr Pritchard. I thank the hon. Member for South Cotswolds (Dr Savage), the petitioner Sandra Downs, and all the petition signatories up and down the country.

It is fair to say that we have heard a lot of discussions and statements by hon. Members all saying pretty much the same thing: that what is taking place in Gaza is a genocide and that the UK Government need to do more. It is almost sickening to be constantly reminded by some that there is an agenda of self-defence when everyone—even children at schools—can see what is taking place on social media. They see stories like that of Hind Rajab, which was mentioned by the hon. Member for Liverpool West Derby (Ian Byrne); more bullets penetrated that vehicle than she had bones. They see stories like that and they are outraged by politicians who stand up and somehow provide this smokescreen of self-defence. Self-defence has parameters. Excessive self-defence is no defence. It cannot be used to avoid accountability. We are constantly reminded by senior political figures, whether from this country or America, that somehow this is self-defence, when everybody else can see that it is not.

Look at the words of Benjamin Netanyahu: "Amalek" is the word he used. Look at some of the video footage that comes out of Gaza. Animals, including donkeys, are being shot so that food cannot reach its destination. Paramedics are being killed. Recently, a doctor at a hospital was murdered, raped and put out on to the streets. Some are saying this is all part of the agenda not to give the Palestinians any recourse even to medical aid. Because what have we got? More than 200 aid

30WH

workers killed and 500 medical staff killed. These are just some of the basic stats that everybody in this country can see, yet we still have arguments of self-defence. Nothing could be further from the truth.

I am not going to take up too much time, because other Members want to speak, but we have an opportunity early next year. My colleague, the hon. Member for Leicester South (Shockat Adam), has presented a Bill on the recognition of Palestinian statehood. That is our opportunity to stand up for the rights of the Palestinians. They have suffered far too much.

Layla Moran: That Bill is really important; I have tabled a similar Bill every single year that I have been in Parliament. One thing I find remarkable about certain speeches from Members in this debate is that Palestinian voices seem to be rather missing, forgotten or, in this case, erased. Will the hon. Gentleman look at what has happened in the House longer ago than just this year? We have been having decades-long fights, on a cross-party basis, and most of us have been trying to do that. Let us continue in that vein.

Ayoub Khan: I thank the hon. Member for all her endeavours and for those of the Liberal Democrats, because they have been very vocal on this topic. I know that there may also be another Bill tabled in her name to ask for the recognition of Palestinian statehood—something on which we should all unite and seek to encourage other parliamentarians to support.

6.14 pm

Iqbal Mohamed (Dewsbury and Batley) (Ind): It is an honour to serve under your chairship, Mr Pritchard. I join my hon. Friends in expressing my condolences to all those who have been killed on both sides since not only 7 October but 1948. I join in the condemnation of all war crimes committed by any state actor or group.

As Israel launches a land grab in Syria and continues to bomb Lebanon, there is a danger that its continuing actions in Gaza will get lost in the egregious cycle of death and destruction in the middle east. It is timely, therefore, that we discuss yet again what contribution the UK can make to peace in the region.

Unfortunately, the record of this Government to date has been abysmal. As mentioned by my hon. Friends, the UK continues to supply spare parts for F-35 fighter jets, playing a major part in the Israeli military offensive, and it refuses to introduce any meaningful actions. Words and condolences, as well as reports of meetings to press Israeli officials to do more, are not enough, and there is much more that the UK can do. Worse, in their refusal to admit the nature of the military offensive in Gaza, the Government are culpable in the mass murder taking place.

Our Prime Minister and Foreign Secretary may not understand what constitutes acts of genocide in international law, but thankfully human rights organisations do. We have heard about the recent Amnesty International report, which is unequivocal that Israeli actions against Gaza's 2.3 million population are genocide. Note is also made of how the Israeli Government are acting with "impunity".

Our Government, the US and other allies to Israel have granted it immunity from war crimes, ethnic cleansing and genocide for decades. Today is the day that that must stop. The British Government must end their complicity in Israeli war crimes and the genocide that is taking place. Our role must be to challenge the arrogance and complacency of Israel and send the message that Palestine exists. Its people have a right to live free of occupation and to have a state of their own.

The Government claim they are committed to a two-state solution, as is everybody in this room, but they have taken no meaningful action to make it a reality. The recognition of a Palestinian state is therefore a prerequisite to peace. The reply normally given to the ask of recognition for Palestine is, "This is not the right time to recognise a Palestinian state." However, from all the strong, passionate and powerful speeches that we have heard, it is clear that the time is now.

We know from our experience of the peace process in Northern Ireland that it is too simple to reduce political violence to irrational hatred or religious bigotry. Where we have a political conflict, we have political reasons to create a pathway to solutions. The Government can help create that pathway by stopping their supply of spare parts for F-35 fighter jets and all other weapons and by joining the vast majority of UN members in formally recognising a Palestinian state.

Mark Pritchard (in the Chair): We now move on to the Front Benchers, who have 10 minutes each. I call Monica Harding.

6.18 pm

Monica Harding (Esher and Walton) (LD): It is a pleasure to serve under your chairmanship, Mr Pritchard. I am pleased to be here to discuss these two important petitions, and I thank my hon. Friend the Member for South Cotswolds (Dr Savage) for opening the debate.

The Liberal Democrats have been calling for an immediate bilateral ceasefire since November 2023—one that will put an end to the humanitarian devastation in Gaza, get the hostages out and provide the opportunity for a political process towards a two-state solution based on the 1967 borders. A lasting peace and two states is the only way to guarantee the dignity and security that both the Palestinians and the Israelis deserve.

Petition 653509 calls for

"the United Kingdom to recognise the state of Palestine immediately." I can proudly say that that is something the Liberal Democrats have long been calling for, and we support immediate recognition of the state of Palestine. The UK's allies have increasingly been recognising the state of Palestine, and we should join them, with the hope of refocusing attention on efforts to find a political solution to the war in the middle east.

The recognition of Palestine is particularly important right now, given the threats of some in Israel—noted by the ICC and the ICJ—such as Minister Smotrich, who seeks to annex the west bank. I visited the Occupied Palestinian Territories in November and saw at first hand the expanding settlements and growing violence. Recognising Palestine on 1967 lines would make clear where the United Kingdom stands.

As my hon. Friend the Member for South Cotswolds pointed out, recognising Palestine is a tool that will inject into Palestinian society the hope that having their own state is possible. They are far from hope just now, and it is essential we signal that we support statehood

32WH

16 DECEMBER 2024

[Monica Harding]

for them. I believe that that will wrest control back from the extremes at the edges of Palestinian society. As has been pointed out, that is not the by-product of a solution; it is the route to a solution. It must be stated that Hamas can have no part in the governance of this Palestinian state.

Layla Moran: My hon. Friend is entirely right that, within Palestine, recognition is seen as a prerequisite for what might come next. It is not a replacement and is not top-down. That is deeply felt—in fact, it was promised to the Palestinian people when my great-grandfather was alive. Does my hon. Friend also recognise that, alongside a state, there need to be viable, democratic elections? They would be made much easier if everyone in Palestine were allowed to vote in them. That is what stopped the last ones happening: people were not.

Monica Harding: I support my hon. Friend and pay tribute to her work. I agree with her.

Let me turn to the second petition, on immediately revoking all arms export licences to Israel. I fully support that proposal, which my party has been calling on the UK Government to implement since April. Tougher controls on UK arms exports are vital to ensure that those arms are not used in potential human rights breaches. I support the introduction of a presumption of denial for all Governments listed in the FCDO's "Human Rights and Democracy" report as human rights priorities. As a result, arms exports to Israel should be halted.

