

**Tuesday  
17 December 2024**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Tuesday 17 December 2024**

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# House of Commons

*Tuesday 17 December 2024*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### ENERGY SECURITY AND NET ZERO

*The Secretary of State was asked—*

#### Mineworkers' Pension Scheme: Living Standards

1. **Lillian Jones** (Kilmarnock and Loudoun) (Lab): What assessment he has made of the potential impact of changes to the mineworkers' pension scheme on the living standards of recipients. [901834]

2. **Nick Smith** (Blaenau Gwent and Rhymney) (Lab): What assessment he has made of the potential impact of changes to the mineworkers' pension scheme on the living standards of recipients. [901835]

4. **Graeme Downie** (Dunfermline and Dollar) (Lab): What assessment he has made of the potential impact of changes to the mineworkers' pension scheme on the living standards of recipients. [901837]

6. **Jacob Collier** (Burton and Uttoxeter) (Lab): What assessment he has made of the potential impact of changes to the mineworkers' pension scheme on the living standards of recipients. [901839]

16. **Josh Simons** (Makerfield) (Lab): What assessment he has made of the potential impact of changes to the mineworkers' pension scheme on the living standards of recipients. [901849]

**The Secretary of State for Energy Security and Net Zero (Ed Miliband):** In the Budget, the Government decided to transfer the mineworkers' pension scheme investment reserve to members of the scheme. At the end of last month, the first increase in payments was made to over 100,000 ex-miners and their families. That has meant an extra 32% rise in people's pensions each month—an average of £29 per week. The overturning of that historic injustice demonstrates the difference made by a Labour Government.

**Lillian Jones:** I thank the Secretary of State for that reply and for his attentive engagement on the issue. I understand that British coal staff superannuation scheme trustees wrote to the Department last month with reform proposals. I urge the Secretary of State to

meet them as soon as possible to rectify the long-standing injustice, especially given the increasing age and declining health of the beneficiaries.

**Ed Miliband:** I should say that the praise all goes to the Minister for Industry, my hon. Friend the Member for Croydon West (Sarah Jones), for the progress that has been made. She is in sole charge of the issue. I know that she has been engaging with the trustees of the BCSSS; indeed, I believe she met them yesterday. She knows the point my hon. Friend the Member for Kilmarnock and Loudoun (Lillian Jones) is making about that scheme.

**Nick Smith:** In Blaenau Gwent and Rhymney, 1,600 miners received the biggest number of increased payments from the mineworkers' pension scheme in Wales. All of my uncles on my mum's side were miners. Dessie Winter, who is alive and well, will benefit from the MPS changes, but my uncles Georgie and Jackie were pit supervisors who paid into the separate National Coal Board staff pension scheme. They have sadly passed, but their colleagues deserve fairness. Since 1994, the Government have received £3.1 billion from the BCSSS. Will the Secretary of State say if he will look again at the staff side's surplus payments to benefit our pensioners?

**Ed Miliband:** My hon. Friend makes his point with customary eloquence. I know from personal experience that there were people who were waiting for the injustice to be remedied but unfortunately died before that happened. He refers to part of the issue raised by the Business, Energy and Industrial Strategy Committee, as it then was, about 50:50 surplus sharing. I know my hon. Friend the Minister for Industry is looking at that.

**Graeme Downie:** Correcting the injustice in the mineworkers' pension scheme has made an incredible difference to the former miners in my constituency of Dunfermline and Dollar after so many years. At the weekend, I met representatives from the BCSSS in Fife, including the men and women who are particularly affected by that scheme and the women who worked in the canteens and other areas, who feel that they have been left behind by the changes to the MPS. Will the Secretary of State meet campaigners in Fife and across Scotland regarding this issue, and will he ensure that he makes progress as quickly as possible to correct the injustice that those people have suffered as well?

**Ed Miliband:** I know from my constituency that there is a strong feeling about the BCSSS. That is why my hon. Friend the Minister for Industry has moved at speed to meet the trustees. The schemes are not exactly the same in some of their arrangements, but my hon. Friend the Member for Dunfermline and (Graeme Downie) is right to say that there is certainly a read-across from some of the injustices in the MPS, and I know that the Minister for Industry is looking at that.

**Jacob Collier:** As a Collier, I welcome the Government's announcement on the mineworkers' pension scheme. However, as the Secretary of State has heard, the BCSSS members, including my constituent Mitch Wainwright, have raised concerns about unequal treatment, given the similarities between the schemes. What steps are the

Secretary of State and the Minister taking to ensure that those former British Coal employees are treated as equitably as those in the MPS?

**Ed Miliband:** My hon. Friend is right about the read-across and the sense that the injustice that has been remedied in the MPS needs to be remedied in the BCSSS. There is also a real need for speed. That is why my hon. Friend the Minister for Industry is on the case, as she was so brilliantly on the MPS, delivering in less than five months the justice that the Conservative Government never delivered in 14 years.

**Josh Simons:** In my constituency of Makerfield, more than 500 people stand to benefit from changes introduced by this Government to the mineworkers' pension scheme. For years, those people and their families stood by and watched as the Conservative Government stole their pensions and disrespected their work. I want us to celebrate our industrial past and those who made this nation wealthy and powered our industrial revolution. Does the Secretary of State agree that we need to do more to remember the legacy of mining as well as to drive up the living standards of those on the mineworkers' pension scheme?

**Ed Miliband:** My hon. Friend is right. I think I am right in saying—my hon. Friend the Minister for Industry and I have had a discussion about this—that almost every constituency—

**The Minister for Industry (Sarah Jones):** It is every constituency.

**Ed Miliband:** Every constituency has members of the MPS who are benefiting from this. I hope the Conservative party welcomes a Labour Government acting on this injustice—there is not much sign of that, though. My hon. Friend the Member for Makerfield (Josh Simons) makes the point about commemorating the work of miners, which is something that I feel strongly about and that we will pursue.

**James Wild (North West Norfolk) (Con):** I am sure that any of my constituents who stand to benefit from this increase will welcome it, but how many members of the mineworkers' pension scheme will be losing out on winter fuel payments worth up to £300 due to the decisions that this Government have taken?

**Ed Miliband:** This is actually to do with the disastrous economic legacy that was left by the Conservative party. The truth is that, even in tough times, the Labour Government are showing with their decisions on the MPS how we can make our society more just.

**Lisa Smart (Hazel Grove) (LD):** One of the questions I was most frequently asked when I was the trustee of one of the larger local authority pension schemes was what more the fund could do to tackle climate change, particularly in relation to investing in fossil fuel companies. Will the Secretary of State update the House on the conversations that he has been having with the Pensions Minister to ensure that pension funds do their bit to help get us to net zero?

**Ed Miliband:** That is an excellent question, Mr Speaker. I will write to the hon. Lady with a good answer.

**Calum Miller (Bicester and Woodstock) (LD):** I was pleased to see the Secretary of State saying last week that those who host clean energy infrastructure should benefit from it. When landowners and developers in my constituency are cashing in on building new solar, my constituents in Bicester and Woodstock think that it is only fair that benefits are shared. Will the Secretary of State tell me whether he will follow the model of other Governments in setting a mandatory—

**Mr Speaker:** Order. Let us try somebody else.

**David Chadwick (Brecon, Radnor and Cwm Tawe) (LD):** I should declare an interest in that many of my relatives across south Wales are former miners. In the autumn Budget, the Government quite rightly made the decision to end the pension injustice for miners who were part of the mineworkers' pension scheme, but they did not do the same for the 40,000 miners who were part of the British coal staff superannuation scheme, including 151 former miners in my own constituency. Will the Government guarantee that these men and women get the pension they deserve and explain why they will have to wait longer for justice than many of their former colleagues?

**Ed Miliband:** The hon. Member and I both have constituency interests in this matter, and he is right to say that. None the less, I say gently to him that no action was taken on this for a very, very long time—indeed, since privatisation. This Government took action in the Budget in less than five months. That is the difference. I have made it absolutely clear that my hon. Friend the Minister for Industry is now turning her excellent attention to the BCSSS.

**Jim Shannon (Strangford) (DUP) rose—**

**Mr Speaker:** I am not sure whether there are many coalmines in Strangford, but come on then—I call Jim Shannon.

**Jim Shannon:** May I welcome what the Government and the Minister are doing on this matter? This good scheme takes care of an injustice from some 30 years ago. There are those in Northern Ireland who worked in the mines, and their families are still concerned about this issue. Can we have a timescale for the completion of the work on the British coal staff superannuation scheme, which some of them would have qualified for?

**Ed Miliband:** I thank the hon. Gentleman for his question. I am glad that he, too—like everyone else in this House, according to my hon. Friend the Minister for Industry—has constituents who will be benefiting from this work. The best I can say to him on this issue, which has now been rightly raised a number of times, is that the Minister for Industry will have heard the calls made with real urgency, which I think we all recognise, and will act accordingly.

### Community Energy Projects

3. **Olly Glover (Didcot and Wantage) (LD):** What steps he is taking to support community energy projects.  
[901836]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks):** Community energy will play a pivotal role in our mission for clean power. Last week, we published the clean power action plan, which contained more information about how we will meet this world-leading mission, and the report confirmed that community energy will play an important role, particularly through Great British Energy.

**Olly Glover:** Renewable energy schemes on community buildings in my Oxfordshire constituency of Didcot and Wantage, supported by the Low Carbon Hub in Oxford, have mostly benefited building owners up to now. Would the Minister support more flexibility in local energy systems and allow local energy trading to get more support for renewable energy schemes in our communities, so that more local people can directly benefit?

**Michael Shanks:** The hon. Gentleman makes an incredibly important point about how local community groups can benefit from not just hosting the community energy, but from being able to sell locally. We have had a number of conversations on this topic already. I most recently met the community energy contact group, which does a lot of work to look at what regulations there might be, and we are happy to look at any proposals that come forward. We want to see a revolution in community energy right across the country so that more communities can benefit.

**Mr Toby Perkins (Chesterfield) (Lab):** Under the previous Government, we had an energy market that worked for nobody. It was bad for consumers, and we also saw many energy companies go out of business as the Government lost any grip on the industry. Does my hon. Friend agree that with the greater stability we have under this new Labour Government, there are opportunities for community energy coming forward as part of the recovery of our whole energy infrastructure?

**Michael Shanks:** It will not surprise the House that I agree wholeheartedly with my hon. Friend, who, as always, makes an incredibly important point. He is right that stability is key, but so too is this Government's commitment to invest in community energy. We have committed to upwards of 8 GW of energy from community sources over the course of this Parliament up to 2030. That commitment ensures not just that we have an energy mix where communities benefit, but that they benefit from the economic and social advantages of owning the energy they produce.

**Sarah Dyke (Glastonbury and Somerton) (LD):** Community energy schemes provide a great opportunity for local communities to take ownership of clean energy production. In Glastonbury and Somerton, we have seen the benefits as Avalon Community Energy projects around Glastonbury are projected to save 1,000 tonnes of carbon per year. How will the Minister support community energy schemes and ensure that they play a fair and full role in creating clean energy?

**Michael Shanks:** The hon. Member has raised community energy on a number of occasions in this place, and I know she is a champion of it. She is right to highlight the examples of where community energy can make a huge difference. One of the key areas we want to

drive forward is the local power plan, which will be delivered by Great British Energy. Unfortunately, her party did not in the end support the creation of Great British Energy, but I hope they will change that position and see the huge advantages of investing through Great British Energy in schemes like the one she mentioned, but also of helping to build capacity in community groups so that they are capable of driving those projects forward.

**Brian Leishman (Alloa and Grangemouth) (Lab):** I declare the interest that I am a Unite the union member.

Communities all across Scotland rely on the Grangemouth refinery for their energy. As closure looms, Unite has given the Government a plan that will save jobs, help hit sustainable aviation fuel targets and build new green industries for the future. It is not too late to save those jobs and achieve the just transition that my community desperately needs. Will the Secretary of State agree that the plan has great potential and agree to meet Unite to see what the Government can do to achieve a truly just transition for the refinery workers and keep Scotland's only refinery working?

**Michael Shanks:** As my hon. Friend knows, we have met Unite on a number of occasions over the past few months since Petroineos made the disappointing decision to follow through on its closure plans for the Grangemouth refinery. It is important that we look at every possible option, and we have done.

It is also important that the Government are clear that we want to see a long-term sustainable future for the refinery site. That is why we invested in Project Willow, which at the moment is coming up with credible investable propositions for the site. We want to protect the workers and do whatever we can to ensure a just transition at Grangemouth and for industry right across the country, but those options need to be long-term and sustainable so that we do not drive workers back into this process again a few years down the line. We are committed to ensuring that we invest in long-term sustainable propositions for the site, and of course we will meet anyone and discuss any propositions to help make that happen.

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

**Pippa Heylings (South Cambridgeshire) (LD):** It is so good to hear the Minister affirm the need to bring the public onside, as well as private sector investment, to achieve the transformation towards green power and net zero. The Liberal Democrats support Great British Energy if community energy is at the centre of the Great British Energy Bill. Our colleagues in the Lords are debating amendments relating to direct participation in and benefit from community energy. Will the Minister agree to those proposals if they come to this House?

**Michael Shanks:** In the spirit of Christmas, I thank the hon. Lady for all the engagement and discussions we have had—[*Interruption.*] The Conservative Front Benchers groan, but I have joy for their party at Christmas as well. We are absolutely committed to community energy, which was in our manifesto. At every stage of the Bill, we have committed to community energy being



right at the heart of what Great British Energy will do. If their lordships make any amendments in their consideration of the Bill, we will of course consider those amendments when the Bill comes back to this place. However, I say gently to the hon. Lady that her party did not support Great British Energy, so it cannot now claim credit for the things that Great British Energy will deliver.

### **New Energy Infrastructure: Community Benefit Scheme**

5. **Robbie Moore** (Keighley and Ilkley) (Con): If he will make an assessment of the potential merits of establishing a community benefit scheme for households near new energy infrastructure. [901838]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks):** We have made clear, through the clean power action plan that we announced last week, that where communities host clean energy infrastructure, we will ensure that they benefit from it. There are many options in that area, including community funds and direct support for households, and we are exploring all those options to ensure that communities can benefit from the clean power mission.

**Robbie Moore:** There is a proposal to build 65 wind turbines on protected peatland in the neighbouring Calderdale council area, which I am staunchly against. To make matters worse, if the development is approved, my constituents will not benefit from any community benefit scheme, despite being on the periphery of the proposed location. How will the Secretary of State ensure that my constituents get their fair share of any community benefit scheme should the proposal be approved?

**Michael Shanks:** I cannot comment on the specific details of the case. However, I would like to know more about why the hon. Gentleman's community might not benefit, because the aim is for all communities affected by hosting infrastructure to benefit in different ways. We are looking at the options—be they money off bills, or the community benefit funds that exist at the moment—as we work through the answers to the consultation launched by the previous Government. However, we are clear that if communities host infrastructure that is nationally important and benefits the whole country, they should benefit from doing so.

**Melanie Onn** (Great Grimsby and Cleethorpes) (Lab): Community benefits come in many different forms—in my constituency, Ørsted has contributed £1 million towards Horizon Youth Zone, and RWE is supporting Projekt Renewable, which is a box park learning zone—but the most wide-reaching benefit is to people's pockets. Schemes such as the Octopus fan club bring down people's bills when the use of renewables is at its highest. How can other energy retailers deliver similar savings for consumers?

**Michael Shanks:** My hon. Friend asks an extremely important question. All communities should benefit from the transformation that we want to make to the energy system. Part of the answer is improving how we use smart systems right across the energy system, so that people have much more consumer-led flexibility in

their options—we are moving forward with that. In the clean power action plan that we published last week, we committed to doing much more to give people the power to take advantage of some of the opportunities she mentions.

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

**Joy Morrissey** (Beaconsfield) (Con): Community engagement and funding are important. With large-scale solar farms planned for agricultural land, does the Secretary of State think that there are any circumstances in which local communities might know better than him?

**Michael Shanks:** Communities are, and will always be, able to speak about the plans for their local area, and to contribute to consultations and planning applications—we will not change anything about that. However, it is important to say that nationally important infrastructure will need to be built somewhere if we are to have the clean power future and energy security that everybody in this country needs. I gently say to the hon. Lady that, even in the most extreme statistics, less than 1% of land in this country would be used to build for solar. Either the Conservatives are in favour of keeping us on the rollercoaster of volatile fossil fuels, or they are in favour of building clean power. Her party used to be in favour of net zero, but now it seems to be running away from it at speed.

### **Warm Homes Plan**

7. **Amanda Hack** (North West Leicestershire) (Lab): What steps he is taking to introduce a warm homes plan. [901840]

18. **David Pinto-Duschinsky** (Hendon) (Lab): What steps he is taking to introduce a warm homes plan. [901851]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh):** We are getting on with delivering our warm homes plan. We are set to upgrade up to 300,000 homes next year. We are introducing new standards in the private rented sector and the social rented sector that will lift 1 million people out of fuel poverty, and we are making it easier for people to install heat pumps by removing planning restrictions, expanding our boiler upgrade scheme so that more people can get a discount and boosting the heat pump industry.

**Amanda Hack:** Modelling suggests that one in four residents in North West Leicestershire is in fuel poverty. Does the Minister understand the frustration many constituents will feel that, despite being in one of the wealthiest countries in the world, fuel poverty has become so commonplace? Will she write to me with an outline of the elements in the warm homes plan that will focus on delivery for those in fuel poverty?

**Miatta Fahnbulleh:** I share the frustration of my hon. Friend's constituents. The scale of fuel poverty in this country is a shameful legacy of the last Government's 14 years of failure. It is a legacy that we are determined to turn around through our warm homes plan and our winter support package, and we will do everything we can to make sure that cold, draughty homes are a thing of the past.

**David Pinto-Duschinsky:** The last Government left us far too reliant on foreign dictators for our energy needs. I congratulate this Government on their focus on ending that dependence and making us energy independent. What steps is my hon. Friend taking to reduce bills for residents in my constituency and to further ensure that Britain remains genuinely energy independent?

**Miatta Fahnbulleh:** My hon. Friend is completely right. Too many people cannot afford their energy bills—[*Interruption.*] That is your legacy. That is why we are running to deliver clean energy by 2030 and rolling out our warm homes plan, so that we can upgrade millions of homes to make them warmer and cheaper to run.

**Mr Speaker:** But it is not my legacy—do not worry.

**Harriet Cross** (Gordon and Buchan) (Con): The Secretary of State, the Minister for Energy and the Minister for Consumers have all said in this House that the National Energy System Operator's report shows that the Government's 2030 target will lower energy bills. However, the report itself explicitly says that it does not do so, and the chief executive officer of the NESO told the Energy Security and Net Zero Select Committee last week that it "did not set out" to determine "what bills are for consumers." Will the Minister explain those inconsistencies and take the opportunity to correct the record?

**Miatta Fahnbulleh:** I suggest that the hon. Lady actually reads the report. On page 77, the NESO sets out in black and white the system costs of a clean power system, and then what it calls

"Bill components resulting from clean power pathways"

and "Other bill changes". The total impact in 2030 is to reduce electricity costs by £10 per megawatt-hour. Of course, as the NESO says, it is for the Government to make the policy choices to reduce energy bills—which we will—but it is absolutely clear that our clean power plan will reduce system costs.

**Ellie Chowns** (North Herefordshire) (Green): Citizens Advice has found that more than a third of private tenants could not afford to heat their house to a comfortable temperature last winter, and in research published a month ago, it found that 80% of private landlords have no plans to invest in the energy efficiency of their properties in the next five years. Can the Minister explain what the Government will do to support and incentivise private landlords to drive up minimum energy efficiency standards in their properties, and when they will do it, so that tenants can stay warm all year round?

**Miatta Fahnbulleh:** We know that the quality of too many of our homes in the private rented sector is not high enough. That is why we are moving forward to introduce minimum energy efficiency standards, so that we can raise those standards, lifting 1 million people out of fuel poverty. We are running in order to get that done.

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

**Pippa Heylings** (South Cambridgeshire) (LD): After the Conservative Government's failure to tackle insulation, fuel poverty is on the rise. In my constituency, almost 20% of households with young family members—those

between five and 10 years—are fuel poor, living in cold, damp houses and choosing between eating and heating. While we await the warm homes plan that will deal with upgrading current housing stock, will the Minister meet the Minister for Housing and Planning to ensure that all future homes will come forward with an energy rating that is a minimum of C or higher, but not beyond 2025 for the future homes standard?

**Miatta Fahnbulleh:** We are working very closely with Housing, Communities and Local Government Ministers to deal with the future homes standard. We recognise that the fact we are building homes that are not up to the standard is a problem, and we are getting on with fixing it.

### Energy Security

8. **Mr Alex Barros-Curtis** (Cardiff West) (Lab): What steps he is taking to improve energy security. [901841]

12. **Perran Moon** (Camborne and Redruth) (Lab): What steps he is taking to improve energy security. [901845]

**The Secretary of State for Energy Security and Net Zero (Ed Miliband):** Last Friday, we published our landmark clean power action plan, which sets out the route towards our world-leading 2030 clean power mission, including wholesale reform of the grid and planning to make it happen. This is the route to getting off the rollercoaster of fossil fuel markets and delivering energy security, lower bills and good jobs for the British people, as well as tackling the climate crisis.

**Mr Barros-Curtis:** I thank the Secretary of State for that answer. Given Wales's tradition and history of fuelling the UK's energy needs, can the Secretary of State tell us what his plans are to put Wales at the heart of our energy security and net zero agenda?

**Ed Miliband:** My hon. Friend asks a really important question. The whole clean power plan is about benefiting all four nations of the United Kingdom, including Wales, and we work closely with the Welsh Government on these issues. Before this Labour Government came to office, they were actually trailblazers on how we could have publicly owned generation, and that is one of the things that we and GB Energy are working with them on.

**Perran Moon:** Meur ras, ha myttin da, Mr Speaker. We have seen the terrible consequences for households of fossil fuel energy insecurity, and we cannot allow this to happen with the transition to renewables. However, to achieve our net zero goals, we will have to see a massive increase in demand for critical minerals such as tin and lithium, much of the supply and processing of which will be dominated by economically bad actors. Will the Minister meet me to discuss how the Government will be mitigating this clear and present danger?

**Ed Miliband:** I very much enjoyed my trip to my hon. Friend's constituency before the general election. He is an incredibly powerful advocate for the way his area can source some of the critical minerals we need, including lithium, and he is right about this. The concentration of supply chains, including critical minerals, has taken a generation to arrive, but we must unwind it, and it is one of the many things we are working on as a Government.

**Greg Smith** (Mid Buckinghamshire) (Con): Small modular reactors are less land intensive, are very efficient and would get us to clean energy very quickly if the Government were to get on and actually support some orders. As land is in scarce supply, when will the Government get on board with nuclear, instead of shackling themselves to the inefficient, land-destroying, countryside beauty-destroying and inefficient solar.

**Ed Miliband:** I can tell the hon. Gentleman that we support the SMR programme, and we are driving it forward through Great British Nuclear. I am afraid he is making a terrible mistake, which is that we need all of these clean technologies at our disposal—we need nuclear, we need renewables, we need carbon capture and storage—and the difference is that this Government are getting on with it. We have delivered more in five months than the last Government did in 14 years.

**Llinos Medi** (Ynys Môn) (PC): Despite lifting the onshore wind ban in England, the clean power action plan shows that, by 2030, 8,600 MW of onshore wind will be needed in England and Wales, 5,000 MW of which will be mainly in Wales, with bits in England. Can the Secretary of State outline exactly how Wales will be benefiting from this huge ramp up in onshore wind, rather than the benefits being extracted out of Wales?

**Ed Miliband:** I have to say to the hon. Lady that I do not see it that way. The reality is that the country is totally vulnerable to the rollercoaster of the fossil fuel markets. We do not need to look into a crystal ball; we just need to look at the record: we saw the worst cost of living crisis in generations. So long as we are exposed in this way, people in Wales and across the country are vulnerable. That is why clean power is so important, and the Opposition should get on and support it.

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

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): In the clean power 2030 document published last week, the Government state that they are

“progressing the post-2030 generation interventions, with final decisions on Sizewell C and the Great British Nuclear-led Small Modular Reactor programme”,

but no date is specified for the final investment decision on Sizewell, no date is specified for completion of the down-selection SMR process, there is no indication of a route to market for advanced modular or other technologies, and there is no mention of Wylfa at all. So is it any wonder that the nuclear industry holds a suspicion that this Government are not serious about nuclear, that the damascene conversion to nuclear power professed by the Secretary of State is a false one and that, for the Government, it is renewables at any cost and the exclusion of everything else?

**Ed Miliband:** I find the hon. Gentleman quite extraordinary, and not in a good way. The last Government left not only a generalised absolute mess in the public finances, but lots of the programmes that he is talking about were not even funded. The difference with this Government and my right hon. Friend the Chancellor is that she put the money for Sizewell in the Budget. That is something the Conservatives simply do not understand. *[Interruption.]* You get the point.

**Andrew Bowie:** It was us in government who bought the Wylfa and Oldbury sites from Hitachi last year, giving much-needed certainty to the workforce and local communities on both sites. It was on 22 May that we announced that Wylfa was our preferred location for a third gigawatt-scale reactor, again giving a boost to that community and the wider industry. I have three questions. Is it still the Government's intention to reach 24 GW of nuclear power by 2050? Does the Secretary of State acknowledge that that is impossible without another gigawatt-scale reactor? If a third gigawatt-scale reaction is planned, will it be built at Wylfa and, if not, what is the future for the Wylfa site?

**Ed Miliband:** The hon. Gentleman's story about Wylfa says it all. He says his Government had this great plan for Wylfa, but they had no money behind it.

**Andrew Bowie:** We bought the site.

**Ed Miliband:** Yes, but the hon. Gentleman does not say how the power station will be funded. The truth is that this is elementary economics. If things are announced, they need to be able to be funded, and the Conservatives need to learn that lesson.

#### National Wealth Fund: Opportunities for Industry

9. **Jayne Kirkham** (Truro and Falmouth) (Lab/Co-op): What discussions he has had with Cabinet colleagues on potential opportunities for industry under the national wealth fund. [901842]

10. **Lorraine Beavers** (Blackpool North and Fleetwood) (Lab): What discussions he has had with Cabinet colleagues on potential opportunities for industry under the national wealth fund. [901843]

19. **Euan Stainbank** (Falkirk) (Lab): What discussions he has had with Cabinet colleagues on potential opportunities for industry under the national wealth fund. [901852]

**The Minister of State, Department for Energy Security and Net Zero (Sarah Jones):** The national wealth fund is delivering a key manifesto commitment to set up a Government-backed investor—in some ways like the sovereign wealth funds we see in other countries—that will support the UK's industrial strategy and economic growth. It will play a central role in our clean power mission by creating jobs in rapidly growing green industries. My role sits across the Department for Business and Trade, where I work on industrial strategy, and this Department, where I work on industrial decarbonisation, so I have a unique vantage point to see the benefits of the national wealth fund and all the opportunities it will bring.

**Jayne Kirkham:** As the Minister knows, I am concerned about kick-starting floating offshore wind in the Celtic sea. The infrastructure and supply chain need building out quickly, but in a co-ordinated way, and the previous Government's floating offshore wind manufacturing investment scheme was not enough to do that. Will the Minister please confirm that she is working with the wealth fund on a strategy and then speedy investment in ports such as Falmouth and the local supply chain, so that they are ready to take on the challenge of floating offshore wind?



**Sarah Jones:** My hon. Friend is a great champion for her area, and we have talked about the opportunities of Falmouth and the surrounding areas previously, and I am sure we will do so again. For too long, our coastal areas have lacked the jobs and opportunities they deserve, and we are determined to change that. Through the national wealth fund we will invest in our ports, and Great British Energy will look to crowd in private sector funding to emerging technologies such as floating offshore wind. We are developing our strategies and working as fast as we can.

**Lorraine Beavers:** I welcome the Government's publication of the "Clean Power 2030 Action Plan" last week. It will mark a transformative shift towards clean energy that will bring good jobs and industry to the whole country. The plan proposes the use of the national wealth fund to explore nascent renewable generation projects. The Minister will know of the potential for tidal range on the west coast. What steps is the Department taking to explore that potential? Will she meet me to discuss the potential for tidal range projects in my constituency?

**Sarah Jones:** I would love to hear more, as I am sure would the Minister for Energy, my hon. Friend the Member for Rutherglen (Michael Shanks). We are committed to all forms of renewable energy if they are economical, which is why we ringfenced tidal in the latest contracts for difference auction, which resulted in six tidal projects being successful, securing up to 28 MW. We continue to look at what more we can do to support this more nascent technology, including the role that GB Energy can play in the future.

**Euan Stainbank:** The Government's quick action when they took office to commission Project Willow is welcome, but confirmation of the decision by Petroineos to close the Grangemouth refinery next year has caused further concern and uncertainty throughout the workforce in the central belt. With the sustainable aviation fuel mandate starting in 2025 requiring 10% of jet fuel to be SAF by 2030, what consideration has the Minister given to using the role of the national wealth fund to support the rapid conversion of Grangemouth into a sustainable aviation fuel facility?

**Sarah Jones:** I appreciate the uncertainty faced by people in my hon. Friend's constituency. We have Project Willow and the plan for the site's future. A joint committee, which I co-chair, has just been set up with the Department for Transport looking at sustainable aviation fuel and other options to fund and support that, to ensure that we have that emerging industry.

**Mr Gregory Campbell** (East Londonderry) (DUP): The fund's title is the national wealth fund. Will the Minister outline what she intends to do to ensure that industries across the nation of the United Kingdom will benefit from it?

**Sarah Jones:** The national wealth fund makes decisions on what it funds and what it does not, but our plan is for the whole country. For too long, this country has been held back in every corner, and the national wealth fund is a really important part of the future growth of this country in Northern Ireland and everywhere else.

**Tim Farron** (Westmorland and Lonsdale) (LD): Does the Minister agree that it is something of a tragedy that the UK, which is surrounded by the highest tidal range on planet Earth after Canada, uses so little of that for tidal and marine energy? She may agree that the reason is that while the lifetime cost of such schemes is as cheap as chips, the up-front costs are expensive. Could the national wealth fund ensure that we can build things—for example, in Morecambe Bay—that will generate secure renewable energy for all our lifetimes?

**Sarah Jones:** The hon. Gentleman puts his finger on the problem. That is what vehicles such as the national wealth fund and GB Energy are looking to resolve. We are of course open to it, and we will do what we can.

### Climate Change: Nature-based Solutions

11. **Dr Roz Savage** (South Cotswolds) (LD): Whether he has had discussions with the Secretary of State for Environment, Food and Rural Affairs on nature-based solutions to help tackle climate change. [901844]

25. **Johanna Baxter** (Paisley and Renfrewshire South) (Lab): Whether he is taking steps with Cabinet colleagues to support nature-based solutions to climate change. [901858]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Kerry McCarthy):** We know that nature-based solutions have a key role to play in climate mitigation and keeping to 1.5°C at home and abroad. I have met the Minister for Nature, my hon. Friend the Member for Coventry East (Mary Creagh), and the Government have appointed two special representatives for climate and for nature, who will be working closely together too.

**Dr Savage:** The climate and nature crises are now recognised as inextricably interlinked—we cannot resolve the climate crisis without addressing the nature crisis—but that is not recognised in current legislation. Will the Minister meet me to discuss my Climate and Nature Bill and its potential to achieve the Government's stated goal of integrating UK climate and biodiversity policy?

**Kerry McCarthy:** We are not convinced that the Bill is necessary as a well-developed legislative framework with legally binding targets is already in place, including, of course, the Climate Change Act 2008 and the carbon budgets. However, I appreciate the action on both climate and nature and the hon. Member's commitment to both. I believe that our offices are already trying to find a date for us to meet.

**Johanna Baxter:** My constituency of Paisley and Renfrewshire South is home to the beautiful RSPB Lochwinnoch nature reserve. In addition to supporting our biodiversity, the reserve serves as a natural carbon sink. Globally, wetlands hold approximately 20% to 30% of the Earth's soil carbon despite covering only 5% of the land surface. Will the Minister outline how the Department is integrating wetland and peatland restoration into its strategy for meeting the UK's carbon capture and storage targets?

**Kerry McCarthy:** I am aware of the excellent work being carried out at Lochwinnoch. We know that protecting and restoring our peatlands is essential for tackling the climate crisis. We are committed to restoring approximately 280,000 hectares of peatland. We are also looking at innovative ways of getting funding into those nature-based solutions so that they can thrive.

### Great British Energy: Job Creation

13. **Kenneth Stevenson** (Airdrie and Shotts) (Lab): What assessment he has made of the potential impact of Great British Energy on job creation in industrial communities. [901846]

20. **Andrew Pakes** (Peterborough) (Lab): What assessment he has made of the potential impact of Great British Energy on job creation in industrial communities. [R] [901853]

**The Minister of State, Department for Energy Security and Net Zero (Sarah Jones):** Great British Energy will deliver well-paid jobs in industrial communities. It will own and invest in projects across the country, it will crowd in private investment, and it will develop those crucial supply chains that will make us more resilient as a country and deliver more jobs.

**Kenneth Stevenson:** I was delighted to see the Government's commitment to reindustrialise our nation, creating thousands of jobs in the process. This is the difference that a Labour Government can make, cleaning up the mess of the Tories and putting this country back on track. My constituency of Airdrie and Shotts is at the heart of Scotland's central belt. Once an industrial heartland, it is full of skills and potential waiting to be unlocked. Will the Minister work with me to ensure that the benefit of the significant job creation that the Government are undertaking will be felt in my constituency?

**Sarah Jones:** I will work with my hon. Friend on creating the jobs that we all want. It has been announced that Great British Energy will be located in Aberdeen, and there are two additional sites, one in Glasgow and one in Edinburgh. The national wealth fund has just announced a £20 million investment in XLCC, to support a world-leading factory in Hunterston producing cables. That will support 900 jobs. We have seen a £1.6 million investment by Sarens PSG to provide specialist equipment and skilled workers, and to set up a centre for excellence in Aberdeen. Those are the kinds of projects that we want across our communities, in his constituency and beyond.

**Andrew Pakes:** An important aspect of Great British Energy's work will be ensuring industrial strength in all areas of the UK. Places such as Peterborough are well placed to develop high-skilled jobs and great opportunities in green hydrogen to support that transition, through the work of National Gas in Werrington and our new university campus, Anglia Ruskin University Peterborough. Does the Minister agree that the success of GB Energy will be the breadth of opportunities that it creates in places such as mine?

**Sarah Jones:** My hon. Friend is absolutely right. Green hydrogen is vital, not just for the decarbonisation of heavy industry but for aviation and maritime. It has the potential to create thousands of very highly skilled

jobs in every region of the country. We have already confirmed support for 11 green hydrogen projects from Cumbria to Cornwall, and from Scotland to Kent. I look forward to saying more on our hydrogen journey soon.

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

**Claire Coutinho** (East Surrey) (Con): The Labour party promised 650,000 jobs through Great British Energy, but the Secretary of State has endorsed a carbon tax of £147 in 2030—double the Department's current forecast. It would be the highest carbon tax in the world, and devastating for British industry. Can the hon. Lady confirm how many British jobs would be lost as a result?

**Sarah Jones:** I do not recognise those figures at all. I would be interested to see where she got them from—perhaps from her Twitter threads, which contain things that we do not quite recognise. We inherited a mess in this country—no stability or economic growth, and stagnation. We are fixing the foundations and putting that right. We will create hundreds of thousands of jobs in the growing green sector of the future.

### Topical Questions

T1. [901859] **Charlie Dewhirst** (Bridlington and The Wolds) (Con): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Energy Security and Net Zero (Ed Miliband):** We are already seeing the benefits of our energy superpower mission and investment in jobs. Since the start of November, we have seen a £1 billion investment in Hull by Siemens Gamesa, supporting 1,300 jobs in blade manufacturing. Ørsted has announced £100 million of orders for UK firms, and we have reached financial close on the UK's first carbon capture in Teesside. That is what it means to have a Government delivering jobs and investment for the British people.

**Charlie Dewhirst:** There appears to be inconsistency between what Ministers are saying about the report by the National Energy System Operator and what the CEO of NESO told the Energy Security and Net Zero Committee last week. Can the Secretary of State answer this clearly: does the NESO report forecast higher or lower energy bills under his policy?

**Ed Miliband:** I am very glad that the hon. Gentleman has asked that question, as the shadow Secretary of State has asked me about that. [Interruption.] I will answer the question. Page 77 of the NESO report says very clearly what happens to overall costs in the system: electricity costs are reduced by £10 per MWh. As NESO says, it is for Government to make policy choices that determine the precise impact on bills, but the report is clear that the system will be cheaper. It is completely logical to say that that will lead to a reduction in bills.

T2. [901860] **Michelle Welsh** (Sherwood Forest) (Lab): My constituency has the second highest number of members on the British Coal staff superannuation scheme in the country; we have more than 1,000 members. Does the Minister agree that we need

to end the injustice for all former employees on that scheme? Will she visit my beautiful constituency to meet me and members of the scheme?

**The Minister of State, Department for Energy Security and Net Zero (Sarah Jones):** I would be very happy to meet my hon. Friend and members of the scheme. I met the trustees of the scheme yesterday, and I have committed to talking to the Treasury about their proposals.

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

**Claire Coutinho (East Surrey) (Con):** Labour's policy on the North sea will cost the country £12 billion in tax receipts, which would be enough to cover the winter fuel payment for many, many years. Pensioners will be in the cold this winter, and this is a policy that no other major economy is pursuing. How can the Government possibly justify it?

**Ed Miliband:** These are more fantasy numbers from the right hon. Lady. The truth is that the North sea has lost a third of its employment in the past decade. The only future for the North sea is in what this Government are doing: investing in carbon capture and storage, in offshore wind and in hydrogen. That is the future.

**Claire Coutinho:** That is not my figure; it is a figure from industry—£12 billion in lost North sea tax receipts, in addition to £8 billion for an energy company that will not generate energy, and at least £200 billion for a 2030 target that we now know will not cut bills. Is it not true that pensioners will be sitting in the cold this winter to pick up the bill for this Secretary of State?

**Ed Miliband:** No. The case is that the Conservatives left us dependent on fossil fuels, which led to the worst cost of living crisis in living memory. The tragedy is that they are doubling down on their failed policy. The only answer for lower bills is clean, home-grown energy that we control.

T5. [901863] **Kevin Bonavia (Stevenage) (Lab):** I welcome the clean power plan, which the Government published last week, which lays out the route to energy security and lower bills. Will my right hon. Friend provide more detail on how our new national champion, Great British Energy, which is backed by the overwhelming majority of the public in Stevenage and elsewhere, will form part of this new plan?

**Ed Miliband:** My hon. Friend is absolutely right. Great British Energy—headquartered in Aberdeen—is already up and running. Our plans for Great British Energy will be rolled out in the new year. Those plans include working with local communities for solar on schools and hospitals, so that we can start cutting bills for public services and local communities.

T3. [901861] **Mr Gagan Mohindra (South West Hertfordshire) (Con):** My constituents were promised £300 off their energy bills by the Labour Government. Instead, they are having to fork out additional money for Great British Energy and to pursue net zero, while the Government take the winter fuel payment away from millions of pensioners. How can the Secretary of State justify increasing spending on net zero projects while his Government let pensioners go cold this winter?

**Ed Miliband:** The truth is that there is only one way to get bills down sustainably in this country, which is to drive towards clean energy. The Conservatives used to believe that, too; then, in September 2023, the former Prime Minister took them on an anti-net zero crusade, and it is only getting worse.

T6. [901864] **Sam Rushworth (Bishop Auckland) (Lab):** More than half the homes in my constituency have an energy performance rating of D or worse, and a quarter are off-grid, relying on more expensive fuels, so I welcome this Government's commitment to a warm homes plan. However, with a lot of rural homes poorly insulated and not suited to heat pumps, will the Secretary of State work with me on a tailored plan for colder, stone-built rural homes?

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh):** We are rolling out our warm homes plan, which we want every household to benefit from, and we will ensure that we have the right solution for the right homes. I will work with my hon. Friend and with Members from across the House on solutions that every household can benefit from, to ensure that we have warmer homes that are cheaper to run.

T4. [901862] **Dr Ben Spencer (Runnymede and Weybridge) (Con):** The spill of fuel oil in the Black sea from Russian tankers is yet another tragic reminder of the work that Russia is doing to subvert our sanctions. What is the Secretary of State's assessment of the amount of petrochemical products and their derivatives entering our economy from Russia today?

**Ed Miliband:** I will not answer the hon. Gentleman directly, but I will say that I am working with my colleagues across Government on this crucial issue. We will do everything we can to drive down Russia's benefits from its oil and gas industry, because that is a crucial part of the war effort to help Ukraine.

T7. [901865] **Matt Turmaine (Watford) (Lab):** Sky-rocketing energy bills under the previous Conservative Government contributed to the cost of living crisis, and were one of the reasons that voters in my constituency chose change with Labour at the general election. Will the Secretary of State further outline what changes this Labour Government will make to deliver better value to my constituents?

**Ed Miliband:** My hon. Friend is right about this. We must not have short memories here, because the truth is that the cost of living crisis that we saw after Russia's invasion of Ukraine not only hit families and businesses across Britain, but continues to hit them today. That is why the drive for clean power is so important. Every solar panel we put up, every wind turbine we erect, and every piece of grid we build makes us more secure as a country.

T8. [901866] **Seamus Logan (Aberdeenshire North and Moray East) (SNP):** The Secretary of State will be well aware of the critical role that the carbon capture scheme at St Fergus will play in the economic growth and potential of north-east Scotland, so can he simply give us a timetable for when he will approve that scheme?



**Ed Miliband:** We will look at the scheme in the spending review. I believe that it is important not just to Scotland but to the whole UK, but I want to level with the hon. Gentleman and, indeed, the House: it requires significant financial resources. We found the resources for track 1 of carbon capture, usage and storage and we want to find the resources for track 2, but that, as I have said, will be part of the spending review.

T9. [901867] **Perran Moon** (Camborne and Redruth) (Lab): In the Government's policy paper "Clean Power 2030 Action Plan", floating offshore wind was labelled a key emerging technology, and developments were promised for future rounds of contracts for difference. Will the Minister please consider going further, and geographically ringfencing contracts for difference funding, to ensure that the massive potential of projects such as floating offshore wind in the Celtic sea is unlocked?

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks):** My hon. Friend is right to suggest that offshore wind, especially floating offshore wind, will play a critical role in our pathway to clean power. We will consider any option to ensure that we get many "test and demonstrate" projects through to delivery, and we will say more in coming weeks about what the next round of contracts for difference will look like.

**Monica Harding** (Esher and Walton) (LD): More than 24,000 homes in my constituency have an energy performance certificate banding of D or worse, which means 50,000 tonnes of avoidable carbon dioxide emissions and higher energy bills for my constituents. However, the rate of insulation upgrades is too slow for us to meet the Government's goal of universal band C ratings by 2035. Will the Minister commit herself with more urgency to an emergency home insulation programme with targeted support for those on low incomes?

**Miatta Fahnbulleh:** We recognise that not enough was done to upgrade homes over the last 15 years, which is why we are absolutely running at this. We will upgrade up to 300,000 homes this year, and we are putting in place our plan to drive up standards in the private rented sector, and to ensure that as many households as possible benefit from homes that are warmer and much, much cheaper to run.

T10. [901868] **Amanda Hack** (North West Leicestershire) (Lab): In my constituency, there has been strong growth in the purchase of electric vehicles, but we have only half as many public charging points per person as the national average. How can we secure more charging points in public spaces in rural communities?

**Michael Shanks:** My hon. Friend makes an important point about rolling out charging infrastructure to all parts of the country, and we are working on that with colleagues in the Department for Transport. Local distribution networks in rural areas are incredibly important, and introducing greater access to the grid—including through Ofgem's approval of £22 billion to improve distribution networks—will enable us to roll out EV infrastructure in rural areas throughout the country.

**Richard Fuller** (North Bedfordshire) (Con): This weekend, 50 households in Cleat Hill were able to return home, nine weeks after the gas explosion there. That was thanks to the efforts of the local council and the local emergency services but not, I am afraid, to the actions of the Government. There has been a deafening silence on whether they will help the council with funding, and whether they will fund a scaling and scoping of the gas reservoir. I am extremely grateful to the Minister for meeting me, but will she chivvy her other Ministers along, so that we can get a reply?

**Miatta Fahnbulleh:** I thank the hon. Member for that meeting. We are working across Government to ensure that we can provide the support that the community requires after that tragic incident.

**Tom Hayes** (Bournemouth East) (Lab): I recently visited the zero-emission boiler manufacturer Tepeo in Wokingham. Its owners were thrilled by the Government's decision that heat batteries can qualify for the warm homes social housing fund wave 3, but expressed concern about whether they could scale up without the same subsidy support and VAT relief as heat pumps. Will the Minister meet me, and representatives of Thermal Storage UK, to discuss how we can support heat batteries, so that households can become more resilient?

**Miatta Fahnbulleh:** My hon. Friend is a great champion of our clean power mission, and I would be very happy to meet him and representatives of the sector.

**Max Wilkinson** (Cheltenham) (LD): Seventy-five per cent of voters think that all new homes should come with solar panels on the roof as standard. Do the Government agree?

**Ed Miliband:** I am very sympathetic towards this issue, and we are in discussions with our colleagues across Government. Watch this space.

**Andrew Cooper** (Mid Cheshire) (Lab): Cheshire is leading the way in CCUS, whether it is in hydrogen production, where it is providing the means of transition as a new industry is established, or in hard-to-abate sectors such as glass or cement production, where CCUS is a vital decarbonisation component. Our strategy is creating jobs, growing our skills base and unlocking a low-carbon future. Does the Minister agree that it will not be possible to get to net zero without CCUS?

**Sarah Jones:** That is absolutely right.

**Steve Barclay** (North East Cambridgeshire) (Con): The Grimsby to Walpole National Grid scheme will see pylons almost twice the height of the existing ones being placed across the flat landscape of the fens. Why does the Secretary of State think that the cost of chasing his unrealistic 2030 target should be disproportionately borne by rural communities?

**Ed Miliband:** I have great respect for the right hon. Gentleman. The truth is that we need to build the grid, regardless of whether the target is 2030 or 2035. This Government are being honest and open with people in saying that the grid needs to be built. If we do not build the grid, we will remain massively vulnerable as a country.



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

**Bill Esterson** (Sefton Central) (Lab): Last year, the UK imported 43% of our energy. Does the Secretary of State agree that, as well as protecting bill payers from the volatility of international fossil fuel markets and giving us energy independence, we have the potential for economic benefits from exporting electricity and hydrogen through the clean power plan?

**Ed Miliband:** My hon. Friend is absolutely right about that. It is about energy independence for Britain, and about becoming a clean energy superpower that can export energy and benefit as a country. The opportunities are huge, which is why we are getting on with it.

**Stephen Flynn** (Aberdeen South) (SNP): I think the Secretary of State is now arguing that energy bills will fall by £300 by 2030. A simple question: how much will they rise by before then?

**Ed Miliband:** I am disappointed in the right hon. Gentleman, but perhaps I should not be surprised. The truth is that there is only one future for Britain that reduces bills for good: a clean power mission. We can carry on being vulnerable, and we can carry on with fossil fuels, but we will be in the grip of petrostates and dictators. This Government are not willing to leave us exposed.

**Ian Lavery** (Blyth and Ashington) (Lab): The Lynemouth biomass power station in my constituency has some very ambitious and exciting projects involving carbon capture and storage, but it is waiting for some major decisions by the Department. Will the Minister agree to meet me so that we can tackle these pressing outstanding issues?

**Sarah Jones:** I would be absolutely delighted to meet my hon. Friend; we can talk about data centres at the same time. Carbon capture is an incredibly important part of our future. We know that we have to have it in order to decarbonise some of our very hard-to-decarbonise industries, and I would be delighted to talk about the possible jobs that it could bring as well.

**Claire Young** (Thornbury and Yate) (LD): Local further education colleges are actively pursuing the formation of a skills partnership to meet the opportunity and challenge of potential small modular reactor development in Oldbury in my constituency. Does the Minister welcome their proactive approach, and will she join me in meeting them to better understand the support that the further education sector needs to deliver this vital work?

**Sarah Jones:** I would be delighted to meet the hon. Member and talk about her plans.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): What assurances can the Minister give me that energy-intensive industries in Stoke-on-Trent, such as ceramics, will benefit from the investment coming from this Government and will not get left behind in our transition to net zero?

**Sarah Jones:** My hon. Friend makes a very good point. We were talking about this issue in the Tea Room only this morning, and I will meet the ceramics sector and him first thing in the new year to talk about some of the challenges it faces. We are absolutely committed to supporting the sector.

**Carla Denyer** (Bristol Central) (Green): Thirteen oil and gas fields have been licensed for new drilling of dangerous fossil fuels but are still awaiting final approval. The Government paused those decisions while doing a consultation, but the consultation will not change the science: if we are to meet our climate targets, those fossil fuels must stay in the ground. Will the Secretary of State do the right thing by the poorest in our country, who are always at the sharpest end of climate action, and ensure that those licences will not be granted?

**Ed Miliband:** This is a Government with a world-leading position when it comes to oil and gas, and we will do the right thing for the environment and climate change and the right thing to ensure that there is a just transition in the North sea.

**Grahame Morris** (Easington) (Lab): On behalf of my constituents, I want to thank the Secretary of State, the Minister of State, the Parliamentary Private Secretaries and the whole team for the excellent work that has been carried out to deliver justice on the mineworkers' pensions. Can I urge them to act with alacrity in relation to the British Coal staff superannuation scheme, and may I invite the Minister to look at some of the energy pilots that are making use of mine water from abandoned mine workings?

**Ed Miliband:** I pay tribute to my hon. Friend, who has been a brilliant campaigner on this issue for a very long time. My hon. Friend the Minister of State will have heard what he said. This is the difference: this is a Labour Government delivering justice for mineworkers across our country and their families, which is all part of delivering our mission for the country.

## Women's State Pension Age Communication: PHSO Report

12.36 pm

**The Secretary of State for Work and Pensions (Liz Kendall):** With permission, Mr Speaker, I would like to make a statement on the investigation by the Parliamentary and Health Service Ombudsman into the way that changes in the state pension age were communicated to women born in the 1950s.

The state pension is the foundation for a secure retirement. That is why this Government are committed to the pensions triple lock, which will increase the new state pension by more than £470 a year from this April and deliver an additional £31 billion of spending over the course of this Parliament, and it is why Governments of all colours have a responsibility to ensure that changes to the state pension age are properly communicated so that people can plan for their retirement.

Before I turn to the Government's response to the ombudsman's report, I want to be clear about what this report investigated, and what it did not. The report is not an investigation into the actual decision to increase the state pension age for women in 1995 or to accelerate that increase in 2011—a decision that the then Conservative Chancellor George Osborne said

"probably saved more money than anything else we've done".

That comment understandably angered many women and sparked the original Women Against State Pension Inequality Campaign. The ombudsman is clear that policy decisions to increase the state pension age in 1995 and since were taken by Parliament and considered lawful by the courts. This investigation was about how changes in the state pension age were communicated by the Department for Work and Pensions, and the impact this may have had on the ability of women born in the 1950s to plan for their retirement.

I know that this is an issue of huge concern to many women that has spanned multiple Parliaments. Like so many other problems that we have inherited from the Conservatives, this is something that the previous Government should have dealt with. Instead, they kicked the can down the road and left us to pick up the pieces, but today we deal with it head-on. The Pensions Minister—the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Wycombe (Emma Reynolds)—and I have given the ombudsman's report serious consideration and looked in detail at the findings, and at information and advice provided by the Department that was not available to us before coming into Government.

The then ombudsman looked at six cases. He found that the Department provided adequate and accurate information on changes to the state pension age between 1995 and 2004, including through leaflets and pensions education campaigns and on its website. However, decisions made between 2005 and 2007 led to a 28-month delay in sending out letters to women born in the 1950s. The ombudsman says that these delays did not result in the women suffering direct financial loss but that they were maladministration.

We accept that the 28-month delay in sending out letters was maladministration, and on behalf of the Government, I apologise. This Government are determined to learn all the lessons from what went wrong, and I will say more about that in a moment. We also agree that the women suffered no direct financial loss because of the

maladministration. However, we do not agree with the ombudsman's approach to injustice or remedy, and I want to spell out why.

First, the report does not properly take into account research showing that there was actually considerable awareness that the state pension age was increasing. It references research from 2004 showing that 43% of women aged over 16 were aware of their state pension age, but it does not sufficiently recognise evidence from the same research that 73% of women aged 45 to 54—the very group that covers women born in the 1950s—were aware that the state pension age was increasing, or research from 2006 showing that 90% of women aged 45 to 54 were aware that the state pension age was increasing.

Secondly, the report says that if letters had been sent out earlier, it would have affected what women knew about the state pension age. However, we do not agree that sending letters earlier would have had the impact that the ombudsman says. Research given to the ombudsman shows that only around a quarter of people who are sent unsolicited letters actually remember receiving them or reading them, so we cannot accept that, in the great majority of cases, sending a letter earlier would have affected whether women knew that their state pension age was rising or increased their opportunity to make informed decisions.

These two facts—that most women knew the state pension age was increasing and that letters are not as significant as the ombudsman says—as well as other reasons, have informed our conclusion that there should be no scheme of financial compensation to 1950s-born women in response to the ombudsman's report.

The ombudsman says that, as a matter of principle, redress and compensation should normally reflect individual impact. However, the report itself acknowledges that assessing the individual circumstances of 3.5 million women born in the 1950s would have a significant cost and administrative burden. It has taken the ombudsman nearly six years to investigate the circumstances of six sample complaints. For the DWP to set up a scheme and invite 3.5 million women to set out their detailed personal circumstances would take thousands of staff years to process.

Even if there were a scheme in which women could self-certify that they were not aware of changes to their state pension age and that they had suffered as a result, it would be impossible to verify the information provided. The alternative put forward in the report is a flat-rate compensation scheme at level 4 of the ombudsman's scale of injustice. This would provide £1,000 to £2,950 per person, at a total cost of between £3.5 billion and £10.5 billion.

Given that the vast majority of women knew the state pension age was increasing, the Government do not believe that paying a flat rate to all women, at a cost of up to £10.5 billion, would be a fair or proportionate use of taxpayers' money, not least when the previous Government failed to set aside a single penny for any compensation scheme and left us a £22 billion black hole in the public finances.

This has been an extremely difficult decision to take, but we believe it is the right course of action, and we are determined to learn all the lessons to ensure that this type of maladministration never happens again. First,

we want to work with the ombudsman to develop a detailed action plan out of the report, so that every and all lessons are learned. Secondly, we are committed to setting clear and sufficient notice of any changes in the state pension age, so that people can properly plan for their retirement. Thirdly, I have tasked officials to develop a strategy for effective, timely and modern communication on the state pension that uses the most up-to-date methods, building on changes that have already been made, such as the online “check your state pension” service that gives a personal forecast of a person’s state pension, including when they can take it, because one size rarely fits all.

As I said, we have not taken this decision lightly, but we believe it is the right decision because the great majority of women knew the state pension age was increasing, because sending letters earlier would not have made a difference for most, and because the proposed compensation scheme is not fair or value for taxpayers’ money.

I know there are women born in the 1950s who want and deserve a better life. They have worked hard in paid jobs and in bringing up their families. Many are struggling financially with the cost of living and fewer savings to fall back on. They worry about their health and how their children and grandchildren will get on.

To those women I say: this Government will protect the pensions triple lock, so your state pension will increase by up to £1,900 a year by the end of this Parliament; we will drive down waiting lists, so you get the treatment you need, with an extra £22 billion of funding for the NHS this year and next; and we will deliver the jobs, homes and opportunities your families need to build a better life. I know that many 1950s-born women will be disappointed about this specific decision, but we believe it is the right decision and the fair decision. I commend this statement to the House.

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

12.45 pm

**Helen Whately** (Faversham and Mid Kent) (Con): I thank the Secretary of State for Work and Pensions for advance sight of her statement, and I thank the ombudsman and his team for their work on this important matter.

In March this year, the Parliamentary and Health Service Ombudsman published its final report into the way that changes to the state pension age were communicated to women born in the 1950s. The report took over five years to produce and reflects the complexity of the issue. It spans a 30-year period across different Governments, dating back to Parliament’s decision in 1995 for the state pension age for men and women to be equalised, in a long-overdue move towards gender equality.

As the chief executive of the ombudsman set out, the Department for Work and Pensions fully co-operated with the ombudsman through its investigation and provided thousands of pages of detailed evidence to support it. It is because we took the work of the ombudsman so seriously that it was right for the Government to fully and properly consider the findings, and we were committed to working with Parliament to provide an appropriate and swift response. However, as the House will know, the general election was called less than two months

later. Given that it has taken Labour five months since the general election to provide its findings, I am sure the Secretary of State would agree that there was insufficient time to take a considered and fair decision between the publication of the report and the election.

I am glad that the Secretary of State has picked this issue up since coming into office and has brought her statement to the House today. I will be considering it in more detail in the days and weeks to come, as well as the basis on which she has reached her conclusion. I am sure that the Government’s statement today will be a huge disappointment to WASPI women, and I recognise the strength of feeling about the issue.

As a constituency MP, I have met WASPI women who live in Faversham and Mid Kent and heard their personal stories. No doubt campaigners will note the Government’s apology for the decisions made between 2005 and 2007 that led to a 28-month delay in sending out letters, which the ombudsman identified as “maladministration”. But let us be clear: the decision to provide no compensation is the Government’s decision, and they need to own it. I am not going to let them get away with saying that there is no compensation because of a fictional black hole in the public finances. The country’s financial position now is a result of their political choices. They should not try to dodge responsibility by suggesting to WASPI women that, if times were different, they might have come to a different conclusion. Government compensation should always be based on what is fair and just.

That brings me to some questions. Given the announcement that they will not be providing financial compensation, will the Government put forward any other non-financial form of remedy for the women affected? Will the Secretary of State be involving the WASPI campaigners in the action plan she has referred to and what is the timeline for that?

The Secretary of State claimed that pensioners are better off under Labour, but let us not forget that it was the Conservatives who introduced and protected the triple lock, which has seen the state pension increase by £3,700 since 2010, and there are now 200,000 fewer pensioners living in absolute poverty. Does the right hon. Lady know how many women affected by her decision are on pension credit?

Labour’s own impact assessment shows that its decision to scrap the winter fuel payment will see 5.2 million women lose out. How many of those hit by those cuts to the winter fuel payment are also affected by today’s announcement?

Finally, given that the Government have dismissed the recommendations of the Parliamentary and Health Service Ombudsman, will the Secretary of State set out what implications she sees for the future of the ombudsman?

**Liz Kendall:** I welcome the overall tone of the hon. Lady’s comments. I am glad that she is finally considering her party’s response to the ombudsman’s report, and I am sure that the whole House looks forward to its detailed response to the findings and recommendations, which were not provided when the Conservatives were in Government.

I am sorry that the hon. Lady still fails to take responsibility for the state of the public finances. We have taken full responsibility for that and have taken



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difficult decisions on the public finances. We have also taken this very difficult decision in response to the ombudsman's report and have provided that to the House as quickly as we have been able, given the huge amount of information we have had to go through.

The hon. Lady asks about next steps. We have three clear things that we intend to do. We will produce a detailed action plan. We want to work with the ombudsman on that so that we can ensure that the delay, the maladministration and the 28-month delay in sending out notifications never happens again, and I am perfectly happy to consider working with the women to make sure we get that right. It is extremely important that, wherever possible, we provide personalised, tailored information. Pensions are a hugely complicated area, and we want people to be empowered with that information and knowledge. We have to do it in all sorts of different formats, because it is individual to the person, and we need to get that right in future.

The hon. Lady also mentioned pension credit and the winter fuel payment. I will say to her, as I did yesterday, that we have seen a 145% increase in the number of claims for pension credit since we launched our campaign. More than 42,000 more people are claiming pension credit now. We want to deal with yet another thing the Conservative Government left us with, which was 880,000 pensioners not getting the pension credit or the winter fuel payment they are entitled to.

These are difficult decisions. We are a responsible Government and we face up to our responsibilities. I look forward to Members on the Conservative Benches finally doing the same.

**Gill German** (Clwyd North) (Lab): This is clearly not a decision that the Secretary of State has taken lightly, and an apology on behalf of the Department for Work and Pensions is long overdue, but let us make no mistake: the responsibility for this lies squarely with the Conservative party, which oversaw the maladministration and kicked the can down the road yet again, for us to clear up the mess. That must be put right. Can my right hon. Friend assure my constituents that a serious case like this will not occur again, and that this Government will continue to do everything we can to support pensioners going forward?

**Liz Kendall:** I can assure my hon. Friend's constituents in Clwyd North that we want to learn all the lessons from the maladministration that we accept took place. We have to get people timely, effective and personal communication, and not just about their state pension age but about all aspects of pensions, so that they can properly plan for their retirement. The Pensions Minister and I will go through that with a fine-toothed comb to do everything possible to make sure it does not happen again.

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

**Steve Darling** (Torbay) (LD): First, and for the record, the Liberal Democrats played a significant part in government in introducing the triple lock for our pensioners—it is important that people acknowledge that.

The Government's decision is nothing short of a betrayal of WASPI women. I know that, as in my constituency of Torbay, across the United Kingdom there will be millions of women who are shocked and horrified at that decision. That the Government have inherited an awful state for our economy is no excuse. That the women are being hit by the mistakes of the Tories and that the Labour Government are now using that as a shield is utterly wrong-headed. Will the Secretary of State reflect on the decision?

The matter went to the ombudsman for its considered review, and the Liberal Democrats have long supported the ombudsman's findings. I am shocked that the Government are taking a pick-and-mix approach to those findings, and we therefore ask the Secretary of State to seriously reconsider the decision.

**Liz Kendall:** I gently say to the hon. Gentleman, who I know was not in the House at the time, that the decision to accelerate the increase in the state pension age in 2011 was taken by the Conservative and Liberal Democrat coalition Government. It was that which angered and annoyed many women and led to the WASPI campaign. We accept that there was a 28-month delay in sending out letters and we apologise for that, but we do not agree with the ombudsman's approach to injustice or remedy. We do not believe that the letters would have had an impact on most, as the ombudsman said, and when 90% of women knew that the state pension age was increasing, we cannot accept that that flat rate of payment of up to £10.5 billion would be a fair or appropriate use of taxpayers' money. I know that will disappoint some women born in the 1950s, but we believe it is the right and fair decision.

**Florence Eshalomi** (Vauxhall and Camberwell Green) (Lab/Co-op): I share the Secretary of State's concern about the black hole that was left. This will have been a difficult decision for her to make and bring to the House today. However, I think about the many people across all our constituencies who have contacted us about the matter, including my constituent Valerie, who wrote to me and said:

"We simply cannot afford to wait any longer for justice given that more than 20,000 WASPI women have tragically died since the ombudsman's findings were published more than 6 months ago."

I know that Valerie and many others in my constituency will be very disappointed. The Secretary of State says that she accepts the maladministration. Does that not then mean accountability?

**Liz Kendall:** We do indeed take responsibility for the maladministration between 2004 and 2007 and a 28-month delay in sending the letters out. I want to reiterate to my hon. Friend and to the House that this is not a decision about the increase in the state pension age, which so many women were aggrieved about; it is about how that was communicated. We accept that those letters should have gone out earlier, but even if we had sent those, it would not have made a difference for most. When 90% of those 1950s-born women knew that the state pension age was increasing, we do not think that the proposed compensation scheme is fair or proportionate. That is why we have taken this extremely difficult decision.



**Dame Caroline Dinenage** (Gosport) (Con): The Parliamentary and Health Service Ombudsman's report says what many WASPI women across my constituency have been saying for years, which is that between 2005 and 2007 the DWP and the last Labour Government let them down. I am therefore grateful to the Secretary of State for her apology, but that will come as cold comfort to those who are in this situation in the face of no financial compensation. If I am right in what I hear, she says mitigation is too complicated and that it is someone else's fault. That will be no comfort to those impacted. What conversations does the Secretary of State plan to have with the WASPI women to see what more support can be put in place for those most impacted?

**Liz Kendall:** I met the WASPI campaign in opposition when I was appointed shadow Work and Pensions Minister. The Minister for Pensions was the first of her kind to meet the WASPI campaign for eight years, and she is happy to meet them again. I say to the hon. Lady, who feels very deeply about the issue, that we will learn all the lessons from what went wrong with the delay in sending the letters out, but we do not agree that even if we had done that, they would have made the difference that the ombudsman claims. This is not about the matter being too complicated; we do not believe that, when 90% of women aged 45 to 54 knew the state pension age was increasing, a flat-rate compensation scheme costing up to £10.5 billion would be a fair or proportionate use of taxpayers' money.

**Rebecca Long Bailey** (Salford) (Ind): The all-party parliamentary group on state pension inequality has found that huge numbers of women have suffered significant financial hardship; many have even lost their homes. The Secretary of State must realise that her apology is welcome, but that it is not enough for them. Frankly, it is unprecedented for a Government to agree with the findings of an ombudsman on the one hand, but, on the other, to refuse to initiate redress when clear injustice has occurred. What will the Secretary of State say to reassure those women who have lost everything?

**Liz Kendall:** I understand the concerns that my hon. Friend raises, but I reiterate the findings from the ombudsman's report that there was no direct financial loss. We agree that those letters should have been sent out earlier. We will learn all the lessons needed to put that right. I am more than happy to discuss precisely how we will do that with the all-party parliamentary group, so that that kind of maladministration of sending out letters never happens again.

**John Milne** (Horsham) (LD): Last month, the word "WASPI" made it into the Collins English Dictionary, which is a credit to the campaigners behind it. Does the Secretary of State agree that she has gone through the ombudsman's report with, to use her own words, a fine-toothed comb, in order to get the answer that she always wanted to find in the first place?

**Liz Kendall:** No, I do not agree with that. It was only when we got into government that we were able to see all the information and advice provided by the Department. I did not go into it in the way that the hon. Gentleman suggests; that is not correct. This report is not about the policy decision and women against state pension age

increases. That decision was taken in 1995, agreed to by subsequent Parliaments and deemed lawful by the courts in 2020. The ombudsman's report is not about the state pension age increases; it is about how they were communicated. I take responsibility for that and will make sure that we do everything possible to put it right.

**Katie White** (Leeds North West) (Lab): This is undoubtedly a tough choice. It is welcome that the Government will seek to learn the lessons and develop a new strategy for clear and timely comms. Will the Secretary of State reassure the House not only that the strategy will be comprehensive, but that those with accessibility requirements are properly informed of any changes?

**Liz Kendall:** My hon. Friend raises an extremely important point, which is that a one-size-fits-all approach will not work—even if it ever did. We need to provide tailored information in an accessible way—in an easily understood and available format. We will work extremely closely with all the necessary groups to develop that information, and, crucially, give sufficient notice. The ombudsman's report deals with the decisions made between 2004 and 2007, but what greatly concerned many women and led to the original WASPI campaign was the decision in 2011 to accelerate and bring forward increases in the state pension age. Therefore, that other commitment to give sufficient and timely notice so that people can properly plan for their retirement is extremely important.

**Sir Julian Lewis** (New Forest East) (Con): The Secretary of State says in her statement: "Research given to the ombudsman shows only around a quarter of people who are sent unsolicited letters actually remember receiving and reading them." I would like to know the terms of that research. Did it, for example, say on the envelope, "Important financial information affecting your pension"? If something like that were on an envelope, I think that there would be a very different response rate. Given that she is having trouble accepting that people look at serious letters that really affect them, perhaps the Chancellor could use some of her ability to get these messages across, as was so successful in the case of advising pensioners that they would be losing the winter fuel allowance.

**Liz Kendall:** I am happy to write to the right hon. Gentleman about this research and its findings, which are robust. I reflect on the fact that three of the sample cases that the ombudsman looked into had received a letter, but I am more than happy to provide him with the details of that research.

**Brian Leishman** (Alloa and Grangemouth) (Lab): In the framing of my question to the Secretary of State, I first wish to say that I am appalled by this announcement. I have campaigned with WASPI women, as have many parliamentary colleagues, and this is an incredible let down for them. In my opinion, WASPI women certainly do not need words of disappointment and hollow statements. What they need is justice. Does the Secretary of State not agree with that?

**Liz Kendall:** I believe that this is a difficult decision, but the right and fair one. We accept that there has been maladministration. Once the Department had reached

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its decision, those letters should have been sent out. For the reasons that I have explained, we do not accept the ombudsman's approach to injustice, remedy or compensation. We have to take difficult decisions in government, but this is about what I think is right and fair. I am happy to meet my hon. Friend to discuss the matter in more detail if he so wishes.

**Wendy Chamberlain** (North East Fife) (LD): It is a gross understatement for the Secretary of State to say that 1950s women will be disappointed, especially given that this new Government are setting a precedent by ignoring an independent resolution process. I signpost constituents to the ombudsman on a regular basis; we all do. It is one of the ways that we hold the Government and Government bodies to account, and it is a core part of our democracy. Can the Secretary of State explain how we can have faith in that process if the Government choose to ignore the ombudsman's findings? Given the fact that, as a constituent MP, the Secretary of State herself supported the WASPI campaign, can she advise whether the £22 billion black hole has had any consequence on her decision making?

**Liz Kendall:** We did campaign against the acceleration of changes to the state pension age brought forward by the Conservative-Liberal Democrat Government, but that is not what this decision is about. The decision on the state pension age has already been taken. I do value the ombudsman's role; I refer many cases myself. We accept his findings on maladministration, but we do not accept his view on injustice. None the less, the ombudsman continues to have an important role to play for many constituency MPs, and I for one will continue to refer cases to the ombudsman, as I always have done.

**Melanie Ward** (Cowdenbeath and Kirkcaldy) (Lab): The Government are right to have apologised to WASPI women today and my right hon. Friend is also right to have acknowledged the significant disappointment that will be felt. What is important is that this Labour Government are acting to boost pension pots across the country. Does the Secretary of State agree that it is important that, through the measures the Government are taking, we not only protect pension pots but actually enhance them, so that pensioners are better off?

**Liz Kendall:** The pension schemes Bill will do precisely that. One of the really important things that we want to do is to consolidate smaller pension pots, so that they deliver better value and better results for those in retirement. That is exactly what that Bill will do. We want to see the very best for pensioners and also the very best for UK plc, which is why our pensions reforms are so important. My hon. Friend the Minister responsible for pensions will be delivering on that in the months and years ahead.

**Kirsty Blackman** (Aberdeen North) (SNP): Anas Sarwar said that, under his leadership, WASPI women will finally receive the justice they deserve. Is the justice they deserve being paid less than their male counterparts throughout their career? Is the justice they deserve being sacked or forced to resign from their jobs when they had children? Is the justice they deserve the removal

of the winter fuel payment? Why are the Labour Government absolutely determined to take every opportunity to screw over 1950s-born women?

**Liz Kendall:** I am proud of the last Labour Government's record on helping the lowest-paid women pensioners and of the improvements that we delivered. This is not about that issue; this is about the way that the state pension age was communicated. If the hon. Lady wants a different approach, the SNP Government in Scotland can provide that by using the £4.9 billion settlement—the biggest ever in the history of devolution—that we have provided.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): This will be a sad moment for the 4,000 women in Stoke-on-Trent Central who I have campaigned alongside for justice and a fair transition. I understand the Secretary of State's need to balance the budget, given what was left by the previous Government, but is this a case of no compensation now because of the economic circumstances that we find ourselves in, or is it no compensation ever? If we find ourselves in the future in a much better economic state, will she consider re-addressing this issue and seeing what compensation might be available for the women who were affected?

**Liz Kendall:** We do not agree with the ombudsman's approach to injustice or compensation. We do not believe that sending those letters earlier, even though we should have done, would have made the difference that the ombudsman claims. We do not believe that, given that 90% of 1950s-born women knew that the state pension age was increasing, a flat-rate compensation scheme costing up to £10.5 billion is a fair or appropriate use of taxpayers' money. However, we will learn lessons from that maladministration to ensure that it never happens again.

**Sir Gavin Williamson** (Stone, Great Wyrley and Penkridge) (Con): Every single one of us in this House relies on the Parliamentary and Health Service Ombudsman to ensure that our constituents get redress. When the PHSO made a similar judgment against Equitable Life, the Government came forward with a compensation programme. Will the Secretary of State commit to having a binding vote in this House on the decision, so that the House can decide whether what the Government are proposing is justice for WASPI women? I certainly do not believe that it is.

**Liz Kendall:** I am sure the right hon. Gentleman could have encouraged his party to do a compensation scheme when he was in government. The reason the ombudsman actually referred the report to Parliament was because he did not believe the last Government when they were running the Department for Work and Pensions would deal with it properly. This Government take our responsibility seriously, and that is why we have come to Parliament today to make this difficult decision.

**Chris Vince** (Harlow) (Lab/Co-op): A Conservative Member said to me this morning that being the Secretary of State for the DWP is probably the hardest job in Government, and I think today we can really see that. I pay tribute to the WASPI women in my constituency, and in particular Gina, who emails me regularly about

this issue. What reassurances can the Secretary of State give WASPI women such as Gina that we will do everything we can to support them and to ensure that issues like this do not happen again?

**Liz Kendall:** As I said in my statement, I understand that many women born in the 1950s face a real struggle and, on this specific decision, they may well be disappointed, but our commitment to pensioners and to the pensions triple lock will deliver an extra £30 billion into the basic state pension over this Parliament. Our investment in the NHS, about which many 1950s-born women are desperately worried, of £22 billion this year and next, shows our commitment to the issues that matter to those women. As I say, they may be disappointed and, indeed, angry about the decision, but we believe that it is the fair and right decision. However, I would be more than happy to talk to my hon. Friend in further detail so that he can pass on comments from WASPI women in his constituency.

**Rachel Gilmour** (Tiverton and Minehead) (LD): I speak on behalf of Helen from my home town of Bampton and the 5,500 WASPI women in my constituency. They are not disappointed; they are devastated, as am I because—mistakenly, as it turned out—I believed that this Labour Government, who were supported by millions of women across this country who rightly turned their backs on the Conservatives, had some probity and decency. Does the Secretary of State agree that it turns out that they have neither?

**Liz Kendall:** No.

**Tom Rutland** (East Worthing and Shoreham) (Lab): Many former Ministers and current shadow Ministers have made clear that they do not support a compensation scheme, so is this not just another example of this Labour Government having to take the difficult but necessary decisions that those Members ran away from?

**Liz Kendall:** It is true this was a long-running issue, spanning multiple Parliaments, that was delivered to the last Government, and we have dealt with it. We have dealt with it seriously, but also as quickly as we can. We take our responsibilities seriously. It is a difficult decision, but I believe it is the right and fair one.

**Sammy Wilson** (East Antrim) (DUP): How long will we have this Government giving the excuse that they cannot do things because the last lot did not do them? Will the Secretary of State remember that she is now in government? When she was in opposition, she and other members of her party campaigned for WASPI women. The facts have not changed: administratively, mistakes were made and, financially, there is still an impact; and now the ombudsman has found in favour. She cannot hide behind saying that “We have no money”. We just had the Secretary of State for Energy Security and Net Zero in questions boasting that he is bunging billions of pounds to power companies, yet we cannot honour the commitments made to people who were wrongly treated in the pensions system.

**Liz Kendall:** I hate to disagree with the right hon. Gentleman, but I did not say it was only about there being no money. I said it was because we do not agree

that if we had sent those letters earlier, it would have made the difference that he says, and because, when 90% of women aged 45 to 54 knew the state pension age was increasing, we do not believe a flat rate is pertinent. I say this to him: we do take the public finances seriously. We have to make difficult decisions, and we cannot spend more than we have. We will continue with that approach, but based on our values. We do not believe that what has been set out is the right or fair way forward. I have come to the House honestly to make that decision plain, but I would be happy to talk to him in more detail if he would like.

**Melanie Onn** (Great Grimsby and Cleethorpes) (Lab): The Secretary of State says the report is about the way this was communicated to those 1950s-born women and that earlier letters would not have made a difference, but they would have made a difference to individuals’ financial planning, their retirement dates, the notice they gave to their jobs, and the wider family arrangements and commitments they had made. There have undoubtedly been losses for those 1950s-born women. My hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) just gave the Government an opportunity to reconsider that at some point in the future. Is she sure that she will not take that offer?

**Liz Kendall:** I know my hon. Friend cares passionately about this issue and many other issues related to pensioners. I repeat what I said in my statement and, indeed, what the ombudsman said, which is there was no direct financial loss for the women. This is not about the increase in the state pension age; it is about how it was communicated. The research shows that only one in four people who get an unsolicited letter remember receiving or reading it, so sending those letters out earlier would not have made the difference. We cannot justify a flat-rate compensation scheme or, indeed, an individualised compensation scheme on that basis.

**James Wild** (North West Norfolk) (Con): When the Secretary of State was in opposition, she said she was a “long-standing supporter” of WASPI women. Given that, what would she say to the WASPI women in my constituency, the 3,300 in her constituency and those across the country who will be disappointed at her rejection of any compensation, even if not at the level the ombudsman recommended?

**Liz Kendall:** My party opposed the Conservatives’ decision to accelerate increases in the state pension age, but that is not what the report is about. It is about how those changes were communicated and, at the risk of repeating myself, that is why we have taken this decision.

**Lewis Atkinson** (Sunderland Central) (Lab): It is no small thing for a Secretary of State to stand up with the sincerity that my right hon. Friend has and to offer an apology on behalf of the Government and accept maladministration, and I know she takes that responsibility seriously. I understand her position regarding the 90% of women who knew the pension age was going to change, but among the 10% who did not realise, people made individual decisions about their financial circumstances. Will she say more about why she did not feel that it was possible to put an individualised compensation scheme in place for that 10%?



**Liz Kendall:** My hon. Friend asks a reasonable question. The difficulty is we estimate that going through 3.5 million women to find out which ones knew about their state pension age increasing and would have made different decisions on that basis would take 10 times the number of staff who administer the state pension for 12 million people, and many years. We do not think that is an affordable or possible programme. The ombudsman himself goes through that point, and that is why he proposes a flat rate, but I have already said why we think that is not justified when 90% of those women knew their state pension age was increasing.

**Christine Jardine** (Edinburgh West) (LD): One of the very first constituents who came to me after I was elected in 2017 was Helen, whose decision on her financial future was taken just before she received the letter, which came late—so it did have an impact on her. It also had an impact on the thousands of WASPI women in my constituency who have contacted me over the past seven and a half years. How does the Secretary of State think that any pensioner in this country, regardless of the triple lock, which was the creation of the Liberal Democrats with the Conservatives, can have faith in a Government who have taken away their winter fuel allowance and now do not respect the injustice done to them in not compensating the WASPI women?

**Liz Kendall:** Our commitment to the pension triple lock, which will deliver an increase of £470 in the new state pension from this April and up to £1,900 extra over the course of this Parliament, backed by over £30 billion of investment, is a serious investment in pensioners. We believe that the basic state pension is the foundation for security in retirement. If the Liberal Democrats want to come up with a costed proposal to do what the ombudsman says, they are perfectly at liberty to do so, although we think that that is the wrong approach.

**Alan Gemmell** (Central Ayrshire) (Lab): As my right hon. Friend has noted, many women will be disappointed by this decision—including women I have met in Central Ayrshire when campaigning, since I have been an MP, and at constituency surgeries as recently as Friday—even though they know that we are cleaning up 14 years of Tory mess, dither and delay and failure. Caring responsibilities often fall on women, and an awful lot of 1950s women have spoken about the financial, emotional and physical pressures that they face in caring for a loved one. Will my right hon. Friend set out how the Government plan to support carers over the coming months and years?

**Liz Kendall:** I have been a lifelong champion of family carers, which is why I have launched an independent review of the overpayment of carers allowance, led by Liz Sayce, and why the Government have introduced the biggest ever increase in the earnings threshold for carer's allowance. That will make a huge difference in enabling those who look after the people they love to work at the same time. I understand that many women born in the 1950s will be disappointed, but, for all the reasons I have set out, we think this is the fair and right approach. However, we will learn lessons from the maladministration—the delay and the failure to send out letters for 28 months—to ensure that it never happens again.

**Siân Berry** (Brighton Pavilion) (Green): This is a very harsh statement. It admits wrongdoing but offers a bitter dose of nothing to a generation of women who already faced prejudices and disadvantages in their careers and were caught out by Government decisions. If the Secretary of State will not reconsider her decision despite being urged to do so by Members on both sides of the House, what else will she do to ensure that those women can enjoy levels of security in retirement closer to equal those of their male counterparts?