The Minister has long avoided responding to calls from my colleagues for clarity on the UK's position on ceasing all arms exports to Israel, so I hope we will hear a clearer response from him today.

Tessa Munt (Wells and Mendip Hills) (LD): Sometimes, small actions can help. A number of my constituents were incredibly concerned that premises owned by my local council were occupied by a company that they perceived to have been administratively involved in supplying parts for the arms business. The council has now relinquished its interest in that building. Would my hon. Friend recognise that?

Monica Harding: I thank my hon. Friend for her intervention. I would like the Minister to note that Members have spoken about their unease at the fact that workers in the United Kingdom are making such parts. As the right hon. Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) pointed out, the UK Government have made a choice to export F-35 components, which is not in line with their international commitments and obligations under international humanitarian law.

As the Liberal Democrat spokesperson on international development, I must use this opportunity to emphasise my deep concern about laws passed in Israel's Knesset banning UNRWA, in a situation that could not be more desperate. The Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator starkly warned:

"The entire population of north Gaza is at risk of dying."

That move, if enacted, would lead to the death of innocent Palestinian civilians. UNRWA plays a critical role in distributing humanitarian aid in Gaza, and that move risks catastrophic consequences. As well as words of condemnation, I ask the Minister to set out the consequences of breaching international law, and I urge the Government to consider sanctioning Ministers Ben-Gvir and Smotrich for their incitement to violence against Palestinians by illegal settlers. The Government must continue to provide support to UNRWA to address the humanitarian crisis at hand, as well as ensuring that the recommendations of the Colonna report are implemented as soon as possible.

My last point is one that I hope the Minister agrees with and acts on. Increasing international development funding is a critical way in which the UK Government can tackle the humanitarian crises resulting from conflicts such as this, which are driving the cause behind the petitions being debated today. As the Liberal Democrat spokesperson on international development, I must urge the UK Government to strengthen the UK's aid and development response. Overseas aid spending is at its lowest level in 17 years, having been cut by a further £2 billion in this fiscal year by this Government. It is now lower than under the last Conservative Government, despite the Prime Minister previously promising to reset Britain's place in the world and return us to our status as an international development and aid superpower.

The UK's funding for health programmes and the humanitarian relief reserve fund, both of which have been cut, urgently needs to be restored so that the UK can improve its response to conflict and support the victims of the devastating war in the middle east. Not only were the programmes eroded in the years since UK official development assistance was cut from 0.7% of gross national income to 0.58% by the Conservative Government, but this Government have slashed it again to 0.5%. United Kingdom support is needed more than ever, given global conflicts and humanitarian disasters, so I call on the Government to restore ODA to 0.7% of GNI as soon as possible to reinstate our commitment to the world's poorest by ensuring that the UK is a global leader on aid and development.

I will end where I started: the Liberal Democrats call for the immediate recognition of a Palestinian state, the return of the hostages and a halt to all arms exports to Israel, and for the Government to bring every effort and pressure to bear on Israel to get the humanitarian assistance in now.

6.27 pm

Wendy Morton (Aldridge-Brownhills) (Con): It is a pleasure to serve under your chairmanship, Mr Pritchard. I am grateful to be able to speak on behalf of His Majesty's official Opposition today. I start by thanking the Petitions Committee and the petitioners for this important debate on the two petitions. This is clearly a matter of concern to constituents up and down the country, as well as to Members across the House.

The Conservatives support a two-state solution that guarantees security and stability for both the Israeli and the Palestinian people. It is right that the people of the west bank and Gaza should have the political perspective of a credible route to a Palestinian state and a new future. Our long-standing position is that we will recognise a Palestinian state at the time that is most conducive to the peace process. We are not at that point now, and we are clear that recognition cannot be the start of the process. Hamas is still being fought in parts of Gaza, while Israeli hostages remain in captivity. Ensuring that Hamas is no longer in charge of Gaza, and removing its capacity to launch attacks against Israel, are essential and unavoidable steps on the road to a lasting peace. The steps we must take now include getting the hostages out and getting more aid in. That is crucial for making progress towards a sustainable end to the current conflict.

Israel and Palestine

The suffering of the hostages is intolerable for Israel; it should be intolerable for any person and any Government who care about human dignity and human rights. Let me be clear: Hamas could release the hostages now, immediately and unconditionally. We must also do more to support the innocent civilians of Gaza who are suffering and desperate. They continue to be used as human shields by Hamas, who have no regard at all for their safety and welfare. We continue to call for more humanitarian aid to enter Gaza and, importantly, for improved access through existing routes.

The Conservative Government helped to identify different ways that aid could get in, and we appointed a special representative for humanitarian affairs in the Occupied Palestinian Territories, who was on the ground and had a remit to try to address the bottlenecks in aid delivery. We came up with clear proposals and put them to the Government of Israel, including in relation to aid delivery through Ashdod and Erez, as well as Kerem Shalom and the Jordan land corridor. Israel made a number of significant and welcome commitments on those points, as well as on approving more types of aid, but fulfilment of those commitments is vital and we are monitoring developments closely.

Turning to arms export licences, the last Conservative Government reviewed advice about the situation in Gaza and Israel, and our assessments left the UK's position on arms export licences to Israel unchanged. Our position in government was in line with that of many of our partners, which have also not taken the decision to suspend existing arms export licences to Israel. The Labour Government's decision to announce an arms embargo on the day on which Israeli hostage families buried six of their loved ones, and weeks after an Iranian attack in which we helped to defend Israel, is difficult to swallow. Weeks later, Iran attacked again.

Decisions such as that have broader geopolitical implications, and we must be clear that there is no moral equivalence between Hamas and the democratically elected Government of Israel. Our assessment was that the Government's move was designed to satisfy their Back Benchers while not defending Israel, but it looks to have failed on both counts. Particularly in light of the subsequent direct attack by Iran, the decision was evidently poorly timed and ill judged. Labour has suspended export licences as Israel fends off threats from a terror group proscribed by the UK, as well as from Iran. That is despite the Government confessing that it has not been possible to reach a determinative judgment on allegations regarding Israel's conduct of hostilities.

Returning to the subject of the future, we recognise that an effective Palestinian authority could have an important role to play in building a lasting peace and progressing towards a two-state solution. As Foreign Secretary, Lord Cameron of Chipping Norton spoke with the new Prime Minister of the Palestinian Authority, Mohammad Mustafa, and offered the UK's support for implementing much-needed reforms. Indeed, we are very clear that the Palestinian Authority needs serious

reform to its education and welfare policies, and it needs to show democratic progress. Just as the Palestinian Authority must act, so must Israel. That means releasing frozen funds, halting settlement expansion and holding to account those responsible for extremist settler violence.

To conclude and to reiterate, we continue to want to see a sustainable end to the conflict in Gaza, the release of the hostages, and more done to get humanitarian aid to innocent Palestinian civilians. Ultimately, we want to be able to lift people's eyes to the brighter future and regional peace.

6.33 pm

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Mr Hamish Falconer): It is an honour to serve under your chairmanship, Mr Pritchard. I am grateful to the Petitions Committee for securing this debate, and to the hon. Member for South Cotswolds (Dr Savage) for leading it. I thank hon. Members for their contributions. They have represented their views and those of their constituents, many of whom I know have signed these petitions with sincerity. With your forbearance, Mr Pritchard, and recognising the many pages of questions I have received over the course of the afternoon, I will try to make progress with my speech before taking interventions.

I recognise the tone both of the petitions and of the questions and contributions this afternoon. I think the House is united in wanting to end the agonies in Gaza, return the hostages, end the violent expansion of settlements, and secure a two-state solution. That is my work and the work of this Government, and I am grateful to the right hon. Member for Aldridge-Brownhills (Wendy Morton) for highlighting how different our approach is from that of the Government who preceded us. When we became the Government, we called for an immediate ceasefire. On my first day as a Minister, we restored funding to UNRWA. We have now provided £41 million to UNRWA, recognising its vital work.