**Liz Kendall:** The hon. Lady raises a valid point about the state pension itself and the difficulties for women who have taken time out to look after children. We took that seriously when we were last in government, and we still do now, because we want to ensure that there is proper equality for those women. The report and this decision are not about the acceleration in the increase to the state pension age, which was at the heart of why so many women felt angry about what happened. We will ensure that we give proper notice so that people can plan for their retirement, we will support women through the pension triple lock and all the investment that we are putting into the NHS, and we will ensure that equality for women is at the heart of our proposals for pensions.

**Peter Swallow** (Bracknell) (Lab): WASPI women in my constituency will have listened to the statement with some difficulty, as I know my right hon. Friend has accepted, but they will also have heard her offer a heartfelt from the Dispatch Box, which is quite right. Will she assure them that the maladministration that underlined this case will never happen again, and that this injustice will not be repeated by this or any other Government?

**Liz Kendall:** I thank my hon. Friend for his question. It is most important, first, that in future people have proper notice of any changes to the state pension age so that they can properly plan for their retirement, which is not what happened in 2011 under the previous Government; secondly, that we ensure that people get effective, timely and personalised information about their state pension and, I would argue, about their second pensions; and thirdly, that we reach people in many different ways, not just by sending letters, precisely because we know that the great majority of people who get unsolicited letters do not remember getting them or reading some or any of them. That is why we must ensure that our communication strategy is much more personalised, timely and effective.

**Alison Bennett** (Mid Sussex) (LD): At a time when public confidence in politicians is so low, has the Secretary of State made an assessment of whether overruling the ombudsman's decision at a stroke will undermine trust in that process?

**Liz Kendall:** I hope that I have been direct, straightforward and honest about why we agree with the finding of maladministration but not with the approach in other areas. People will make their judgment, but I would just say that I believe in facing up to responsibilities, looking at the facts, going through the detail and putting forward a response that is fair and proportionate, and that is what I believe the Government have done today.



**Chris McDonald** (Stockton North) (Lab): I thank the Secretary of State for her statement and for the apology of behalf of the Government. As she has acknowledged, many of the brave and courageous WASPI women in my constituency will feel bitterly disappointed by this decision. Does she agree that the cornerstone of pensioner finances is this Government's commitment to the triple lock? That stands in stark contrast to the Conservative Government's breaking of the triple lock in 2022, which cost many pensioners in my constituency hundreds of pounds a year.

**Liz Kendall:** My hon. Friend states the fact that the Conservatives broke the triple lock two years ago. Indeed, their shadow Chancellor says that it is unsustainable. I am sure that his constituents will hear those comments loud and clear.

**Llinos Medi** (Ynys Môn) (PC): Today's announcement is a huge blow to 1950s-born women affected by state pension changes, who have campaigned tirelessly for justice and accountability, including on the maladministration that the Secretary of State has admitted took place. She promised jobs, homes and opportunities in her statement, but given that one affected woman dies every 13 minutes, can she explain exactly how that will benefit 1950s-born retired women?

**Liz Kendall:** I know that a number of women expected to be able to retire earlier than they could, but the decision to increase the state pension age has been taken. It was taken by Parliament, agreed by subsequent Parliaments, and deemed legal by the courts in 2020—that issue is settled. This is about the communication of it. As I say, we have accepted the finding of maladministration, but we do not accept the approach to injustice or compensation for all the reasons that I have set out. The Government are taking difficult decisions so that we can invest in the pension triple lock and the NHS, build homes, and get people the jobs that they need—many 1950s-born women are very concerned about those things, not just for themselves but for their families. On this specific issue, I know that many people will be disappointed and angry, but we believe that it is the right and fair decision for all the reasons that I have set out.

**Mr Joshua Reynolds** (Maidenhead) (LD): WASPI women across the UK have been let down time and again, including by this statement. In the Budget, the Chancellor announced £20 billion of additional borrowing this year, and an average of £32 billion over the next five years. How does the Secretary of State expect WASPI women to believe that the Government cannot afford a single penny of compensation?

**Liz Kendall:** Given that sending out letters earlier, which we should have done, would not have made the difference that the ombudsman claims it would, and given that 90% of 1950s-born women knew that the state pension age was increasing, we do not believe that a compensation scheme costing up to £10.5 billion is a fair or proportionate use of taxpayers' money.

**Stephen Flynn** (Aberdeen South) (SNP): When it was politically convenient to do so, the Secretary of State chose to back and support WASPI women. Today, she chooses to betray them. The public voted for change,

but instead they have been given more of the same—shame on you. If she is so confident in her position, why does she not let us all decide through a vote in this House?

**Liz Kendall:** I am sure that there could be a vote in the Scottish Parliament if the SNP Government decided to do that.

**Vikki Slade** (Mid Dorset and North Poole) (LD): I am shocked and staggered that the Secretary of State has made this decision in the week before Christmas—"Bah humbug," springs to mind. She has talked several times about making sure people get due notice in the future. Does the Secretary of State have plans to increase the pension age further?

**Liz Kendall:** No. What I am saying is that we have to be able to give people sufficient notice in future. That was at the heart of the problem with the former Conservative-Liberal Democrat coalition's decision to accelerate the increase in the state pension age, which caused so much anger among many people. We campaigned against that, including in the 2019 election in which we proposed compensation, but we lost that election, and the courts have since ruled that that decision was legal. That is why the ombudsman's report is not about that decision, but about how changes were communicated. We will learn all the lessons from that maladministration to make sure it does not happen in future.

**Sorcha Eastwood** (Lagan Valley) (Alliance): I stand here today on behalf of my many constituents who will feel utterly betrayed by this decision. Just months ago, people were promised a fresh start—a new change. Does the Secretary of State agree that not only will my constituents feel short-changed, but this decision will further compound a lack of trust in politics?

**Liz Kendall:** We are delivering change, with £22 billion of extra investment in the NHS and a substantial rise in the minimum wage that will deliver a pay rise for 3 million of the lowest-paid workers, as well as the biggest ever increase in the earnings threshold for carer's allowance to help family carers and a new flat repayment rate for universal credit to give an average of £420 per year to the poorest 1.2 million households. However, we also promised that we would be responsible with taxpayers' money and take fair and appropriate decisions. I hear what the hon. Lady says about her constituents, but the ombudsman's report is not about the increase in the state pension age for 1950s-born women. We will learn the lessons from the maladministration, but we do not agree with the ombudsman's report to injustice or to remedy, which is why we have taken this decision.

**Alex Brewer** (North East Hampshire) (LD): On the Secretary of State's website is a picture of her holding a sign that reads,

"I will work with WASPI to identify and deliver a fair solution for all women affected".

Does she think that today's announcement is a fair solution?

**Liz Kendall:** May I say gently that I know what is on my website? We did campaign with WASPI women, including in 2017 and 2019, but we lost those elections. This decision is not about the increase in the state

[Liz Kendall]

pension age, which was what that campaign was about—that decision has been taken—but about how that increase was communicated. I know that it will cause disappointment and anger among many 1950s-born women, but we do not believe that the ombudsman's approach to injustice or remedy is right, which is why we have taken this decision.

**Shockat Adam** (Leicester South) (Ind): In July, this country overwhelmingly voted for a change, but it is getting more of the same—more failure and more austerity. Nothing has changed apart from the excuses. It is no wonder that the Prime Minister's approval rating has plummeted to minus 66%. Given that Labour has recently removed even more money from our pensioners' pockets by taking away the winter fuel payment, will the Secretary of State please reconsider this betrayal and compensate the WASPI women, such as my constituents Ruth Smith and Rev. Elizabeth Maitland?

**Liz Kendall:** I am sure the hon. Gentleman supports an increase in the minimum wage that will deliver a £1,400-a-year pay increase for someone who is working full time on the minimum wage in Leicester. I am sure he agrees with the £22 billion additional investment in the NHS this year and next, and with a boost of £420 per year on average for people on universal credit in Leicester through the fair repayment rate. Those are the changes we are delivering, but on this issue, we do not believe the ombudsman's approach on injustice or remedy is right. When 90% of 1950s-born women knew that the state pension age was increasing, we do not believe that giving flat-rate compensation is a fair or appropriate use of taxpayers' money.

**Tom Gordon** (Harrogate and Knaresborough) (LD): The constituents I represent include thousands of WASPI women who will be disappointed by today's statement. A number of references have been made to the campaigning that the Secretary of State has done with WASPI women. Does she feel regret that she has led them up the garden path towards believing that they might get some compensation, and while she has apologised for the Government's part in the maladministration, will she apologise directly to the WASPI women in her constituency?

**Liz Kendall:** We were campaigning against the increase in the state pension age, and we had all sorts of proposals in our 2019 manifesto. We lost that election, and the courts have since decided that the increase in the state pension age was legal, so this decision is not about that. All I would say to WASPI women in my constituency—I have no doubt that they will contact me—is that I believe this is the fair and right decision. We are committed to supporting the lives of 1950s-born women, but we do not believe that the ombudsman's approach on injustice or remedy is the right way forward, which is why we have taken this decision.

**Mr Gregory Campbell** (East Londonderry) (DUP): Many, many WASPI women will be appalled by the Secretary of State's statement. When they look at today's proceedings, would they be right in concluding that this Government were prepared to resolve the pensions of mineworkers, but not those of WASPI women?

**Liz Kendall:** We are prepared to take difficult decisions if we think that they are fair and right. That is why we have taken this approach to the issue of how the state pension age increase was communicated between 2004 and 2007. We agree with what the ombudsman says about maladministration, and I have set out our three action points: to make sure we have a clear and detailed action plan to learn all the lessons, to give people sufficient notice in future if their state pension age increases, and to have a detailed programme of communication about the state pension going forward. Those are firm actions to show that we have learned the lessons from this report.

**Claire Young** (Thornbury and Yate) (LD): I am sure that the 69-year-old who contacted me explaining how she had missed out on being able to care for her dying mother due to needing to work longer would have welcomed a letter giving her enough notice to plan her finances to allow otherwise. What support can the Secretary of State offer WASPI women, who are still disproportionately taking on caring responsibilities?

**Liz Kendall:** The hon. Lady raises a really important point. As we get older, many of us are working while caring for our elderly loved ones or for children—sometimes both—and those family carers need support. I have already set out the action we have taken, including the biggest ever boost to the earnings threshold for carer's allowance and a serious, independent review of carers' overpayments, but we can and should be doing more to support family carers. I am very happy to meet the hon. Lady to talk through her ideas that she thinks would benefit her constituents, if she would like.

**Graham Leadbitter** (Moray West, Nairn and Strathspey) (SNP): I do not think I have ever seen quite so many glum faces on the Labour Benches, not for the two-child benefit cap or the winter fuel payment—this is beyond the pale. A handful of Labour Members have stood up and spoken their mind on this issue, and I commend them on that, but the Secretary of State has not answered the question of whether this House will be given a debate and a vote, which should happen in Government time. It is not just Scottish MPs who are asking for this; other MPs from other parties have done so. I urge the Secretary of State to reconsider.

**Liz Kendall:** Back Benchers can put forward proposals for debates, as can Opposition parties. If the main Opposition party wants to do so, it would be perfectly at liberty to do so.

**Jess Brown-Fuller** (Chichester) (LD): I and my colleagues on the Liberal Democrat Benches thought that today's statement might be an early Christmas present for the WASPI women in my constituency and across the country. All those women will now be understandably devastated, and will be asking the same question: if the ombudsman has ruled that they were to have financial redress because of the maladministration and the Government are willing to ignore that finding, what else are this Government willing to ignore?

**Liz Kendall:** We do not ignore the ombudsman; we just do not agree with the approach he takes to injustice or to remedy. We provided research that showed that only one in four people who receive an unsolicited letter

remember getting it or reading it, so even if we had sent those letters out earlier—which, as we have said, we should have done—we do not believe it would have made the difference that the ombudsman claims. When 90% of women aged between 45 and 54 knew that the state pension age was increasing, we cannot justify a flat-rate compensation scheme of up to £10.5 billion. We do not believe that that is a fair or proportionate use of taxpayers' money.

The ombudsman plays a really important role, and will continue to do so. I know that, as I have sent countless constituents to the ombudsman to try to get redress in the 14 years that I have been an MP. We continue to back their work and effort.

**Robin Swann** (South Antrim) (UUP): The Secretary of State has repeated time and again what this statement is not about, but what it is about is this Government not listening to the WASPI women and this Government not listening to the Parliamentary and Health Service Ombudsman. In the Secretary of State's statement, she said she will

“develop a detailed action plan out of the report”.

Considering that the report missed two thirds of this, especially the financial redress scheme, what action plan is she developing?

**Liz Kendall:** This is about how we make sure in such a situation that, once a Department has decided it needs to provide information and to send out letters, we actually do that, and do not have a 28-month delay. It is about asking what, in the 21st century, is the modern way to get personalised information and tailored advice to individuals about their state pension, their state pension age and, I would argue, all of their pensions. It is precisely about those issues, which matter so much, and dealing with the issues about the maladministration. If the hon. Member has any ideas about what more he thinks we should do on that issue, I am sure either I or my hon. Friend the Pensions Minister would be more than happy to meet him to hear his ideas.

**Steff Aquarone** (North Norfolk) (LD): Maladministration is a serious charge. I know the Secretary of State has taken a 360° pummelling on this, but she has declined to say that she would have compensated women if the economy were stronger, and she said it would not have made any difference if the letters had been sent. Surely, however, the overall charge of maladministration applies to the broader fact that women born in the 1950s did not know about these changes. Does she therefore agree with me that the failure is about not the channel, but the message?

**Liz Kendall:** No, I do not, because the ombudsman used the research that was provided to him—he looked at those aged 16-plus and found that 43% of them knew what their state pension age was—but he did not adequately reflect the research on the specific group of women affected. I think that is an important consideration, as part of our overall decision, which is not based on money alone. In Government, we have to look at what is a fair and proportionate use of taxpayers' money, which is one of the elements along with the others—the impact of letters, the fact that the great majority of women knew—that has informed our conclusion, which I have set out.

**Jim Allister** (North Antrim) (TUV): Is not the appalling message from the Government today that maladministration pays? If, as here, we have nationwide maladministration and no consequences, what other conclusion could one reach? What is the point of an ombudsman if the Government can be the judge in their own cause and dispense with the findings? Surely, the whole purpose of finding maladministration is to ensure that the maladministrator pays.

**Liz Kendall:** I think it is the precise opposite. We accept what the ombudsman found about the maladministration, and we apologise and we will learn the lessons to put it right. However, if Parliament itself decides it wants to put the parliamentary ombudsman on a different footing, it can do so.

**Brendan O'Hara** (Argyll, Bute and South Lochaber) (SNP): I say to the Secretary of State that this is neither fair nor right; this is a betrayal. Today, my thoughts are with the brave, dogged campaigners of WASPI Argyll and the Isles, particularly Ann Greer, who has worked so hard for so many years seeking justice. The Secretary of State said in her statement that the Government are choosing to do what they are doing because it would be a “significant cost” and an “administrative burden” to do the right thing. Does she not see that that is an incredibly lame excuse for denying natural justice to women who are asking for nothing more than to receive what is owed to them and to which they are entitled?

**Liz Kendall:** I would say that the ombudsman's report itself says there would be a huge cost and administrative burden of going through 3.5 million women individually, but I am sure the hon. Member can read the ombudsman's report and see that quote for himself. This is not about increases in the state pension age, which is what many of the women in the campaign have been very concerned about. It is about the communication, and for all the reasons I have set out, we have decided on this approach.

**Jim Shannon** (Strangford) (DUP): It is with great sadness that I rise to ask a question, and I am very disappointed by the statement. As the right hon. Lady will know, I stood shoulder to shoulder with many Labour Members, including the Secretary of State, in calling on the Government to do the right thing by the WASPI women. However, here we stand, six months into the new Government, and these women are poorer than ever, given the removal of the fuel allowance. Pensioners are borrowing more and paying off less, and the statement implies that the Government will do nothing. Will the Secretary of State clarify exactly what has changed for Labour Members? Six months ago, they stood up for the pensioners. I say that with great respect; the right hon. Lady will know that I speak with respect in this House. After taking advice not relevant to the report's findings, why will the Government suppress the rights of these women once again? More importantly, when can the 5,000 WASPI women in my constituency of Strangford expect their relief—not an apology, which will not heat their room by 1°? How sad it is that today, in this House, the ombudsman's recommendations are being ignored, and right and justice have been denied.



**Liz Kendall:** I am grateful to the hon. Gentleman for the tone of his questions. As he knows, I have huge respect for him. While many 1950s-born women will be deeply disappointed by this specific decision, our commitment to the pensions triple lock, our investment in the NHS, our support for family carers through the carer's allowance, and all the other things that we are doing to help people deal with the cost of living crisis—including getting family members into jobs, and then better jobs, and into better homes—means that, on the whole, we are delivering change. The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Wycombe (Emma Reynolds), who has responsibility for pensions, or I would be more than happy to meet the hon. Gentleman—that goes for many other Members—to go through this in more detail.

## Points of Order

1.46 pm

**Mr Gregory Campbell** (East Londonderry) (DUP): On a point of order, Madam Deputy Speaker. Claimants of pension credit, which gives entitlement to the winter fuel allowance, have to apply by this weekend to qualify for this year's winter fuel allowance. Has the Secretary of State for Work and Pensions indicated that she will come to the House today or tomorrow to make a statement about the urgent need for those on pension credit to apply—tens of thousands have not yet done so—if they are to avail themselves of what they appear to be denied?

**Madam Deputy Speaker (Caroline Nokes):** I thank the hon. Member for giving notice of his point of order, which reiterates a point that came up yesterday in Work and Pensions oral questions—and, indeed, in the Chamber this afternoon. I am sure that all Members will play their part in ensuring that constituents are aware of the benefits, including pension tax credits, to which they are entitled. As far as the point of order goes, I confirm that there has been no request today from Department for Work and Pensions Ministers to make a statement on this issue.

**Sir Gavin Williamson** (Stone, Great Wyrley and Penkridge) (Con): On a point of order, Madam Deputy Speaker. I am sorry for not giving you advance notice of this. The ombudsman of this House has been completely ignored, as was demonstrated by the statement. How can this House hold the Government to account and make sure that we hear the voice of every single Member on whether they are happy to see the ombudsman overruled in this callous manner?

**Madam Deputy Speaker:** I thank the right hon. Member for that point of order. He has put his point on the record, and he will be aware that the Secretary of State specifically responded to that point throughout the statement.

## BILL PRESENTED

CHILDREN'S WELLBEING AND SCHOOLS BILL  
*Presentation and First Reading (Standing Order  
No. 57)*

Secretary Bridget Phillipson, supported by the Prime Minister, Secretary Angela Rayner, Pat McFadden, Secretary Wes Streeting, Secretary Jonathan Reynolds, Secretary Liz Kendall, Catherine McKinnell, Jess Phillips and Sir Nicholas Dakin, presented a Bill to make provision about the safeguarding and welfare of children; about support for children in care or leaving care; about regulation of care workers; about regulation of establishments and agencies under Part 2 of the Care Standards Act 2000; about employment of children; about breakfast club provision and school uniform; about attendance of children at school; about regulation of independent educational institutions; about inspections of schools and colleges; about teacher misconduct; about Academies and teachers at Academies; repealing section 128 of the Education Act 2002; about school places and admissions; about establishing new schools; and for connected purposes.

*Bill read the First time; to be read a Second time tomorrow and to be printed (Bill 151) with explanatory notes (Bill 151-EN).*

## Off-road Bikes (Police Powers)

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

1.48 pm

**Luke Akehurst** (North Durham) (Lab): I beg to move,

That leave be given to bring in a Bill to give police powers to enter a private dwelling for the purpose of seizing an off-road bike that has been driven in an anti-social way or without insurance; and for connected purposes.

Members across the House will be starkly aware of the menace of off-road bikes being driven in a dangerous and antisocial way, whether through parks, on pavements or in other public spaces, causing not just a nuisance, but in some cases damage and injury. I am introducing the Bill following conversations with local police in my constituency of North Durham. They have told me that there is a loophole in legislation around their power to seize these off-road vehicles. Off-road bikes include a range of vehicles, such as quad bikes and motorbikes. Electric motorbikes in particular have become increasingly popular throughout County Durham, especially in rural areas. I am sure, from talking to colleagues, that that is replicated in other parts of the country.

Last week, it was reported that crimes involving e-bikes and e-scooters have soared by more than 730% in the past five years. Durham constabulary uses officers on similar bikes to respond to reports, and uses drones to identify suspects. I pay tribute to them for taking those steps to track down the perpetrators of these crimes. Frustratingly, while the location of bikes being driven illegally may be known to the police, the bikes cannot always be seized. That is why I am introducing this Bill.

The Road Traffic Act 1988 allows the police to seize vehicles being driven without insurance. In many cases, vehicles being driven antisocially are not insured. More prevalent forms of road-related antisocial behaviour can be dealt with under the Police Reform Act 2002, which creates the offence of vehicles being used in a manner that causes alarm, distress or annoyance. The Act also gives police the power to seize vehicles used in that way. Under both Acts, the police can seize vehicles from any premises that they have reasonable grounds

for believing the vehicle to be on, but not from private dwellings, except for garages, other structures or land belonging to a dwelling.

The Bill I am introducing would amend the Road Traffic Act to remove the prohibition on the police seizing from a private dwelling a vehicle that has been driven without insurance. The Bill would also amend the 2002 Act to remove the prohibition on the police seizing from a private dwelling a vehicle that has been driven dangerously or in a way that

“is causing, or is likely to cause, alarm, distress or annoyance to members of the public”.

I recognise that the right to enter premises, particularly a private dwelling, is an intrusive power, and it must be subject to rigorous legal safeguards and used proportionately, but while finding the right balance will be challenging, I do not believe that the problem is insurmountable. My predecessor and I have had many constituents raise this issue, and Members from all parts of the House have also had the issue repeatedly raised by constituents. It is repeatedly raised with me on doorsteps across North Durham, and I know it will be familiar to colleagues across the House.

Tackling antisocial behaviour was a key pledge in this Government’s manifesto at the general election, and I know that the Government take it seriously. I welcome the fact that they intend to legislate, through the upcoming crime and policing Bill, to give police the powers that they need to quickly destroy off-road bikes that are seized, but I hope that consideration will be given to making it easier for the police to seize those vehicles in the first place, which is what this private Member’s Bill seeks to do.

The illegal, dangerous and antisocial use of off-road bikes has been intimidating local people for far too long, and we must give the police the powers that they need to properly tackle it.

*Question put and agreed to.*

*Ordered,*

That Luke Akehurst, Shaun Davies, Graeme Downie, Michelle Welsh, Yuan Yang, Adam Jogee, Dave Robertson, Jo Platt, Jodie Gosling, Will Stone, Dr Allison Gardner and Antonia Bance present the Bill.

Luke Akehurst accordingly presented the Bill.

*Bill read the First time; to be read a Second time on 7 March 2025, and to be printed (Bill 151).*

## National Insurance Contributions (Secondary Class 1 Contributions) Bill

*Considered in Committee*

[CAROLINE NOKES *in the Chair*]

**The Second Deputy Chairman of Ways and Means (Caroline Nokes):** I remind Members that in Committee they should not address the Chair as Madam Deputy Speaker. Please use our names when addressing the Chair. “Madam Chair”, “Chair” and “Madam Chairman” are also acceptable.

### Clause 1

#### RATE OF SECONDARY CLASS 1 CONTRIBUTIONS

1.55 pm

**Pippa Heylings** (South Cambridgeshire) (LD): I beg to move amendment 1, page 1, line 2, at beginning insert—

“(A1) In section 9(1A) of the Social Security Contributions and Benefits Act 1992, before paragraph (a) insert—

“(za) if the employer is a specified employer under subsection (1B), the specified employer secondary percentage;”

(A2) After section 9(1A) of that Act insert—

“(1B) A “specified employer” means—

(a) a person providing a care home service or a domiciliary support service who is regulated under—

- (i) Part 1 of the Health and Social Care Act 2008,
- (ii) Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016, or
- (iii) Part 5 of the Public Services Reform (Scotland) Act 2010,

(b) a person contracted to provide primary care under the provisions of—

- (i) Part 4 of the National Health Service Act 2006,
- (ii) Part 4 of the National Health Service (Wales) Act 2006, or
- (iii) sections 17J to 17O of the National Health Service (Scotland) Act 1978,

(c) a person contracted to provide general dental services under the provisions of Part 2 of the National Health Service (General Dental Services) Regulations 1992,

(d) a person contracted to provide pharmacy services under the provisions of—

- (i) Part 7 of the National Health Service Act 2006, or
- (ii) Part 8 of the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013, or

(e) a charitable provider of health and care, or

(f) a person providing hospice care whether in a hospice or elsewhere.

(1C) For the purposes of this Act, the specified employer secondary percentage is 13.8%.”

*This amendment, together with Amendment 2 provides that care providers, NHS GP practices, NHS commissioned dentists, NHS commissioned pharmacists, charitable providers of health and care, and those providing hospice care would continue to pay contributions at current rates.*

**The Second Deputy Chairman:** With this it will be convenient to discuss the following:

Amendment 4, page 1, line 2, at beginning insert—

“(A1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(A2) In section 9(1A) after paragraph (aa) insert—

“(ab) if section 9AA below applies to the earnings, the reduced secondary percentage;”

(A3) After section 9A insert—

#### “9AA Qualification for reduced secondary percentage

(1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, where the earner is employed—

- (a) by a charity registered in the charity register or the Scottish charity register,
- (b) by a voluntary organisation within the meaning of regulation 2 of the Housing Benefit Regulations 2006,
- (c) to work in a GP practice,
- (d) by a university, or
- (e) by a college of further education.

(2) For the purposes of section 9(1A)(ab) above, the reduced secondary percentage is 13.8%.”

Amendment 7, page 1, line 2, at beginning insert—

“(A1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(A2) In section 9(1A) before paragraph (a) insert—

“(za) if subsection (1B) below applies, the healthcare and small charities secondary percentage;”

(A3) After section 9(1A) insert—

“(1B) This section applies where the earner is employed to work—

- (a) in any of the following settings—
  - (i) a GP surgery,
  - (ii) an optometry or dispensing optician practice,
  - (iii) a dental surgery,
  - (iv) a pharmacy,
  - (v) a residential care setting, or
- (b) for a registered charity employing 50 people or fewer.

(1C) For the purposes of subsection (1A)(za) the healthcare and small charities secondary percentage is 13.8%.”

Amendment 13, page 1, line 2, at beginning insert—

“(A1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(A2) In section 9(1A) before paragraph (a) insert—

“(za) if sub section (1B) below applies to the earnings, the specified sector secondary percentage;”

(A3) After section 9(1A) insert—

“(1B) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this subsection applies to the earnings paid in the tax week, in respect of the employment in question, where the earner is employed in any of the following specified sectors—

- (a) adult social care,
- (b) hospices,
- (c) primary care,
- (d) nurseries registered in the Early Years Register maintained by the Office of Standards in Education, Children’s Services and Skills, or
- (e) a charity registered in the charity register or the Scottish charity register.

(1C) For the purposes of this Act above, the specified sector secondary percentage is 13.8%.”

*This amendment would provide that adult social care, hospice, primary care, nurseries and charities would continue to pay contributions at current rates.*



Amendment 19, page 1, line 2, at beginning insert—

“(A1) In section 9(1A) of the Social Security Contributions and Benefits Act 1992, before paragraph (a) insert—

“(za) if the employer is a specified employer under subsection (1B), the specified employer secondary percentage;”

(A2) After section 9(1A) of that Act insert—

“(1B) A “specified employer” means—

- (a) a provider of education or childcare to children under five years of age—
  - (i) registered in England in the early years register maintained by the Office for Standards in Education, Children’s Services and Skills,
  - (ii) registered in Wales with Care Inspectorate Wales, or
  - (iii) registered in Scotland with the Scottish Care Inspectorate; or
- (b) a university.

(1C) For the purposes of this Act, the specified employer secondary percentage is 13.8%.”

*This amendment provides that Early Years Settings and Universities would continue to pay contributions at current rates.*

Amendment 20, page 1, line 2, at beginning insert—

“(A1) In section 9(1A) of the Social Security Contributions and Benefits Act 1992, after paragraph (aa) insert—

“(ab) if the employer is a specified employer under subsection (1B), the specified employer secondary percentage;”

(A2) After section 9(1A) of that Act insert—

“(1B) A “specified employer” means—

- (a) a registered charity, or
- (b) a housing association.

(1C) For the purposes of this Act, the specified employer secondary percentage is 13.8%.”

*This amendment provides that charities and housing associations would continue to pay contributions at current rates.*

Amendment 23, page 1, line 2, at beginning insert—

“(A1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(A2) In section 9(1A) after paragraph (aa) insert—

“(ab) if section 9AA below applies to the earnings, the veterans secondary percentage;”

(A3) After section 9A insert—

**“9AA Veterans secondary percentage**

- (1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, where the earner is a veteran.
- (2) For the purposes of section 9(1A)(a) above, the veterans secondary percentage is 13.8%.
- (3) For the purposes of this section, a “veteran” means a former member of any of His Majesty’s forces.”

*This amendment would exempt veterans’ salaries from NICs changes.*

Amendment 10, page 1, line 3, at end insert—

“(1A) The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.

(1B) In section 9(1A) after paragraph (aa) insert—

“(ab) where the employer is a specified employer under subsection (1B), the specified employer secondary percentage;”

(1C) After section 9(1A) insert—

“(1B) A “specified employer” means—

(a) a person providing a care home service or domiciliary support service regulated under the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, or

(b) a person providing primary medical services through contractual arrangements with a Health and Social Services Board,

(c) a person providing general dental services under Part 2 of the General Dental Services (Northern Ireland) Regulations 1993,

(d) a person providing pharmaceutical services under Part 2 of the Pharmaceutical Services Regulations (Northern Ireland) 1997,

(e) a provider of health and care registered as a charity by the Charity Commission for Northern Ireland,

(f) a person providing hospice care whether in a hospice or elsewhere,

(g) a voluntary or community organisation, and

(h) a provider of childcare registered in the Family Support NI Register.

(1C) For the purposes of this Act, the specified employer secondary percentage is 13.8%.”

(1D) After subsection (3) insert—

“(4) The Secretary of State must by regulations define a voluntary or community organisation for the purposes of subsection (1B)(g).”

*This amendment aims to provide that in Northern Ireland care homes, domiciliary care providers, GP and dental surgeries, pharmacists, health and care charities, hospice care providers, voluntary or community organisations and childcare providers would remain subject to the current secondary Class 1 contribution rate, not the increased rate proposed in the Bill.*

Amendment 16, in clause 1, page 1, line 3, at end insert—

“(1A) The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.

(1B) In section 9(1A) before paragraph (a) insert—

“(za) if sub section (1B) below applies to the earnings, the specified sector secondary percentage;”

(1C) After section 9(1A) insert—

“(1B) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this subsection applies to the earnings paid in the tax week, in respect of the employment in question, where the earner is employed in any of the following specified sectors—

- (a) adult social care,
- (b) hospices,
- (c) primary care,
- (d) nurseries registered with Family Support NI, or
- (e) a registered charity in Northern Ireland.

(1C) For the purposes of this Act above, the specified sector secondary percentage is 13.8%.”

*This amendment would provide that adult social care, hospice, primary care, nurseries and charities in Northern Ireland would continue to pay contributions at current rates.*

Clause stand part.

Amendment 2, in clause 2, page 1, line 12, leave out “£96” and insert—

“(i) for a specified employer under section 9(1B) of the Social Security Contributions and Benefits Act 1992, £175, and

(ii) in all other cases, £96.”

*This amendment, and Amendment 3, exempts care providers, NHS GP practices, NHS commissioned dentists, NHS commissioned pharmacists, charitable providers of health and care, and those providing hospice care from the changes to the threshold.*

Amendment 5, page 1, line 12, leave out “£96” and insert—

- “(i) in respect of an earner listed in section 9AA(1) of the Social Security Contributions and Benefits Act 1992, £175, and
- (ii) in all other cases, £96.”

Amendment 8, page 1, line 12, leave out “£96” and insert—

- “(i) in respect of an earner to whom the healthcare and small charities secondary percentage under section 9(1B) of the Social Security Contributions and Benefits Act 1992 applies, £175, and
- (ii) in all other cases, £96.”

Amendment 11, page 1, line 12, leave out “£96” and insert—

- “(i) for a specified employer under section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £175, and
- (ii) in all other cases, £96.”

*This amendment provides that the employers listed in Amendment 10 would be subject to the existing secondary threshold for secondary Class 1 contributions, not the lower threshold proposed in the Bill.*

Amendment 14, page 1, line 12, leave out “£96” and insert—

- “(i) in respect of an earner in a specified sector under section 9(1B) of the Social Security Contributions and Benefits Act 1992, £175, and
- (ii) in all other cases, £96.”

*This amendment would exempt adult social care, hospice, primary care providers, nurseries and charities from changes to the threshold.*

Amendment 17, page 1, line 12, leave out “£96” and insert—

- “(i) in respect of an earner in a specified sector under section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £175, and
- (ii) in all other cases, £96.”

*This amendment would exempt adult social care, hospice, primary care providers, nurseries and charities in Northern Ireland from changes to the threshold.*

Amendment 24, page 1, line 12, leave out “£96” and insert—

- “(i) where the earner is a veteran within the meaning of section 9AA(3) of the Social Security Contributions and Benefits Act 1992, £175, and
- (ii) in all other cases, £96.”

*See Amendment 23.*

Amendment 3, page 1, line 14, leave out paragraphs (a) and (b) and insert—

- “(a) in sub-paragraph (a), for “£758” substitute—
  - “(i) for a specified employer under section 9(1B) of the Social Security Contributions and Benefits Act 1992, £758, and
  - (ii) in all other cases, £417”, and
- (b) in sub-paragraph (b), for “£9,100” substitute—
  - “(i) for a specified employer under section 9(1B) of the Social Security Contributions and Benefits Act 1992 or section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £9,100, and
  - (ii) in all other cases £5,000.””

*This amendment is linked to Amendments 1 and 2.*

Amendment 6, page 1, line 14, leave out paragraphs (a) and (b) and insert—

- “(a) in sub-paragraph (a), for “£758” substitute—

“(i) in respect of an earner listed in section 9AA(1) of the Social Security Contributions and Benefits Act 1992, £758, and

(ii) in all other cases, £417”, and

(b) in sub-paragraph (b), for “£9,100” substitute—

“(i) in respect of an earner listed in section 9AA(1) of the Social Security Contributions and Benefits Act 1992, £9,100, and

(ii) in all other cases £5,000.””

Amendment 9, page 1, line 14, leave out paragraphs (a) and (b) and insert—

“(a) in sub-paragraph (a), for “£758” substitute—

“(i) in respect of an earner to whom the healthcare and small charities secondary percentage under section 9(1B) of the Social Security Contributions and Benefits Act 1992 applies, £758, and

(ii) in all other cases, £417”, and

(b) in sub-paragraph (b), for “£9,100” substitute—

“(i) in respect of an earner to whom the healthcare and small charities secondary percentage under section 9(1B) of the Social Security Contributions and Benefits Act 1992 applies, £9,100, and

(ii) in all other cases £5,000.””

Amendment 12, page 1, line 14, leave out paragraphs (a) and (b) and insert—

“(a) in sub-paragraph (a), for “£758” substitute—

“(i) for a specified employer under section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £758, and

(ii) in all other cases, £417”, and

(b) in sub-paragraph (b), for “£9,100” substitute—

“(i) for a specified employer under section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £9,100, and

(ii) in all other cases £5,000.””

*This amendment makes provision for the monthly and annual thresholds in line with Amendment 11.*

Amendment 15, page 1, line 14, leave out paragraphs (a) and (b) and insert—

“(a) in sub-paragraph (a), for “£758” substitute—

“(i) in respect of an earner in a specified sector under section 9(1B) of the Social Security Contributions and Benefits Act 1992, £758, and

(ii) in all other cases, £417”, and

(b) in sub-paragraph (b), for “£9,100” substitute—

“(i) in respect of an earner under section 9(1B) of the Social Security Contributions and Benefits Act 1992, £9,100, and

(ii) in all other cases £5,000.””

*This amendment would exempt adult social care, hospice, primary care providers, nurseries and charities from changes to the threshold.*

Amendment 18, page 1, line 14, leave out paragraphs (a) and (b) and insert—

“(a) in sub-paragraph (a), for “£758” substitute—

“(i) in respect of an earner in a specified sector under section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £758, and

(ii) in all other cases, £417”, and

(b) in sub-paragraph (b), for “£9,100” substitute—

“(i) in respect of an earner under section 9(1B) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, £9,100, and

(ii) in all other cases £5,000.””

*This amendment would exempt adult social care, hospice, primary care providers, nurseries and charities in Northern Ireland from changes to the threshold.*

Amendment 25, page 1, line 14, leave out paragraphs (a) and (b) and insert—

“(a) in sub-paragraph (a), for “£758” substitute—

“(i) where the earner is a veteran within the meaning of section 9AA(3) of the Social Security Contributions and Benefits Act 1992, £758, and

(ii) in all other cases, £417”, and”

(b) in sub-paragraph (b), for “£9,100” substitute—

“(i) where the earner is a veteran within the meaning of section 9AA(3) of the Social Security Contributions and Benefits Act 1992, £9,100, and

(ii) in all other cases £5,000.””

*See Amendment 23.*

Clause 2 stand part.

Clauses 3 and 4 stand part.

New clause 1—*Review of the impact of the Act*—

“The Chancellor of the Exchequer must, within a year of this Act being passed, publish an assessment of the impact of the changes introduced by this Act on—

- (a) rates of employment,
- (b) real wages,
- (c) inflation, and
- (d) real household disposable income.”

New clause 2—*Review of effect on SMEs, hospitality, tourism and seasonal workers*—

“(1) The Chancellor of the Exchequer must, within six months of the passing of this Act, lay before Parliament a review of the impact of the measures contained in this Act.

(2) The review must consider in particular—

- (a) the impact of those measures on the finances and staffing of small and medium sized businesses;
- (b) the impact of those measures on the finances and staffing of small and medium sized businesses in the hospitality and tourism sector;
- (c) the impact of those measures on sectors who rely on seasonal workers.

(3) In this section, “small and medium sized businesses” means any business which has an average headcount of staff of less than 250 in the tax year 2023-24.”

*This new clause would require the Government to produce an impact assessment of the effect of the Act on SMEs, Hospitality, Tourism and Seasonal workers and on the sectors relying on seasonal workers.*

New clause 3—*Review of effect of employer NIC threshold*—

“(1) The Chancellor of the Exchequer must, within six months of the passing of this Act, lay before Parliament a review of the impact of the measures contained in this Act on part-time workers.

(2) The review must consider in particular the effect of the threshold set by section 2 of this Act on part-time workers—

- (a) earning £5,000 - £9,000, or
- (b) working under 16 hours per week.”

*This new clause would require the Government to produce a report into the impact of the employer NIC threshold on part-time staff, especially those who are lower paid or working less than 16 hours a week.*

New clause 4—*Employment allowance: review of exception on childcare service providers*—

“(1) The Chancellor of the Exchequer must conduct a review of how the exception from the employment allowance under section 2 of the National Insurance Contributions Act 2014 (“the 2014 Act”) affects providers of childcare services.

(2) The review must consider the likely impact on providers of childcare services were section 2 of the 2014 Act to be amended to enable such providers to qualify for the allowance.

(3) A report setting out the findings of the review must be published and laid before both Houses of Parliament within six months of this Act being passed.”

**Pippa Heylings:** These hikes in employer national insurance contributions are not just numbers on a spreadsheet, but will have real and damaging consequences and will strike at the heart of small and medium-sized businesses, which are the backbone of our economy. In my constituency in South Cambridgeshire, we have one of the highest densities of small and medium-sized enterprises, principally in the biotech and life sciences sector, which is a growth area for our economy. It is critical that we get this right, and I have heard from the sector that it is troubled by this legislation.

More worryingly, the consequences will extend to our social and healthcare sectors, which are already under immense strain. GP surgeries and care homes across the UK are at risk of being severely impacted. Those are essential frontline services, which are essential to supporting the NHS and to fulfilling this Government’s mission of moving from treatment to prevention, and from hospital to community.

How can we expect to tackle the backlog in routine operations, and how can we deal with the winter waiting lists at accident and emergency, and with so much pain and anguish, if the primary care providers that form the foundation of our healthcare system are being undermined by this tax increase?

**Carla Denyer (Bristol Central) (Green):** I thank the hon. Member for allowing me to speak briefly. She references primary care. I have heard from five different GP surgeries in my constituency, who have written to me to warn that the national insurance increase will directly undermine patient care, when GP practices are already under severe financial strain due to years of neglect. Does she agree that the Government’s process of addressing national insurance costs via GP contract negotiations is just too slow? It could go on until spring, but practices are making staffing decisions right now.

**Pippa Heylings:** I agree. What the hon. Member says is critical, and I will come on to the situation with our GPs. The Lib Dems continue to highlight the point that to fix the NHS, we have to fix the social care crisis. Freeing up hospital beds requires us to fix the social care sector. According to research, 60% of the UK’s care home beds are provided by private companies, which are on the brink of bankruptcy and are being tipped over the edge thanks to these changes and rises in employers’ national insurance contributions. We do not understand how that can align with the plans of the Chancellor and the Health Secretary to alleviate pressure on hospitals and ensure effective healthcare delivery.



**Dr Luke Evans** (Hinckley and Bosworth) (Con): The hon. Member has hit the nail on the head. The Labour Government say that they want to deal with this situation, and that they effectively protected secondary care, but the NI applies to GPs at the front end and care homes at the back end. That means that it will be the hospitals who hold the responsibility—the acute places that we need to keep clear if we are to help the backlog move through. Without getting an answer now, we risk recruitment decisions being kept on hold over the next three or four months and cutbacks being made. Does the hon. Member agree that, on top of the difficulties of an already hard winter, that will cripple the NHS?

**Pippa Heylings:** I agree with the hon. Member. I will give one example: the Arthur Rank hospice, which serves all of Cambridgeshire. I had a tour there and saw the work being done by its dedicated professionals. I was informed by its senior leadership that these hikes in national insurance contributions for employers will be the equivalent of £230,000 in additional payroll costs on top of the fundraising that it already has to do. That is money that it does not have. We know from the debate on assisted dying, assisted suicide and the terminally ill how critical palliative care and end-of-life care is. That is one hospice that will struggle severely to deal with these charges.

Hon. Members have spoken about the GP crisis. According to the British Medical Association, 1,387 GP practices have closed since 2015 and the NHS has lost the equivalent of 1,333 full-time, fully qualified GPs. Each GP is responsible for an average of 2,294 patients, and about 3 million people have been directly affected in the last decade by shrinking GP numbers. At a time when we desperately need more GPs, we are introducing a tax that risks driving even more practices out of business. It is not just me saying that; I am sure that hon. Members across the House will have heard from GPs in their constituencies.

In my constituency of South Cambridgeshire, I have heard from the Harston, Comberton, Queen Edith, Eversden and Melbourn practices. I have spoken in particular to Dr Gee of Harston surgery, who has told me that his practice with 7,600 patients faces a £20,000 bill from April just to maintain its current services—just to stand still.

**Dave Doogan** (Angus and Perthshire Glens) (SNP): The hon. Lady is making a tremendously informed speech and demonstrating a level of understanding of primary care and the care sector that we could only dream of from the Government. Is it her concern that many charities, voluntary sector organisations and GP surgeries are already operating on the thinnest margins of financial sustainability and that this measure will torpedo the very organisations that protect our communities from absolute chaos? Secondary care cannot do it alone; it is upheld by primary care and the care sector. Is she as concerned as many other hon. Members that this will cause absolute chaos?

**Pippa Heylings:** I agree with the hon. Member. I know that the Government are in conversation with GPs, but GPs are writing to us saying that they are seriously concerned.

The GP in Harston said:

“GPs cannot raise prices or operate at a loss.”

They have not had clarification or confirmation from the Government about how funding that is to be given to others in the public sector will be available to them. Just at the critical time when GPs are coming to their annual spending reviews and budgeting, the Government are bringing them this uncertainty. GPs do not feel that they are getting the right messaging or any kind of clarity that will save people's jobs.

**Robin Swann** (South Antrim) (UUP): I thank the hon. Member for giving way; she has been generous with her time. Does she realise that this is not just a problem in England, Scotland and Wales? It is a significant problem in Northern Ireland, where we have already seen a high number of GP practices returning their contracts. At this time when the solution was meant to be to move to multidisciplinary teams, the increase in national insurance contributions for GPs as employers is putting additional stress on their contracts, given the amount of money they are receiving from central Government. In Northern Ireland, 75% of our domiciliary care and home care is provided by private suppliers, and this additional cost will be added to them as well.

**Pippa Heylings:** I agree with the hon. Member. In my constituency of South Cambridgeshire, we had the tragic situation of four much-loved, much-respected family doctors handing back their contracts. It happened at East Barnwell surgery, to the distress of those GPs and all their patients. That is because of the contract, and due to failures by the previous Conservative Government to understand in the GP funding formula what deprivation as well as age demographics mean in that contract. On top of that, the hikes in employer national insurance contributions have driven them over the edge.

**Sir Edward Leigh** (Gainsborough) (Con): We had this great debate on assisted dying where every single person who spoke said it was essential that we improve palliative care. I wonder whether we could form a consensus in this Committee. One compromise that the Government could make is to take hospices out of this tax. That would be so popular, achieve so much and ensure that our elderly and frail people were properly looked after. I give that one compromise to the Government.

**Pippa Heylings:** I thank the right hon. Member. As I mentioned, Arthur Rank hospice in my constituency is one such hospice that should definitely have that compromise. Not only that; we have to look at the whole primary care sector—both GPs and independent care homes—because that is what will winter-proof our NHS. We cannot fix the NHS without fixing social care.

The national insurance increases are not just unwise; they are unthinkable. We are in a time of healthcare crisis when people are already struggling to secure appointments. Despite the Government's assurances, these tax rises will inevitably affect ordinary people. They will particularly hurt those desperately trying to access their local GP and crucial appointments.

We cannot and will not fix the NHS by driving its primary care providers into the ground. I urge the Government to engage with our GPs, reconsider and

provide immediate reassurance to GP practices, hospices and care homes that they will be protected from these changes. Without those frontline services, the NHS stands no chance of coming off life support.

**Joe Morris** (Hexham) (Lab): I rise to speak about the need for the Bill and the continued assault by the Conservative party on public trust and the public finances. When I go out in my constituency, I speak to people who are appreciative of the “bin fire”—that is the term that one of my constituents used—facing Treasury colleagues when we assumed office. Money for projects and half-baked plans was used more to launder the Conservative party’s reputation than to improve our public services.

When someone comes into office and finds out that the job is not as had been advertised and that the previous person in post set fire to the office, they have to do things differently. They have to begin to rebuild trust with the people they serve and to have honest conversations with the public. That is what the Government are determined to doing. *[Interruption.]* Opposition Members can chunter as much as they like, but they know that they gambled with public trust and undermined every aspect of themselves and the institutions of the British state. That is not just a failure on their part but a failure on the part of everyone in their party and everyone who knocked on doors. Ultimately, they were judged harshly by the British public for that.

The Bill is necessary to repair the public finances and rebuild public trust. We did not want to do this. We had to maintain our manifesto promise not to see tax rises for working people, but we must ensure that the country that we hand on is in a significantly better state than the country we inherited. That is the Government’s task.

**Dr Luke Evans:** I am enjoying the hon. Member’s exposition of his thinking on this matter. Will he set out how this works for national insurance contributions, which is what we are talking about? Those on the frontline—the likes of GPs and care homes—are private, but they are commissioned only by the NHS. Is he aware of where the funding will come from? Will it come from the £22.6 billion? That would make sense, but if so, the Government need to clarify where that money is going. Part of the problem is that it does not add up for the Government to say that they want to support the NHS yet tax those very people—the doctors, the hospices and the care homes—to fund it. Will he elaborate on how that will work?

**Joe Morris:** I was not sure if the hon. Member would take interventions during that. Ultimately, we need to support the NHS, our care homes and our GPs. It is very rich of the Conservative party to lecture us on supporting GPs and care homes. I have been out speaking to GPs in rural communities, who have been consistently undermined by the Conservatives’ failure to appreciate the challenges facing the modern countryside. I have been out speaking to care homes; I spoke to the Charlotte Straker care home, which looked after my grandmother, to hear its concerns. I have had those meetings, as is my duty as a constituency MP. Ultimately, perhaps if more of the hon. Gentleman’s Conservative colleagues had done the diligent thing as constituency MPs, there would be more of them on the Opposition Benches.

**Dave Doogan:** The hon. Member is very kind to give way. Twice in the past couple of minutes, he has used the word “ultimately”—“Ultimately we will have to do this, and ultimately we will have to do that.” It is “actually” that he should be saying. You actually have to make sure that there is funding, not ultimately—that can wait for another day. Actually is what will happen as soon as this legislation comes to pass—you will be in an absolute quagmire.

**The Second Deputy Chairman:** Mr Doogan, I will not be in a quagmire.

**Joe Morris:** I thank the hon. Gentleman for his guidance on the correct form of words to use. The reason that I used the term “ultimately” is that it is the fundamental goal of Government to improve the lives of our constituents. That is why I choose to use the form of words that I am using, and why I am focused on the eventual outcome for my constituents. As I said, we did not want to inherit the country in the circumstances that we did. That is fault of the Conservative party, its record and the inheritance it left. We need to bear in mind the context, because that shapes everything and how we go about this.

**Graham Stuart** (Beverley and Holderness) (Con): Further to the question from my hon. Friend the Member for Hinckley and Bosworth (Dr Evans), we hear the hon. Gentleman’s critique of the previous Government, but we are trying to understand how imposing these costs on GPs at one end of the service and hospices at the other will remotely help the NHS and, more importantly, the people who rely on it. We would like him to explain that, not just slag us off, however much he might enjoy doing so.

**Joe Morris:** I have never turned down an opportunity to slag off the Opposition. I am always happy to do so.

The ultimate reason that the Budget was necessary was to raise the extra money to invest into the NHS. The extra infrastructure investment will support our rural communities, our rural GPs and our care homes. That is the fundamental point of the Budget. It is a reset moment to properly support our public sector once more, which the Conservative party failed to do, as the right hon. Gentleman well knows. We need to restore faith in our NHS and our small businesses that were so badly let down. I have spoken to many across my constituency who share my optimism about this Government and who are convinced of the need for that investment. *[Interruption.]* Opposition Members can chunter all they like, but it is true. Ultimately, those businesses know that we need to invest in the state in order to drive up standards and confidence and provide the stability that the country so desperately needs.

**Wera Hobhouse** (Bath) (LD): The hon. Gentleman mentions public trust; we all understand how important it is to restore that, but how can that happen if the very things needed to support the public and restore trust—our hospices and the charitable sector—are being hit by this Government’s measures?

**Joe Morris:** As the hon. Lady well knows, when one inherits a difficult context, one has to take decisions that one did not want to take. The public understand that the NICs rise was important and was needed

[Joe Morris]

because of the circumstances that we inherited and to repair the black hole that we found in the public finances. Spending the national overdraft three times and not telling anyone about it is what has fundamentally undermined public trust.

**Rachel Blake** (Cities of London and Westminster) (Lab/Co-op): Listening to Members speaking to the amendments has caused me to reflect on the challenges at the heart of this debate. Does my hon. Friend agree that the amendments that are trying to unpick a holistic approach to fixing the foundations of our public finances entirely miss the point, first of the challenge that this Government face in re-establishing confidence in public finances, and secondly of our approach to long-term investment in public services that are so desperately needed? I believe that all the amendments—

**The Second Deputy Chairman:** Order. The hon. Lady has every opportunity to contribute to this debate if she so wishes. Interventions are getting longer and longer; they must be shorter.

2.15 pm

**Joe Morris:** My hon. Friend eloquently makes the point that I have been trying to make when I have tripped over my words.

I am extremely proud that the Government are committed to achieving economic stability, being frank with the public about the choices that we face and not simply taking the easy options. We need to implement these tough measures in order to resolve the previous Government's disastrous economic mismanagement and to restore our foundations. I will finish by saying that traditionally, as far as I am aware, it is poor form for the arsonist to criticise the actions of the fire brigade.

**Gareth Davies** (Grantham and Bourne) (Con): I rise to speak, on behalf of the official Opposition, to amendments 13 to 18 and new clause 1, which stand in my name.

First, it is important to remember the context of the situation we find ourselves in today. Throughout the election, the Chancellor and the Prime Minister promised the British people that they would not raise taxes on working people. They committed specifically to not raising national insurance, but here we are in Committee debating a national insurance tax on working people worth some £25 billion. Each and every Government Member made specific promises to their constituents on national insurance, which they have now broken. We have it here in black and white.

Clause 1 raises the rate of secondary class national insurance from 13.8% to 15%. To compound the impact, clause 2 drastically cuts the secondary threshold from £9,100 to £5,000. This two-pronged attack on business means that while clause 1 squeezes more from businesses, clause 2 simultaneously pushes more businesses into the taxman's grasp. Taken together, based on data from His Majesty's Revenue and Customs, a staggering 940,000 employers are set to lose out in net terms from the Bill. The Office for Budget Responsibility has made it clear that each one will be hit by an average of £26,000 in additional tax.

On Second Reading we heard the same old script from the Government and their Back Benchers. Time and again we hear that the Bill will hurt only the largest businesses, but that is not correct. Most high street hair salons would not say that they are a big business with mounds of profit to give away to the Exchequer, no matter how much hair mousse this Prime Minister buys from them. A village family butcher surely would not regard themselves as profiteering fat cats. Community pharmacies providing vital services to residents young and old surely cannot be put in the same category as a large multinational pharmaceuticals company. Yet they are.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): The hon. Gentleman is making an eloquent argument against increasing the employer's part of national insurance contributions. Yet he himself voted for the health and social care levy, which was an increase of greater proportion on both employees and employers. I have just checked *Hansard*—he made none of the arguments that he progresses today when his Government were putting that through. Why has his mind been changed now that he is in opposition?

**Gareth Davies:** I find it difficult that the Labour party says that we are irresponsible with public finances, yet when we faced a once-in-a-century pandemic and spent £400 billion or £500 billion to support residents, business and families in Stoke and across the country, we decided that we needed to pay that money back and did not want debt to keep on rising. Yes, we made difficult decisions in the face of a global pandemic. There is no global pandemic today. This is a political choice, and that is the difference.

**Dr Scott Arthur** (Edinburgh South West) (Lab): The hon. Gentleman is very kind in giving way again so quickly. The point has been made about the billions of pounds that were spent during the pandemic. Can he outline how much of that money went to Tory party mates and donors through dodgy contracts?

**Gareth Davies:** The hon. Gentleman was not here at that time, but those of us who were in Parliament then faced an incredibly challenging time in very difficult circumstances. Billions of pounds went to support businesses in his constituency; if he has a conversation with the average business that benefited from the furlough scheme, I am sure he will correct the record.

The problem is that socialists fundamentally do not understand or care what it means to have an idea, to take a risk or to work hard day in, day out to make a business a reality. That is the problem. They think it is all so easy—that profits just flow in. They think it will all be all right, because Government can step in and take us much tax as they want. That is not the case. If Government Members talk to the average business in their constituencies, they will find this out; if they set up a business, they will see it for themselves.

Perhaps most worrying of all, not only do the Government not understand the private sector, but they have completely overlooked the different ways in which the public sector provides for our communities, as my hon. Friend the Member for Hinckley and Bosworth (Dr Evans) set out. Whether healthcare, childcare or the charity sector, organisation after organisation has warned Ministers that this tax rise will impact the services they



provide. That may not have been intended, but the Government have yet to act. That is why we have tabled amendments 13 to 15 and 16 to 18, which seek to protect certain key sectors from both parts of this tax in Great Britain and Northern Ireland respectively.

**Dr Luke Evans:** My hon. Friend has hit the nail on the head, and the Treasury really needs to answer this question. Did it knowingly implement these tax rises on these industries, which would be a travesty in itself, or did it do so by mistake because it does not understand these issues? If that is the case, will the Government look to rectify the matter so that hospices, GPs and childcare providers are protected?

**Gareth Davies:** I could not have put it better myself. These amendments highlight the fact that Labour's attempt to paint this tax rise as a necessity for public services is nothing but plain politics; Labour has always intended to do this, and now it is hiding behind public services to justify it.

Those working on the frontline of healthcare in and alongside the NHS will be deeply impacted. The Institute of General Practice Management estimates that the tax bill of each GP surgery will increase by £20,000 a year, likely resulting in a reduced number of appointments. The Nuffield Trust has said that providers in the adult social care sector will face a £940 million increase, dwarfing the social care support announced in the Budget. Community Pharmacy England says that community pharmacists will be hit by an additional £50 million each year, inevitably causing pharmacies to close and services to deteriorate. Hospice UK warns that £30 million will be added to the bill for 200 hospices across the country, which will lead to greater pressure on NHS palliative services.

**Sir Edward Leigh:** My hon. Friend is a fellow Lincolnshire MP. In Lincoln we have St Barnabas hospice, a greatly loved local institution where most people would want to spend their final days. We also have the Lincolnshire air ambulance, and we have GPs all over our huge county who are struggling. Can he explain how it is in the public interest to attack these people?

**Gareth Davies:** My right hon. Friend—a Lincolnshire colleague and Father of the House—puts it perfectly. Labour says that it supports public services and that those services are apparently being trashed, so why on earth would the Government then go and tax them? Why add to their cost base, which they have very clearly said will reduce services across every constituency? Labour Members will all walk through the Lobby tonight and add to the cost burden of those services. It does not make sense. Charities have also signalled the alarm, with more than 7,000 writing to the Chancellor to warn of the £1.4 billion hit that they will face next year.

**Graham Stuart:** Does my hon. Friend agree that Labour Back Benchers need to speak to their Ministers? As my hon. Friend the Member for Hinckley and Bosworth (Dr Evans) suggested, the Government cannot have meant to do this deliberately. They could accept our amendments today or move some of the funds for the NHS—the £22 billion or £25 billion, whatever it is—across to this, because the NHS depends on social care and other services. At the moment, the Government

risk turning something that could be a triumph for them into a disaster, both for the NHS and, more importantly, for patients and those most in need.

**Gareth Davies:** Once again, my right hon. Friend makes a valid point. As I have said already, I am not sure that this was intended. I do not think the Government understand what these measures will do to our communities, to the sectors I have outlined and to the businesses that I will speak about in a minute. The Minister will have to address my right hon. Friend's point. What will the Government do to mitigate the damage of the Bill on the communities and organisations that I have highlighted?

A sector I have not yet highlighted is childcare, without which millions of parents across the country could not go to work—including, by the way, many in this House. The Bill will contribute an average of £47,000 in additional costs per nursery next year, according to the National Day Nurseries Association. The previous Government did so much to extend childcare to more families, boosting workforce participation and economic growth, but this tax hike will pull us back from that progress. That is not what people voted for. There is no mandate for this harm. I urge the Government to think again.

Ideally, all employers would be made exempt, which is why the Conservatives voted against the Bill. At this time of year, people should be reflecting on another year gone by all too soon and looking to the new year with hope, ambition and optimism, but so many employers will now enter 2025 with fear. Many will be thinking again about that planned expansion or the investment in new equipment or premises. Worse, some will be thinking about who they need to let go—never mind awarding the pay rises in the spring they once hoped to give.

**Dr Luke Evans:** My hon. Friend is an astute man, and he has picked up on something that I fear. According to S&P Global's purchasing managers' index, this has been the third consecutive month of job losses; December has seen the highest number since 2021, in the pandemic. It has said:

"Barring the pandemic, the survey has not seen job losses on this scale since the global financial crisis in 2009."

That is a direct impact of the choices in the Budget and this NIC increase. Does my hon. Friend agree that this is something the Government really need to think about?

**Gareth Davies:** I agree completely with my hon. Friend, who has once again made a very astute intervention. It marries very clearly with what we have seen in business confidence. He mentioned the record since the pandemic. Business confidence has tanked to low levels that we have not seen since the economy had to be shut down during the pandemic. A survey by the CBI, which makes for stark reading, says that 62% of businesses have said that they will have to reduce recruitment, while 48% have said that they will be reducing existing staff levels. That is all because this Bill will impact them in ways they never imagined and were never told about. Whether businesses freeze or cut jobs, or, as the Chartered Institute of Taxation has warned, shift employees to a self-employed basis, or, even worse, offshore workers to overseas destinations, the potential impact on employment should absolutely worry us all.

[Gareth Davies]

That is why we have tabled new clause 1, which would require the Chancellor to publish an assessment of the impact of this tax rise on the employment rate within a year of the passage of the Act. It is not controversial; it just seeks clarification and an assessment.

**Kit Malthouse** (North West Hampshire) (Con): This impact assessment is extremely important, not least because at a macro level—given that the UK is essentially a services-based economy in which human capital is the most expensive fixed cost, effectively—there is no way to escape this tax. Unlike corporation tax, which is levied on profits, this tax is levied whether a business is making a profit or not; businesses that have been marginal but struggling may well be forced into a loss, and may therefore choose to close down. It therefore has to be essential that we look backwards, if this tax goes ahead, and ask what the impact has been from a services point of view.

**Gareth Davies:** That was a classic case of how to make an intervention, because it added to the debate. I had not mentioned that point, but my right hon. Friend is absolutely right. The impact on employers, who will pay the tax whether they are profitable or not, is absolutely right. That is, again, not something I think the Government have fully appreciated.

2.30 pm

We also know that the hit to employment is not the only consequence of the Bill. That is why new clause 1 focuses on other factors in the economy, such as real wages, inflation and household disposable income. The OBR has made clear that by 2027, 76% of the tax will be passed on to working people through lower wages and higher prices. It also estimates that inflation, having gone through all that pain to get it down to the 2% target, will be higher—it is already on the way up—and that because the policy is fundamentally regressive, it will hit the worst-off the most. That, surely, was not intended.

Let me conclude by repeating what I said earlier. This is not what people voted for. There is no mandate for this harm. I urge the Government to think again. They can start by backing our amendments at least to mitigate some of the impact of this damaging Bill.

**Yuan Yang** (Earley and Woodley) (Lab): Today I stand proud to welcome the Budget, which takes long-term fiscal planning seriously. I welcome a Government who will take us away from the course the previous Government steered, away from austerity, and away from the chaos and confusion of the past few Budgets.

First, I want to make a brief point about tax simplification and the confusion across the Chamber in this debate and in the many amendments. The way to reform a tax system is not to argue for various exemptions, reliefs and get-out clauses for different subsectors, but to have a consistent approach to collecting tax applied across the whole economy and then to fund those sectors of the economy, such as healthcare, transport and so on, which we should be funding. That is the approach the Budget has taken. Many Members of successive previous Governments have said that we

need to simplify our tax system. I suggest that asking for dozens of small amendments to a Bill is not a way to achieve that aim. As my hon. Friend the Member for Cities of London and Westminster (Rachel Blake) pointed out, that is not the way to run any tax system, not even on local government level.

**Graham Stuart:** Will the hon. Lady give way?

**Daisy Cooper** (St Albans) (LD): Will the hon. Lady give way?

**Dr Luke Evans:** Will the hon. Lady give way?

**Yuan Yang:** I will take two interventions. I will take one from the Member for Hinckley and Bosworth (Dr Evans).

**Dr Luke Evans:** I am very grateful. The hon. Lady makes a fantastic point about wanting to set out the tax base. The difficulty is that the Government are also spending on the NHS. Fundamentally, GPs are private contractors to the NHS. Care providers are private contractors. Therefore, the Government have to make a choice: are they going to exempt them or will those private contractors have to pay? At the moment, the Government have done neither thing. That is the fundamental argument we are having on these amendments in trying to protect those contractors, because the Government have not made a choice. They have said that at some point there may be some payments along the way. That is the concern on the Opposition Benches. What is her answer to that?

**Yuan Yang:** I thank the hon. Member for his intervention and for highlighting the perilous state of GPs in my constituency of Earley and Woodley after 14 years of the previous Government stripping away the NHS. I am very confident in the announcements made by my right hon. Friend the Secretary of State for Health, which he has made several times in this Chamber, to take all funding decisions in the round. I very much look forward to seeing the quality of GPs improve. I also highlight the funding already announced for increasing the number of practitioners in GP surgeries. I expect to welcome them in my constituency, as well as across the UK.

I return to my point about long-term fiscal planning. The hon. Member for Hinckley and Bosworth (Dr Evans) made the point that we need to make choices. Over and over again on the doorstep I have been told that public services are broken, that crime too often goes unpunished on our high streets, and that mortgage rates, which have shot up wildly over the past few years, are too much of a burden on everyday families. All that creates uncertainty and it is that economic uncertainty that hurts businesses. That is why I welcome, for the first time in many years, a credible Budget that addresses the fundamental problems facing our society. Yes, we have to understand the current fiscal situation in the context of the bad decisions that were made before us. We all know about the tax giveaway mini-Budget under Liz Truss and the perilous effects it had on gilts, pension funds and, of course, mortgages, for which we are all now paying the price.

**Graham Stuart:** Will the hon. Lady give way?

**Yuan Yang:** I will give way in a moment.

I add to that the bad decisions made in the previous two Budgets under the right hon. Member for Godalming and Ash (Jeremy Hunt). Those decisions were not credible. It was not credible, on the March 2024 OBR forecast, that the next Government would do anything about schools, special educational needs and disabilities or the NHS. Those were not credible promises made in the last two Budgets. Those giveaways were made by Governments without a plan; Governments who literally cut and ran by calling an early summer election so they would not have to face the consequences of their bad fiscal choices. They left us with a bill to pay and this Government are now making that possible in a considered way.

**Graham Stuart:** I am extremely grateful to the hon. Lady. She rightly highlights interest rates and mortgage payments. Was she disappointed when the OBR's assessment of the Budget suggested that interest rates were going to stay higher for longer as a result of these measures? I invite her to discuss the topic under discussion today, rather than the past Conservative Government. We can have debates on that, but what we are trying to drill into today are the actions of this Government and their real-world impact on those who can least afford it.

**Yuan Yang:** I thank the right hon. Gentleman for his point. I always welcome conversations with the OBR, whose representatives came before the Treasury Committee only a few weeks ago. In that Committee discussion, we had a full debate on its forecasts. It found that the long-term infrastructure and capital spending in the Budget, which is made possible by the different tax announcements the Government have set out, means that the economy will, in the long run, be 1.5% larger. I would add that the forecasts in the OBR's assessment of the Budget have not yet taken into account all the various details of the measures that will be announced in the forthcoming months. I expect those forecasts to improve.

To return to the bill that the Government are now paying, we need to build back our economy and public services. That task requires at least a decade of national renewal. That is why in the Budget we set out credible long-term funding commitments and plans for where the money comes from.

On small businesses, I recently spent Small Business Saturday out and about visiting local employers across my constituency of Earley and Woodley. I agree very much that those small businesses are the backbone of our local economy; they bring character and jobs to our high streets. One such shop I visited is called UnderTwoK, a shopfront on Wokingham Road. I asked the owner, Mark, what the Government could do to help small businesses like his. He said:

"keep going with the focus on economic stability and clean energy. That'll bring more people our way."

Small businesses know that the Government are on their side. They know that, because the Chancellor increased the employment allowance from £5,000 to £10,500, ensuring that the rise in employers' national insurance contributions will not hit the smallest businesses. Those employing four members of staff on the minimum wage will not be hit by the measure. That means that 865,000 employers will not pay any NICs at all next

year and over 1 million will pay the same or less than they did previously. The changes have been very much welcomed by the Federation of Small Businesses.

The top concern I heard about from those retail businesses is not about NICs, but about shoplifting and crime on our high streets, which all too often goes unpunished. The funds raised in the Budget allow us to employ over 13,000 additional neighbourhood police officers, police community support officers and special constables by 2029. They will also fund 1,200 new police officers. Introducing the specific offence of assaulting a shop worker and attaching prison time to that offence is backed up by the commitment to put £2.3 billion towards prison builds over the next two years. That is an example of how we are helping small businesses: not just by talking the talk, but by walking the walk fiscally.

**Daisy Cooper:** Will the hon. Lady give way?

**Yuan Yang:** I have taken two interventions, which was the number I set for myself, and we do like sticking to numbers on the Government Benches.

I am proud that the Labour Government are asking the wealthiest individuals and largest businesses to pay a little more, so we can rebuild the foundations of our broken economy. That means: more money into the NHS, with £25 billion in NHS funding over the next two years, which is sorely needed in my constituency and across the country; and £7 billion for education in the next financial year, including £1 billion for SEND. Those are the kinds of decisions that would not be possible under the March 2024 forecast. Opposition Members may look at the OBR assessment of that forecast if they are in any doubt about that. Those decisions would not be possible if the Government were not taking important and serious decisions. That is why I stand, very happily, to support the Budget that we set out.

**Aphra Brandreth** (Chester South and Eddisbury) (Con): Let me begin by drawing attention to my entry in the Register of Members' Financial Interests.

I support the amendment tabled by my hon. Friend the Member for Grantham and Bourne (Gareth Davies). Increasing employers' national insurance contributions will be hugely detrimental not only to businesses, but to employees in my constituency. I have been contacted by many local businesses which have expressed disappointment about the Chancellor's breaking of her manifesto promise not to raise national insurance contributions, anger that it has been done without a full realisation of the consequences for the wider economy, and fear that they may not be able to weather the impact of this decision. I want to take a few moments to share with the Committee some examples of organisations in my constituency that have reached out to me to explain why these amendments are so necessary.

Bradley Barns is a family-run nursery school in Malpas which provides full day care and early years education for nearly 80 families from the local community and surrounding areas. Access to quality childcare provision is vital for the many parents and carers who need to balance jobs with family life. Of course, Bradley Barns hugely values all its employees, and is keen to be the best employer it can be. It currently employs 24 staff whose skills, time and care are vital to children during



[*Aphra Brandreth*]

their formative years. However, while the impact of the Bill might force some businesses to lose staff, in the nursery sector, where the child-to-staff ratio is so critical—indeed, it is a legal requirement—Bradley Barns cannot do that, and nor would it want to. Matt and Vicky, who run Bradley Barns, tell me that as a direct result of this policy, they will now need to find an additional £2,600 every year for each person whom they employ.

The Government made clear in their manifesto that they would not tax working people, so who exactly does the Chancellor think will be paying for her decision? It will be working people in Chester South and Eddisbury and across the country, and at many nursery schools like Bradley Barns they will be left with no option but to increase fees. For some families, the increase will not be affordable: that is the harsh reality of the Government's choice.

I also want to highlight, as others have, the impact on the many hospices that provide vital support and care for people at the most vulnerable time in their lives. I recently visited St Luke's Hospice and the Hospice of the Good Shepherd, two of the wonderful hospices caring for individuals and families throughout my constituency, and met their leaders and staff. We know about the funding challenges that such hospices already face. They rely on the good will and generosity of so many people who donate. This ill thought-through Bill will add substantially to their costs, and none of us wants to see them forced to cut services or reduce the level of care that they provide. I sincerely hope that hospices, and the people for whom they care so brilliantly, do not pay the price of this policy, and that the compromise suggested by my right hon. Friend the Member for Gainsborough (Sir Edward Leigh) is considered.

So many business have contacted me to share their concerns about the detrimental impact of this decision. It will be felt by community pharmacies, by GPs who may be forced to compromise on the care they provide for their patients because they are not eligible for employment allowance, by care providers and by nurseries.

**Mr Adnan Hussain** (Blackburn) (Ind): The hon. Member has mentioned GPs. Blackburn has one of the highest numbers of patients per GP in the UK. Not enough appointments are available, which places a huge strain on the Royal Blackburn Teaching Hospital, and only last week the hospital was put on red alert. Does the hon. Member agree that increasing national insurance contributions will mean fewer GP appointments in Blackburn, that the hospital—which is already in a dire state—will be in an even worse position, and that the situation will get out of control?

**Aphra Brandreth**: That is an important point. These are the unintended consequences that must be considered, and this is why we really must consider the amendment. The impact of the Bill will be felt throughout the economy: it poses the risk of higher inflation, and it will mean fewer employment opportunities. This decision affects businesses both small and large, it affects our local and national economy, and it affects employees who will not enjoy a pay rise or, worse still, will potentially lose their jobs.

**Daisy Cooper**: Part-time workers, especially in the hospitality sector, will be very badly affected. Before these changes a person could work 14 hours a week without incurring employers' national insurance contributions, but that has now been reduced to eight hours, which will be very disruptive to weekend shifts in particular. Does the hon. Lady agree that that is an especially negative consequence of the changes?

**Aphra Brandreth**: That is another important point, about yet another group who will be badly impacted by these ill thought-through changes. I urge the Government to think again, and to back these very necessary amendments.

2.45 pm

**Chris Curtis** (Milton Keynes North) (Lab): I support the measures in the Budget. Given the speech that we heard from the shadow Minister, before we get into the policy I want to pause and acknowledge the extraordinary contribution of small businesses in my constituency and throughout the country. Every single day, countless individuals take on the challenge of building and running these vital organisations. The task is not always easy, but it is a labour of love, involving long hours, personal sacrifice and financial risk. These businesses are the heartbeat of our communities and the backbone of the British economy, and we all owe them our deepest gratitude. I have had the privilege of working for small businesses and witnessing at first hand the dedication that it takes. Members of my family have run small businesses, so I know how personal it is. It is not just a job; it is a way of life, and a commitment to local community. We must celebrate and support the work of those businesses at every turn.

Since becoming an MP, I have made it a priority to listen to small business owners. Their stories, their challenges and their hopes drive, and will continue to drive, my work in this Chamber, and let me make it clear that this Government stand firmly behind them and will continue to do so. That is why I am proud that the Chancellor has agreed to raise the employment allowance to £10,500, a move that ensures that the smallest half of businesses will see either no increase or a reduction in their national insurance bills. It is a lifeline for the businesses that need it the most—and let us dispel the myths we have heard from Opposition Members: 75% of the funds raised from this policy will come from the largest 2% of businesses. But my plea to every single member of the Government is this: please keep engaging and listening to small businesses, because they continue to need our support.

I am sorry, but I will not take any lessons from the Conservatives on supporting small businesses when they have spent 14 years making their lives miserable. When their Government came to power I was working in the kitchen of a small business, the Dolphin pub in Newport Pagnell High Street; admittedly there was a bit of nepotism there, as my uncle Trev was the landlord. Back then the high street was alive, but today it tells a very different story. Many buildings are shuttered, pubs have closed, and a number of our small businesses have been lost. Under the last Tory Government, 10 pubs closed every single week—including, I have just read, many in the shadow Minister's constituency. In 2022 alone, 345,000 small businesses shut their doors. Members can

walk up and down any high street in the country today and observe the toll. This Government are determined to turn the tide.

Too many shelves are empty after being raided by out-of-control shoplifters. The revenue raised through the national insurance changes means that the country can afford our manifesto commitment to 13,000 more police officers and staff who can crack down on the shoplifters who are affecting many small businesses—and, as an aside, we will reverse the outrageous Conservative decision not to pursue shoplifters for thefts of goods worth less than £200. Too many businesses, including some that survived world wars and a global pandemic, were put at risk by the spiralling costs and interest rates caused by the Liz Truss mini-Budget. The revenue raised from this Budget will close down the £22 billion pound black hole that the Conservatives left to us, so we will not see a repeat of those disastrous events.

Too many small companies saw their energy bills skyrocket because of the disastrous energy policies of the last Government. We are setting up Great British Energy, a publicly owned energy company that will invest in clean energy here in the UK and end our reliance on foreign oil and gas.

Too many small businesses are being crippled by staff shortages, often because workers are stuck on NHS waiting lists for months. Because of the NICs changes, we can afford to put a record amount of investment into our NHS to get those waiting lists down.

**Daisy Cooper:** Does the hon. Member agree that because the previous Government gutted public health and primary care, there is now a crisis in the NHS? Although it is right that the Government want to move care away from hospitals and back into the community, does he understand the concern of some of us on this side of the House that the move to increase national insurance contributions on GPs, dentists and pharmacists will actually undermine that drive?

**Chris Curtis:** I thank the hon. Lady for her contribution. I refer her back to the comments made by my hon. Friend the Member for Earley and Woodley (Yuan Yang). Our tax system has got even more complicated, particularly after the last 14 years, and we do not want to see the level of complexity, which costs businesses and organisations, continue to spiral out of control. It is important that we make these changes in a simple way, but extra money is going into our NHS and will be flowing through the system. At the moment, the Department of Health and Social Care is looking at how to make sure that the extra funding is spent as effectively and efficiently as possible. I look forward to hearing soon from the Health Secretary about how that money will benefit all elements of our national health service, but I do not think that that is a reason to add extra complexity to an already complex tax system.

We do not want to raise taxes, and I appreciate that decisions like this are never easy—[*Interruption.*] The Conservatives laugh, but they raised taxes to record levels, broke our public services and left us with a £22.6 billion black hole. The reality is that they left us with no choice. Our goal is to lay the foundations for a thriving, resilient economy, where businesses can grow, communities can prosper and future generations can thrive.

What we have heard from the Opposition today is a repeat of what got us into this mess time and again. Liz Truss promised unfunded tax cuts and crashed the economy. The last Tory leader promised unfunded tax cuts and left a £22 billion black hole. The Tory party is promising unfunded tax cuts again, and will not say where the money is going to come from. That is what got us into this mess, and it is ludicrous to think that it will get us out of it. However, the mess that the Conservatives got this country into is about more than basic arithmetic; it was a complete failure to achieve any economic growth.

If growth in the UK had simply matched the OECD average, workers would have £5,000 more in their pay packets and the Treasury would have £50 billion more in tax revenues, without having to raise a single penny in tax. Just imagine how much better families would feel with that money in their pockets. We would not need to raise any taxes today if we had the extra tax revenue that was stolen from us by the Conservatives' failure. Instead, they trapped us in a cycle of low growth, low productivity and low investment. That is the grim legacy of a Government who failed to create conditions for businesses to thrive. From a chaotic planning system to a revolving door of four Chancellors in five years, they have sown uncertainty at every single turn. Let us not forget the economic self-harm of Brexit, which was executed without a clear plan.

The Budget, including the NICs changes—

**Dr Luke Evans:** On a point of order, Ms Nokes. We are debating the National Insurance Contributions (Secondary Class 1 Contributions) Bill, in which I am not sure that Brexit is mentioned. I look to your leadership to decide whether the hon. Gentleman is in order.

**The Second Deputy Chairman:** I thank the hon. Member for his point of order. He will be aware that it is important that Members stay in order. The hon. Member for Milton Keynes North (Chris Curtis) has given some context in his speech, but he might be reminded of the need to stick to national insurance contributions.

**Chris Curtis:** Thank you, Ms Nokes. I am happy to count the number of times I have mentioned national insurance in my speech, but I can guarantee Conservative Members that it has been quite frequent. I will mention it again in the following sentence.

The Budget, including the NICs changes, makes hard decisions to fix the foundations of our economy. We will work tirelessly to bring about the economic growth that the previous Government failed to achieve, so that we do not have to make such hard decisions in the future. It is only by doing so and not engaging in the fantasy economics of the Conservative party that we can break free from the cycle of failure, support businesses of all sizes and create a brighter future for our country.

**Sorcha Eastwood** (Lagan Valley) (Alliance): I am proud to have tabled several amendments to the Bill to support people in Northern Ireland and, indeed, the organisations that lobbied me to do so. Amendments 10, 11 and 12 seek to protect Northern Ireland's healthcare, social care, childcare, hospices, and community and voluntary sectors from the impacts of the proposed rise in employer's national insurance contributions. Those

[*Sorcha Eastwood*]

sectors provide vital services in Lagan Valley and right across Northern Ireland, yet they are being asked to bear a disproportionate burden without the ability to mitigate the costs.

Let me begin by recognising the importance of sustainable funding for public services. My party welcomed many aspects of the Chancellor's inaugural Budget, including changes to fiscal rules, NHS investment, and the unpausing of city and growth deals. However, we are deeply concerned about the consequences of the national insurance increase for critical sectors in Northern Ireland that are already operating under immense financial strain.