We have taken a different approach on questions of international law in relation to the ICC and the ICJ, and in our votes in the UN Security Council. Even when resolutions have been defeated, we have been clear on our commitment to international humanitarian law and the need for a two-state solution. In relation to sanctions on settlers and settlements, we have taken far-reaching action, which I shall cover briefly in my speech.

I would like to say something, given how strongly many of our constituents feel about the issues. I am a Labour Member and Minister, and other Labour MPs send me the videos the photos and the many reports that I know constituents see every day, as so many people have referred to. I see them too. As a Labour Member and Minister, I am never far from the reality of the situation. I am grateful to my colleagues for helping to ensure that that is the case.

I will turn briefly to the petitions that we are debating, trying to give substantive answers to both, then I will take interventions. First, on the call for immediate recognition, I want to I want to make it clear that this Government are unequivocal in their support for recognition and of a two-state solution. Palestinian statehood, as my hon. Friend the Member for Poplar and Limehouse (Apsana Begum) said, is the right of the Palestinian people; it is not in the gift of any neighbour, and it is

36WH

16 DECEMBER 2024

[Mr Hamish Falconer]

vital, as was set out, that the people of the west bank and Gaza are given the political perspective of a credible route to a Palestinian state.

We are committed to recognising a Palestinian state, and we will do so at the time most conducive to the long-term prospects for peace. We must take that step when we think that it will make the greatest contribution to bringing about the reality of a sovereign Palestinian state, alongside a secure Israel, which I know is the end goal we all agree on.

Many Members have referenced the decisions of allies. We watch those carefully and discuss the issues diplomatically, as one might expect. Simply saying a thing does not make it so, however, and this Government are driving their efforts towards the practical questions: creating the conditions necessary for a two-state solution to become a reality. The Prime Minister reiterated that commitment and his support for reforms to the Palestinian Authority—mentioned by a number of Members—when he met President Abbas in September.

The hon. Member for Strangford (Jim Shannon) asked about our support for Israel's security. Of course, that remains steadfast, as it does for Israel's right to self-defence against terrorism and state threats. However, as we have said repeatedly, Israel must do that in accordance with international law. We have taken decisive action against extremist Israeli settlers who undermine the viability of a two-state solution and we have called out the unacceptable rhetoric of some Israeli Ministers.

As Members have said, settlement expansion and violence have reached record levels. The Israeli Government seized more of the west bank in 2024 than in the past 20 years; that is completely unacceptable. We recently sanctioned three illegal outposts and four organisations that have supported and sponsored violence against communities in the west bank. Those sanctions are focused not just on the violence, but on the settlements themselves, which are contrary to international law. We will continue to take action necessary to challenge those who undermine a two-state solution. On the questions asked about sanctions, I am afraid that I will not provide—in a way that Members will be familiar with—a commentary on whom we may target with sanctions, but I reassure the Chamber that we will continue to take the action necessary.

Let me turn to the call in the second petition to revoke all licences for arms exports to Israel. I recognise the strength of feeling. It is why on day one, we commissioned a review into Israel's commitment to and compliance with international humanitarian law and we took decisive action where the review found possible breaches. On 2 September, the Foreign Secretary announced that decision to Parliament, and it followed a conclusion of the clear risk of items being used in violation of IHL. Let me be clear: that is not a partial suspension; it is a full suspension of all licences for equipment for use in military operations in Gaza.

I will come to the F-35 points shortly, but on the remaining licences that are not in relation to the F-35s, they are for body armour for journalists and NGOs; equipment for re-export to close allies; and items utilised for training and never intended to see conflict. Those are the remaining military licences to Israel. In my view, it is not right to suspend those when there is no clear risk that they could be used in the ongoing conflict. The majority of licences to Israel are not to the Israel Defence Forces and not for military equipment. Under this Government's watch, there are no extant licences that could be used by Israel to commit or facilitate a serious violation of international humanitarian law in the Gaza conflict. All of this is subject to the measures set out in Parliament excluding exports to the global F-35 programme from the scope of the suspension. Some Members have questioned that, but let me be clear about the Government's view: suspending F-35 licences could not be done without prejudicing the F-35 programme.

My right hon. Friend the Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) asked how that is consistent with the law and referred to some of the opening speeches in the ongoing judicial review. I will not comment in great detail on the judicial review, which is considering these legal questions in greater detail. The section of the arms trade treaty to which he referred asks us to tend to questions of international peace and security. We have been clear in the House, and I am clear again today, that to bring down the F-35 programme would have significance to international peace and security and to our broader strategic role in NATO, and would affect western equipment support for Ukraine. This is not an arbitrary decision that we have taken. We will keep this and all aspects of our policy under close review.

Andy McDonald: Will my hon. Friend please accept from the people who make this argument that there is strength in it? The issue is the end user of the F-35 programme. There is no suggestion that the UK should withdraw from the programme entirely, only that there be a block on the end user. Those F-35s are delivering the 2,000-pound bombs that are rending asunder civilian communities in Gaza and we must play our part in making sure that does not happen any longer. Will he please accept that?

Mr Falconer: I want to be clear to my hon. Friend and to everybody here that the direct selling of F-35 parts to Israel has now been suspended; it is indirectly that we are not in a position to determine the end user. Members are saying that we could determine the end user. I reiterate the Government's position that the global supply chain is critical to the operation of the F-35 programme and that we cannot suspend licences to end users in the way that my hon. Friend would like without imperilling that.

Liam Byrne: I am grateful to the Minister for giving way; he is being characteristically generous. As I understand it, we cannot track F-35 parts because we have signed a contract that basically renders us blind when they leave our borders. Technically, it is possible; the Ministry of Defence has said that. The issue the Minister has to address is that article 7 of the arms trade treaty is very clear that if there is an overriding risk of a breach of IHL, exports should not be made. His Government's own submission to the courts is that that risk exists. We cannot have it both ways.

Mr Falconer: My right hon. Friend is making two distinct arguments. One is that we know who the end user is but cannot practically stop it, but we can also maintain the F-35 programme. The Government's position **16 DECEMBER 2024**

38WH

is that we cannot take action on the global spares pool without bringing the F-35 programme into peril, which would have implications for international peace and security. That is the position of the Government. On the article of the arms trade treaty to which he refers, it is clear that consideration needs to be given to international peace and security. It is on that basis that we have set out our position.

Another Member asked me about the legal advice. We have set out the legal position as clearly as we possibly can—more clearly than any previous Government has on such a decision. It is being tested in the courts. We are proceeding with the utmost transparency on these questions.

Layla Moran: Is it not the case that the review itself was drawn very narrowly, focusing just on Gaza, and did not look at the west bank? We know that there are violations and other issues in the west bank, and that they are getting worse and worse. Will the Government consider increasing the scope of their review to include the west bank, and perhaps conducting it again, given that everything is under review? I rather suspect that more than 30 export licences might be suspended if the west bank were included.

Mr Falconer: I can confirm to the hon. Member that, with the exception of the position with F-35 that we have just discussed, I have satisfied myself that the review conducted in relation to Gaza also covers the licences for arms that could be used both in the west bank and in the conflict in Lebanon. I have satisfied myself that the suspension announced on 2 September would cover the—

Richard Burgon: Will the Minister give way?