During the last five years, community and voluntary groups have played a critical role, from supporting our communities during the covid-19 pandemic to responding to the ongoing cost of living crisis. However, despite their vital contributions, they are once again treated as peripheral when it comes to matters of funding and taxation. In Northern Ireland, our higher public sector dependency and chronic underfunding mean that such groups in our region are uniquely vulnerable to the rise in NI. Indeed, the recent Executive monitoring round in October made it clear that the Barnett consequential remains inadequate to cover departmental overcommitments.

Community and voluntary organisations are not an optional extra. They are currently a cornerstone of public service delivery, often co-designing and implementing essential programmes in partnership with Government. However, when financial pressures mount, they are frequently left to shoulder an unfair burden. The national insurance hike risks further entrenching that inequity. Such organisations should not be regarded as expendable. They must be exempt from the increase, which is precisely what my amendments seek to achieve.

Northern Ireland's hospices are overwhelmingly reliant on private donations, and Members from across the House have referred to the Westminster Hall debate that we had only a few weeks ago. Regardless of their opinion on the subject, everyone recognised the importance of hospices, yet the proposed NI rise will see some of their doors close. That is the reality of what we are facing today. As for trying to get a GP appointment, good luck—not just in Lagan Valley and Northern Ireland, but right across the UK—as general practice is struggling to meet the many demands that are put on it.

Today I want to highlight the unique circumstances that we in Northern Ireland face. The challenges are not abstract; they are real, tangible and deeply felt by my constituents. It should come as no surprise to Members present that Northern Ireland's health waiting lists are some of the longest in Europe, and far exceed those in the rest of the UK. Despite being the bedrock of our healthcare system and being under immense financial strain in Northern Ireland, providers such as GPs, dentists and pharmacists are currently not exempt from the rise in NI, even though they are already struggling under immense cost pressures. Capacity reductions in primary care are simply not an option for Northern Ireland. Dental practices, particularly those providing NHS services, which are in high demand, have seen operating costs surge by 30% to 40% since 2019.

With Department of Health funding failing to keep pace, many practices are unable to provide affordable care to patients. Indeed, anecdotal and evidential data shows that, in some areas of deprivation, young children are presenting with extreme tooth issues and have nowhere to go. In a joint statement earlier this month, Community Pharmacy NI, the British Medical Association NI, the British Dental Association NI and Optometry NI said:

“Medical, pharmacy, dental and optometry providers are the front door to the health service for families across Northern Ireland and vital for the transformation of care here. Yet these services are under extreme financial pressure, resulting in the closure of general practices.”

Indeed, the hon. Member for South Antrim (Robin Swann) mentioned that many GPs are being forced to hand back contracts. The statement continues:

“Without adequate protection from these UK Government policy changes, the precarious position of Family Practitioner Services in Northern Ireland will deteriorate further. It is now an urgent imperative for the UK Government to protect primary care or risk the collapse of these vital services in communities across Northern Ireland.”

I turn to the voluntary and community sectors. The voluntary sector employs over 55,000 staff in Northern Ireland and delivers essential services, often on behalf of Government. New research from the Northern Ireland Council for Voluntary Action has revealed the devastating impact this NIC increase will have on the sector. A recent NICVA survey of 68 organisations found that 76% expect major financial impacts, with additional costs of between £5,000 and £200,000 annually. One social care provider anticipates annual increases of up to £500,000. Many organisations predict inevitable redundancies, particularly in core administrative roles.

3 pm

Service reductions will hit childcare, disability support, mental health services and community programmes the hardest. NICVA's chief executive, Celine McStravick, has said:

“Unlike public sector organisations, we have no protection against these rising costs. Without immediate government intervention, we'll see widespread service reductions, job losses, and diminished support for our most vulnerable communities.”

As NICVA has pointed out, the voluntary sector plays a unique and irreplaceable role in delivering services across Northern Ireland. Without support, the financial sustainability of this sector will be significantly compromised, leaving thousands of vulnerable individuals without the help that they need.

Social care and hospices are also feeling the strain of the policy. Both sectors are crucial in alleviating pressure on public services and supporting the NHS, yet they operate on razor-thin margins. Social care providers, who deliver 98% of home care services in Northern Ireland, face similar challenges. Rising costs will force many to freeze wages and reduce hiring. At the start of this year in Northern Ireland, some of our hospices were under real pressure. Everyone across the political spectrum rallied to try to prevent the problems, but this is beyond our control. It is not something that working together, cross-party, at the Executive table in Northern Ireland can fix. We need a response today from central Government.

Childcare is also under immense strain. Government funding for childcare is different in Northern Ireland from in the rest of the UK, and schemes such as the 30 hours of free childcare do not exist for us. While the



Northern Ireland childcare subsidy scheme has provided temporary relief to some families, it offers no direct support to childcare providers facing mounting overheads. Furthermore, the scheme is available only to families who use tax-free childcare and have children below school age, and it is set to end in March 2025.

Without long-term investment and structural reform, the childcare sector cannot achieve the stability and sustainability required to meet the commitment in the programme for government to delivering “more affordable childcare”. Research from the Early Years, Care, Education and Play Employers’ Forum reveals a deeply troubling picture of workforce and operational challenges in Northern Ireland’s childcare sector. Nearly 50% of settings report vacancies, with many struggling to attract qualified candidates. Salaries for childcare roles often fail to reflect the responsibility involved, particularly in management roles, and the quality of applicants is often poor, with over half of job applicants deemed unsuitable. Retaining experienced staff remains difficult, with many employers resorting to strategies such as offering reduced hours or non-financial benefits to maintain their workforce. Rising costs mean that less than 1% of settings can offer pay increases as an incentive, leaving staff retention efforts constrained.

These challenges are compounded by the growing demand for specialised care in Northern Ireland, where an estimated one in five children presents with special educational needs. Without sufficient staff or resources, many settings are struggling to meet these needs effectively. Childcare providers in my constituency have been clear: the planned national insurance increase will force them to make impossible choices: reduce the quality of care, raise fees for families already struggling with the cost of living or close entirely. That could have enormous, far-reaching consequences beyond the immediate loss of jobs in the sector. Without access to affordable and reliable childcare, parents do not have the support that they need to remain in the workforce. Rising childcare costs risk forcing even more parents, predominantly women, out of work or to reduce their hours, which would further exacerbate gender inequality in employment. That surely goes against everything that this Government want to do on growth.

The impact is particularly concerning in Northern Ireland, where economic inactivity remains a significant challenge. The loss of workforce participation not only affects household incomes but hinders economic growth, reduces tax revenues and places additional strain on social welfare systems. It is therefore essential that the UK Government mitigate the impact of the proposed national insurance hikes, including through direct support for childcare providers and an extension of schemes such as the childcare subsidy to ensure the sector’s long-term stability and sustainability.

I tabled my amendments because I understand what really matters to my constituents: care for their loved ones, support in times of need, and the organisations that make a difference in our communities. In Lagan Valley, local hospices and voluntary organisations are at the heart of our society, delivering essential, life-changing work. There is no question but that systemic reform is essential for fiscal sustainability in Northern Ireland, but punitive measures that undermine critical sectors are not the answer. Increasing national insurance contributions at the expense of those who provide and rely on vital services is simply unacceptable.

The amendments are about fairness. They recognise the unique challenges facing Northern Ireland, and aim to protect sectors that are under immense pressure. Healthcare providers, voluntary organisations and childcare services are the lifeblood of our communities and cannot be left to shoulder additional financial strain. I urge the Government to support the amendments in order to safeguard the services that underpin our society. Northern Ireland’s people already face significant economic and social inequality. We need investment and support to build a fairer, more sustainable future, not further strain on our vital sectors and communities.

**Dr Jeevun Sandher** (Loughborough) (Lab): This Labour Government will invest to rebuild our broken nation. Investment in our future will be paid for by tax revenue, and today we are debating the largest revenue-raising policy in our Budget. I am proud that revenue will be raised from the largest businesses to fund the homes, jobs and skills that we need to create a good, affordable life for us all. For those of us in our nation who cannot afford a decent life, the picture has become increasingly bleak: non-graduates and the young are locked out of the opportunities that previous generations had, and there are not enough homes, good jobs or skills.

We are raising the money for investment in homes, jobs and skills from those who are most able to afford it. We are raising £23 billion—investment that every business, family and young person will benefit from—and 75% of the revenue is from the largest 2% of businesses. We are raising that money while protecting the smallest businesses by increasing the employment allowance; the Federation of Small Businesses has said that that is a huge help as we bring in this revenue raiser. Half of all businesses will pay the same or less, and a quarter of a million will see their tax bill fall.

**Graham Stuart:** The hon. Gentleman is most gracious for giving way. He is also a highly distinguished economist. He has talked about this record tax-raising element. What will the net value of the £23 billion or £26 billion be, after we have looked at behaviour change, reduction in corporation tax receipts and compensation of the public sector? How much of that will come into the Government coffers?

**Dr Sandher:** I thank the right hon. Member for his incredibly kind words. For me, this is actually rather simple. I follow the Office for Budget Responsibility forecast, which goes through the Treasury policy costing and gets signed off. Those are the numbers I look at, and that is the money that will come in.

We are raising the money, as set out in those forecasts, in a fair way to invest in our future prosperity. We are using that money to build the homes that we need. In the mid-1990s, it took a young person around three years to save for a deposit. Now it is over 14 years, and in London it is nearly 30. That is why nearly half of young people are living at home with their parents, and why we are investing the tax revenue from the measures that we are discussing in the affordable homes programme. That means more homes for young people.

We are also using this money to create good jobs. The idea that someone could leave school and get a decent wage left our nation long ago. There are low-paid and insecure service jobs for some, but many are unable to

[Dr Sandher]

get a job at all. Today, around 15% of young people are not in education, employment or training. Our warm homes plan, which will upgrade 300,000 homes, will also create tens of thousands of good jobs.

**Sammy Wilson** (East Antrim) (DUP): Analysis shows that this measure will hit the low paid and the young hardest. It will not help young people to get all the things that the hon. Gentleman describes, because they are the group who will find things most difficult as a result of it.

**Dr Sandher:** The young and the lowest paid work in the smallest businesses. Some analysis, including that from the Institute for Fiscal Studies, does not include these measures, and does not have matched employer-employee datasets. Indeed, Paul Johnson admitted as much when he came before the Treasury Committee.

**Dr Luke Evans:** I am grateful to my fellow Leicestershire MP for giving way. One of the ways that we can judge the market is by looking at vacancies. James Reed, who runs the Reed recruitment agency, has seen a 13% drop in advertisements on the company's website. He has sounded the alarm that that could be a sign of recession, and that is the implication of what we are voting on today. How will the measure support young people if there are no jobs out there for them?

**Dr Sandher:** I direct the hon. Gentleman to today's labour market statistics. Employment is still high; unemployment is about the same as it was; and I think inactivity is falling. In the official statistics, the picture looks good.

More broadly, vacancies are not the measure that we want to look at. Instead, we want to look at the number of people in jobs. The revenue that we are raising today will be invested in actions that directly create those good jobs. The warm homes plan will upgrade 300,000 homes, which is tens of thousands of good jobs. The expansion of early years childcare is tens of thousands of good jobs. Businesses need to know that they have the healthy workforce that they need, and more people who are available to work. This is a Budget for growth and for jobs.

**Dave Doogan:** The hon. Gentleman talks about the expansion of early years childcare, but that will not be of much use if nurseries shut down because they cannot pay their national insurance. Does he understand that dynamic?

**Dr Sandher:** I absolutely understand the benefits of early years childcare, which is why we are so proud that it is a key part of this Government's opportunity mission and is one of our milestones. We know that money invested today will pay dividends in the future. Labour Members we are absolutely committed to expanding and investing in early years childcare.

More broadly, this measure is also about investing in our young people. One in three young people is experiencing mental health problems, and one in 20 is too sick to work. That number is only rising. There has been a threefold increase in health problems that make it too difficult to do day-to-day activities. This generation of mine is without hope and without health. For those who have been struck down by hopelessness, and who

are now too sick to work, our "Get Britain Working" programme, combining health, skills and employment support, is rebuilding confidence. It is helping people into good jobs, and is restoring dignity, purpose and sense of community to every person and place in our nation.

This Bill speaks to our governing philosophy, which is that those with the broadest shoulders should carry the heaviest load. As we have seen, we are changing our nation and rebuilding hope in our communities, our country, and indeed our democracy. We are building a country that gets better, rather than worse; where every person can get a good job; where every person can afford a decent home; and where every person can get the skills that they need, so that we can all live once again in a country where working hard means a decent life. That is what we are investing in, and that is why we are proud to raise revenue through the measure that we are debating today.

**Blake Stephenson** (Mid Bedfordshire) (Con): I rise to support the amendments and new clause 1 in the name of my hon. Friend the Member for Grantham and Bourne (Gareth Davies). If this Government's goal was to fix the foundations, I am afraid the result has been subsidence. Business confidence has plummeted, and two thirds of firms think that Labour's Budget, including the NI increase, will damage investment.

An economy grows on the back of hard-working people investing, taking risks and employing local people in constituencies like mine of Mid Bedfordshire. How does the Labour party reward those people for their hard work? It raises their taxes, it makes it harder for them to employ people, and it reduces the amount they take home at the end of the month. It justifies that by telling them that they are not really working people.

Conservatives understand that growth is created from the hard work of entrepreneurs up and down our country, driving our economy forward. Across the country, millions of people want stronger economic growth. That is what they voted for, but they now have a low-growth, high-tax, job-cutting Labour Government. They were promised change, but they did not expect that change to be to Labour's manifesto commitment not to increase national insurance. That change hikes the cost of employing someone by £800, reduces the number of jobs in the economy, reduces the wages of working people and increases prices in shops.

3.15 pm

If Members are not convinced by all those things, I recommend that they join us in voting for the perfectly practical, perfectly reasonable, very pragmatic new clause 1 so that the impact can be assessed within a year. Conveniently, the Government now talk of preventing tax increases on the payslips of working people, but under this job-cutting Government, some constituents will now be lucky if they have a payslip at all.

Far from a Government for growth, this Government believe that the reward for working hard and creating jobs should be even higher taxes. In a nutshell, Labour's policies cut jobs, cut wages, hike taxes and hike prices—all while telling people that Labour is on their side.

Our constituents are not fools, so I sincerely ask Labour Members to consider whether they came into Parliament to increase taxes on their GPs, on their care

workers, on their charities and on their nurseries, or to add to the burden on hospices, like Keech hospice in Mid Bedfordshire, on local air ambulances and on charities such as the Greensand Trust, which does amazing work on environmental conservation in my constituency. They did not, so Labour Members should stand up to their leadership today, for the sake of hard-working people throughout our country, and stop this jobs tax.

**Ms Stella Creasy** (Walthamstow) (Lab/Co-op): It is extraordinary to follow Opposition Members, with their short-sightedness and, frankly, short memory of the damage they have done to this country. Indeed, it is the very definition of chutzpah. I have been in this place for 14 years, and I watched what happened unfold in my constituency and across the country. That is how we got to this Bill today. New MPs may wish to rewrite history, but many of us can give testimony to the damage the Conservatives did.

This country should be grateful that we now have a Chancellor who is facing up to the fantasy public finances that we inherited from the previous Government, and who is trying to rebuild this nation. We finally have a framework for improving our rail services. Anybody thinking about getting on a train this Christmas knows how far we have to go. The damage lies at the door of the previous Conservative Government.

This Government are devolving meaningful powers to local government and generating clean electricity, which are just two things that the previous Government could not even understand, let alone get a grip of. We are certainly developing a better approach to our infrastructure.

In their final years in office, the Conservatives passed tax cuts that the country could not afford. There may have been genuine shocks around the world, but we can see the damage the Conservatives did, and we can see that they chose to compound it with bad choices. They did not just break Britain; they slashed it and burned it to the ground. That means this Government's first year in office is a salvage operation. The previous Government's decision to prioritise fake tax cuts over sustained investment in our public infrastructure has cost us all dearly.

Those who are sceptical of what I am saying should stand in an A&E and see the trolleys in the corridors, as 7.9 million people still wait for operations. They should talk to the schools with reinforced autoclaved aerated concrete, to the councils barely clinging on to provide social care, and to the police who just do not exist on our streets.

**Graham Stuart:** Will the hon. Lady give way?

**Ms Creasy:** For donkey's years, I listened to the right hon. Gentleman try to claim that this country was on the up. I have seen the alternative. Please let him justify that.

**Graham Stuart:** As the hon. Lady knows, 4 million jobs were created under the last Conservative Government. She has just talked movingly about patients stuck on trolleys in corridors. Could she explain to the Committee how the Labour Government's policies in England will differ from the policies of the Labour Government in Wales, which has far worse outcomes and worse waiting lists than anywhere in England.

**Ms Creasy:** I will tell the right hon. Gentleman what this Government are going to do differently: they will make a difference to all our constituents by getting waiting lists down with the money provided to invest in our NHS. The previous Government were all vandals, and we have seen the damage they have done.

The challenge before us in the Bill is to ensure this Government do not make the same mistakes, but instead address head-on the need to build the necessary foundations. To deal with the expectations of the public—our constituents—we need to talk more openly about the fact that having better services requires better funding through taxation. The broken Britain we now see will not fix itself with a bit of time. Worse, the public cannot be distracted from the problems they see by being given someone else to blame—trans people, refugees, immigrants, women or foreigners generally. That is a fantasy the British public did not buy at the last election, and they should not be promised it again. They know we have a difficult road ahead and difficult choices to make, but they will back those choices if they can see there is a reason to do so.

Above all, the British public understand that this country needs investment and growth. I am chair of the Labour Movement for Europe and I think there needs to be discussion about our future relationship with Europe, but that is for another time. We also need infrastructure, which is why I have proposed new clause 4. Infrastructure is not just about roads and rail, but about the services people need every day to be able to get to work and to manage their commitments, including childcare.

As somebody who spent 14 years urging the previous Government to invest in childcare, I will brook no lectures from the Opposition now they have had a damascene conversion to the idea that it matters. Childcare is economic infrastructure. [*Interruption.*] The right hon. Member for Beverley and Holderness (Graham Stuart) is chuntering from a sedentary position, but time and again he voted against proposals to make childcare a matter of economic infrastructure.

New clause 4 is about how best we invest in our people to be able to grow our economy. As we make tough choices, it is important we do so in a way that means our productivity improves, which means looking out for parents as well as potholes. We are in the middle of the biggest expansion of childcare this country has ever seen, to try to get to a point where every parent can access 30 hours of free childcare for all under-fives. Under the last Government, some parents were paying more for childcare than for their rent or their mortgage. The previous Government repeatedly failed to invest, and then they made promises that they knew they could never keep, pushing up demand without increasing supply. We must not make the same mistakes.

It is vital for our economy to make childcare more accessible and affordable, and we know we have a way to go. In rural areas, there are 31% fewer childcare places compared with inner cities and town centres. The most deprived communities have 32% fewer places per child, compared with affluent areas. Of the poorest fifth of parents with young children, only a third use formal childcare, compared with 73% of the highest earning households. The previous Government reinforced that inequality, rather than addressing it in their childcare policies. That is why in my constituency there are still three children chasing every single childcare place.



**Dr Luke Evans:** The hon. Lady has always been an advocate for childcare. One way the previous Government tried to address the issue was to try to stop the cliff edge for childcare by looking at households rather than individual parents. In the last Budget, the Government were looking at the proposal to consider households as one unit. Does that mean the hon. Lady has changed her mind and would support that mechanism being looked at again? It would solve a lot of the problems caused by, for example, a single parent having to pay for childcare because they are exempt, whereas a household containing a couple who earn under £45,000 are not eligible.

**Ms Creasy:** Let me reach the hand of co-operation across the House to the hon. Gentleman, if he wants to finally work on what would be a genuinely affordable and accessible childcare system in this country. However, I will temper his enthusiasm, because his party made things worse. Under the previous Government, there was a 50% reduction in childcare place. We saw nurseries closing time and again because of the changes his Government made. We are starting from a foundation where the places simply do not exist. For the places that are there, too often it is those who can well afford childcare who are taking them.

If we are to get to a position where we have the childcare places we need, so that every child can get the best start in life in this country, we need to invest. We need to ensure that we save what is there and encourage those nurseries that can expand to do so. If we do that, we will reap the rewards, both in the Exchequer and in society. That is why early years provision matters to the future of this country.

Research by the Education Policy Institute shows that 40% of the disadvantage gap at the age of 16 has already emerged by the age of five. Equally, investment in early years means we could save £16 billion a year later, according to the London School of Economics. It also means we will get more money, because more people—mothers, fathers and carers—can make the choice to work and pay tax.

**Daisy Cooper:** The hon. Lady is making a compelling case about the need to invest to save. When we invest upstream in our public services, that often saves money for the taxpayer further down the line. Does she agree with the Liberal Democrats that that could be equally applied to investing in GPs, dentists and pharmacists to relieve pressure on the NHS?

**Ms Creasy:** I have worked with the hon. Lady on various issues, and I hope she will give me the latitude to expand my argument and set out my proposals, which we could move forward on together as a House. I do not doubt her sincerity, but I also recognise the fiscal destruction of the previous Government that we need to deal with, which means we need to tell the British public the truth about what needs to happen. Making unfunded promises is as bad as not promising to act.

Parent surveys show that a real difference is made when 30 hours of childcare is offered. That amount of childcare enables families to make choices about getting back into work. If we want to get to 30 hours by September next year, we need 60,000 additional childcare places and 29,000 extra members of staff. If we do not

have fundamental root and branch reform of how we fund the provision of childcare, that will cost about £72 million extra a year on hiring staff alone. That is the challenge we face if we want to get this right.

I know how hard the Minister is working to get the economy growing again. I know he is going to hear pleas from every single sector about the impact of the national insurance changes; nobody should be under any illusion that they are not difficult changes. I make a plea for the childcare sector because I believe that in the end, it will pay for itself. If we are able to get more people back to work, especially mums, who all too often end up bearing the burden of childcare, we will be able to raise more taxes and there will be more investment as a result.

That is particularly true of the childcare sector because it is a people-intensive industry. Staffing costs make up 75% of a nursery's running costs, compared with 30% for the average restaurant. Because the previous Government systemically failed to invest in childcare, the majority of childcare has been provided by the private sector. Some 85% of places are delivered outside the state sector. There is little flexibility on numbers in the sector, because ratios—the number of people looking after little people—matter. These are not businesses with small numbers of staff; an average nursery has 14 members of staff, which means the additional costs will be about £36,000 to £39,000 a year. Around £14,000 of that will be national insurance.

Many Members agree that we need to invest in that childcare and will be pleased to see this Government trying to address the balance. The damage done under the previous Government meant that 83% of nursery providers said the funding they received did not cover their costs. That is why closures increased by 50% in the last couple of years. This Government have already increased the funding for our nurseries, but while that takes account of increases in wages costs, it does not take account of the increases in national insurance.

I tabled new clause 4, which is about having a review of one element of all that, to ensure that we do not cut off our nose to spite our face when trying to get more people into work. We recognise that extra national insurance costs may have consequences, be they recruitment freezes, reduced staff training or even closures, at a time when we want the sector to expand. Indeed, the majority of nurseries have staff vacancies, so they need extra people already.

**Dave Doogan:** The hon. Lady is making a compelling case of logic as it applies to early years provision, and I do not think anybody in this place could argue with the logic she advances. Is it not so robust, however, that it also applies to primary care, hospices and charities, if it applies to nurseries?

**Ms Creasy:** I hope the hon. Gentleman recognises that I am talking about a specific function of the way in which the childcare sector operates and the fact that it generates public Exchequer funding when we get people back into work. My argument here is that we invest to save. This is specifically about childcare. I am sure the hon. Member has read new clause 4 in depth, by the look on his face.

**Dave Doogan** indicated assent.

**Ms Creasy:** He will therefore understand why I suggest that we as a Parliament could look at how we address those issues. Right now, the sector is concerned. I do not think that is a surprise to anyone. It may be a damascene conversion for the Conservative party to suddenly care about it, but there is a concern across the sector about not going backwards.

Clause 3 will increase the employment allowance from £5,000 to £10,500 and will reduce the current £100,000 threshold. It might be perceived that for some small businesses, particularly in the childcare sector, that would be a potential way forward in reducing some of the impact of the changes so those businesses can continue to expand. However, the challenge is right now, with the majority of childcare providers not qualifying for the employment allowance because of the way in which the sector operates and because it has been ignored, dismissed and derided by previous Governments. The majority of positions are produced in the private sector. That means they do not qualify.

There is perhaps an unintended irony in all that, however, which is that investing in more childcare, as we are doing, means that many of those small businesses will not be eligible for the employment allowance. As it is about companies that receive less than 50% of their income from public funding, while many childcare providers were originally in that position before money started going into them, the irony is that many fewer will be in that position in the coming years as a result, meaning that they will be denied the opportunity.

Childcare provision in educational settings will be able to benefit, so it is not a total denial. That means that if we are looking to expand childcare, in the current environment and without looking at how we can make that an equal opportunity for all childcare providers, that will have to be done through the state sector, which means having to find nurseries that can be provided in spare classrooms or childcare settings within an educational setting. That accounts for a small amount of the structures in place at the moment, and there is a risk that we will not see the investment in expansion because expansion in previous times has come through the private sector.

My concern, if I am frank, is that this is a perfect storm of our own making. With the best intentions of investing money from the Budget in childcare, we may inadvertently make it harder to expand childcare. That is why we need a review, because it is not clearcut that that will be the outcome, which is why I have tabled new clause 4. I also urge Ministers to look at business rates, which currently add around £21,000 to the average nursery. We found support in the Budget for those in retail and hospitality. We could look again at the childcare sector on the same basis.

Above all, we need to raise those questions and ask how we can ensure that we do not see a curtailment of childcare in this country, because the reality is that fees will then go up, making it even harder for parents to use it. That is what the Pregnant Then Screwed surveys are showing us: 90% of parents who have a place are terrified that costs will go up in the coming year, and 60% say that if that happened they would reduce their hours or leave work altogether.

This is a tough time, this is a tough Budget, and there are tough decisions to be made. We are not shying away from that and I am proud to be a member of a political

party in government that is getting a grip of this country's needs. However, I am also determined, as I am sure is everybody on the Back Benches, to make sure that we do that in the best way possible. If the Minister will not accept new clause 4, I hope he can tell us what work the Treasury is doing to ensure that childcare as a form of economic infrastructure can grow and support this country as it recovers from the last 14 years of Conservative Government.

We know that all those who will be affected—in the choice to work, to stay in work and to stay open and run a nursery—are literally the ones who have been paying the price of having a Conservative Government. We do not wish to make them pay all over again. The Conservatives broke Britain. We now need to be honest about the work and the investment that it will take to repair it.

**Helen Maguire** (Epsom and Ewell) (LD): I am greatly concerned about the consequences of this Bill. There are consequences for businesses, for employees and for essential primary care providers in my constituency and across the country. The Bill represents an unfair jobs tax that risks harming the livelihoods of countless individuals and the viability of small businesses at a time when they are already grappling with a multitude of challenges.

I wish to begin by highlighting the impact that this legislation will have on community pharmacies, which are at the frontline of healthcare in our local areas. The owner of Horton Pharmacy and Travel Clinic in Epsom has expressed grave concerns about the financial burden that this increase in employer national insurance contributions will impose. He told me:

“We are estimating that it's going to cost an extra £12,000 a year. It's very distressing and making it harder to keep our doors open and help reduce the burden on other parts of the NHS.”

Community pharmacies such as Horton Pharmacy play a critical role in alleviating pressure on our overstretched NHS by providing accessible healthcare and advice, yet the Bill threatens their financial viability, which in turn risks leaving constituents without the local care they rely on, thus increasing the burden on the NHS.

**Dr Luke Evans:** Is the hon. Lady aware that the National Pharmacy Association has agreed to collective action for the first time in its history, directly as a result of this Government's Budget? Does she have any comment on that?

**Helen Maguire:** Yes, I am aware of that and I agree that it is a good way forward.

Another business in my constituency, the Family Building Society, is also facing substantial repercussions. Last Friday I met its chief executive officer, Mark Bogard, who shared that this national insurance increase will cost him approximately £300,000 every year. He said:

“Even as a mutual building society, with no shareholders to generate returns for, we cannot simply swallow that cost. So, going forward, we will inevitably now employ five or six fewer people.”

Madam Chair, these are real-world examples of the damaging ripple effects of the Bill. It will hit not just businesses, but employees, with fewer jobs, lower wages and missed opportunities. This Government claim that

[Helen Maguire]

they want to kickstart economic growth, but how can firms grow when they are forced to cut jobs instead of investing in their business. How can the economy thrive when ambition is replaced with survival? This Bill does not kickstart economic growth; it slams on the brakes.

Across the board, this Bill threatens sectors vital to our economy and to society. Social care providers, GPs and hospices, already at breaking point, will now face further financial strain. Most of these organisations do not qualify for the employment allowance, meaning that they are exposed to these increases.

The Liberal Democrats have called on the Government to exempt these essential providers from the tax rise, but those calls have been ignored. This decision will worsen the crises in our NHS and social care system, pushing more providers to the brink of bankruptcy.

Six in 10 care homes in the UK are operated by companies vulnerable to even mild economic shocks. How then can the Government justify imposing additional financial burdens on a sector already struggling to stay afloat? Let us be clear: the Government's own analysis admits that nearly four times as many employers will lose out under this Bill as will benefit. For many employers, this will translate into an average annual tax increase of over £26,000. This is not just a jobs tax, but a growth tax, a productivity tax and, ultimately, an attack on people's living standards.

This is a deeply inefficient way to raise funds, especially when fairer alternatives exist. The Liberal Democrats have proposed several measures that would raise revenue without harming jobs and growth. These include reversing Conservative tax cuts for big banks, increasing the digital services tax and introducing a fairer form of capital gains tax to ensure that ultra-wealthy people pay their fair share. These measures would protect small businesses, support families and safeguard essential services, while still addressing the country's fiscal challenges.

The people of Epsom and Ewell deserve better. They deserve a Government who support, not stifle, innovation, enterprise and community spirit. They deserve a Government who listen to small businesses, healthcare providers and families who are already struggling under the weight of rising costs and stagnant wages. This Bill is not the solution to our economic challenges; it is a blunt instrument that will do more harm than good, jeopardising jobs, living standards and essential services. I urge the Government to reconsider this unfair and counterproductive measure and to work with us to develop a fairer, more sustainable approach to taxation that prioritises people and communities.

**Gareth Snell:** I wish to start by reflecting on something that the hon. Member for Grantham and Bourne (Gareth Davies) said in his opening speech. He talked about socialists thinking that taxes just flow in. Given that he was a member of a Government that raised taxes to their highest level in history, perhaps this season it is less secret Santa for him, and more secret socialist. Perhaps, if he is lucky, under his Christmas tree on 25 December he will find a red flag that he can fly. I jest, Madam Chair, but the point is that that Government agreed with tax and spend—they taxed; the trouble was what they chose to spend the money on.

That is the difference between this Government and the Government that came before: we have made clear commitments about what we will spend the money raised by this national insurance Bill on. We will make investments into the NHS and our public services, such as our schools and hospitals, and we will fix the railways. [Interruption.] The hon. Member for North Bedfordshire (Richard Fuller) chunters, but I cannot actually hear what he is saying. If he wishes to intervene, I will happily give way—no, I thought not.

The fact of the matter is that although this is not a decision that I would particularly have liked the new Government to make, having looked at the levers available to us and having made a political choice to protect the pay packets of individuals in work, this is a way of raising revenue.

**Graham Stuart:** Will the hon. Gentleman give way?

**Gareth Snell:** I often think that we do not hear enough from the right hon. Gentleman, so on this one occasion I will give way.

**Graham Stuart:** Given the competition on the Labour Benches, the hon. Gentleman is one of the more honest and up-front Members in addressing some of the issues. Does he regret the exclusion of the various groups we have heard of today, from hospices to social care and childcare? Will he urge Ministers to look at whether they can create a more coherent and joined-up approach, so that the £22 billion—or whatever it is—going into the NHS actually works to improve the healthcare of the nation?

**Gareth Snell:** If the right hon. Gentleman hangs fire, he may be surprised by some of the things I will say as I try to progress my speech. Although, in that context, is it not laughable and ludicrous that some of the most important parts of our social care sector—our air ambulances and our hospices—are dependent upon charity; that they have to rattle tins in supermarkets, dependent on handouts and philanthropic grants on a non-reoccurring basis, just to continue the service they deliver? There is a much broader conversation that we have to have as a nation about how far general taxation should fund some of those programmes. The right hon. Gentleman rolls his eyes, but I would rather make a small contribution to ensure that hospices and air ambulances can run than to have to watch people sit in baths of beans to try to ensure that vulnerable people get the help and support they need when they need it. He may disagree with that, but we should discuss that broader point of how we fund some of those things and whether we consider them to be vital infrastructure to our health and care system.

**Neil Duncan-Jordan (Poole) (Lab):** Does my hon. Friend accept that any fair taxation system should place the biggest burden on those with the broadest shoulders? That means taxing the wealthiest in this country, rather than hospices and the charitable sector.

**Gareth Snell:** Again, if my hon. Friend bears with me, I will get to that point, but I absolutely agree in principle that taxation in this country should fall on those most able to make that contribution. There is also a question about how we spend that money and use it in preventative services. Again, there is an argument to be had about



how much of the money given to, for instance, the Staffordshire and Stoke-on-Trent integrated care board is spent on reactive services that treat people, as opposed to preventative services that keep people well in the first place. There is definitely a discussion to be had in our communities about whether the commissioning bodies that have the money are commissioning the preventative services necessary to reduce acute demand.

Last Friday I listened to the charities convened by Voluntary Action Stoke on Trent, and they themselves said that their biggest challenge before the national insurance increase was even mooted was the fact that they cannot get recurring funding year on year from health bodies, councils and the public sector. When they manage to get to the end of a project, they are told, “You’ve done that project. Come up with something new.” They are asked to redesign their service to chase a pot of money in order to deliver what essentially is the preventative service that stops the more acute services from facing greater demand. Again, we as a nation need to have a conversation—in part it is brought to a head by this Bill—about what role we see for charities in this and how we fund those services.

**Daisy Cooper:** For a long time we in this place have had debates about ensuring that the shift happens upstream in the sector, to support public health and primary care. Does the hon. Member accept that this measure will undermine the effort to put more investment upstream, and that it will force many charities to do even more fundraising to backfill the gap created by the national insurance contributions hike?

3.30 pm

**Gareth Snell:** I absolutely agree. If the hon. Lady will bear with me, I will come to exactly that point later on.

My constituency is often in the top 50 for social and economic deprivation, and we are often wholly dependent on the charitable sector picking up people when they are at their lowest and most in need. Charities often do the really hard work in getting those individuals back to a place where they can even begin to access statutory support services, such as the demands placed on them by the services with which they are seeking to engage.

Let me take the example of supported housing. We talk quite rightly about giving people homes, but many of the people in Stoke-on-Trent who access the services that will be impacted by the national insurance contribution increases would not be able to live independently on their own in the months to come if it were not for supported housing. As the hon. Member for St Albans (Daisy Cooper) points out, that has a huge bearing on the acute cost at the presentation of final service.

Last Friday, Voluntary Action Stoke on Trent, an excellent organisation run by Lisa Healings and her team, convened a meeting of local charities and the three Members of Parliament for Stoke-on-Trent. Lisa helped me by compiling some of the specific impacts that the national insurance increase will have on charities and organisations in my community, and with the indulgence of the Committee, I will refer to some of them so that Members can hear the scale of the challenges that we face.

The first relates to the citizens advice bureau in Stoke-on-Trent, which does a phenomenal amount of work. It will see an increase of £150,000 to its national

insurance contributions. Although it will be able to mitigate some of that impact, the change will just mean that people wait longer for help, or, perversely, that more people will enter MPs’ caseloads and visit our surgeries because the CAB often signposts to other agencies when it cannot meet demand.

The second largest impact I was told about is to the YMCA North Staffordshire, which will see its NI contributions rise by £101,000. That organisation routinely provides homes for young people who would ordinarily find themselves on the street, works with families to ensure that family units can stay together, supports community meal initiatives to bring together different Stoke-on-Trent communities, and does a lot of work on community cohesion, which is a particularly contentious issue in my city.

A smaller organisation, Savana, which I must declare is run by my ex-wife, although we are still on favourable terms—

**Mike Martin** (Tunbridge Wells) (LD) *rose*—

**Gareth Snell:** No—I will give way in a second. Savana is the provider of the rape and sexual advice service in Stoke-on-Trent. It gets all its money from the Ministry of Justice; it is essentially running a Government service by virtue of contracts, yet it will now see an increase in its national insurance contributions of something between £16,500 and £17,000, which will reduce the number of people it can support with independent domestic violence advisers and independent sexual violence advocates. The other half of its money comes from the Home Office via the police and crime commissioner. Again, that is essentially public money providing a public service that just happens to be provided by a charity that is not covered by the rebate provided to other organisations.

Disability Solutions helps those who are entitled to additional support to access it. That charity brings millions of pounds a year into the city, which has a cumulative economic benefit, because the money brought in is spent on our high streets and in our local economy. The people it helps are not the wealthiest in my city; they quite often have very little in their pockets, and every penny that is given to them is spent in the local economy. They do not hoard it in a savings account, put it into the Cayman Islands or use it as a downpayment on a new car or furniture; they go out and buy food, shoes and school uniforms for their children, or they use it in one of the local entertainment venues.

North Staffs Mind faces an impact of £55,000. That organisation is specifically designed to help people with their mental health, which the Government have rightly identified as a huge inhibitor to economic growth, because if people cannot get their mental health sorted, they cannot get back into work. Another mental health organisation, Changes, wrote to me to say that these changes to national insurance would be unsustainable for them. Finally, the Dove Service is a bereavement counselling service that faces a cost of £2,000. All those organisations are filling a void in state provision in my city.

**Simon Hoare** (North Dorset) (Con): In essence, the hon. Gentleman has described what we on the Conservative Benches would have called the big society some years ago. Does he share my concern, however, that that huge

*[Simon Hoare]*

bank of volunteers who often prop up and form the supports for the organisations he has described are likely to drift away as their organisations come under pressure? Not only will there be a financial pressure, there will be a pressure on the resource of people who are volunteering, because they will just say, “If the Government are not prepared to help us this one little bit, why should we help?”

**Gareth Snell:** I actually do not agree with the hon. Gentleman’s assessment, because in my city of Stoke-on-Trent, when there is need, people arrive to offer help. It is one of the things that people often say; we are a friendly, welcoming people, and if someone is in need, we roll up our sleeves and get stuck in.

However, I agree that although dedicated volunteers are excellent, they are not a replacement for staff. In particular, they are not a replacement for the highly trained staff who provide very bespoke services, such as some of the ones I have mentioned. There are thousands of volunteers across Stoke-on-Trent, and I thank every single one of them for every moment of their time that they donate, but as the hon. Gentleman will know from his constituency, we sometimes talk about voluntary organisations as if they have no costs associated with staff, because they are entirely volunteer-run. I think everyone across this House would recognise that that is simply not the case; if it were not for the cadre of professionals who help co-ordinate those volunteers, things would fall apart.

Although I have set out the challenges faced in my city, I am not necessarily drawn to some of the proposed amendments that would set differential rates for charities or other organisations. That is not because I do not believe those organisations should not be protected from the national insurance increase that is coming, but if we are saying that they should have a differential rate, why should that rate not be zero? Why should we not just exempt them entirely? I am also not convinced that we would not see people seeking to reorganise their own businesses to try to claim charitable status and reduce their own liabilities. Fundamentally, I believe that paying tax is a patriotic duty—if someone should, then someone must.

There have been record levels of settlements for the NHS, and I accept the points that have been made about hospices and GPs. I sincerely hope that Staffordshire and Stoke-on-Trent ICB will make use of the better care fund, putting some additional money into that fund to pay for the social care that could help offset some of the national insurance increases that will make those jobs much more difficult. However, many of the organisations I have mentioned receive their operating budgets from Government, albeit passported through funds, a local council or another public body. They are essentially running Government services—they are running a public service on behalf of the Government. Is it not incumbent on us to make sure the services we ask them to provide are provided at the level we expect, and that we resource them efficiently? I would like to think that the difference between this Government and the previous one is that we value the work sufficiently that we will pay those organisations correctly and accordingly. If the Minister could address those points when he sums up, I would be most grateful.