Mr Falconer: I am conscious that I have hardly a minute left, so I will wrap up and try to provide some

Mark Pritchard (in the Chair): Order. At the discretion of the Chair, if the Minister is so minded, he can continue to talk for beyond 10 minutes, given that we have time because some colleagues have left. However, I am aware of his busy schedule, so it is entirely in his

Richard Burgon: The United States has confirmed that all F-35 parts in the global spares pool are tracked by the US Government. Our Government have admitted that, too. Do the UK Government have access to that information? If not, why not, and have they asked for it? Do they know what proportion of the F-35 parts that the UK has exported to the global spares pool have ended up in Israel since October 2023?

Mr Falconer: I am happy to reply to my hon. Friend in writing on some of these questions of detail. On the F-35s, the Government's position is that we cannot suspend sales to the global spares pool without bringing down the overall programme, and so the international peace and security elements to which I have referred are very much in scope.

Andy Slaughter: I am most grateful to the Minister for giving way. May I return to recognition for a moment? The previous Government said that they would recognise Palestine when doing so best serves the object of peace. The current Government say they will recognise a Palestinian state as a contribution to a renewed peace process. I am struggling a little to see the difference between those positions.

There was a certain amount of sophistry in what the Opposition spokesperson, the right hon. Member for Aldridge-Brownhills (Wendy Morton) said, which was that we cannot recognise Palestine when the hostilities are continuing. We do not recognise states based on which Government they have or what is happening there at the moment; we recognise states on the basis of the right to sovereignty, which Palestine clearly has. What is stopping the Government from recognising Palestine now, particularly given the Commons vote 10 years ago?

Mr Falconer: I recognise my hon. Friend's long commitment to these issues. We are committed to recognising the state of Palestine at a point where we think it will make a contribution. I expect that he and many other Members will continue to press me on these issues for as long as this Parliament goes on.

We want to make a contribution to an advance of the position towards a two-state solution. As so many Members have said this afternoon, that feels horribly and dangerously distant at this time, but we think that the recognition of the state of Palestine can make a contribution to that process, and we want to see it on a more stable footing than we are at the current time.

Chris Hinchliff (North East Hertfordshire) (Lab): Will the Minister give way?

Mr Falconer: I will not. I will try to conclude my remarks and give the hon. Member for South Cotswolds, who secured this debate, a chance to wrap it up.

I hope that Members will see that this Government have taken meaningful action to try to alleviate the suffering. I hear the strength of feeling from both the public and the Members in this Chamber. We will continue to do more. We are deeply conscious of both the agonies in Gaza and the coming of winter, and all the pressures that will bring.

Ben Lake (Ceredigion Preseli) (PC): On that point, will the Minister give way?

Mr Falconer: I will try to push on, if that is okay.

We have announced £112 million for the occupied Palestinian territories this year. We will continue to press for the vital services that civilians in Gaza and the west bank desperately need. That includes £13 million that the Prime Minister announced as our commitment to UNRWA when he met Commissioner-General Lazzarini on 11 December. As I understand it, he is the first ever Prime Minister to meet an UNRWA Commissioner-General.

We have continually supported hostage talks, and I welcome the reference that fellow Members have made to the British national who is still being detained by Hamas. We will continue to work alongside our allies and partners in the region, exercising every possible diplomatic lever to see the hostages immediately and unconditionally released.

As I said, we have imposed sanctions against those perpetrating and inciting human rights abuses against Palestinian communities in the west bank, and since [Mr Falconer]

July we have sanctioned three illegal outposts and four organisations. I welcome the comments from hon. Members about the importance of peace-building efforts.

Israel and Palestine

Andy McDonald: The Minister has mentioned several times the three illegal outposts and four organisations. All outposts in the west bank are illegal. As a nation, why are we not taking much more strenuous action against all illegal occupation of the west bank and the occupied territories?

Mr Falconer: I thank my hon. Friend for the opportunity to reiterate this Government's policy towards the west bank. It is occupied Palestinian territory: that is clear in international law, and there is no dispute about that. The sanctions that we imposed had quite far-reaching implications, including for organisations that are involved on a broad and structural basis in helping to construct settlements. I hope that there is no ambiguity about our position.

Ben Lake: On that point, will the Minister give way?

Mr Falconer: I am going to push through to the end now.

Just last month, the Foreign Secretary chaired a UN Security Council ministerial meeting to focus international attention on the urgent need for a ceasefire and the release of all hostages. On 20 November, we voted in favour of the draft UN Security Council resolution on Gaza proposed by the 10 countries elected to the council. We reiterated our unwavering commitment to the vision of the two-state solution, in which two democratic states, Israel and

Palestine, live side by side in peace. That is what we, with our international partners, will continue to press for at every opportunity.

6.51 pm

Dr Savage: I thank the petitioners, especially Sandra, for their courage in bringing the petitions forward and for their commitment to peace. It was an honour to bring the petitions to Westminster Hall. I hope that we have done justice to the gravity of the issue and the seriousness of the dire situation facing all who are caught up in the appalling conflict in the middle east.

I thank colleagues for their thoughtful and knowledgeable contributions, and their compassion for the people of Israel and Palestine. I especially thank those colleagues who have shown over many years their commitment to the cause of peace in the middle east.

The stories we have heard this afternoon are harrowing, and the Government must take them seriously. I urge the Minister to engage directly with the proposals that have been made today, with the ultimate goal of securing an immediate bilateral ceasefire and a two-state solution, and to prioritise the resolution of the desperate humanitarian crisis over supply chains.

I hope that this debate marks not the end of the conversation, but the beginning of meaningful change. Let us not let this moment pass without action.

Question put and agreed to.

Resolved.

That this House has considered e-petitions 653509 and 652949 relating to Israel and Palestine.

6.53 pm

Sitting adjourned.

16 DECEMBER 2024

Written Statements

Monday 16 December 2024

BUSINESS AND TRADE

Royal Mail Takeover Bid: EP Group

The Parliamentary Under-Secretary of State for Business and Trade (Justin Madders): Royal Mail is an iconic national institution, and this Government will ensure that it continues to be one. Since taking office in July, the Secretary of State and I have been clear that the Government would robustly scrutinise the proposed takeover of Royal Mail, and ensure there are safeguards for its future.

While the takeover bid is still ongoing and subject to the relevant ongoing regulatory processes, this statement is to update the House on the legally binding undertakings that have now been given to Government by the bidder-EP Group. This does not mark the conclusion of the takeover, and these undertakings will only become effective if the takeover goes through.

Should the takeover complete, I am pleased to confirm that the Department for Business and Trade has secured significant commitments to promote the long-term and financially sustainable future of Royal Mail in the United Kingdom.

It may be helpful to set out where Royal Mail was at the time the takeover bid was announced. In its financial year 2023-24, Royal Mail recorded an operating loss of £348 million. At the same time, Royal Mail had not met its quality of service targets as set by the independent regulator, Ofcom. Royal Mail's performance for the 2022-23 financial year resulted in a £5.6 million fine.

While the previous Government were happy to accept decline, this Government have worked closely with EP Group to secure significant commitments to delivering transformation of Royal Mail into a sustainable service, and hardwired in stronger protections for Royal Mail's identity.

My Department's objectives when these discussions with EP Group began were to first strengthen the financial sustainability of this iconic and important British institution. Secondly, we wanted to protect the customers, workers and brand of Royal Mail.

The Department for Business and Trade has agreed unprecedented commitments from the potential buyer of Royal Mail to protect its long-term future and to recognise its position in the UK's national life.

Significantly, EP have committed to issue the Department for Business and Trade with a "golden share" in Royal Mail for certain matters. This means that—except in very limited circumstances—the Department for Business and Trade can now prevent Royal Mail from moving its headquarters abroad or moving its tax residency without the Government's permission. This is an entirely new measure which was not in place at the time of Royal Mail's privatisation, and it will remain in place in perpetuity, including where there is a subsequent change in ownership of Royal Mail in the future.

I want to be clear that this will not change any of the Government's role in the day-to-day running of the business; Royal Mail remains a private entity.

In addition to this golden share, there are several other commitments made by EP Group to the Department for Business and Trade. These include:

A number of financial commitments to guard against value extraction and introduce a set of requirements to strengthen Royal Mail's finances, including the implementation of a balance sheet restructuring, which will remove a significant intra-group debt that is currently due to the remainder of the IDS group.

There is a commitment from EP Group to ensure that Royal Mail has the financial means to fund the transformation of its business in the three-year period following completion of

Royal Mail has consistently not met its targets set by Ofcom. Recognising this, there will be a commitment such that EP Group cannot extract value from Royal Mail Group until it both can afford to do so, and has achieved specific performance targets.

I am placing copies of the deed in the Libraries of both Houses.

[HCWS311]

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TREASURY

Office for Budget Responsibility: **Economic and Fiscal Forecast**

The Chancellor of the Exchequer (Rachel Reeves): Today I can inform the House that I have asked the Office for Budget Responsibility (OBR) to prepare an economic and fiscal forecast for publication on 26 March 2025.

This forecast, in addition to the forecast that was published in October 2024, will fulfil the obligation required by the Budget Responsibility and National Audit Act 2011 for the OBR to produce at least two forecasts in a financial year.

I intend to respond to the March forecast with a parliamentary statement. This is in line with my commitment to deliver one major fiscal event a year, to give families and businesses the stability and certainty they need and, in turn, to support the Government's growth mission.

[HCWS315]

ENERGY SECURITY AND NET ZERO

Clean Power 2030 Action Plan

The Secretary of State for Energy Security and Net Zero (Ed Miliband): On Friday 13 December the Government published our clean power 2030 action plan. This is an important step towards delivering the Prime Minister's mission to make Britain a clean energy superpower, by achieving clean power by 2030 and accelerating to net zero across the economy, and follows on from his "plan for change" speech this December.

We are undergoing a significant transformation of our energy system, and this transition needs to accelerate to meet the Government's 2030 clean power goal, secure the economic opportunities it presents, and respond to the wider challenges presented by our ageing energy infrastructure. Our plan will play a critical role in delivering this acceleration, unlocking billions of pounds of private investment. It outlines the most ambitious reforms to Britain's energy system in a generation to make our country's energy secure, protect households from volatile international fossil fuel markets, reindustrialise the country with thousands of skilled jobs, and tackle the climate crisis. This plan will provide the foundation for the UK to build an energy system that can bring down bills for households and businesses for good.

Written Statements

Earlier this year, the National Energy System Operator published its independent, expert advice on delivering clean power by 2030. The Government's plan builds on that advice, outlining our view of the pathway to the 2030 clean power goal and the steps needed to get there. The plan covers both individual technologies and the cross-cutting enablers of deploying them, such as planning, grid, supply chains and skills.

Key measures in the plan include cleaning up the grid connections queue by prioritising the most important projects and ending the "first come, first served" system; speeding up decisions on planning permission by empowering planners to prioritise critical energy infrastructure; and expanding the renewable auction process to stop delays and get more projects connected.

The plan has been developed in partnership with interested Departments, the devolved Administrations and other parts of the public sector, such as Ofgem and NESO. A dedicated clean power commission, made up of experts from across industry, has also informed the plan, alongside broader industry engagement.

This ambitious plan marks a significant step forward for the Government's clean energy mission. We are committed to continuing to work in close partnership with stakeholders to deliver it.

[HCWS313]

Capacity Market: December Publications

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): I am tabling this statement to inform members of three publications relating to the capacity market. The publications consist of a consultation on improvements to capacity market rules and treatment of consumer-led flexibility in the capacity market; a call for evidence inviting further views on improvements to consumer-led flexibility in the capacity market; and a statutory report summarising the capacity market's performance over the last five years.

This Government have committed to delivering clean power by 2030 and accelerating progress towards net zero, while ensuring the security of supply. Making Britain a clean energy superpower by 2030 is one of the Prime Minister's five missions. To deliver this mission, we will increasingly rely on renewable power. The Government have set targets to double onshore wind, treble solar and quadruple offshore wind by 2030.

Introduced in 2014, the capacity market provides Great Britain with its ultimate safeguard to ensure security of supply. It serves to ensure enough capacity is available to provide a reliable electricity supply during peak demand periods and system stress events. The funding provided through the capacity market incentivises investment in new and existing generation, interconnectors, batteries, and demand side response mechanisms that enable consumer-led flexibility to ensure sufficient available capacity when required. This capacity is acquired through annual auctions held at intervals four years ahead and one year ahead of its delivery years. The Government regularly amend the capacity market prior to auction cycles to ensure it is cost-effective and meets broader strategic objectives such as clean power by 2030.

The transition to clean power will see changes in the patterns of energy production and consumption, with flexibility playing an increasingly important role. In October, we published a consultation and call for evidence exploring proposals to maintain security of supply and to enable flexible generation capacity to decarbonise. Today, we build upon this work by publishing a consultation and call for evidence on proposals to modernise the capacity market rules and improve consumer-led flexibility within the capacity market.

Consumer-led flexibility involves voluntary actions taken freely and directly by energy consumers to shift their electricity use. This includes residential customers using smart technologies, such as smart-charging EVs and heat pumps, as well as industrial and commercial units adjusting demand and utilising behind-the-meter generation or storage. This enables consumers to be rewarded with cheaper electricity by flexibly adjusting their usage to times of lower demand on the grid.

The consultation sets out policies to streamline how consumer-led flexibility, delivered by demand side response mechanisms, participates in the capacity market. As participation in the capacity market from aggregated domestic demand-side response portfolios increases to enable increased consumer-led flexibility, it is important that capacity market rules are updated to better incorporate and enable access from emerging technologies that can respond flexibly to times of high energy demand. It also seeks views on the introduction of a termination fee for new demand-side response mechanisms that fail to demonstrate agreed capacity, improving delivery assurance to enable the capacity market to fulfil its central principle of ensuring security of supply.

The consultation also outlines proposals on capacity market rule improvements. The capacity market rules govern how the capacity market operates. It is integral that the rules are clear and consistent in their operation to ensure the market remains accessible for new entrants seeking to invest in new sources of capacity. The consultation outlines proposals to improve the accessibility and clarity of the capacity market rules to ensure greater understanding and adherence to them. The proposed changes will enable capacity market units to change their opt-out status following a change in their operational circumstances, and will remove rules on transitional and coronavirus arrangements that are no longer required. These changes should ensure the capacity market rules remain fit for purpose and continue to allow new, innovative technologies to participate in the capacity market without facing unnecessary administrative hurdles. The proposed changes also extend a policy to allow

existing generators to use data older than 24 months to pre-qualify for auctions held in 2026. This will further increase auction competitiveness and lower the costs of the capacity market for consumers' energy bills.

Written Statements

The call for evidence seeks views on potential changes to the capacity market to improve consumer-led flexibility. It builds on proposals laid out in the capacity market phase 2 consultation, which was published in October 2023 to invite views on how the demand-side response mechanisms that enable consumer-led flexibility could be better categorised and integrated into the capacity market. It also seeks feedback on how these mechanisms can be better supported through improved portfolio management, while maintaining the high levels of delivery assurance expected within the capacity market.

Finally, we have published the second statutory five-year review, covering the years 2019 to 2024 of the capacity market's performance—referred to as the 10-year review. This review provides a summary of how the capacity market has performed against its original objectives. It draws on evidence gathered from a Government-commissioned independent process and impact evaluation of the capacity market scheme in September 2021, and on responses to a call for evidence published in October 2023.