**Graham Stuart:** It is a pleasure to follow the hon. Member for Stoke-on-Trent Central (Gareth Snell), who I am pleased to say honoured his words at the beginning of his speech, quite rightly. I think that is because he has been in this House for some time and knows the difference between legislative intent and legislative outcome. No one believes that the Minister on the Front Bench or other Ministers wilfully want to damage GPs and hospices—how could anyone reasonably want to do that? However, that is the effect of this Budget of broken promises overall, and of the particular measure on national insurance contributions that we are debating today.

No one has really explored where this measure came from, but the genesis of it was actually a desire, in the pre-election period, to reassure those with long memories who thought that Labour was not a party of growth. In trying to reassure the nation that Labour was on the side of business, it was saying, “Economic growth is mission No. 1, so if you are an entrepreneur, you can relax, because we are on your side.” The other big fear about Labour Governments over time is that they will come along and raise people’s taxes. Labour therefore came out with very specific pledges and oft-repeated promises again and again, saying that it would not raise an array of taxes, including of course national insurance contributions. That is why Paul Johnson, who is an independent commentator, said that he thought this measure was an absolutely clear breach of that pledge.

On coming into power, the Government said there was this £22 billion black hole, and Labour Members have mentioned it again today. I think the hon. Gentleman was notable in not doing so, because he knows there is no substance to it.

**Gareth Snell:** Will the right hon. Gentleman give way?

**Graham Stuart:** The hon. Gentleman can intervene to rectify that in a moment if he feels the need to do so for reasons of tribal loyalty. Again, the OBR said there was nothing in its calculations that supported or validated—I think the word used was that it did not “validate”—the so-called £22 billion black hole, but let me give way to him so that he can rectify that omission.

**Gareth Snell:** The phrase damned by faint praise springs to mind. To be clear, I think the analysis of the Treasury and the Chancellor of the state in which we found the public finances is absolutely accurate. I think the remedies we are taking, while unpalatable to some, are necessary. I just wish we were able to mitigate some of the worst aspects of them.

**Graham Stuart:** I thank the hon. Gentleman, and it is good of him to show that tribal loyalty. He did not criticise the OBR, but it said that it could not validate the so-called analysis. The £22 billion black hole does not exist, and it is quite clear from the OBR that that is true.

Let us, however, assume that the black hole is true: I think the Government are spending £1,270 billion this year, so let us assume that, in that £1,270 billion, this gargantuan black hole of £22 billion actually has veracity, while it does not. Having gone to the lengths of forcing even someone as up front and candid as the hon. Gentleman to feel obliged under tribal Labour rules to keep backing this measure, and having established the figure, one would think that the Government would

want to come forward with a tax rise, if that is what they wanted to do all along. Alternatively, to give the Government credit, perhaps they came into office and found that things were much worse than was thought to be the case beforehand, in which case they would want to come up with a rational way of raising the funds with minimum possible damage.

I suggest it could be said to be a fib, but let us say there is a £22 billion black hole and they need to fill it. The Government should come forward with sensible tax plans. The Government have reneged on their pre-election promises, so why not renege on this one, and come forward with a sensible tax that does not particularly disincentivise those who are furthest from the jobs market? That is what the reduction in the NIC allowance to £5,000 does, and we know that it is particularly going to hurt people are struggling to get back into work, perhaps after a mental health episode, or perhaps because they are young and are struggling to get into the jobs market.

There may be worse taxes than the way this one will work out. I think £26 billion is the headline amount that will be raised and taken out the economy, but 76% of that in year 2 or 3—whichever it is—will come out of wages. By my rough arithmetic that means about £19 billion is going to come out of pay cheques, which is the very thing the Government were trying desperately to avoid doing. This measure will take £19 billion out of pay cheques, and because of the reduction in investment, the reduction in employment and the resulting reduction in profits, it will net only £16 billion.

Then the Government, having got that £16 billion, have decided to compensate the public sector, and we know about this because of the changes the OBR put out at the time of the election. It had to make a correction, because it had clearly been asked and told to allow another £800 million or £900 million for social care, recognising the issues that have been raised so powerfully by colleagues today. However, that was changed and removed, and it had to make an amendment to its response. By the time we have taken off the compensation as currently restricted to the public sector, which I think rises to about £5 billion, that takes the net receipts to £10 billion or £11 billion. That is a £26 billion hit to the economy, a reduction in investment, higher interest rates, lower growth, and £19 billion removed from working people's pay packets—the people who Government Members believe they are on the side of—yet the measure nets only £10 billion or £11 billion to spend on public services. It is truly a ruinous approach to raising the money.

4 pm

The Government put so much political capital into making everyone on the Government Benches, however naturally honest they are, say fibs about the £22 billion. They could at least have used that fig leaf to come up with a more sensible tax strategy. Instead, having pursued that untruth, they none the less came up with an idiotic and backward stance. It is deeply damaging and regrettable.

**Mike Martin:** The right hon. Gentleman talks about a more sensible tax strategy, and we all agree that the change to NICs is an extraordinarily bad idea, particularly given the hit to growth. Where would he raise that amount of tax from?

**Graham Stuart:** There are so many places where the Government have spent it. Having claimed this £22 billion black hole, they promptly agreed a £10 billion pay rise for their trade union backers. Train drivers on more than £60,000 a year are getting £10,000 pay rises while in talks about a four-day week. Those train drivers are not available for the holiday season, because they are so awash with that backdated pay increase that nobody wants to do any overtime. There are so many other areas. We have GB Energy to invest in renewable energy. I was the Energy Minister until April, and there was no shortage of investment available for renewables in this country. Before anyone points to last year's failure to get offshore wind, that was because of the price window that we imposed. We did not want to overpay for it. There was no shortage of appetite, as was shown this year. One reason why we moved to an annual programme was precisely to ensure that we did not overpay, but could bring on all the renewables we wanted. There are so many areas where the Government could instead not spend the money that they have chosen to spend.

Fundamentally—we need this conversation, including in my party—one of the things that makes the Conservatives the most successful democratic political party in the history of the entire western world, I am proud to say, is that we believe in proper analysis and deferred gratification. We have to make sure that we have a growing private economy, because that is where wealth comes from. If we allow money to fructify in the hands of those who create wealth, it will duly come back to the Treasury with interest, as the Financial Secretary of Hong Kong said many years ago, in rather more pithy terms. The most important thing is to live within our means, and to recognise the importance of feeding the private sector economy, because it is only wealth from that sector that allows us to deliver the public services that we all want.

I support new clause 1. The hon. Member for Stoke-on-Trent Central made it clear that he has concerns about the Bill's impact, and I hope that the Minister can acknowledge that impact. At the very least, we should look back and check that the impact is, as I hope it will be, more akin to the growth-producing, foundation-fixing, black hole-removing vision of the Government. However, if by any mischance the combined Opposition parties are right about the Bill's disastrous impact on the most vulnerable, the people furthest from the labour market and the rest, we should find out the truth, and whether the Minister or his colleague the hon. Member for Stoke-on-Trent Central is correct.

I also support amendments 13 to 18. The NHS is the centrepiece of the tax-raising and spending elements of this Budget, and this rise in national insurance contributions will contribute £22 billion—or £20 billion; I hear different numbers at different times, but I will stick to £22 billion—to the NHS. There are a couple of ways to sort out the problems, because the system is entirely dependent on social care provision, the hospice system and ancillary services, including primary care—the things that make up the NHS. In my area, when an ambulance goes to Hull royal infirmary, it may take an hour to get the patient in. That is because patients in the hospital cannot be got out of their bed—even though they are ready to leave—and into social care provision. The Bill will make that worse. Perhaps funding can be vired over to social care. Through the amendments suggested by my hon. Friend the Member for Grantham and Bourne



[*Graham Stuart*]

(Gareth Davies), we are probing the Government and the Minister, who is a decent, honourable man. We are asking them to look at the issue creatively and ensure that the misgivings of those such as the hon. Member for Stoke-on-Trent Central are listened to.

**Daisy Cooper:** It is music to my ears to hear a Conservative Member of Parliament finally recognise the connection between the NHS and social care. The right hon. Member will remember that former Prime Minister Boris Johnson stood on the steps of 10 Downing Street and promised to fix social care for good. Could he let us know why he did not?

**Graham Stuart:** The hon. Lady has not been in the House quite as long as I have. I was first elected in 2005, and in that Parliament I spent a lot of time—mostly in Westminster Hall, as I recall—in debates with then Labour Ministers talking about the importance of having a joined-up, coherent approach to the national health service and social care. It is clearly fiendishly difficult. The coalition Government, of which the hon. Lady's party was a part, and the Conservatives kept working at it. We changed the name of the Department of Health to the Department of Health and Social Care precisely because of that. It is challenging, because social care is delivered through local authorities, but the opportunity is there. Before the Government get all that wiring and complexity fixed—we were working devotedly at that—they could vire funding over to the sector, or exempt from the Bill the sectors on which the NHS depends. Pouring money into the Hull royal infirmary while it is unable to unload the ambulances coming in, or get the healthier patients out, is a crazy approach. I am sure that the Minister recognises that.

I want to mention the impact on social care. Last Friday, I went to Merrywick Hall, a great example of a small, family-run, residential care home. Its 31 residents are not all elderly, but they all have learning disabilities. Some of them are elderly, making them doubly disadvantaged. The home charges a basic rate of just £699 a week to care for those people, and its staff are stretched. I met Katie, who runs the home, and her husband Carl, who oversees the finances, although the home is owned by another. It was quite clear that that they were not running a business in the way that I would recognise as a former businessman; they were running an institution that was absolutely committed to the welfare of the people in it. Between this jobs tax, which the Minister is foisting on us, and the national minimum wage increase, they have to find an extra £56,000 a year, which is equivalent to the care costs of 1.5 residents. That is the reality. That system and those places are vulnerable. If those places go, there will be a massive knock-on effect on the rest of the system.

I hope that hon. Members from across the House are less interested in the system—although it is our job to worry about it—and much more interested in the people. People cannot get much more vulnerable than the elderly who have learning difficulties.

**Dr Luke Evans:** When it comes to social care and GPs, there is a situation that has been described to me as Schrödinger's care. Providers are seen by the state as

being private, yet their services are commissioned solely by the NHS, which means that they are caught both dead and alive when it comes to NICs. This has happened either by design in the Treasury, or by accident. The answer from the Chancellor, the Prime Minister and the Health Secretary—I expect the Minister to say this—is that funding will be allocated in the usual way. The problem is that that will happen in April, four months away, while decisions are being made now. There are potential closures, and certainly redundancies, or decisions not to employ. How will that be addressed? Does my right hon. Friend agree that the Minister needs to address that, because these institutions are listening now, and need to know that answer?

**Graham Stuart:** I thank my hon. Friend, who is of course a doctor. In this and previous debates, such as Second Reading, it is good to encourage a discursive approach in the Chamber, if we are to be valuable. I hope that we will continue to gather in this Chamber, talking to each other and listening. No one would think less of the Government for making changes. I cannot speak for those on the Opposition Front Bench, but I would seek to give the Government some political cover if they found a way to ameliorate the impact of this measure on the system—and, more importantly, on the human beings on which the NHS relies.

In 2021, the then Leader of the Opposition, now Prime Minister, promised a plan

“to ensure that those with the broadest shoulders pay their fair share.”—[*Official Report*, 8 September 2021; Vol. 700, c. 295.]

Yet all the analysis available to Government Members shows that those with the least will pay the highest price for this measure. In my constituency, HICA, a large not-for-profit provider of social care homes and in-home care—a brilliant organisation that has had the same chief executive for the past five years—was finally getting a surplus to invest in its stock, some of which is almost as old as me, and to give its staff something above the national minimum wage. But following the changes in the Budget, it faces a bill of £3.5 million, more than offsetting any hope of a surplus, which it desperately needs in order to invest in its people and stock. The money will be taken away from that good social purpose in my local area, and instead will go into the Chancellor's mythical black hole—for payment of additional sums almost greater than the total income of many pensioners, and for pay rises, for train drivers, so that they can pay their union fees; and so that Labour Members can carry on all too rarely mentioning in the Chamber their sponsorship by people who dictate so much of what they share with us—the hon. Member for Stoke-on-Trent Central aside.

Finally, it is interesting in these debates just how few of the more than 400 Labour Members—they can all cheer on the Government Benches at how many Labour MPs there are—want to come and defend these measures. The hon. Member for Hexham (Joe Morris) spoke bravely, but he looked a little world-weary. I think he has been going out and about in his constituency, so I am sure that he is hearing the same thing as me, but said a little more angrily, because he is responsible for it.

I appeal to those Members who are not here to seek change. The 2012 Budget by George Osborne, crudely and rudely called the omnishambles Budget, included

a measure to bring in 20% VAT on static caravans. The Treasury civil servants love dusting these things off—they hate an anomaly more than anything. Those are the very caravans that ordinary working people use to holiday on the coast. I did not, alongside colleagues, run my campaign in the press; instead, I built up support from Conservative Members and coalition colleagues, who realised how damaging that measure would be for jobs in their area, the holiday opportunities of ordinary working people, and an industry that is 95% manufactured in the UK. People told me, “Change is impossible—this has been announced in a Budget. You cannot overturn a Budget measure.” You and I, Madam Chair, having been here some time, know that that is not true. Politics is a matter of arithmetic. If Labour Members can build enough support among colleagues on the Government Benches—they do not need to do it publicly, and they do not need to tell us about it—they have every chance of changing this. The Whips and Ministers start getting spooked when 15 Members turn up. If Labour Members can get 30 or 40, they can make a change. They should not feel powerless.

The Government could make changes. They could move £3 billion or £4 billion over to social care, hospices, GPs and the like. They could agree to our amendments. They could come up with some other solution. They have the power to do it. Stubbornness and perhaps a certain arrogance has crept in because of the size of their majority. Government Members, who go out to talk to their constituents more frequently than Ministers, will be in a great position to tell Ministers that up with this they will not put.

**Daisy Cooper:** The right hon. Gentleman is encouraging the Government to ameliorate their position. Does he agree that there is one very clear way of doing that today? Members on all Benches could vote for Liberal Democrat amendment 1, which excludes all GPs, dentists, hospices and charitable health and social care providers from this NICs increase.

**Graham Stuart:** Liberal Democrats did remarkably well at the election, pretty much on the back of sewage. Between water stunts and sewage, a record number of Liberal Democrats have been returned. I am pleased to say that the Conservative party remains His Majesty’s Opposition. Therefore, I urge the hon. Lady and her colleagues to support amendments 13 to 18, and new clause 1. She will find that exactly the same is achieved, but with the backing of His Majesty’s Opposition.

4.15 pm

**Chris Vince** (Harlow) (Lab/Co-op): I start by thanking the Exchequer Secretary to the Treasury for all his work on the Bill.

The burden of tax has fallen disproportionately on the shoulders of working people for too long. Families across the country and in my constituency, who are already battling the cost of living crisis, have been left to carry the weight, while larger businesses and the wealthiest have been let off far too lightly. That cannot continue. This Labour Government believe in a fairer tax system, where larger businesses and the richest pay a little more

in tax to help fund our NHS and our public services, which working people rely on. That is the right and fair choice.

The Tory record on investment in our NHS is terrible. I can see that in my constituency. Although Princess Alexandra hospital was on the list of 40 new hospitals proposed by the previous Government, when we came to power it turned out that the money for it was not there. I thank the Secretary of State for Health and Social Care for allowing me to constantly follow him around the Palace and lobby him on that point.

The decision on employer national insurance is difficult, but it is the right choice. Waking up on 5 July, we knew that we would have to take these difficult decisions, but in the long run we really will see the difference. Being tough now can bring about real change in the future.

It has not gone unnoticed that the small businesses and charities that form the backbone of our local economy need to be protected and valued. Here are a few things the Labour Government are doing to achieve just that. We have increased the employment allowance to £10,500 and expanded it to all eligible employers. As a result, we will see two remarkable things: the OBR expects 250,000 employers to benefit from these changes and an additional 820,000 employers to see no change at all. We are seeking to strike a balance.

My hon. Friend the Member for Earley and Woodley (Yuan Yang) mentioned Small Business Saturday. I recently visited a wonderful local charity called Stort Valley Gifting, a brilliant local business that sources local produce and makes up hampers. I have to declare an interest at this point, because that is where I am doing my Christmas shopping this year, but I would add that my predecessor, Robert Halfon, did the same thing.

Labour also recognises the vital role played by public sector employees in our schools, hospitals and councils. That is why we have committed to providing support for additional employer NIC costs, ensuring that our public services remain resilient and well-resourced not just for today, but for future generations. We can protect working people while making the wealthiest contribute their fair share, so that we all contribute our fair share. Everyone from every walk of life is included as these decisions are being debated and made. We can choose to invest in our NHS and our public services; we can choose growth and fairness; we can choose to rebuild the future for generations to come, instead of the instability that has held our country back for too long. If we want the benefits of this Budget, we must make the hard decisions to get there.

**Dave Doogan:** I rise to speak to defend Scotland’s NHS, including our GPs, hospices, care homes and nurseries, from this Labour Government’s national insurance tax hike, as well as to protect the charity and higher education sectors. I am proud of the amendments the SNP has tabled to the Bill to protect these vital services from the increase in national insurance contributions put forward by the Government. The fears are genuine and escalating over the job cuts and service reductions that will be the inevitable and plain and simple consequence of this fiscal madness.

We in the SNP have consistently highlighted the brutal impact that Labour’s tax rises will have on GPs, charities, care homes and other sectors, with organisations warning that deep cuts will be made to the services they

[*Dave Doogan*]

provide—vital services that are no less essential to communities and individuals than secondary care services just because they are received in the community or from a charity. That is why we have tabled amendments 4, 5, 6 and 26 in my name and the names of SNP colleagues.

On higher education, the University of Edinburgh was last month reported to have opened a redundancy process for staff as a result of Labour's tax hike, and Universities Scotland is warning of a potential £45 million tax burden for Scottish universities. Yet again, we see key sectors of the Scottish economy hammered by a London Treasury out of touch, out of ideas and, if this goes through, demonstrably out of control. Higher education, agriculture, and oil and gas are all demonstrably larger elements of the Scottish economy than they are of the English or UK economy. This Government, with NICs and other specific tax increases or allowance removals, are hammering particularly important elements of the Scottish economy. As usual, what England wants Scotland gets.

The Labour Government's national insurance increase will be a disaster for Scotland's healthcare providers, voluntary organisations, nurseries, universities and colleges, but who on the Labour Benches has come along to speak up for those organisations in Scotland? Nobody. Not one Labour Scottish MP made a speech to protect Scotland's interests. But Labour MPs from Scotland were there to nod through and vote through the cut to the winter fuel payment, freezing Scotland's pensioners; Labour's bedroom tax, entrenching poverty in Scotland; Labour's two-child limit, punishing the poorest in Scotland; taxing Scotland's oil and gas sector to the brink of extinction; attacking Scottish agriculture; and gouging Scotch whisky. They were all here to make sure that that happened and to speak to that, so I will leave the people of Scotland to draw their own conclusions about this particular lack of activity from Scottish Labour MPs.

**Graham Stuart:** I am grateful to the hon. Gentleman for giving way. When did the SNP do an about-turn on Scottish oil and gas? As far as I can tell, it seemed as opposed to its continuation as the Labour party is now in government.

**Dave Doogan:** I thank the right hon. Gentleman for his intervention. I refer him to *Hansard* from the previous Parliament. The comments I have just made are entirely consistent with the comments I made in the last parliamentary term.

With each day that passes, we learn more about the damage Labour's Budget will inflict on household bills, businesses and charities, yet despite those warnings the Labour Government are determined not to listen and are ploughing ahead with this devastating proposal. The SNP will always stand up and protect Scottish jobs, Scottish services and Scotland's people. That is reflected in John Swinney's budget—a balanced budget in the interests of the people of Scotland and the businesses of Scotland. That is the SNP way. We have done it this year and we have done it in every one of the 17 previous years we have been in the Scottish Government.

Do the UK Government understand how commissioned services work? We have heard that quite a lot this afternoon and it is becoming increasingly clear that, at best, they have a sketchy understanding of why vital

services are provided by non-statutory service providers. What is going to happen when this measure unwinds into the real economy is that charities, GP surgeries, hospices and other vital elements of healthcare provision will not have reserves. They are already operating at the very margins of financial sustainability, so when the sums do not add up, they will have two choices. They will approach the commissioning authority that has commissioned their services to ask for an uplift in their fees. The answer will be no, because the money is not there. Alternatively, they will withdraw their services or draw down their services. Either way, it will be enormously challenging and extremely damaging for some of the most vulnerable in our society.

**Carla Lockhart** (Upper Bann) (DUP): The hon. Gentleman is making a powerful speech. The Labour party has said in the main that it is the right choice to increase NICs. Like Scotland, Northern Ireland's health and social care will be hardest hit. The Northern Ireland children's hospice estimates that half a million pounds will be needed to cope with the NICs increase. This is a hospice that provides care for the most vulnerable in our society: children with cancer and children with life-limiting conditions. Does he agree that the measure will see the end of these excellent services, which are much needed in our communities?

**Dave Doogan:** I agree entirely with the hon. Member. There is no road back from that. The difficulty that I implore the Government to pay attention to is that when the damage that will be inflicted by this measure is inflicted by this measure, they cannot just say, "Oops, we got that wrong. If you wouldn't mind all coming back and start delivering these commissioned services, we'll admit we got it wrong." When it's gone, it's gone. It is not acceptable that the Government are playing fast and loose with the safety net that exists in our communities and our society to catch the most vulnerable people and prevent absolute chaos. That is exactly what the Government are doing.

However, the Government should not take the hon. Lady's word for it, or mine. We can listen to people who are at the coalface. This is primary evidence from the Scottish Huntington's Association:

"The entire charity sector is increasingly burdened by climbing costs, funding issues, recruitment and retention challenges and an increased demand for services.

All too many have had to close their doors, with more expected to follow. Additional burdens being imposed by government at this juncture",

the association says, are deeply unhelpful.

"Coming just weeks after the prime minister announced a 'new partnership that can harness civil society's full potential' this must surely be an unfortunate oversight, and one that simply cannot be allowed to stand given the scale of its implications for the not-for-profit sector and the many thousands of people who depend upon it in the absence of alternative statutory services."

It is not just the association that takes that view. Turning Point Scotland has advised that this measure alone will add £1.1 million to its costs overnight, and it comes at a time of a pressured environment, when many of its services are already running at a deficit. That is true of the voluntary sector, but also of the nursery and college sectors.



On healthcare, I wonder whether the Government understand the concept of whole-system costs. As I and many Members have said, when charities fold, as many of them will, the services that they were providing will no longer be there. Who will then provide that care? It will be the provider of last resort, secondary care. People will present themselves at hospitals, where there will be no room. It will be chaotic, but in a purely Treasury and fiscal sense, it will be an extremely expensive form of chaos, for which the Government, through the whole-system paradigm, will need to pick up the costs. I am not certain that the Minister has been properly briefed by his Treasury officials on what the risk assessment actually says about the human and financial costs of the change when this heads south. This is what happens when the Chancellor treats the real economy as her own personal political piggy-bank. It will not be possible to fix this once it has been broken.

I have some sympathy for the Minister in one respect. We have heard, and I will not repeat, the headline figure—the gross quantum that the Government expect to generate by lowering the threshold and increasing the rates of employer national insurance. By the time everyone who is in a position to adjust their business and employment characteristics to accommodate it has done so, by the time the Government have compensated elements of the public sector and by the time the economy has contracted to accommodate that, we are already down from £25-something billion to £10 billion-odd. That is a lot of pain to accept to gain £10 billion.

If the Government were to exclude or make provision for hospices, nurseries, the voluntary sector more generally and universities, that £10 billion would be reduced to an embarrassingly small figure, so they are stuck between a rock and a hard place. I nevertheless encourage them to have the courage of their convictions and put the interests of the people of these islands first, rather than the political expediency of careering headlong towards a cliff edge that is as plain as the nose on the end of your face and jumping over it anyway in order to save face—because the Government will not save face. There is no escape from the corner they have painted themselves into. They can either U-turn and incur the political costs, which I would recommend, given that they have just come through the door—they should be at the height of their political powers, but if this is the height of their political powers, goodness me!—or they can carry on regardless, and pick up the pieces of all the chaos that will be wreaked across the sector.

This incompetence, for it is incompetence, did not start when the Government walked through the doors of Nos. 10 and 11 Downing Street. It started back in the election campaign, when they proscribed the use of the single biggest lever in the Treasury's toolkit to get additional funding. They said that they would not increase income tax on ordinary working people, although with these measures they will take away financial opportunities and, actually, people's money through payroll changes anyway. It is smoke and mirrors. However, by painting themselves into that corner on income tax, they have created a situation in which they have to make the most damaging tax intervention possible, which is entirely contrary to their stated ambition of generating growth.

Quite a lot of Labour Members have said, "It's all very well listening to the Opposition, but what would you do?" I will give them two really easy things that the

Government could have done. If they had mirrored the income tax thresholds that the Scottish Government have introduced, they would have generated £19 billion. That would not have had a single impediment on the real economy, would not have choked off growth and would not have put primary care on the precipice. They could have done that. Or, if they had thought that they could get by on less than £19 billion—they will have to, because they will raise less than £10 billion from this measure—they could have just reversed the previous Government's two cuts to employee's national insurance. Judging by the arithmetic in this place, the Conservatives did not exactly get a brilliant political return on cutting employee's national insurance twice in two quarters of one financial year. The Government could have reversed those cuts, which would have netted £10 billion—roughly where they are now, on aggregate—but no, they did not want to do that and they refuse to do so.

4.30 pm

If the Minister wins today, everybody else loses. I hope he has a great story to tell when he gets to his feet to sum up. Many Members in this Chamber have painted a very bleak picture of what will happen, particularly in social care, if this goes ahead today.

**John Slinger (Rugby) (Lab):** The crux of today's debate is an interplay between our objectives and missions as a new Government and our inheritance from the previous Government. It is about the choices we have taken to achieve our objectives while mitigating and navigating the dire inheritance we received.

First, our objectives were clearly stated to the British people in our manifesto in July:

"to begin the work of national renewal. A rebuilding of our country, so that it once again serves the interests of working people."

Secondly, the previous Administration bequeathed us the following: the highest tax burden on working people since the second world war; an economy built on weak foundations, with little or no industrial strategy, low productivity, low investment and low strategic visions; public services on their knees, having been cut to the core; staff undervalued and underpaid, but overburdened due to the previous Government's failure; and after the cuts and chaos came that cut-and-run election, with unfunded spending commitments and, yes, a £22 billion black hole.

I turn to the choice that we face. The people resoundingly rejected a return to the chaos and cuts of the previous Administration. We rejected making further cuts to services when the people who voted in the election need those services so desperately. We rejected insulting people by increasing taxes on their pay packets after those dark, high-tax Tory days. We rejected increasing borrowing; we are keeping it under control with our stability rule in order to bring the current Budget into balance, so we will not borrow to fund day-to-day spending.

Therefore, we have had to take difficult choices. Some groups will have to contribute more, which is never popular. We are asking employers, not employees, to contribute more, but we fully recognise the need to protect the smallest businesses and charities. We have more than doubled the employment allowance to £10,500 and expanded it to all eligible employers, including charities. The OBR expects 250,000 employers to gain and an additional 820,000 to see no change.

*[John Slinger]*

The change that we are debating today should be seen in the context of the overall Budget—a Budget of huge, long-term investment in our economy; setting the right environment for better jobs, more opportunities for businesses, stronger public services and a more confident, optimistic future, particularly for our young people.

The last Government were very good at some things: kicking the can down the road, finding carpets and sweeping things underneath them, and making promises while dressed in the emperor's new clothes. This Opposition are good at crying crocodile tears about the changes we are making, and wanting to have their cake and eat it. They seem to want all the benefits, but they do not want to say how they would pay for them. That is not this Government's approach.

What is being proposed today is reasonable and proportionate; it is necessary, given our objectives and the inheritance we received; and it is part of a transformational Budget that will put the economy, our public services and our country on a proper footing, for a fairer and more prosperous future for the people of our country.

**Shockat Adam** (Leicester South) (Ind): I refer the Committee to my entry in the Register of Members' Financial Interests as an optometrist. I will speak to amendment 7, which stands in my name, which calls for GP surgeries, pharmacists, the often forgotten profession of optometrists and other health professionals to be excluded from the national insurance rise, along with charities with fewer than 50 employees.

We have seen the over-strain and burden on our GP services being taken over fantastically by the Pharmacy First programme. However, the National Pharmacy Association has voted for action, which could include reducing opening hours, in response to the increased costs that will be caused by the national insurance hike. This hike is going to cost each pharmacy business an estimated £12,000, which is absolutely unattainable for many of the pharmacists I speak to.

My constituency of Leicester South has the second-highest ratio of patients to GPs, with 3,260 patients to a single GP. This already overburdened service is going to be hit even further with this rise in national insurance, with the Royal College of General Practitioners warning in November that the national insurance hike risked GP practices making redundancies or even closures. Nearly 450 GP practices have already closed or merged since 2018, according to a survey by the GPs' journal *Pulse*. This is simply an untenable state for the national health service and healthcare workers.

Pharmacists, dentists and optometrists employ their professional staff. Many people I have spoken to are now going to have to remove employment and bring in locums. I would like to ask the Minister whether any impact assessment has been made on the loss of earnings for employed staff if locum staff are brought in. Primary care services are the bedrock of the NHS and many are already on a financial tightrope due to years of austerity. The national insurance hike will see many community GPs, pharmacists and optical health facilities reduce services or completely close down.

**Clive Jones** (Wokingham) (LD): GPs such as those in the Twyford surgery in my constituency have made it clear that the increase in employer national insurance contributions will impact their budgets. They urgently need clarity to determine what they can provide for my constituents and whether they will be forced to make redundancies. Does the hon. Member agree that the Government need to provide certainty on whether GPs will receive funding for national insurance increases, and not abandon them, as they were abandoned by the previous Government?

**Shockat Adam:** I totally agree with the hon. Member that GP services are already on their knees, and this is going to further increase their despondency. It will give them no confidence whatsoever.

A second issue relates to our charities. I do not think there will be a single Member in this House who has not posed in front of a charity for a photo for their social media or for the work that they do. In my short time in this profession I have seen that this country is virtually run by charities, but every single year they have to jump through fire hoops just to make ends meet. They have to prove their worth and look for funding every year, living virtually hand to mouth. This will be the final nail in the coffin for many charities that are doing vital work for our communities.

There are so many that I could mention, but I will mention just one. Jasmine House is a charity in my constituency that provides vital support for women who have been victims of sexual violence. We already know the dire state of the judicial system, with women who have been raped having to wait up to five years or sometimes seven years for justice. This home, which provides much-needed psychological and emotional support, already has a two-year waiting list. This rise in national insurance will completely destroy this charity and many more like it across the country, which is why I urge the Government to rethink this disastrous policy and accept my amendment.

**Jim Dickson** (Dartford) (Lab): It is a pleasure to speak once more on this critically important Bill, after an excellent debate on Second Reading several weeks ago. I do not wish to rehearse the entire debate on these national insurance changes, but I will raise a few points about the Bill and why it is necessary.

As we have discussed at some length, this Government inherited public finances that were in a parlous state and public services that were not delivering what residents in Dartford and across the UK need. Yet, from their contributions today and on Second Reading, I do not think that Conservative Members have really accepted that legacy. In the five stages of grief, they are still in denial.

When the previous Government left office—it is painful to repeat these statistics—NHS waiting lists were at 7.6 million, with 300,000 people waiting longer than a year for treatment. Those waiting lists were already growing before the pandemic, with the number of people referred but waiting for treatment doubling between 2010 and 2019.

On crime and community safety, neighbourhood policing was decimated and PCSO numbers were halved, and the number of arrests has halved since 2010, including

sharp drops for theft. Perhaps most concerningly, we face a real crisis in our prisons. The National Audit Office recently confirmed:

“The current crisis in the prison estate is a consequence of”—the previous Government’s—

“failure to align criminal justice policies with funding for the prison estate, leading to reactive solutions which represent poor value for money.”

That is as close as the National Audit Office ever gets to saying, “You wasted money.”

The previous Government also spent a whopping £715 million on their Rwanda gimmick over two years, in exchange for a sum total of four voluntary departures. That is the legacy of the Conservative party, yet Conservative Members still refuse to acknowledge their mistakes. They vote against every measure, including the national insurance changes to raise crucial funding to fix the problems they left behind, without ever saying which investments in public services they would scrap.

In a long and, at times, entertaining speech, the right hon. Member for Beverley and Holderness (Graham Stuart) rehearsed the greatest hits of the previous Government, in which the omnishambles Budget seemed to feature very strongly, but his speech was fatally holed below the waterline by his inability to answer one simple question from the hon. Member for Tunbridge Wells (Mike Martin): “What would you do instead?” We heard a lot of flannel about train drivers, but that was basically it.

**Graham Stuart:** I talked about the need for fiscal discipline, one element of which is taking at least £12 billion of savings out of the benefits system, because we cannot continue with more and more of us out of work and out of the workforce. Most importantly, I also said that we have to grow the economy first, because that is the only way to sustain it. This Budget had the opposite effect, as the OBR has laid out.

**The First Deputy Chairman of Ways and Means (Judith Cummins):** Order. I remind Members that this debate in Committee is about national insurance contributions.

**Jim Dickson:** I thank the right hon. Member for Beverley and Holderness for his comments. He praised the Conservative party as the most successful party in western democracy because it always takes a pragmatic and hard-headed view of matters such as the public finances, but I am afraid that he has just revealed why it is no longer in government. None of what he said added up. The £12 billion of welfare savings that we were repeatedly promised when he was in government were never realised, and none of what his party has proposed since makes those numbers any more likely to be achieved.

This week, *The Guardian* reported on a poll by the University of Bristol of 5,000 voters—a large sample—that found that fewer than a quarter of respondents thought that the changes to tax announced at the Budget were “not necessary”. Nearly 50% of people polled thought the changes were “necessary”. So the British people, showing admirable common sense, understand the steps that need to be taken to address our country’s problems.

Based on that polling, the kindest thing to say about the Conservative party is that it is out of touch. Indeed, we learned this week that the Leader of the Opposition is apparently toying with the idea of flat tax, which would be a big gift to the already wealthy. According to

estimates from the Tax Policy Associates, such a change would mean average earners would pay £1,200 a year more and those earning above £200,000 would pay £30,000 a year less.

4.45 pm

**The First Deputy Chairman:** Order. The hon. Gentleman is making an interesting speech, but I remind hon. Members that in order to be in scope for the debate, the majority of their remarks need to address the issue in front of us, which is national insurance contributions.

**Jim Dickson:** Thank you for your advice, Madam Chair.

In closing, in raising national insurance, the Labour Government are taking the tough choices to fix our public finances. As I said at Second Reading, the Bill is a crucial part of our plan to fix the foundations of this country. It provides a major part of the funding needed to fix our public services after 14 years of decline under the previous Government.

**Jim Allister** (North Antrim) (TUV): When we talk about national insurance, it is easy to forget that it is only part of the tax burden placed upon employers. However, within the matrix of tax, the reach of national insurance that has been delivered by the change is truly shocking, particularly because of the reduction of the threshold to £5,000. I suspect that will mean that there is not a single person who does a part-time job whose employer will not now be paying 15% national insurance. Before we even come to the viability of the business they work for, that makes the viability of that job questionable.

To reduce the threshold by that amount is the most punitive part of the measure. It is not even tempered, as it could have been, by a phased reduction, so rather than paying 15%, someone could pay a lower amount, such as 5%, if the threshold was reduced to £5,000. The measure is excessively punitive and will hit many small businesses in everyone’s constituency, including mine.

I think of small businesses throughout North Antrim. They employ six, seven, eight or 10 people, and may stretch to take on an extra worker, but they will not be stretching like that any more. They will be stretching the other way, because the consequence of the measure is putting them over the edge in terms of what is affordable. I am talking not just about small businesses but about a vast swathe of a critical sector that keeps our society in operation. Our community and voluntary sector will be among those most cruelly affected and particularly those who are often doing the job of Government, delivering services in our community. They will bear it unabated, without any assistance such as the assistance that the public sector will have.

I was interested to receive and to read the report from the Northern Ireland Council for Voluntary Action, which is clear that whereas public sector organisations will have their budgets on this aspect reimbursed, voluntary and community sector organisations will not have the same protection. They will have to absorb the budget increase. Yet, as I have said, many of those in the voluntary and community sector deliver services on behalf of Government. The public sector therefore gets matters ameliorated, but those that deliver services for



[Jim Allister]

Government in the voluntary and community sector will not. That will have an effect not just on those organisations, but on the services they deliver and, therefore, on all our constituents to whom those services are delivered. When we ally 15% on national insurance with the increase in the living wage, we have a double whammy. The two together are the very thing that will produce a negative outcome.

The hospitality sector in my constituency, as a sector that already runs on relatively small margins and employs a lot of part-time people who will now fall within the ambit of employers' national insurance, has drawn attention to the fact that the increase, along with the living wage increase, will impose a huge burden. Indeed, the sector's organisation has suggested that the living wage and national insurance increases will add £2,500 a year for every employee. What business, in current circumstances, can simply shrug that off and carry on unaffected? There will be very few, indeed.

The consequences will be substantial and will affect many small businesses, be it the butcher on our high street, our community services provided by voluntary organisations, our doctors or our dentists. The latter are already under huge pressure and many are giving up national health service provision. Why? It is because they cannot make ends meet. Then, Government come along and put this burden upon them.

I therefore say to the Government that, yes, they have the numbers that mean they can close their ears to all of this. They can impose this if that is their will, but in imposing it they will do irreparable damage to those who they say they care about. This is a wake-up moment. If the Government truly care about ordinary people, whose jobs will be lost and who will be affected by this measure, and about ordinary businesses, which are not rolling in riches but making ends meet, they need to find a way to readdress this issue and to bring back some viability, going forward, for those businesses.

**John Grady** (Glasgow East) (Lab): Like many on the Government Benches, I have spent many years of my career in business—in my case, as a lawyer. I have worked with some of the largest companies investing in the United Kingdom and some of the smallest companies in the country, such as charities, third sector organisations and others. What they value most of all is economic stability. What they do not value is huge increases in interest rates overnight and rampant inflation.

I understand how important it is to investors to ensure that the public finances are managed in a prudent way, which embraces and faces up to the realities. That is the foundation of the Budget and of our approach to the difficult decisions the Chancellor of the Exchequer has taken on national insurance contributions. A number of the parties on the Opposition Benches, and the Conservatives in particular, criticise, but they broke Britain's economy and we are left to clean up their mess. There is nothing clever or great about promising that hospital after hospital will be built and not having the funds to cover that. That is the politics of the Santa Claus letter.

The Budget of my right hon. Friend, the Chancellor of the Exchequer, delivers on our commitments to the electorate. It puts an end to non-dom tax status and gets rid of a VAT exemption on private school fees to fund

state schools, such as those in Glasgow. The national insurance contributions are an important part of that financial package. The Budget delivers a fairer, more sustainable tax system. Under the previous Government, the tax burden was placed mainly on the shoulders of working people. We heard from the hon. Member for Angus and Perthshire Glens (Dave Doogan), who represents a beautiful constituency, that that is precisely what SNP members are fans of—increasing income tax and national insurance on working people. We have seen that in Scotland time and again. The tax burden that working people face is absolutely enormous. If a person works in Newcastle and wants to move to Edinburgh, they will have to pay more tax to work in the NHS in Edinburgh. If that is supporting Scotland, who knows? We are delivering on our promise not to raise taxes on working people.

**Lincoln Jopp** (Spelthorne) (Con): Will the hon. Member give way?

**John Grady**: I wish to make some progress if I may; I have been waiting a long time to speak.

Our plans will not see additional taxes coming out of a worker's payslip. We are supporting small businesses by doubling the employment allowance before companies and charities have to pay national insurance, which will protect hundreds of thousands of employers from paying any national insurance at all.

According to the OBR, changes to the employment allowance will see 250,000 employers across the UK gaining from these changes, while an additional 820,000 or so will see no change. This means that around half of all businesses that are liable for national insurance will pay the same or less than they were previously, while, set against that, many businesses and charities in Scotland and Glasgow will be protected against the increase. This strikes a fair balance.