The review has taken place as the Government consider larger strategic questions through the review of electricity market arrangements programme, whose remit includes how a future capacity market can meet Government objectives on security of supply. The review does not seek to pre-empt the outcomes of the review of electricity market arrangements.

These publications consider actions to improve accessibility to and functionality of the capacity market, while continuing to uphold its primary objective of ensuring security of supply. As the capacity market reaches its 10-year milestone as a key pillar at the heart of the Government's strategy for ensuring security of electricity supply in Great Britain, these proposals seek to ensure that it remains fit for purpose and continues to play a crucial role in achieving the clean power mission.

[HCWS314]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Development and the Environment

The Minister for Housing and Planning (Matthew Pennycook): The Government are determined to rebuild Britain, delivering on our hugely ambitious "plan for change" milestones of building 1.5 million safe and decent homes and fast-tracking 150 planning decisions on major infrastructure by the end of this Parliament. At the same time, we are committed to supporting nature recovery and delivering on the Environment Act 2021.

When it comes to development and the environment, we know we can do better than the status quo, which too often sees both sustainable house-building and nature recovery stall. Instead of environmental protections being seen as a barrier to growth, we want to unlock a win-win for the economy and for nature.

In the King's Speech, we set out our intention to use development to fund nature recovery, delivering necessary changes through legislation where we can confirm to Parliament that the steps we are taking will deliver positive environmental outcomes.

With a view to progressing policy development in advance of the publication of the Planning and Infrastructure Bill next year, the Government have published a working paper inviting views on a proposed new approach to accelerate housing and infrastructure development while going beyond offsetting harm to drive forward nature recovery.

In developing this working paper, the Government have engaged constructively with representatives of the development industry, nature conservation organisations, nature service providers, and local government. The approach proposed has benefited considerably from the valuable feedback received, and we intend to continue to work closely with key stakeholders as we continue to refine our thinking in this area.

That the status quo is producing sub-optimal outcomes is not in dispute. There is widespread consensus that it is deterring planning applications and hindering the pace at which development can be delivered, while at the same time failing to maximise benefits for nature.

The challenges relating to nutrient neutrality are a case in point. An estimated 8% of new housing supply equating to approximately 16,500 dwellings per year, based on recent housing output levels—has historically been delivered in sensitive river catchments subject to nutrient neutrality requirements flowing from the Conservation of Habitats and Species Regulations 2017. There is widespread evidence that such requirements are unnecessarily deterring planning applications and hindering the pace at which homes and infrastructure in these catchment areas can be delivered. The current arrangement requires costly site-by-site mitigation for each new development, and even where mitigation measures are available, obligations currently have to be assessed and secured on a project-by-project basis that often fails to secure optimal environmental outcomes.

Alongside taking robust regulatory and policy action to address pollution and environmental harm at source, the Government therefore want to take a more strategic approach to enable development to proceed where it is needed, while delivering more effectively for nature.

Such an approach would entail moving responsibility for identifying actions to address the environmental impacts of development away from multiple, project-specific assessments in an area and toward a single strategic assessment and delivery plan implemented at the right spatial scale. Without reducing the level of environmental protection provided for in existing law, we believe this approach, if taken forward, would provide a more efficient and effective way to deliver on the outcomes that the habitats regulations and other environmental obligations aspire to achieve.

In adopting this more strategic approach, which will enable the delivery of tens of thousands of new homes alongside new infrastructure, we are seeking to:

take a holistic view of nature recovery to secure better environmental outcomes, in line with our Environment Act targets;

go beyond offsetting environmental impacts and instead use development to drive nature recovery; 16 DECEMBER 2024

drive efficiency and reduce duplication of effort to ensure every pound spent is helping to deliver our environmental goals;

make it far easier for developers to discharge a range of environmental obligations, with the legal certainty necessary to underpin substantial capital investment;

give delivery partners the tools they need to generate positive outcomes for nature, empowering them to make the right choices to deliver nature recovery;

establish a robust and transparent framework to monitor delivery of environmental outcomes; and

create a lasting legacy of environmental improvement that will promote better public health through increased access to high quality green spaces.

We want to meet these objectives by taking three steps, for which the Planning and Infrastructure Bill would provide the necessary legislative underpinning:

Moving responsibility for identifying actions to address environmental impacts away from multiple project-specific assessments in an area to a single strategic assessment and delivery plan. This will allow action to address environmental impacts from development to be taken strategically, at an appropriate geographic scale, rather than at the level of an individual project—while recognising the importance of protecting local communities' access to nature and green space.

Moving more responsibility for planning and implementing these strategic actions on to the state, delivered through organisations with the right expertise and with the necessary flexibility to take actions that most effectively deliver positive outcomes for nature.

In turn, allowing impacts to be dealt with strategically in exchange for a financial payment that helps fund strategic actions, so development can proceed more quickly. Project-level environmental assessments are then limited only to those harms not dealt with strategically.

In due course, our proposed approach would be supported by the new framework of environmental outcomes reports that will replace the current systems of environmental assessment with a more effective and outcome-focused tool for managing the effects of development on the natural environment.

As we seek to refine our new approach, we recognise the importance of continuing to deliver nutrient mitigation schemes, including via the local nutrient mitigation fund and Natural England's nutrient mitigation scheme. In this vein, we also intend to continue to support the delivery of strategic measures such as district-level licensing and suitable alternative natural green spaces, as well providing ongoing support for local authorities through the Planning Advisory Service.

Shifting to a strategic and more outcomes-focused approach to impact assessment and nature recovery has the potential to support the environment, as well as helping us deliver the housing and infrastructure we need, unlocking a win-win for the economy and nature. We look forward to receiving views on the options set out in the working paper.

[HCWS317]

English Devolution

The Minister for Local Government and English Devolution (Jim McMahon): Today, I am pleased to announce that the Government have laid the English Devolution White Paper.

The No. 1 mission of this Government is to relight the fire of our economy and ignite growth in every region. But we have an economy that hoards potential and a politics that hoards power—England is one of the most centralised developed countries, with too many decisions affecting too many people made by too few.

To truly get growth in every corner of the country and raise living standards, as set out in the Government's ambitious plan for change, we must rewire England and end the hoarding in Whitehall by devolving power and money from central Government to those with skin in the game.

That means empowering mayors to drive growth and ending the patchwork approach to devolution. But it also means rebuilding and reforming local government as the foundation for devolution, a reset in the relationship between central and local government, and giving communities stronger tools to shape the future of their local areas.

To do this, we will bring forward a landmark English devolution Bill when parliamentary time allows. In advance of the Bill, we have today laid the English Devolution White Paper.

Deepening and widening devolution in England

At its core, the White Paper sets out how the Government will strengthen and widen the mayoral model of devolution across England. Mayors are uniquely placed to drive growth. They can use their mandate for change to take the difficult decisions needed to drive growth; their standing and soft power to convene local partners to tackle shared problems; and their platform to tackle the obstacles to growth that need a regional approach.

To equip mayors with the tools they need to deliver, we will:

Provide unprecedented powers and budgets for mayors, via our enhanced devolution framework. This will include:

A clear and transparent route for mayors to access integrated funding settlements over time. Starting with Greater Manchester, the West Midlands, South Yorkshire, West Yorkshire, Liverpool City Region, and the North East, this is a consolidated budget across housing, regeneration, local growth, local transport, skills, retrofit, and employment support.

New powers over strategic planning and control of grant funding for regeneration and housing delivery, putting our regions at the centre of the drive to build 1.5 million homes in this Parliament.

Devolution of non-apprenticeship adult skills functions and supported employment funding to mayors, as well as a substantive role in future employment support that is additional to core Jobcentre Plus provision. Mayors will take on joint ownership of the local skills improvement plan model and will have a crucial role in ensuring there are clear pathways of progression from education into both further and higher education and local employment opportunities.

A statutory role for mayors in governing, managing, planning, and developing the rail network, with an additional right for the most established mayors to request devolution of services, stations and infrastructure.

A strengthened role for mayors in relation to business support, boosting exports and attracting international investment.

Moving mayoral strategic authorities to simple majority voting, including the mayor's vote, wherever possible, because unanimity is not in the best interests of getting houses built or growing the local economy.

Reform and join up public services, to help services deliver for citizens and reduce the number of politicians. One of the simplest and most effective means to do this

is bottom up, through place. So the Government will: transfer police and crime commissioner (PCC) and fire and rescue authority (FRA) responsibilities to mayors where boundaries align; explore the possibility of a single mayor taking on PCC and FRA responsibilities across two or more authorities where this would result in coterminous boundaries; establish an expectation that mayors are appointed to integrated care partnerships and are considered for the role of chair or co-chair; and announce a long-term ambition to align public service boundaries, including jobcentres, police, probation, fire, health services, and strategic authorities. Through these measures, strategic authorities will be positioned as convenors on public service reform, working in partnership with local authorities.

Written Statements

Hardwire devolution into Government, because, for too long, the priorities of places have been ignored. New forums, like the Prime Minister's Council of the Nations and Regions, and statutory local growth plans, which dovetail with the Government's national industrial strategy, will hardwire local areas into the way the UK Government operate, enabling every corner of the country to play its part in delivering the Government's plan for change.

Establish "devolution by default". Devolution in England has been ad hoc and inconsistent, with it being too unclear what powers places can access, when and how. The Government will legislate to set out which powers go to which type of authority. The most far-reaching and flexible powers will be for areas with mayors, because they provide the most visible and accountable form of local leadership. This is the floor of our ambition, not the ceiling, so we will enable our most mature institutions to request and pilot new functions to drive innovation.

As we widen devolution, our goal is simple: universal coverage of strategic authorities in England. These should be larger than individual councils, covering wider areas where people live and work, to utilise the benefits of economies of scale. Many places already have combined authorities that serve this role.

The Government issued an invitation to places without devolution to submit proposals in July. We have had constructive conversations with a range of areas, including Cheshire and Warrington, Norfolk and Suffolk and others, about how devolution could support their ambitions.

The Government will shortly set out their priority programme for devolution—which will be for areas that are willing to progress devolution to an accelerated timescale, and to plan for inaugural mayoral elections in May 2026. The Government will continue to develop proposals for new strategic authorities collaboratively and in partnership with local areas. However, to ensure that everyone in England can benefit from devolution and ensure the effective running of public services, the Government will legislate for a ministerial directive, allowing the creation of strategic authorities where absolutely necessary and, after due time has been allowed, local leaders have not been able to agree. This goes hand-in-glove with our partnership approach to local government reorganisation. Taken together, this will mean fewer politicians who are more able to focus on delivering for residents.

Delivering devolution at every scale

Everyone—from regional mayors leading strategic economic policy, to frontline councillors convening their communities—needs the tools and trust to deliver change.

That is why the White Paper is a vision for putting power in the right places and repairing the foundations of local government.

Councils are the foundation of our state—critical to driving growth, delivering and reforming the local public services people rely on, and to our democratic system. But local government has not been empowered to live up to its potential and people have suffered as a result. We will rebuild local government after 14 years of mismanagement and decline, so that it is fit, legal and decent. This means fairer funding and multi-year financial settlements, as we committed to in the local government finance policy statement in November. The initial consultation on the principles of this funding reform will be launched later this week. The public being able to hold councils to account for decisions means ending micromanagement from central Government—so we will reform the use of wasteful competitive and ringfenced funding pots and rationalise funding for service delivery into the local government finance settlement wherever possible; streamline and rationalise reporting requirements; and review requirements for local authorities to seek Secretary of State consents for the use of their powers.

We will establish a genuine partnership between central and local government, recognising the vital role of local councillors as frontline community convenors, and executive members and leaders as partners in delivering the Government's missions and plan for change. This includes delivering 1.5 million homes, with upper tier local authorities coming together to deliver strategic planning where there is not a strategic authority in place, underpinned through provisions in the forthcoming planning and infrastructure Bill.

And, because unitary councils can lead to better outcomes for residents, save significant money which can be reinvested in public services, and improve accountability with fewer politicians who are more able to focus on delivering for residents, we will facilitate an ambitious programme of local government reorganisation. This programme will cover two-tier areas and unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality public services. Reorganisation should not delay devolution, and we will take a phased approach to delivery, including prioritising areas where reorganisation can unlock devolution.

Too many of our towns, villages and neighbourhoods have been left behind by economic change and have been let down by struggling public services. We will empower communities with new rights and levers to drive change and regenerate their neighbourhoods, and protect cherished community assets, introducing a new community "right to buy" for assets of community value. We have also retained the long-term plan for towns and will reform it into a new regeneration programme. We will enhance local authorities' powers, enabling them to address the challenges facing their areas. This will include strengthening councils' ability to take over the management of vacant residential properties and to introduce large selective licensing schemes to improve conditions in the private rented sector, without requiring Secretary of State approval.

Upgrading the systems

Finally, we will secure devolution for the long term, strengthening accountability and building capacity. We will deliver improvements to the accountability system

12WS

for devolution, including an outcomes framework for integrated funding settlements, so it remains fit for purpose as we devolve more powers and funding, and improve external scrutiny of local public spending, such as reforms to the local audit system and local government standards and oversight. To build capacity at all levels, we will ensure the right people are available for the job, seconding out from central Government if needed, while ensuring mayors are focused on their role and can empower their team to deliver.

Next steps

I have engaged closely with England's regional mayors, via our new Mayoral Council, and local authorities, via our new Leaders Council, and will continue to do so as we roll out this ambitious programme. When parliamentary time allows, we will bring forward the English devolution Bill, which will help us deliver on the vision set out in the White Paper and on our commitment to empower communities to take back control from Westminster, so we can work in partnership to drive growth and ensure people across the whole country benefit.

[HCWS316]

16 DECEMBER 2024

SCIENCE, INNOVATION AND TECHNOLOGY

Online Safety Act 2023: Implementation

The Secretary of State for Science, Innovation and **Technology (Peter Kyle):** Today, the Government have reached two significant milestones in the implementation of the Online Safety Act ("the Act"), marking an important step forward in creating a safer online environment for all UK citizens. Today, I am laying in Parliament Ofcom's first draft codes of practice for the illegal content duties and draft regulations setting out the threshold conditions for category 1, 2A and 2B services under the Act.

Ofcom's draft illegal content duties codes of practice:

The illegal content duties apply to all regulated user-to-user and search services under the Act, no matter their size or reach. These include new duties to have systems and processes in place to tackle illegal content and activity. Ofcom, as the independent regulator for this regime, is required to set out measures in codes of practice that providers can take to fulfil these statutory duties. Ofcom has now submitted to me the drafts of its first codes of practice for the illegal content duties to lay these in Parliament for scrutiny. If neither House objects to the draft codes, Ofcom must issue the codes and the illegal content duties will come into force 21 calendar days later. Once the codes have come into force, the statutory safety duties will begin to apply to service providers, and Of com will be able to enforce against non-compliance.

Ofcom has also published its guidance on how providers should carry out risk assessments for illegal content and activity. Providers now have three months to complete their illegal content risk assessment.