As a Scottish MP, I must turn to Scotland. The context of this national insurance rise is that around one in six Scots is on an NHS waiting list. On a Friday evening a few weeks ago, I was contacted by a constituent whose wife of 40 years was in hospital. He was petrified and devastated because there was no bed available for his wife after she had suffered a stroke. That is the context of this national insurance rise. It is correct to raise taxes to invest in our health service, and that is the beginning and the end of it. In Glasgow, this year, 172 teaching posts have been removed. That is the context of this national insurance rise.

Our Budget delivered the largest settlement for the Scottish Government in the history of devolution—£4.9 billion of additional funding and further funding to cover the national insurance rise over the next two years. This is a UK Government delivering for Scotland and giving the SNP the tools to clean up its mess. The changes to national insurance are critical to this additional funding, which will benefit the people, charities and businesses of Glasgow and Scotland.

Despite this extra funding, the SNP repeatedly criticises our Budget and our management of the public finances. This is—as some say of Christmas dinner—somewhat rich coming from the Scottish National party. After almost 18 years of the SNP Government in Holyrood, public finances are in a catastrophic mess. Let me provide a simple example: the replacement Arran ferries are hundreds of millions of pounds over budget and

years late, making lives miserable for people trying to get from Arran and damaging the tourist industry. It would be unwise to choose Rod Stewart's song "We are Sailing" for the SNP Christmas karaoke, because no one is sailing under the Scottish Government's appalling management of the economy.

The SNP has criticised our choices. This Government have not been in power for even six months. The Tories were in power for 14 years and the SNP have been in power for 17 and a half years. On any view, the criticism of our Budget after nearly six months defies logic, but that defiance of logic does not end there. The Conservatives criticise our choices, but they do not say what they would do instead. They may have a shopping list of additional spending commitments, but they simply do not explain how they will tax or fundraise those spending commitments. This is not serious.

We are having to make difficult decisions. The Government are asking employers to contribute more. That will enable investment in public services, which is good for employers. We are being straightforward about the choices regarding the public finances, spending, tax and national insurance. I say to Opposition Members that cakeism is for Christmas. It is not an approach for serious Government or serious Opposition. The job of a serious Government is to make serious choices to progress the country—choices that will allow us to invest in our public services.

5 pm

**Joe Robertson** (Isle of Wight East) (Con): The Government knew that if they raised national insurance contributions in the Budget, it would be devastating for health and social care. That is why they exempted the NHS; they knew that it would be put under acute pressure by the Budget. They did not exempt some of the key partners that deliver health and social care in this country, that they will rely on to move people out of acute care and into community care, and that they will rely on to achieve prevention rather than cure—all things that the Secretary of State for Health and Social Care says he wants to do. They will rely on GPs, pharmacies, hospices and social care, yet the national insurance contributions fall on them.

Hospices will pay £260 million. According to Community Pharmacy England, pharmacists will pay £50 million. Social care will pay £2.4 billion. All that money will move across to the NHS, which is largely slanted towards acute provision. That runs completely counter to what the Health Secretary said he wants to do. His answer to those GPs, pharmacists and hospices who are deeply concerned is, "We will deal with this in due course." "Due course" means "We have absolutely no idea and no plan at all." He and, indeed, Treasury spokespeople say that they will deal with hospices in the usual contracting way.

The contracts of hospices like Mountbatten just outside my constituency on the Isle of Wight are with the integrated care board. They do not have a contract with Government, the Department of Health and Social Care or an NHS employer. Under those contracts, there is no clause for uplift of salary, or for recovering the increased cost of national insurance contributions. Saying, "We will deal with it in the usual way through contracting" shows either a complete lack of understanding of how hospice services contract with the public sector, or a complete indifference, disregard and, frankly, contempt.

As for other sectors of the economy, national insurance increases hit those who employ people—sectors that rely on larger workforces, such as hospitality and tourism, which my constituency on the Isle of Wight is heavily reliant on. This is a tax on working people, because it disincentivises employing working people, and even the OBR says that 60% of the impact will likely be felt by those on lower wages. It also says that growth will peak next year at 2%—in fact, that is the Treasury's own figure—and then it will fall away for the rest of the decade. This is not a growth Budget. As for those working in hospitality and tourism, many of whom are seasonal or part-time workers, they will be brought into the national insurance tax regime for the first time.

Brilliant businesses in my constituency, such as the Yarbridge Inn in Brading, the Spyglass Inn in Ventnor, and all the independent hotels in Sandown, Shanklin and elsewhere, will be squeezed further, right at the time when they are trying to recover from covid, and when our tourism and hospitality sectors are competing with cheaper, overseas holidays. The sector is already heavily taxed compared with hospitality and tourism elsewhere in Europe. This is an unpatriotic tax, because it disincentivises the visitor economy and tourism in Britain.

I urge the Government to go back and look again at providing relief to hospitality and tourism, as well as to health and social care. As my right hon. Friend the Member for Beverley and Holderness (Graham Stuart) said, there is no shame in the Government recognising their mistakes in both sectors, and coming up with genuine relief for health and social care and for tourism and hospitality.

**Dan Tomlinson** (Chipping Barnet) (Lab): I very much welcome the chance to speak in this debate on an important topic. I am sure that Members on both sides of the House will be glad to know that this is the first speech of mine that is not subject to a time limit, so I can speak for as long as humanly possible on the intricacies and joys of national insurance contributions, and I hope to stay on the topic at hand.

Not having a time limit also gives me the chance to make a great parliamentary speech on this important topic. We all know what good speeches look like; they are not a simple list of points reeled off in order, but may include great rhetorical flourishes, the use of the English language at its finest, and nuanced arguments. But, Madam Chair, I will make six simple points, in list form, in favour of the national insurance changes before us. I have missed my opportunity, but maybe I will make such a speech in future.

These changes are incredibly important. I urge Opposition Members to vote with the Government against the amendments, so that we can get the changes that we need for our country. The first reason that I think the changes are important and sensible is that they will mean that the Labour Government stick to the pledge we made in the election campaign not to increase taxes on working people. It is important that we rebuild trust in our politics, which has fallen to a record low. I know that this is contested in the House, but Labour is clear that these specific changes protect working people's payslips and mean that we do not have to make the changes that others have suggested for income tax and value added tax. Trust in our politics is very important.

[*Dan Tomlinson*]

The second reason I encourage Members to vote with the Government tonight is that the changes provide vital funding for our public services. I am not too sure whether Conservative Members—I would be interested to hear from them—support the additional funding for public services. I said this in the previous debate on the Bill, so I am a bit like a broken record, but if they do support additional funding, would they raise it through additional borrowing or different tax rises?

**Joe Robertson** *rose—*

**Dan Tomlinson:** Before I have even heard the hon. Member's request to intervene, I happily give way.

**Joe Robertson:** I can offer the hon. Member a solution for growing the tax base: grow the economy. That is by far the best way of increasing the tax take. This Budget does not grow the economy—that is the problem.

**Dan Tomlinson:** I will come to growth, which is the sixth point on my very exciting list, but I will just say that this Budget will see growth increase in the short term and stay broadly unchanged over the forecast period, and the OBR says that the increased public sector investment that we are making will lead to a small but significant increase in growth in the long run. I wholeheartedly agree with the hon. Member that we need economic growth in this country.

It is important that we provide the revenue to fund our public services. I will not repeat the convincing and powerful arguments made by Labour Members about the broken nature of our public services. In Chipping Barnet, policing is really struggling, and 100,000 people in the Royal Free London NHS foundation trust area are waiting to be seen by our local hospital. We need to provide funding in a sustainable way.

The third point on my exciting list of reasons to vote with the Government tonight is that these changes provide stability. We all know that we need economic stability—it is the foundation of the economic growth that the hon. Member for Isle of Wight East (Joe Robertson) just made an important intervention on. I believe that the Chancellor and the Treasury team made the right decision, even though it was difficult, to raise revenues to fund our public services and put our public finances on an even keel once again. This change means that over the coming years, we will get to a place where, for the first time in a very long time, day-to-day spending will be matched by the tax revenues that are coming in. I think all Members of the House will agree that that is important, but I know that Labour Members prioritise that stability, which has been lacking for too long.

Fourthly, these changes cut taxes for the smallest businesses—a quarter of a million businesses, as my hon. Friend the Member for Glasgow East (John Grady) made clear. Again, I am interested to know whether Opposition Members support or oppose the cut in taxes for the smallest businesses that this Budget provides.

Fifthly, we have prioritised sound public finances, which is a big change from recent years. The mini-Budget that was passed by Liz Truss contributed to pushing up interest rates in our economy, making things more difficult for families in my constituency and across the

country. It also added not £6 billion, or even £16 billion, but £60 billion to Government borrowing costs each year—Members can see those numbers in the Office for Budget Responsibility's report. That and other failures to manage our public finances over the past 14 years have driven up our public debt from £1 trillion, as it was in 2010, to £2.8 trillion, which I believe was the latest estimate from the Office for National Statistics. If we support additional spending on our public services, it is vital that we also make the right decision to raise revenue that will cover that increase in public spending, so that we can have the sound public finances that the public want from this Government.

**David Chadwick** (Brecon, Radnor and Cwm Tawe) (LD): Can the hon. Member explain why his Government are choosing to raise taxes on GPs' surgeries, which did not crash the economy or the public finances, rather than opting to raise the revenue from the big banks, as the Liberal Democrats suggest?

**Dan Tomlinson:** We have made changes to a whole range of taxes in the Budget, and it is important to note that the scale of revenue that the Liberal Democrat party is talking about would not cover the additional funding that we are providing—£20 billion for our health services and additional funding for a whole range of public services. I understand that in the coming weeks, the Health Secretary will come forward with more details on many of the vital services that Members have mentioned today. I must put on record that I very much enjoyed meeting GPs in my constituency over recent weeks. They raised a whole range of issues with me, including the big challenges they have faced over the past 14 years in getting the support and funding that they need. I hope and trust that in the coming weeks and months, this Government will put that right.

I am sure that the hon. Member for Isle of Wight East will enjoy my final point. My sixth reason for voting for this Bill, rather than for the mistaken and erroneous amendments that have been tabled, is that the changes we have put forward in this Budget, including on national insurance, will pave the way for higher growth and higher living standards. As in all good speeches, this last point brings together some of the other points made—so this may not have been just a boring list. Through ensuring economic stability and funding our public services properly, we will make sure that people get the health services that they need, so that they are not struggling with ill health that drives them to economic inactivity and pushes them away from the jobs market. We will make sure that people feel secure on their streets, and that businesses feel safe, rather than struggling with shoplifting, which has become all too rife. Those are the changes that this Budget and the measures in this Bill provide.

**Lincoln Jopp:** I am grateful to the hon. Member for giving way, particularly on the subject of growth. He, like me, is an avid reader of the Labour party manifesto, so he knows that sustained economic growth is the first mission of this Government. I think we all agree on the point that sustained economic growth is a really good thing, so could he simply tell us whether he thinks these national insurance changes are pro-growth or anti-growth? It is a very simple question.



5.15 pm

**Dan Tomlinson:** I thank the hon. Member kindly for his intervention. I am not sure whether all Members know this, but the Labour party chair has appointed me as the growth mission champion, so I am very much in favour of economic growth. We can see the impact of the changes in the round at the Budget, leading to higher growth in the short term and further growth in the long run, which is very important.

Without the changes in this Bill and in the Budget as a whole, we will not be able to turn the page on the low growth we have experienced as a country over the last 14 years. Productivity growth since the financial crisis has been at just 0.2%, which is why we had the longest squeeze on wages since Napoleon was making his way around Europe on the Conservative party's watch. We need to turn that around and make sure that we provide the foundation of stability, fund our public services and, yes, support some of the very smallest businesses with these changes, so that we can get the economic growth that Members on all sides, including growth champions, would very much like to see in the years ahead.

**James MacCleary (Lewes) (LD):** I have to start by disappointing the hon. Member for Chipping Barnet (Dan Tomlinson), in that I rise to support the amendments tabled by my hon. Friend the Member for St Albans (Daisy Cooper). I will speak about my deep concerns about the proposed national insurance changes because of the real-world impact they will have on businesses, GP surgeries, community organisations and vital care services in my constituency of Lewes. While I recognise the fiscal pressures, which have been mentioned by a lot of Members, I ask that we fully consider how these changes will affect those working tirelessly to keep our communities vibrant, secure and healthy.

GP surgeries are the frontline of the NHS. A local GP practice in my constituency has been in touch with me just today to describe its shock at discovering that it will be paying at least £60,000 more a year under these changes. GP practices provide vital healthcare services to our local population and in doing so are under ever-increasing pressures. Yet under the new proposals, GP practices are treated as if they are private businesses capable of absorbing significant cost increases. The reality is, of course, quite different. Every additional £1 spent on national insurance is £1 that is not spent on patient care, staffing or critical medical equipment. For practices already operating under immense strain, this extra burden could be the tipping point that pushes them towards unsustainable financial territory. When cutbacks occur, it is our communities that will lose vital healthcare access, and the NHS, which is already stretched, will be left struggling even more.

We must also acknowledge that our social care providers, including hospices such as St Peter and St James hospice, which looks after my constituents so well—I visited it recently—are caught between rising wages, fixed local authority fees and higher national insurance. They cannot pass on these costs without threatening their very viability. If care providers close or scale back, the most vulnerable in our community will suffer, and so will our healthcare system as hospital stays lengthen and A&E attendances rise. In other words, it will drive up costs for the NHS, making the system less efficient and less humane. It is particularly galling that NHS employers are set to be

compensated for the changes while there is no equivalent commitment for the social care sector. Separating social care reform from NHS support will not only hurt vulnerable people today, but make it impossible to achieve strategic priorities for the health service tomorrow.

We must also consider community organisations. Take the Sussex Community Development Association in my constituency. It is a local organisation that reinvests every penny of surplus into essential services such as youth work, emergency food provision and childcare for deprived communities in my constituency. It is already contending with increased wage costs, and it now faces an estimated additional £70,000 per year due to the national insurance rise. Because of its size, it does not qualify for allowances that might soften the blow. This facility was invested in to deliver Sure Start services under a previous Labour Government, and it is now considering cuts to essential services thanks to this one. It now faces a desperate scramble for funding at a time when its services have never been more crucial.

The rise, coupled with the increases to the national living wage and the minimum wage, will hit the early education and childcare sector particularly hard. As chair of the all-party parliamentary group for childcare and early education, I must make the Committee aware of how dire the situation is. An average nursery will face additional staffing costs of nearly £40,000 a year due to the increases. That is because staffing costs account for 75% of nurseries' running costs, compared with just 30% for the average restaurant. If Government funding rates do not cover the gap, parents will face higher fees, potentially leaving them to reduce their working hours or to leave the workforce altogether.

The situation is exacerbated by the fact that private nurseries delivering Government-funded hours may not be eligible for employment allowance. That means that they may not receive the intended financial support from the Government. The sector is already facing recruitment challenges, with 29,000 new staff needed by September 2025 to deliver the promised 30 hours of funded childcare. The national insurance changes could lead to recruitment freezes, reduced staff training and even nursery closures. That is the precise opposite of what this Government claim they want to see for working parents and carers. That would have a detrimental effect on families and the economy, hindering economic growth, and it could seriously impact the Government's commendable aim of having half a million more children hitting early learning goals by 2030.

Finally, let us not forget that even successful local businesses are feeling the strain. Rathfinny, a renowned Sussex wine producer in my constituency that has invested in our local economy and environment, faces a significantly higher national insurance bill. It may be forced to slow its growth, reduce investment or even curb local employment opportunities, undermining the prosperity that benefits us all. This Government talk about economic growth, as Government Members have done today, but this tax increase will inhibit the ability of many British businesses to expand and flourish.

If introduced without nuance, these national insurance changes risk delivering a series of damaging shocks to my community and places across the country. I urge the Government and the Minister to reconsider, to review the thresholds, to consider exemptions for sectors that cannot pass on costs and to ensure that our GP practices,

[James MacCleary]

childcare providers, community organisations and valued local employers are not left shouldering burdens they cannot bear. I implore the Government to recognise the unintended consequences and to commit to measures that will preserve local jobs, sustain our community services and uphold the quality of care we offer our vulnerable citizens. I hope that the Government will do more to ensure that this tax increase does not harm the very communities and services we have pledged to serve and protect.

**David Chadwick:** The Liberal Democrats agree that the country's finances are in a mess thanks to the previous Conservative Government. However, we do not agree that increasing national insurance is the way to address the problem, as doing so will undermine efforts to improve public services across the United Kingdom. For example, last month Care Forum Wales issued a stark warning that the rise in national insurance could cause a collapse in the social care system in Wales, creating a £150 million funding gap. Social care in Wales is already on its knees. Over the past four years, 40 Welsh care homes have closed. If yet more are forced out of business due to increased costs, we will have even fewer social care spaces available. We know that the scenes of ambulances left queueing for hours outside our hospitals are the result of them being unable to discharge patients due to shortcomings in social care.

It is not just care homes that are affected, but primary care too. Our GPs, dentists and pharmacies will suffer from this tax rise. A local GP practice in my constituency told me that it will have to cut one day of practice nurse time and one day of GP time from April 2025. That is a direct result of the projected £30,000 increase in its national insurance bill, alongside an overall lack of funding for GPs. A second surgery is projected to have an increase in its NI bill greater than £100,000 in April 2025. Both are clear that without an exemption for health and social care providers, the NHS in Wales could face collapse. It already has the worst outcomes of any nation across the United Kingdom.

Charities and local authorities will suffer too from this decision. In my constituency, the chief executive officer of Powys Association of Voluntary Organisations has stated that the national insurance increase will

“place considerable financial pressure on voluntary sector organisations, many of whom are crucial partners in delivering essential services.”

That is the reality of the decision taken by the Government to use such a blunt tool to try to fix the nation's finances. Many of my constituents are asking why Labour has chosen to go after the small businesses, charities, and health and social care providers rather than target the big banks, the oil and gas giants, or the social media giants. I urge the Government to reconsider their decision to raise income in this manner and to make exemptions for the health and social care sectors as well as for charities.

**Sammy Wilson:** The outcome of the debate is of course inevitable: we know that when we go through the Lobby, we will be smashed by the overwhelming strength on the Government side, not because their arguments are strong but because of the parliamentary arithmetic.

I suspect that even the hon. Member for Walthamstow (Ms Creasy), who indicated in her speech that this measure will hit especially labour-intensive services that employ low-paid people and are vital to the smooth running of the economy, will walk through the Lobby with the Government. Some people might say, “Is that not just the politics of despair?” It is important that the arguments made are at least challenged, despite the fact that, because of the parliamentary arithmetic, it may not come to anything.

I do not actually have a political point to score here, because the DUP will never be the alternative Government in this place—though the country is the worse for it. I therefore hope that all the predictions made here today and by independent bodies that have looked at the impact of the Budget are wrong. I hope that we do not find that small employers have to go out of business, that recruitment goes down, that the real wages of those who are employed—especially at the lower end of the wage spectrum—are cut, and that the services that are so vital to the health service are impacted on. I hope that all those things do not happen. I hope that economic growth is not impacted by it, but all the economic evidence, the economic logic and the forecasts made indicate that the arguments made against this measure by Opposition Members are correct.

**Dan Tomlinson:** My understanding is that the Office for Budget Responsibility says that growth will be higher in the short term, broadly unchanged over five years and higher in the long term.

**Sammy Wilson:** We have seen over the last five months that growth has already been impacted. Of course, the OBR has indicated that in two and three years' time, growth will be impacted negatively as well. I do not think that one can hide behind those arguments. As I said, I hope that I am wrong, but I suspect that all the economic logic on the impact of this measure and what we are already hearing from employers indicate that that is not the case.

**Jim Shannon (Strangford) (DUP):** The reality is that those who own businesses in my constituency tell me that they will have to look at reducing wages and reducing numbers. Because of the Government's policy, those working in doctors' surgeries will have to look at a reduction in numbers as well. Whether Government Members like it or not, this measure will impact on small and medium-sized businesses and on GP surgeries. That is the reality. The Government are to blame for a recession—there really is talk about it. If a recession comes, the Labour party will be responsible.

5.30 pm

**Sammy Wilson:** I thank my hon. Friend for his short speech to back up the points I have been making.

Let me look at some of the arguments presented today. The first is that the Bill will help to fix the NHS. I will not go into the arguments already made, but Members have made it clear that the NHS depends on primary services and, once people have gone through hospital, being able to discharge them into the community. The businesses that provide those services will be impacted by these tax changes. I am sure that there is not a Member here who does not already see that hospital

beds are being blocked because there is insufficient capacity. People go into hospital and get mended but still need some respite before they go home, but the NHS cannot find places for them. If that is true now, then the situation will be even worse once these tax increases impact those businesses.

A&E is inundated with people who cannot get GP appointments. If the Government hit GPs, as has been outlined eloquently today, those services will be blocked and not available. Where do people go? They go to A&E. The Bill is meant to help the NHS, yet all the evidence from the people who support it and are part of the supply line say otherwise.

The Minister previously indicated that the people whose services are commissioned from the NHS can renegotiate those services and the payments for them. The very fact that the NHS is in difficulty and is having to be exempt from these national insurance changes is an indication that when they go with the bowl, they will be told that the cupboard is bare and no support will be given.

The second argument made today is that we need these changes to restore trust in politics, even though it was promised that working people would not be impacted. When evidence was given to the Treasury Committee, what did the representative from the Institute for Fiscal Studies say? They said that these changes will affect every working person. We cannot hide behind the argument that it is being done for the good of trust in politics. In fact, it will undermine trust in politics.

Another argument that was made is that we have no choice. The Government already made choices, even before this Budget. They chose to spend money even when they knew there was a black hole. They were spending the money that they want to raise from these national insurance contributions on wage increases, quangos and other things. Recently, they will not even tell us how much they are spending. The Energy Secretary went to COP and came back and told us of a £300 billion bill coming down the road for our sin of industrialising in the past, and he will not tell us how much we will have to pay. We gave away the Chagos islands, and we are going to pay for that but it is secret.

**Adam Jogee** (Newcastle-under-Lyme) (Lab): I am enjoying listening to the right hon. Member. He is an esteemed former Finance Minister in the Northern Ireland Executive, so I defer to his experience. He is setting out his opposition to the measures in the Bill. Now that he has referenced the black hole, can he tell us what he would do to address the legacy of the previous Government?

**Sammy Wilson:** This is a mentality—

**The Chairman of Ways and Means (Ms Nusrat Ghani):** Order. I, too, enjoy listening to the right hon. Gentleman, but it would really help if he could continue to speak to the Bill at hand, and not make broader comments.

**Sammy Wilson:** The mentality is that with these national insurance increases we are imposing more taxes on small businesses and on all the sectors I have spoken about. I would ask the hon. Gentleman what spending decreases could have been looked at—have any productivity impositions been put on the public sector, for example? That should be the answer, rather than asking, “Who should we tax to pay for the black hole?” Instead, we should be asking how we can reduce and reprioritise the

things that we do; looking at some of the things the Government do at present that they do not need to do, or that they could do better, or that they could save money on.

I listened with bemusement to the hon. Member for Dartford (Jim Dickson), who was relieved by a survey in *The Guardian* in which more than 50% of those surveyed were quite happy with this tax. If there are so many *Guardian* readers happy to pay more taxes, I am sure the Scottish National party would love them all to move to Scotland, because it might solve some of the problems they have. These are the kinds of strained arguments that we have had from Government Members.

They know the impacts the Bill will have. I am sure they are having the same conversations with their constituents as I have had with the people who have spoken to me in my constituency office—the small businesses, those in the hospitality industry, the GPs and those in the care sector and the charitable sector, who have come to me and told me the impact it will have on their organisation. I do not believe we can run away from this, despite what will happen when we vote later today.

I do not share the optimism of the right hon. Member for Beverley and Holderness (Graham Stuart) that somehow little cabals will form on the Government Benches—that they will all start whispering, and maybe 10 of them will go to see the Chief Whip, and then next week it will be 20, and then, by the time there are 50 of them going to see the Chief Whip, this will all change. I do not share that optimism. What I do hope, however, is that the predictions that have been made about the Bill will finally resonate with the Chancellor, and we will see a change in policy.

**Carla Lockhart:** In my constituency and that of my right hon. Friend, agrifood manufacturing is a big business base and a big sector. As he will know, many agrifood businesses are saying that these changes will increase their bill by £50,000, £60,000 or £100,000. On top of the death tax for family farms, that will absolutely decimate our agrifood sector. I urge the Government to pull back from this measure; otherwise, we will see the cornerstone of our economy destroyed.

**Sammy Wilson:** Of course, agrifood is another sector that I had not mentioned, along with hospitality, food processing, all the charitable sectors and some that are supporting the health industry—all are affected by it; they cannot escape it. I believe the impact will be far worse than what the Government are hoping for. Of course, as a result of the side effects of this measure, the revenue that is hoped for might not even be obtained.

**Adam Jogee:** For accuracy, I want to point out to the right hon. Gentleman that I am far more likely to be seen reading the *Antrim Guardian* than *The Guardian*.

**Sammy Wilson:** I am pleased to hear it. I certainly do not read *The Guardian*, and I certainly do not share the view, held by some of its readers, that we should pay more taxes.

In closing, the Government have a huge responsibility to tax wisely and to spend wisely, and I do not think they have got that equation right. In fact, they are spending recklessly in many areas, and taxing recklessly as well. That will impact on their long-term objectives, but it will also impact on the lives of our constituents day to day.



**The Chairman:** I know that colleagues read about how we manage the Chamber, so they will know that I cannot put speaking limits on individuals contributing in Committee of the whole House. However, if the last two Members speak for around five minutes each, the Minister will have time to respond before we have to conclude business, so please be mindful of that.

**Robin Swann** (South Antrim) (UUP): I will shorten my speech on your guidance, Ms Ghani. I encourage all Members of the House to follow the example of the hon. Member for Newcastle-under-Lyme (Adam Jogee) and sign up to the *Antrim Guardian*—a very good local publication from my constituency that carries good articles.

I rise to come back to the topic of the debate, employers' national insurance contributions, because we have covered many subjects this afternoon. I support the amendments that look to alleviate the punishing implementation of, and increases to, employers' NICs, especially for our family health service and social care providers. Unlike other speakers on the Opposition Benches who have looked to blame the Government for the increases, I do not think the Government are to blame. I think this is more about the Treasury than the whole Government.

I want to pick up on a point raised, I think, by the hon. Member for Isle of Wight East (Joe Robertson). I have a lot of respect and sympathy for the Secretary of State for Health and Social Care, the right hon. Member for Ilford North (Wes Streeting). When he announced his 10-year plan for the national health service, there were three main platforms: to move from analogue to digital, to move from sickness to prevention, and to move from hospital to community. The increases to NICs for community-based health providers will put many of those services at risk and under pressure. This is where there is a disconnect between what the Government are trying to do and what they are actually going to do and achieve. I think that was the point described by the right hon. Member for Beverley and Holderness (Graham Stuart). If we put the additional charges on our GPs, community pharmacies, opticians, domiciliary care providers and social care providers, that will come back, in a circular route, in how we fund our health service.

On the specifics for Northern Ireland, we are looking to transform and modernise a health service that has been largely underfunded and under pressure for quite a number of years, and trying to exist on single-year budgets since 2016. We are doing that by introducing multidisciplinary teams, where a general practice has a psychologist and a social worker all within its practice. General practices are asking for that to be extended across Northern Ireland, but the increase in ENICs will increase wage bills and pressures on the pharmacies and general practices that have already taken that step.

The right hon. Member for Beverley and Holderness also made a point about the introduction of social care within the health service. We already have that in Northern Ireland, and 75% of the provision is done by the private sector. One thing this House needs to address, especially those on the Labour Benches, is that when we talk about private provision, they are not organisations making massive amounts of money. In my constituency they are often family-run social care practices that look after two or three homes. Nearly all nursing and residential care homes are privately owned too.

**Josh Fenton-Glynn** (Calder Valley) (Lab): The hon. Gentleman makes an important point about the problems in the social care market. However—this is a point I have made before—a lot of that is owing to the fact that nothing has been done since Andrew Dilnot's report in 2011. Perhaps the hon. Gentleman could point to where he has spoken out about that in the past.

**Robin Swann:** When I was Minister of Health in Northern Ireland—for four years—I looked to the Dilnot report, and I tried to introduce parts of it there because of the differential that exists: in our system, health and social care services are the overall responsibility of the Department of Health. I know what point the hon. Member may have been trying to make, but I think he failed to make it directly in that intervention. The impact of not only the Dilnot recommendations but the introduction of employers' national insurance contributions on those services would actually run counter to anything that Dilnot was recommending, because he was talking about a funded, integral part of domiciliary care as part of the health service, which we already have, but that would put pressure on our health services at the moment.

5.45 pm

The right hon. Member for East Antrim (Sammy Wilson) talked about the pressures on the health budget back home in Northern Ireland. I am happy to announce that our Health Minister and the health trade unions have just reached a pay agreement, which may restore parity for our health workers in 2024-25 but which will also cause additional pressures. Although the Treasury's exemption of our health and social care sector from the increase in national insurance contributions is welcome news for those working in the sector, it will place an additional burden on the parts of the community service that make up the health and social care service across these islands—a burden that the Bill will introduce.

**Iqbal Mohamed** (Dewsbury and Batley) (Ind) *rose*—

**Madam Deputy Speaker (Ms Nusrat Ghani):** Order. May I ask the hon. Gentleman to keep his contribution to just a few minutes, so that the Minister has time to respond to all the Back Benchers?

**Iqbal Mohamed:** Everyone in my constituency, and indeed in the whole country, knows that the last Tory Government decimated public services after 14 years of austerity, mismanagement, negligence and a sole focus on the rich, at the expense and neglect of the poor working class and the public sector. I sympathise with the new Government, and I will try to provide constructive support.

I wholeheartedly welcome the Government's announcements in the Budget of increased investment in education, the NHS, infrastructure projects and other public services, but, like many other people in the House and throughout the country, I do not agree with the approach taken to the funding of those investments. Members on both sides of the Committee have indicated today that failing to protect key sectors and services such as general practices, care homes, pharmacies, childcare providers and third sector providers may have been an oversight or a mistake on the Government's part, but I am not so sure. On the basis of the Government's other blanket policies on abolishing the winter fuel allowance, imposing VAT on all private schools including low-fee

and charitable schools and removing business rates relief from all private schools and charities without any announcement of safeguarding or compensatory measures to protect these services and sectors, it appears to have been a deliberate, or negligent, decision.

It is clear that the Government inherited a dire state of affairs that requires huge investment, which must be paid for in a responsible way. I am sorry to say that the way that has been chosen by this new Labour Government is not the right one. Viable and progressive alternatives are available to the Government to raise finances for the necessary investment rather than inflicting the increase in national insurance contributions on the impacted bodies. Let me suggest a couple of easy measures that would support the Government's investment. One possible solution is the imposition of a 2% wealth tax on assets over £10 million, which would raise the amount predicted to be raised by national insurance contributions; another is the closing of corporation tax loopholes that allow corporations to save billions and to offshore profits.

**The Exchequer Secretary to the Treasury (James Murray):**

I am conscious that I have only a few moments to speak. I will not go through the four clauses of the Bill, as I take it that everyone will have read it already. I will instead go directly to the amendments that have been tabled, ahead of potential votes in a few moments.

I will address the amendments tabled by the hon. Members for St Albans (Daisy Cooper), for Angus and Perthshire Glens (Dave Doogan), for Leicester South (Shokat Adam), for Grantham and Bourne (Gareth Davies), and for Lagan Valley (Sorcha Eastwood). These amendments seek to exclude certain sectors, including healthcare providers, educational settings and charities, from the new rate and threshold for employer national insurance. As hon. Members know, the changes in the Bill before us represent one of the difficult but necessary decisions that the Government have had to take to fix the foundations of our economy and our public finances.

**Dr Evans:** Will the Minister give way?

**James Murray:** I cannot give way. I have given way to the hon. Gentleman many times in recent weeks, but I have about four minutes in which to address everyone's comments.

As hon. Members have set out, we recognise that the changes we are making today will have an impact on employers. Making these changes was a tough decision that we did not take lightly, but we are also clear that the revenue raised from the measures in this Bill and others in the Budget will play a critical role in both restoring economic stability and getting the NHS back on its feet. As a result of the measures in this Bill and the wider Budget measures, the NHS will receive an extra £22.6 billion over two years to deliver 40,000 extra elective appointments a week.

The Government will provide support for Departments and other public sector employers on additional employer national insurance costs, including central Government, public corporations and local government. Independent contractors, including primary care providers, social care providers, charities such as hospices and nurseries will not be supported with the costs. That is the same as was the case with the changes to employer national insurance rates under the previous Government's plans for the health and social care levy.

Primary care providers—general practice, dentistry, pharmacy and eye care—are important independent contractors that provide nearly £20 billion-worth of NHS services. Every year, the Government consults each sector about what services they provide, and about the money to which they are entitled in return under their contract. As in previous years, the issue we are debating today will be dealt with as part of that process in the round. The Department of Health and Social Care will confirm funding for general practice, dentistry and pharmacy for 2025-26 as part of the usual contract process later in the financial year, including through consultation with sectors.

I turn to adult social care. The Government have provided a real-terms increase in core local government spending power of around 3.2% for 2025-26, including at least £680 million of new grant funding for social care. The funding can be used to address the range of pressures facing the adult social care sector; again, they will be considered in the round.

Some hon. Members have tabled amendments to exclude charities from the new national insurance rate and threshold. However, it is important to recognise that charities can benefit from employment allowance, which this Bill has more than doubled from £5,000 to £10,500. That will benefit charities of all sizes, particularly the smallest. The Government also provide wider support for charities, including hospices, via a tax regime. This tax regime is among the most generous in the world, with tax reliefs for charities and their donors that are worth just over £6 billion for the year to April 2024.

I recognise that some hon. Members have shown an interest in the impact of this Bill on childcare settings, as highlighted in the amendments tabled by the hon. Members for St Albans, for Grantham and Bourne, and for Lagan Valley, and in the new clause tabled by my hon. Friend the Member for Walthamstow (Ms Creasy). Early years providers have a crucial role to play in driving economic growth and breaking down barriers to opportunity. We are committed to making childcare more affordable and accessible, which is why the Government committed in our manifesto to deliver the expansion of Government-funded childcare for working parents, and to open 3,000 new or expanded nurseries, by upgrading space in primary schools to support the expansion of the sector. Despite the very challenging circumstances that the Government inherited, the Chancellor announced in her Budget in October significant increases to the funding that early years providers are paid to deliver Government-funded childcare places. This means that the total funding will rise to over £8 billion in 2025-26.

New clause 4, tabled by my hon. Friend the Member for Walthamstow, specifically refers to the eligibility criteria for employment allowance. I can assure her that they have not changed, except for the removal of the £100,000 threshold, which will mean that more organisations are able to access employment allowance. The eligibility of a particular organisation will depend on the make-up of an individual business's work, which can be determined following detailed guidance from His Majesty's Revenue and Customs. While every organisation will need to check its eligibility for the employment allowance, it is likely that many childcare providers will be able to access it.