The completion of the risk assessments should coincide with the codes of practice coming into force if they pass the statutory laying period. Ofcom's codes will set out steps service providers can take to address identified risks. The draft codes will drive significant improvements in online safety in several areas. They will ensure service providers put in place effective systems and processes to take down illegal content, including for content that amounts to terrorism, child sexual abuse material (CSAM), public order offences, assisting suicide, intimate image abuse content and other offences. They will make it materially harder for strangers to contact children online, to protect children from grooming. They will significantly expand the number of services that use automated tools to detect CSAM. They will make it significantly easier for the police and the Financial Conduct Authority (FCA) to report fraud and scams to online service providers. And they will make it easier for users to report potentially illegal content.

The draft codes are a vital step in implementing the new regime. Ofcom fully intends to build on these foundations and has announced plans to launch a consultation in spring 2025 on additional measures for the codes. This includes consulting on how automated tools can be used to proactively detect illegal content, including the content most harmful to children, going beyond the automated detection measures that Ofcom have already included. Bringing in the codes will be a key milestone in creating a safer online environment for UK citizens as the duties begin to apply and become enforceable.

Categorisation thresholds:

Services which are 'categorised' under the Act will have additional duties placed on them. This is on top of the duties which all regulated user-to-user and search services must comply with to tackle illegal content and, where relevant, to protect children from content that is legal but nonetheless harmful to them. The additional duties will vary depending on whether a service is designated category 1—large user-to-user services—category 2Alarge search services—or category 2B—smaller categorised user-to-user services.

In making these regulations, I have considered factors as required by the Act. Amendments made during the passage of the Act, changed the consideration for category 1 from the "level of risk of harm to adults from priority content that is harmful to adults disseminated by means of the service" to "how easily, quickly and widely regulated user-generated content is disseminated by means of the service." This was a significant change and, while I understand that this approach has its critics who argue that the risk of harm is the more significant factor, this is the position under the Act.

Ofcom advice and the Secretary of State's (Peter Kyle) decision on threshold conditions

The Act required Ofcom to carry out research within six months of Royal Assent, and to then provide the Secretary of State with advice on the threshold conditions for each of the three categories. This research included a call for evidence so that stakeholder feedback could be considered in Ofcom's advice.

After considering Ofcom's advice and subsequent clarificatory information in public letters, I have decided to set threshold conditions for categorisation in accordance with Ofcom's recommendations. I am satisfied that Ofcom's advice, which was published in March, is the culmination of an objective, evidence-based process. I have taken this decision in line with the factors set out in schedule 11 of the Act. I have been very clear to date, and want to reiterate, that my priority is the swift implementation of the Act's duties to create a safer online environment for everyone. I am open to further research in the future and to update thresholds in force if necessary.

I appreciate that there may be some concerns that, at this time, threshold conditions have not been set to capture so-called "small but risky" services by reference to certain functionalities and characteristics or factors. My decision to proceed with the thresholds recommended by Ofcom, rather than to take the approach of discounting

14WS

user number thresholds, reflects the fact that any threshold condition created by the Government should take into account the factors as set out in the Act, be evidence-based and avoid the risk of unintended consequences.

I also welcome Ofcom's statement that it is keenly aware that the smallest online services can represent a significant risk to UK citizens, that it has established a dedicated "small but risky" supervision taskforce and that it will use the tools available under the Act to identify, manage and enforce against such services where there is a failure to comply with the duties that all regulated services will be subject to. This includes enforcement powers: to impose penalties on service providers of up to 10% of qualifying worldwide revenue or £18 million—whichever is greater; to require services to take remedial action; and in certain cases, to apply to court for business disruption measures to be taken against service providers.

As Secretary of State, my priority is timely implementation of the Act to ensure that the additional duties are enforceable as soon as possible. Ofcom's recently updated implementation roadmap sets out the expectation that it aims to publish the register of categorised services in summer 2025 and will launch transparency reporting within a few weeks of publication of the register. This timeline is contingent on the regulations for categorisation thresholds being approved by Parliament without delay.

Proportionality

Many of the additional duties for categorised services have proportionality as a relevant consideration. For example, in determining what is proportionate for the user empowerment content duty, the findings of the most recent user empowerment assessment are relevant which includes the incidence of relevant content on the service, in addition to the size and capacity of a provider. When producing its guidance and codes of practice Of com will have regard to the principle of proportionality. In line with Ofcom's recommendations, we have made it clear in the regulations that services are not captured under category 1 if they use a content recommender system which only recommends to a user their own

Threshold conditions

16 DECEMBER 2024

Following Ofcom's advice and having taken into account matters as required by the Act, I have therefore today laid draft regulations which are intended to give effect to the following threshold conditions for each category

The Category 1 threshold conditions are met by a regulated user-to-user service where, in respect of the user-to-user part of that service, it:

has an average number of monthly active United Kingdom users that exceeds 34 million and uses a content recommender system, OR

has an average number of monthly active United Kingdom users that exceeds 7 million, uses a content recommender system and provides a functionality for users to forward or share regulated user-generated content on the service with other users of that service.

The Category 2A threshold conditions are met by a search engine of a regulated search service or a combined service where it:

has an average number of monthly active United Kingdom users that exceeds 7 million, and

is not a vertical search engine—a search engine which only enables a user to search selected websites or databases in relation to a specific topic, theme or genre of search content.

The Category 2B threshold conditions are met by a regulated user-to-user service where, in respect of the user-to-user part of that service, it:

has an average number of monthly active United Kingdom users that exceeds 3 million and provides a functionality for users to send direct messages to other users of the same

[HCWS312]

ORAL ANSWERS

Monday 16 December 2024

	Col. No.		Col. No.
WORK AND PENSIONS	1	WORK AND PENSIONS—continued	
Budget 2024: Unemployment	1	Parental Leave: Pay and Allowances	. 12
Ill Health and Disability Benefits	14	Pensions Auto-enrolment: Lower Earners	. 10
Inflation: Pensioner Living Standards	. 6	Poverty Reduction	. 9
Jobcentres: Outreach		Refugees: Employment	
Low-paid Work	15	Topical Questions	. 17
"Get Britain Working" White Paper		Universal Credit	. 8
"Get Britain Working" White Paper: Employers		Universal Credit	
"Get Britain Working"White Paper: Long-term		Winter Fuel Payment: Pensioner Poverty	. 16
Health Conditions	14	Youth Guarantee	. 13

WRITTEN STATEMENTS

Monday 16 December 2024

	Col. No.		Col. No.
BUSINESS AND TRADE	1WS	HOUSING, COMMUNITIES AND LOCAL	
Royal Mail Takeover Bid: EP Group	1WS	GOVERNMENT—continued	
ENERGY SECURITY AND NET ZERO	2WS	English Devolution	7WS
Capacity Market: December Publications	3WS	SCIENCE, INNOVATION AND TECHNOLOGY	11WS
Clean Power 2030 Action Plan	2WS	Online Safety Act 2023: Implementation	11WS
HOUSING, COMMUNITIES AND LOCAL		TREASURY	2WS
GOVERNMENT	5WS	Office for Budget Responsibility: Economic and	
Development and the Environment	5WS	Fiscal Forecast	2WS

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CONTENTS

Monday 16 December 2024

List of Government and Principal Officers and Officials of the House [Col. 1]

Oral Answers to Questions [Col. 1] [see index inside back page]

Secretary of State for Work and Pensions

United Front Work Department [Col. 23]

Answer to urgent question—(Dan Jarvis)

English Devolution [Col. 36]

Statement—(Jim McMahon)

Royal Mail Takeover [Col. 63]

Statement—(Justin Madders)

Point of Order [Col. 75]

Water (Special Measures) Bill [Lords] [Col. 76]

Motion for Second Reading—(Steve Reed)—agreed to Programme motion—(Christian Wakeford)—agreed to

Victims of Sexual Violence: Court Delays [Col. 137]

Debate on motion for Adjournment

Westminster Hall

Israel and Palestine [Col. 1WH]

E-petition debate

Written Statements [Col. 1WS]