[James Murray]

Finally, I will turn to the amendments to exclude universities from the new rate and thresholds for employer national insurance. We greatly value UK higher education in creating opportunity, being an engine for growth in our economy and supporting local communities. The Budget provided £6.1 billion of support for core research and confirmed the Government's commitment to the lifelong learning entitlement. The Secretary of State for Education has confirmed that the maximum fees in the academic year 2025-26 will rise, for the first time since 2017, from £9,250 to £9,535. This was a difficult decision, which demonstrates that the Government are serious about the need to put our world-leading higher education sector on a secure footing. I would like to continue, Madam Chair, but I should stop now—

5.55 pm

*Four hours having elapsed since the commencement of proceedings, the debate was interrupted (Programme Order, 3 December).*

*The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D), That the amendment be made.*

*The Committee divided: Ayes 100, Noes 351.*

**Division No. 69]**

**[5.55 pm]**

#### AYES

Adam, Shockat	Gilmour, Rachel
Allister, Jim	Glover, Olly
Amos, Gideon	Goldman, Marie
Anderson, Lee	Gordon, Tom
Aquarone, Steff	Green, Sarah
Babarinde, Josh	Harding, Monica
Bennett, Alison	Heylings, Pippa
Berry, Siân	Hobhouse, Wera
Blackman, Kirsty	Hussain, Mr Adnan
Brewer, Alex	Jardine, Christine
Brown-Fuller, Jess	Jarvis, Liz
Campbell, Mr Gregory	Jones, Clive
Cane, Charlotte	Khan, Ayoub
Carmichael, rh Mr Alistair	Kohler, Mr Paul
Chadwick, David	Lake, Ben
Chamberlain, Wendy	Law, Chris
Chambers, Dr Danny	Leadbitter, Graham
Chowns, Ellie	Lockhart, Carla
Coghlan, Chris	Logan, Seamus
Collins, Victoria	Lowe, Rupert
Cooper, Daisy	MacCleary, James
Dance, Adam	MacDonald, Mr Angus
Darling, Steve	Maguire, Ben
Davey, rh Ed	Maguire, Helen
Davies, Ann	Martin, Mike
Denyer, Carla	Mathew, Brian
Dillon, Mr Lee	Maynard, Charlie
Doogan, Dave	McMurdock, James
Dyke, Sarah	Medi, Llinos
Eastwood, Sorcha	van Mierlo, Freddie
Farage, Nigel	Miller, Calum
Farron, Tim	Milne, John
Flynn, rh Stephen	Mohamed, Iqbal
Foord, Richard	Moran, Layla
Forster, Mr Will	Morello, Edward
Franklin, Zöe	Morgan, Helen
George, Andrew	Morrison, Mr Tom
Gethins, Stephen	Munt, Tessa
Gibson, Sarah	O'Hara, Brendan

Olney, Sarah  
Perteghella, Manuela  
Pinkerton, Dr Al  
Ramsay, Adrian  
Reynolds, Mr Joshua  
Robinson, rh Gavin  
Roome, Ian  
Sabine, Anna  
Savage, Dr Roz  
Shannon, Jim  
Slade, Vikki  
Smart, Lisa  
Sollom, Ian

Stone, Jamie  
Swann, Robin  
Thomas, Cameron  
Voaden, Caroline  
Wilkinson, Max  
Wilson, Munira  
Wilson, rh Sammy  
Wrigley, Martin  
Young, Claire

#### Tellers for the Ayes:

Susan Murray and  
Bobby Dean

#### NOES

Abbott, Jack	Campbell, Juliet
Abrahams, Debbie	Campbell-Savours, Markus
Ahmed, Dr Zubir	Carden, Dan
Akehurst, Luke	Carling, Sam
Alaba, Mr Bayo	Carns, Al
Aldridge, Dan	Champion, Sarah
Alexander, rh Mr Douglas	Charalambous, Bambos
Al-Hassan, Sadik	Charters, Mr Luke
Ali, Tahir	Clark, Feryal
Allin-Khan, Dr Rosena	Collier, Jacob
Amesbury, Mike (Proxy vote cast by Chris Elmore)	Collinge, Lizzi
Anderson, Callum	Collins, Tom
Antoniazzi, Tonia	Conlon, Liam
Arthur, Dr Scott	Coombes, Sarah
Asato, Jess	Cooper, Andrew
Asser, James	Cooper, Dr Beccy
Athwal, Jas	Costigan, Deirdre
Atkinson, Catherine	Cox, Pam
Atkinson, Lewis	Coyle, Neil
Bailey, Mr Calvin	Craft, Jen
Bailey, Olivia	Creagh, Mary
Baines, David	Creasy, Ms Stella
Baker, Alex	Crichton, Torcuil
Baker, Richard	Curtis, Chris
Ballinger, Alex	Daby, Janet
Bance, Antonia	Dakin, Sir Nicholas
Barker, Paula	Darlington, Emily
Barron, Lee	Davies, Jonathan
Barros-Curtis, Mr Alex	Davies, Paul
Baxter, Johanna	Davies, Shaun
Beales, Danny	Davies-Jones, Alex
Beavers, Lorraine	Dean, Josh
Begum, Apsana	Dhesi, Mr Tanmanjeet Singh
Bell, Torsten	Dickson, Jim
Benn, rh Hilary	Dixon, Anna
Betts, Mr Clive	Dixon, Samantha
Bishop, Matt	Dollimore, Helena
Blake, Olivia (Proxy vote cast by Chris Elmore)	Dowd, Peter
Bloore, Chris	Downie, Graeme
Blundell, Mrs Elsie (Proxy vote cast by Chris Elmore)	Duncan-Jordan, Neil
Bonavia, Kevin	Eccles, Cat
Botterill, Jade	Edwards, Lauren
Brackenridge, Mrs Sureena	Edwards, Sarah
Brickell, Phil	Efford, Clive
Buckley, Julia	Egan, Damien
Burke, Maureen	Ellis, Maya
Burton-Sampson, David	Elmore, Chris
Butler, Dawn	Entwistle, Kirith
Byrne, rh Liam	Eshalomi, Florence
Cadbury, Ruth	Esterson, Bill
Caliskan, Nesil	Evans, Chris
Campbell, rh Sir Alan	Fahnbulleh, Miatta
Campbell, Irene	Falconer, Mr Hamish
	Farnsworth, Linsey
	Fenton-Glynn, Josh
	Ferguson, Mark



Ferguson, Patricia  
Fleet, Natalie  
Foody, Emma  
Fookes, Catherine  
Foxcroft, Vicky  
Francis, Daniel  
Furniss, Gill  
Gardiner, Barry  
Gardner, Dr Allison  
Gelder, Anna  
Gemmell, Alan  
German, Gill  
Gilbert, Tracy  
Gill, Preet Kaur  
Gittins, Becky  
Glindon, Mary  
Gosling, Jodie  
Gould, Georgia  
Grady, John  
Greenwood, Lilian  
Griffith, Dame Nia  
Gwynne, Andrew  
Hack, Amanda  
Hall, Sarah  
Hamilton, Fabian  
Hamilton, Paulette  
Hardy, Emma  
Hatton, Lloyd  
Hayes, Helen  
Hayes, Tom  
Hazelgrove, Claire  
Hendrick, Sir Mark  
Hillier, Dame Meg  
Hinchliff, Chris  
Hinder, Jonathan  
Hodgson, Mrs Sharon  
Hopkins, Rachel  
Hughes, Claire  
Hume, Alison  
Huq, Dr Rupa  
Hurley, Patrick  
Ingham, Leigh  
Irons, Natasha  
Jermy, Terry  
Jogee, Adam  
Johnson, rh Dame Diana  
Johnson, Kim  
Jones, rh Darren  
Jones, Gerald  
Jones, Lillian  
Jones, Louise  
Jones, Sarah  
Josani, Gurinder Singh  
Joseph, Sojan  
Juss, Warinder  
Kane, Chris  
Kane, Mike  
Kaur, Satvir (*Proxy vote cast  
by Chris Elmore*)  
Kendall, rh Liz  
Khan, Afzal  
Khan, Naushabah  
Kinnock, Stephen  
Kirkham, Jayne  
Kitchen, Gen  
Kumar, Sonia  
Kumaran, Uma  
Kyle, rh Peter  
Kyrke-Smith, Laura  
Lamb, Peter  
Lavery, Ian  
Law, Noah

Leadbeater, Kim  
Leishman, Brian  
Lewell-Buck, Mrs Emma  
Lewis, Clive  
Long Bailey, Rebecca  
MacAlister, Josh  
Macdonald, Alice  
MacNae, Andy  
Madders, Justin  
Malhotra, Seema  
Martin, Amanda  
Maskell, Rachael  
Mather, Keir  
Mayer, Alex  
McAllister, Douglas  
McCarthy, Kerry  
McCluskey, Martin  
McDonald, Andy  
McDonald, Chris  
McDougall, Blair  
McEvoy, Lola  
McGovern, Alison  
McIntyre, Alex  
McKee, Gordon  
McKenna, Kevin  
McKinnell, Catherine  
McMahon, Jim  
McMorris, Anna  
McNally, Frank  
McNeill, Kirsty  
Midgley, Anneliese  
Miliband, rh Ed  
Minns, Ms Julie  
Mishra, Navendu  
Mohamed, Abtisam  
Moon, Perran  
Morden, Jessica  
Morris, Grahame  
Morris, Joe  
Mullane, Margaret  
Murphy, Luke  
Murray, Chris  
Murray, rh Ian  
Murray, James  
Murray, Katrina  
Myer, Luke  
Naish, James  
Naismith, Connor  
Narayan, Kanishka  
Nash, Pamela  
Newbury, Josh  
Niblett, Samantha  
Nichols, Charlotte  
Norris, Alex  
Norris, Dan  
Onn, Melanie  
Onwurah, Chi  
Opher, Dr Simon  
Oppong-Asare, Ms Abena  
Osamor, Kate  
Osborne, Kate  
Osborne, Tristan  
Paffey, Darren  
Pakes, Andrew  
Patrick, Matthew  
Payne, Michael  
Peacock, Stephanie  
Pearce, Jon  
Pennycook, Matthew  
Perkins, Mr Toby  
Phillips, Jess  
Pinto-Duschinsky, David

Pitcher, Lee  
Platt, Jo  
Pollard, Luke  
Powell, Joe  
Powell, rh Lucy  
Poynton, Gregor  
Prinsley, Peter  
Quigley, Mr Richard  
Qureshi, Yasmin  
Race, Steve  
Rand, Mr Connor  
Ranger, Andrew  
Reader, Mike  
Reed, rh Steve  
Reeves, Ellie  
Reid, Joani  
Reynolds, Emma  
Rhodes, Martin  
Richards, Jake  
Riddell-Carpenter, Jenny  
Robertson, Dave  
Roca, Tim  
Rushworth, Sam  
Rutland, Tom  
Ryan, Oliver  
Sandher, Dr Jeevun  
Scrogg, Michelle  
Sewards, Mr Mark  
Shah, Naz  
Shanker, Baggy  
Shanks, Michael  
Simons, Josh  
Slaughter, Andy  
Slinger, John  
Smith, Cat  
Smith, David  
Smith, Jeff  
Smith, Nick  
Smith, Sarah  
Smyth, Karin  
Snell, Gareth  
Sobel, Alex  
Stainbank, Euan  
Stevens, rh Jo  
Stevenson, Kenneth  
Stewart, Elaine  
Stone, Will  
Strathern, Alistair  
Strickland, Alan  
Stringer, Graham  
Sullivan, Kirsteen

Sullivan, Dr Lauren  
Sultana, Zarah  
Swallow, Peter  
Tami, rh Mark  
Tapp, Mike  
Taylor, David  
Taylor, Rachel  
Thomas, Fred  
Thomas, Gareth  
Thomas-Symonds, rh Nick  
Thompson, Adam  
Thornberry, rh Emily  
Tidball, Dr Marie  
Timms, rh Sir Stephen  
Toale, Jessica  
Tomlinson, Dan  
Trickett, Jon  
Tufnell, Henry  
Turmaine, Matt  
Turner, Laurence  
Twigg, Derek  
Twist, Liz  
Uppal, Harpreet  
Vaz, rh Valerie  
Vince, Chris  
Wakeford, Christian  
Walker, Imogen  
Ward, Chris  
Ward, Melanie  
Waugh, Paul  
Webb, Chris  
Welsh, Michelle  
Western, Andrew  
Western, Matt  
Wheeler, Michael  
Whitby, John  
White, Jo  
White, Katie  
Whittome, Nadia  
Williams, David  
Witherden, Steve  
Woodcock, Sean  
Wrighting, Rosie  
Yang, Yuan  
Yasin, Mohammad  
Yemm, Steve  
Zeichner, Daniel

#### Tellers for the Noes:

Anna Turley and  
Kate Dearden

*Question accordingly negated.*

*The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).*

*Amendment proposed:* 13, page 1, line 2, at beginning insert—

“(A1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(A2) In section 9(1A) before paragraph (a) insert—

“(za) if sub section (1B) below applies to the earnings, the specified sector secondary percentage;”

(A3) After section 9(1A) insert—

“(1B) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this subsection applies to the earnings paid in the tax week, in respect of the employment in question, where the earner is employed in any of the following specified sectors—

(a) adult social care,

- (b) hospices,
- (c) primary care,
- (d) nurseries registered in the Early Years Register maintained by the Office of Standards in Education, Children's Services and Skills, or
- (e) a charity registered in the charity register or the Scottish charity register.

(1C) For the purposes of this Act above, the specified sector secondary percentage is 13.8%.”—(*Gareth Davies.*)

*The Committee divided: Ayes 206, Noes 353.*

## Division No. 70]

[6.9 pm

### AYES

Adam, Shockat	Eastwood, Sorcha
Allister, Jim	Evans, Dr Luke
Amos, Gideon	Farage, Nigel
Anderson, Lee	Farron, Tim
Anderson, Stuart	Flynn, rh Stephen
Andrew, rh Stuart	Foord, Richard
Aquarone, Steff	Forster, Mr Will
Argar, rh Edward	Fortune, Peter
Atkins, rh Victoria	Fox, Sir Ashley
Babarinde, Josh	Francois, rh Mr Mark
Bacon, Gareth	Franklin, Zöe
Badenoch, rh Mrs Kemi	French, Mr Louie
Baldwin, Dame Harriett	Fuller, Richard
Barclay, rh Steve	Gale, rh Sir Roger
Bedford, Mr Peter	Garnier, Mark
Bennett, Alison	George, Andrew
Bhatti, Saqib	Gethins, Stephen
Blackman, Bob	Gibson, Sarah
Blackman, Kirsty	Gilmour, Rachel
Bool, Sarah	Glen, rh John
Bowie, Andrew	Glover, Olly
Bradley, rh Dame Karen	Goldman, Marie
Brandreth, Aphra	Gordon, Tom
Braverman, rh Suella	Grant, Helen
Brewer, Alex	Green, Sarah
Brown-Fuller, Jess	Griffith, Andrew
Burghart, Alex	Griffiths, Alison
Campbell, Mr Gregory	Harding, Monica
Cane, Charlotte	Harris, Rebecca
Carmichael, rh Mr Alistair	Heylings, Pippa
Cartlidge, James	Hinds, rh Damian
Chadwick, David	Hoare, Simon
Chambers, Dr Danny	Hobhouse, Wera
Chope, Sir Christopher	Holden, rh Mr Richard
Cleverly, rh Mr James	Hollinrake, Kevin
Clifton-Brown, Sir Geoffrey	Holmes, Paul
Cocking, Lewis	Huddleston, Nigel
Coghlan, Chris	Hudson, Dr Neil
Collins, Victoria	Hussain, Mr Adnan
Cooper, Daisy	Jardine, Christine
Cooper, John	Jarvis, Liz
Corbyn, rh Jeremy	Jenkin, Sir Bernard
Costa, Alberto	Johnson, Dr Caroline
Cox, rh Sir Geoffrey	Jones, Clive
Dance, Adam	Jopp, Lincoln
Darling, Steve	Kearns, Alicia ( <i>Proxy vote cast</i>
Davey, rh Ed	<i>by Joy Morrissey</i> )
Davies, Ann	Khan, Ayoub
Davies, Gareth	Kohler, Mr Paul
Davies, Mims	Kruger, Danny
Davis, rh David	Lake, Ben
Dean, Bobby	Lam, Katie
Dewhurst, Charlie	Lamont, John
Dillon, Mr Lee	Law, Chris
Dinenage, Dame Caroline	Leadbitter, Graham
Doogan, Dave	Leigh, rh Sir Edward
Dowden, rh Sir Oliver	Lewis, rh Sir Julian
Dyke, Sarah	Lockhart, Carla

Logan, Seamus	Roome, Ian
Lopez, Julia	Rosindell, Andrew
Lowe, Rupert	Sabine, Anna
MacCleary, James	Savage, Dr Roz
MacDonald, Mr Angus	Shannon, Jim
Maguire, Ben	Shastri-Hurst, Dr Neil
Maguire, Helen	Shelbrooke, rh Sir Alec
Mak, Alan	Simmonds, David
Malthouse, rh Kit	Slade, Vikki
Martin, Mike	Smart, Lisa
Mathew, Brian	Smith, Greg
Mayhew, Jerome	Snowden, Mr Andrew
Maynard, Charlie	Sollom, Ian
McMurdock, James	Spencer, Dr Ben
Medi, Llinos	Spencer, Patrick
van Mierlo, Freddie	Stafford, Gregory
Miller, Calum	Stephenson, Blake
Milne, John	Stone, Jamie
Mitchell, rh Mr Andrew	Stride, rh Mel
Mohamed, Iqbal	Stuart, rh Graham
Mohindra, Mr Gagan	Swann, Robin
Moore, Robbie	Swayne, rh Sir Desmond
Moran, Layla	Thomas, Bradley
Morello, Edward	Thomas, Cameron
Morgan, Helen	Timothy, Nick
Morrison, Mr Tom	Trott, rh Laura
Morrissey, Joy	Tugendhat, rh Tom
Morton, rh Wendy	Vickers, Martin
Mullan, Dr Kieran	Vickers, Matt
Mundell, rh David	Voaden, Caroline
Munt, Tessa	Whately, Helen
Murray, Susan	Whittingdale, rh Sir John
Murrison, rh Dr Andrew	Wild, James
O'Hara, Brendan	Wilkinson, Max
Olney, Sarah	Williamson, rh Sir Gavin
Patel, rh Priti	Wilson, Munira
Paul, Rebecca	Wilson, rh Sammy
Perteghella, Manuela	Wood, Mike
Philp, rh Chris	Wright, rh Sir Jeremy
Pinkerton, Dr Al	Wrigley, Martin
Pritchard, rh Mark	Young, Claire
Rankin, Jack	
Reed, David	
Reynolds, Mr Joshua	
Robertson, Joe	
Robinson, rh Gavin	

**Tellers for the Ayes:**  
Harriet Cross and  
Rebecca Smith

### NOES

Abbott, Jack	Baker, Alex
Abrahams, Debbie	Baker, Richard
Ahmed, Dr Zubir	Ballinger, Alex
Akehurst, Luke	Bance, Antonia
Alaba, Mr Bayo	Barker, Paula
Aldridge, Dan	Barron, Lee
Alexander, rh Mr Douglas	Barros-Curtis, Mr Alex
Al-Hassan, Sadik	Baxter, Johanna
Ali, Tahir	Beales, Danny
Allin-Khan, Dr Rosena	Beavers, Lorraine
Amesbury, Mike ( <i>Proxy vote</i>	Begum, Apsana
<i>cast by Chris Elmore</i> )	Bell, Torsten
Anderson, Callum	Benn, rh Hilary
Antoniazzi, Tonia	Betts, Mr Clive
Arthur, Dr Scott	Billington, Ms Polly
Asato, Jess	Bishop, Matt
Asser, James	Blake, Olivia ( <i>Proxy vote cast</i>
Athwal, Jas	<i>by Chris Elmore</i> )
Atkinson, Catherine	Bloore, Chris
Atkinson, Lewis	Blundell, Mrs Elsie ( <i>Proxy vote</i>
Bailey, Mr Calvin	<i>cast by Chris Elmore</i> )
Bailey, Olivia	Bonavia, Kevin
Baines, David	Botterill, Jade

Brackenridge, Mrs Sureena  
 Brickell, Phil  
 Buckley, Julia  
 Burke, Maureen  
 Burton-Sampson, David  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Caliskan, Nesil  
 Campbell, rh Sir Alan  
 Campbell, Irene  
 Campbell, Juliet  
 Campbell-Savours, Markus  
 Carden, Dan  
 Carling, Sam  
 Carns, Al  
 Champion, Sarah  
 Charalambous, Bambos  
 Charters, Mr Luke  
 Clark, Feryal  
 Collier, Jacob  
 Collinge, Lizzi  
 Collins, Tom  
 Conlon, Liam  
 Coombes, Sarah  
 Cooper, Andrew  
 Cooper, Dr Beccy  
 Cooper, rh Yvette  
 Costigan, Deirdre  
 Cox, Pam  
 Craft, Jen  
 Creagh, Mary  
 Creasy, Ms Stella  
 Crichton, Torcuil  
 Curtis, Chris  
 Daby, Janet  
 Dakin, Sir Nicholas  
 Darlington, Emily  
 Davies, Jonathan  
 Davies, Paul  
 Davies, Shaun  
 Davies-Jones, Alex  
 Dean, Josh  
 Dhesi, Mr Tanmanjeet Singh  
 Dickson, Jim  
 Dixon, Anna  
 Dixon, Samantha  
 Dollimore, Helena  
 Dowd, Peter  
 Downie, Graeme  
 Duncan-Jordan, Neil  
 Eccles, Cat  
 Edwards, Lauren  
 Edwards, Sarah  
 Efford, Clive  
 Egan, Damien  
 Ellis, Maya  
 Elmore, Chris  
 Entwistle, Kirith  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Fahnbulleh, Miatta  
 Falconer, Mr Hamish  
 Farnsworth, Linsey  
 Fenton-Glynn, Josh  
 Ferguson, Mark  
 Ferguson, Patricia  
 Fleet, Natalie  
 Foody, Emma  
 Fookes, Catherine  
 Foxcroft, Vicky  
 Francis, Daniel  
 Furniss, Gill  
 Gardiner, Barry  
 Gardner, Dr Allison  
 Gelderd, Anna  
 Gemmell, Alan  
 German, Gill  
 Gilbert, Tracy  
 Gill, Preet Kaur  
 Gittins, Becky  
 Glindon, Mary  
 Gosling, Jodie  
 Gould, Georgia  
 Grady, John  
 Greenwood, Lilian  
 Griffith, Dame Nia  
 Gwynne, Andrew  
 Hack, Amanda  
 Hall, Sarah  
 Hamilton, Fabian  
 Hamilton, Paulette  
 Hardy, Emma  
 Hatton, Lloyd  
 Hayes, Helen  
 Hayes, Tom  
 Hazelgrove, Claire  
 Hendrick, Sir Mark  
 Hillier, Dame Meg  
 Hinchliff, Chris  
 Hinder, Jonathan  
 Hodgson, Mrs Sharon  
 Hopkins, Rachel  
 Hughes, Claire  
 Hume, Alison  
 Huq, Dr Rupa  
 Hurley, Patrick  
 Ingham, Leigh  
 Irons, Natasha  
 Jameson, Sally  
 Jermy, Terry  
 Jogee, Adam  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, rh Darren  
 Jones, Gerald  
 Jones, Lillian  
 Jones, Louise  
 Jones, Sarah  
 Josan, Gurinder Singh  
 Joseph, Sojan  
 Juss, Warinder  
 Kane, Chris  
 Kane, Mike  
 Kaur, Satvir (*Proxy vote cast  
by Chris Elmore*)  
 Kendall, rh Liz  
 Khan, Afzal  
 Khan, Naushabah  
 Kinnock, Stephen  
 Kirkham, Jayne  
 Kitchen, Gen  
 Kumar, Sonia  
 Kumaran, Uma  
 Kyle, rh Peter  
 Kyrke-Smith, Laura  
 Lamb, Peter  
 Lavery, Ian  
 Law, Noah  
 Leadbeater, Kim  
 Leishman, Brian  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive

Long Bailey, Rebecca  
 MacAlister, Josh  
 Macdonald, Alice  
 MacNae, Andy  
 Madders, Justin  
 Malhotra, Seema  
 Martin, Amanda  
 Maskell, Rachael  
 Mather, Keir  
 Mayer, Alex  
 McAllister, Douglas  
 McCarthy, Kerry  
 McCluskey, Martin  
 McDonald, Andy  
 McDonald, Chris  
 McDougall, Blair  
 McEvoy, Lola  
 McGovern, Alison  
 McIntyre, Alex  
 McKee, Gordon  
 McKenna, Kevin  
 McKinnell, Catherine  
 McMahon, Jim  
 McMorris, Anna  
 McNally, Frank  
 McNeill, Kirsty  
 Midgley, Anneliese  
 Miliband, rh Ed  
 Minns, Ms Julie  
 Mishra, Navendu  
 Mohamed, Abtisam  
 Moon, Perran  
 Morden, Jessica  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, Chris  
 Murray, James  
 Murray, Katrina  
 Myer, Luke  
 Naish, James  
 Naismith, Connor  
 Narayan, Kanishka  
 Nash, Pamela  
 Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan  
 Onn, Melanie  
 Onwurah, Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Kate  
 Osborne, Tristan  
 Paffey, Darren  
 Pakes, Andrew  
 Patrick, Matthew  
 Payne, Michael  
 Peacock, Stephanie  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillips, Jess  
 Phillipson, rh Bridget  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Pollard, Luke  
 Powell, Joe  
 Powell, rh Lucy  
 Poynton, Gregor  
 Prinsley, Peter  
 Quigley, Mr Richard  
 Qureshi, Yasmin  
 Race, Steve  
 Rand, Mr Connor  
 Ranger, Andrew  
 Reader, Mike  
 Reed, rh Steve  
 Reeves, Ellie  
 Reid, Joani  
 Reynolds, Emma  
 Rhodes, Martin  
 Richards, Jake  
 Riddell-Carpenter, Jenny  
 Robertson, Dave  
 Roca, Tim  
 Rushworth, Sam  
 Rutland, Tom  
 Ryan, Oliver  
 Sandher, Dr Jeevun  
 Scrogg, Michelle  
 Sowards, Mr Mark  
 Shah, Naz  
 Shanker, Baggy  
 Shanks, Michael  
 Simons, Josh  
 Slaughter, Andy  
 Slinger, John  
 Smith, Cat  
 Smith, David  
 Smith, Jeff  
 Smith, Nick  
 Smith, Sarah  
 Smyth, Karin  
 Snell, Gareth  
 Sobel, Alex  
 Stainbank, Euan  
 Stevens, rh Jo  
 Stevenson, Kenneth  
 Stewart, Elaine  
 Stone, Will  
 Strathern, Alistair  
 Strickland, Alan  
 Stringer, Graham  
 Sullivan, Kirsteen  
 Sullivan, Dr Lauren  
 Sultana, Zarah  
 Swallow, Peter  
 Tami, rh Mark  
 Tapp, Mike  
 Taylor, David  
 Taylor, Rachel  
 Thomas, Fred  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Adam  
 Thornberry, rh Emily  
 Tidball, Dr Marie  
 Timms, rh Sir Stephen  
 Toale, Jessica  
 Tomlinson, Dan  
 Trickett, Jon  
 Tufnell, Henry  
 Turmaine, Matt  
 Turner, Laurence  
 Twigg, Derek  
 Twist, Liz  
 Uppal, Harpreet  
 Vaz, rh Valerie  
 Vince, Chris



Wakeford, Christian  
Walker, Imogen  
Ward, Chris  
Ward, Melanie  
Waugh, Paul  
Webb, Chris  
Welsh, Michelle  
Western, Andrew  
Western, Matt  
Wheeler, Michael  
Whitby, John  
White, Jo  
White, Katie

Whittome, Nadia  
Williams, David  
Witherden, Steve  
Woodcock, Sean  
Wrighting, Rosie  
Yang, Yuan  
Yasin, Mohammad  
Yemm, Steve  
Zeichner, Daniel

**Tellers for the Noes:**

Anna Turley and  
Kate Dearden

*Question accordingly negated.*

*Amendment proposed:* 23, page 1, line 2, at beginning insert—

“(A1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(A2) In section 9(1A) after paragraph (aa) insert—

“(ab) if section 9AA below applies to the earnings, the veterans secondary percentage;”

(A3) After section 9A insert—

**“9AA Veterans secondary percentage**

(1) Where a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) above, this section applies to the earnings paid in the tax week, in respect of the employment in question, where the earner is a veteran.

(2) For the purposes of section 9(1A)(a) above, the veterans secondary percentage is 13.8%.

(3) For the purposes of this section, a “veteran” means a former member of any of His Majesty’s forces.””

—(*Daisy Cooper.*)

*This amendment would exempt veterans’ salaries from NICs changes.*

*Question put, That the amendment be made.*

*The Committee divided: Ayes 196, Noes 352.*

**Division No. 71]**

**[6.22 pm**

**AYES**

Adam, Shockat  
Allister, Jim  
Amos, Gideon  
Anderson, Lee  
Anderson, Stuart  
Andrew, rh Stuart  
Aquarone, Steff  
Argar, rh Edward  
Atkins, rh Victoria  
Babarinde, Josh  
Bacon, Gareth  
Badenoch, rh Mrs Kemi  
Baldwin, Dame Harriett  
Barclay, rh Steve  
Bedford, Mr Peter  
Bennett, Alison  
Bhatti, Saqib  
Blackman, Bob  
Bool, Sarah  
Bowie, Andrew  
Bradley, rh Dame Karen  
Brandreth, Aphra  
Braverman, rh Suella  
Brewer, Alex  
Brown-Fuller, Jess  
Burghart, Alex

Campbell, Mr Gregory  
Cane, Charlotte  
Carmichael, rh Mr Alistair  
Cartlidge, James  
Chadwick, David  
Chamberlain, Wendy  
Chambers, Dr Danny  
Chope, Sir Christopher  
Cleverly, rh Mr James  
Clifton-Brown, Sir Geoffrey  
Cocking, Lewis  
Coghlan, Chris  
Collins, Victoria  
Cooper, Daisy  
Cooper, John  
Costa, Alberto  
Cox, rh Sir Geoffrey  
Cross, Harriet  
Dance, Adam  
Darling, Steve  
Davey, rh Ed  
Davies, Ann  
Davies, Gareth  
Davies, Mims  
Davis, rh David  
Dewhurst, Charlie  
Dillon, Mr Lee  
Dinenage, Dame Caroline

Dowden, rh Sir Oliver  
Dyke, Sarah  
Eastwood, Sorcha  
Evans, Dr Luke  
Farage, Nigel  
Farron, Tim  
Foord, Richard  
Forster, Mr Will  
Fortune, Peter  
Fox, Sir Ashley  
Francois, rh Mr Mark  
Franklin, Zöe  
French, Mr Louie  
Fuller, Richard  
Gale, rh Sir Roger  
Garnier, Mark  
George, Andrew  
Gibson, Sarah  
Gilmour, Rachel  
Glen, rh John  
Glover, Olly  
Goldman, Marie  
Gordon, Tom  
Grant, Helen  
Green, Sarah  
Griffith, Andrew  
Griffiths, Alison  
Harding, Monica  
Harris, Rebecca  
Hayes, rh Sir John  
Heylings, Pippa  
Hinds, rh Damian  
Hoare, Simon  
Hobhouse, Wera  
Holden, rh Mr Richard  
Hollinrake, Kevin  
Holmes, Paul  
Huddleston, Nigel  
Hudson, Dr Neil  
Hussain, Mr Adnan  
Jarvis, Liz  
Jenkin, Sir Bernard  
Johnson, Dr Caroline  
Jones, Clive  
Jopp, Lincoln  
Kearns, Alicia (*Proxy vote cast by Joy Morrissey*)  
Khan, Ayoub  
Kohler, Mr Paul  
Kruger, Danny  
Lake, Ben  
Lam, Katie  
Lamont, John  
Law, Chris  
Lewis, rh Sir Julian  
Lockhart, Carla  
Lopez, Julia  
Lowe, Rupert  
MacCleary, James  
MacDonald, Mr Angus  
Maguire, Ben  
Maguire, Helen  
Mak, Alan  
Malthouse, rh Kit  
Martin, Mike  
Mathew, Brian  
Mayhew, Jerome  
Maynard, Charlie  
McMurdock, James  
Medi, Llinos  
van Mierlo, Freddie  
Miller, Calum

Milne, John  
Mohamed, Iqbal  
Mohindra, Mr Gagan  
Moore, Robbie  
Moran, Layla  
Morello, Edward  
Morgan, Helen  
Morrison, Mr Tom  
Morrissey, Joy  
Morton, rh Wendy  
Mullan, Dr Kieran  
Mundell, rh David  
Munt, Tessa  
Murrison, rh Dr Andrew  
Olney, Sarah  
Patel, rh Priti  
Paul, Rebecca  
Perteghella, Manuela  
Philp, rh Chris  
Pinkerton, Dr Al  
Pritchard, rh Mark  
Rankin, Jack  
Reed, David  
Reynolds, Mr Joshua  
Robertson, Joe  
Robinson, rh Gavin  
Roome, Ian  
Rosindell, Andrew  
Sabine, Anna  
Savage, Dr Roz  
Shannon, Jim  
Shastri-Hurst, Dr Neil  
Shelbrooke, rh Sir Alec  
Simmonds, David  
Slade, Vikki  
Smart, Lisa  
Smith, Greg  
Smith, Rebecca  
Snowden, Mr Andrew  
Sollom, Ian  
Spencer, Dr Ben  
Spencer, Patrick  
Stafford, Gregory  
Stephenson, Blake  
Stone, Jamie  
Stride, rh Mel  
Stuart, rh Graham  
Swann, Robin  
Swayne, rh Sir Desmond  
Thomas, Bradley  
Thomas, Cameron  
Timothy, Nick  
Trott, rh Laura  
Tugendhat, rh Tom  
Vickers, Martin  
Vickers, Matt  
Voaden, Caroline  
Whately, Helen  
Whittingdale, rh Sir John  
Wild, James  
Wilkinson, Max  
Williamson, rh Sir Gavin  
Wilson, Munira  
Wilson, rh Sammy  
Wood, Mike  
Wright, rh Sir Jeremy  
Wrigley, Martin  
Young, Claire

**Tellers for the Ayes:**

Susan Murray and  
Bobby Dean

## NOES

Abbott, Jack  
 Abrahams, Debbie  
 Ahmed, Dr Zubir  
 Akehurst, Luke  
 Alaba, Mr Bayo  
 Aldridge, Dan  
 Alexander, rh Mr Douglas  
 Al-Hassan, Sadik  
 Ali, Tahir  
 Allin-Khan, Dr Rosena  
 Amesbury, Mike (*Proxy vote cast by Chris Elmore*)  
 Anderson, Callum  
 Antoniazzi, Tonia  
 Arthur, Dr Scott  
 Asato, Jess  
 Asser, James  
 Athwal, Jas  
 Atkinson, Catherine  
 Atkinson, Lewis  
 Bailey, Mr Calvin  
 Bailey, Olivia  
 Baines, David  
 Baker, Alex  
 Baker, Richard  
 Ballinger, Alex  
 Bance, Antonia  
 Barker, Paula  
 Barron, Lee  
 Barros-Curtis, Mr Alex  
 Baxter, Johanna  
 Beales, Danny  
 Beavers, Lorraine  
 Begum, Apsana  
 Bell, Torsten  
 Benn, rh Hilary  
 Betts, Mr Clive  
 Billington, Ms Polly  
 Bishop, Matt  
 Blake, Olivia (*Proxy vote cast by Chris Elmore*)  
 Bloore, Chris  
 Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)  
 Bonavia, Kevin  
 Botterill, Jade  
 Brackenridge, Mrs Sureena  
 Brickell, Phil  
 Buckley, Julia  
 Burke, Maureen  
 Burton-Sampson, David  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Caliskan, Nesil  
 Campbell, rh Sir Alan  
 Campbell, Irene  
 Campbell, Juliet  
 Campbell-Savours, Markus  
 Carden, Dan  
 Carling, Sam  
 Carns, Al  
 Champion, Sarah  
 Charalambous, Bambos  
 Charters, Mr Luke  
 Clark, Feryal  
 Collier, Jacob  
 Collinge, Lizzi  
 Collins, Tom  
 Coombes, Sarah  
 Cooper, Andrew  
 Cooper, Dr Beccy  
 Cooper, rh Yvette  
 Costigan, Deirdre  
 Cox, Pam  
 Coyle, Neil  
 Craft, Jen  
 Creagh, Mary  
 Creasy, Ms Stella  
 Crichton, Torcuil  
 Curtis, Chris  
 Daby, Janet  
 Dakin, Sir Nicholas  
 Darlington, Emily  
 Davies, Jonathan  
 Davies, Paul  
 Davies, Shaun  
 Davies-Jones, Alex  
 Dean, Josh  
 Dhesi, Mr Tanmanjeet Singh  
 Dickson, Jim  
 Dixon, Anna  
 Dixon, Samantha  
 Dollimore, Helena  
 Dowd, Peter  
 Downie, Graeme  
 Duncan-Jordan, Neil  
 Edwards, Lauren  
 Edwards, Sarah  
 Efford, Clive  
 Egan, Damien  
 Ellis, Maya  
 Elmore, Chris  
 Entwistle, Kirith  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Fahnbulleh, Miatta  
 Falconer, Mr Hamish  
 Farnsworth, Linsey  
 Fenton-Glynn, Josh  
 Ferguson, Mark  
 Ferguson, Patricia  
 Fleet, Natalie  
 Fookes, Catherine  
 Foxcroft, Vicky  
 Francis, Daniel  
 Furniss, Gill  
 Gardiner, Barry  
 Gardner, Dr Allison  
 Gelderd, Anna  
 Gemmell, Alan  
 German, Gill  
 Gilbert, Tracy  
 Gill, Preet Kaur  
 Gittins, Becky  
 Glindon, Mary  
 Gosling, Jodie  
 Gould, Georgia  
 Grady, John  
 Greenwood, Lilian  
 Griffith, Dame Nia  
 Gwynne, Andrew  
 Hack, Amanda  
 Hall, Sarah  
 Hamilton, Fabian  
 Hamilton, Paulette  
 Hardy, Emma  
 Hatton, Lloyd  
 Hayes, Helen  
 Hayes, Tom  
 Hazelgrove, Claire

Hendrick, Sir Mark  
 Hillier, Dame Meg  
 Hinchliff, Chris  
 Hinder, Jonathan  
 Hodgson, Mrs Sharon  
 Hopkins, Rachel  
 Hughes, Claire  
 Hume, Alison  
 Huq, Dr Rupa  
 Hurley, Patrick  
 Ingham, Leigh  
 Irons, Natasha  
 Jameson, Sally  
 Jermy, Terry  
 Jogee, Adam  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, rh Darren  
 Jones, Gerald  
 Jones, Lillian  
 Jones, Louise  
 Jones, Sarah  
 Josan, Gurinder Singh  
 Joseph, Sojan  
 Juss, Warinder  
 Kane, Chris  
 Kane, Mike  
 Kaur, Satvir (*Proxy vote cast by Chris Elmore*)  
 Kendall, rh Liz  
 Khan, Afzal  
 Khan, Naushabah  
 Kinnock, Stephen  
 Kirkham, Jayne  
 Kitchen, Gen  
 Kumar, Sonia  
 Kumaran, Uma  
 Kyle, rh Peter  
 Kyrke-Smith, Laura  
 Lamb, Peter  
 Lavery, Ian  
 Law, Chris  
 Law, Noah  
 Leadbeater, Kim  
 Leishman, Brian  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Long Bailey, Rebecca  
 MacAlister, Josh  
 Macdonald, Alice  
 MacNae, Andy  
 Madders, Justin  
 Malhotra, Seema  
 Martin, Amanda  
 Maskell, Rachael  
 Mather, Keir  
 Mayer, Alex  
 McAllister, Douglas  
 McCarthy, Kerry  
 McCluskey, Martin  
 McDonald, Andy  
 McDonald, Chris  
 McDougall, Blair  
 McEvoy, Lola  
 McGovern, Alison  
 McIntyre, Alex  
 McKee, Gordon  
 McKenna, Kevin  
 McKinnell, Catherine  
 McMahon, Jim  
 McMorris, Anna  
 McNally, Frank  
 McNeill, Kirsty  
 Midgley, Anneliese  
 Miliband, rh Ed  
 Minns, Ms Julie  
 Mishra, Navendu  
 Mohamed, Abtisam  
 Moon, Perran  
 Morden, Jessica  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, Chris  
 Murray, James  
 Murray, Katrina  
 Myer, Luke  
 Naish, James  
 Naismith, Connor  
 Narayan, Kanishka  
 Nash, Pamela  
 Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan  
 Onn, Melanie  
 Onwurah, Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Kate  
 Osborne, Tristan  
 Paffey, Darren  
 Pakes, Andrew  
 Patrick, Matthew  
 Payne, Michael  
 Peacock, Stephanie  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillips, Jess  
 Phillipson, rh Bridget  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Pollard, Luke  
 Powell, Joe  
 Powell, rh Lucy  
 Poynton, Gregor  
 Prinsley, Peter  
 Quigley, Mr Richard  
 Qureshi, Yasmin  
 Race, Steve  
 Rand, Mr Connor  
 Ranger, Andrew  
 Reader, Mike  
 Reed, rh Steve  
 Reeves, Ellie  
 Reid, Joani  
 Reynolds, Emma  
 Rhodes, Martin  
 Richards, Jake  
 Riddell-Carpenter, Jenny  
 Robertson, Dave  
 Roca, Tim  
 Rushworth, Sam  
 Rutland, Tom  
 Ryan, Oliver  
 Sandher, Dr Jeevun  
 Scrogg, Michelle  
 Seward, Mr Mark  
 Shah, Naz

Shanker, Baggy  
Shanks, Michael  
Simons, Josh  
Slaughter, Andy  
Slinger, John  
Smith, Cat  
Smith, David  
Smith, Jeff  
Smith, Nick  
Smith, Sarah  
Smyth, Karin  
Snell, Gareth  
Sobel, Alex  
Stainbank, Euan  
Stevens, rh Jo  
Stevenson, Kenneth  
Stewart, Elaine  
Stone, Will  
Strathern, Alistair  
Strickland, Alan  
Stringer, Graham  
Sullivan, Kirsteen  
Sullivan, Dr Lauren  
Sultana, Sarah  
Swallow, Peter  
Tami, rh Mark  
Tapp, Mike  
Taylor, David  
Taylor, Rachel  
Thomas, Fred  
Thomas, Gareth  
Thomas-Symonds, rh Nick  
Thompson, Adam  
Thornberry, rh Emily  
Tidball, Dr Marie  
Timms, rh Sir Stephen

Toale, Jessica  
Trickett, Jon  
Tufnell, Henry  
Turmaine, Matt  
Turner, Laurence  
Twigg, Derek  
Twist, Liz  
Uppal, Harpreet  
Vaz, rh Valerie  
Vince, Chris  
Wakeford, Christian  
Walker, Imogen  
Ward, Chris  
Ward, Melanie  
Waugh, Paul  
Webb, Chris  
Welsh, Michelle  
Western, Andrew  
Western, Matt  
Wheeler, Michael  
Whitby, John  
White, Jo  
White, Katie  
Whittome, Nadia  
Williams, David  
Witherden, Steve  
Woodcock, Sean  
Wrighting, Rosie  
Yang, Yuan  
Yasin, Mohammad  
Yemm, Steve  
Zeichner, Daniel

**Tellers for the Noes:**

Anna Turley and  
Kate Dearden

*Question accordingly negated.*

*Clause 1 ordered to stand part of the Bill.*

*Clauses 2 to 4 ordered to stand part of the Bill.*

**New Clause 1****REVIEW OF THE IMPACT OF THE ACT**

“The Chancellor of the Exchequer must, within a year of this Act being passed, publish an assessment of the impact of the changes introduced by this Act on—

- (a) rates of employment,
- (b) real wages,
- (c) inflation, and
- (d) real household disposable income.”—(*Gareth Davies.*)

*Brought up.*

*Question put, That the clause be added to the Bill.*

*The Committee divided: Ayes 195, Noes 353.*

**Division No. 72]**

**[6.37 pm**

**AYES**

Allister, Jim  
Amos, Gideon  
Anderson, Lee  
Anderson, Stuart  
Andrew, rh Stuart  
Aqarone, Steff  
Argar, rh Edward  
Atkins, rh Victoria  
Babarinde, Josh  
Bacon, Gareth

Baldwin, Dame Harriett  
Barclay, rh Steve  
Bedford, Mr Peter  
Bennett, Alison  
Bhatti, Saqib  
Blackman, Bob  
Blackman, Kirsty  
Bool, Sarah  
Bowie, Andrew  
Bradley, rh Dame Karen

Brandreth, Aphra  
Braverman, rh Suella  
Brewer, Alex  
Brown-Fuller, Jess  
Burghart, Alex  
Campbell, Mr Gregory  
Cane, Charlotte  
Cartledge, James  
Chadwick, David  
Chamberlain, Wendy  
Chambers, Dr Danny  
Chope, Sir Christopher  
Cleverly, rh Mr James  
Clifton-Brown, Sir Geoffrey  
Cocking, Lewis  
Coghlan, Chris  
Collins, Victoria  
Cooper, Daisy  
Cooper, John  
Costa, Alberto  
Dance, Adam  
Darling, Steve  
Davey, rh Ed  
Davies, Ann  
Davies, Gareth  
Davies, Mims  
Davis, rh David  
Dean, Bobby  
Dewhurst, Charlie  
Dillon, Mr Lee  
Dinenage, Dame Caroline  
Doogan, Dave  
Dowden, rh Sir Oliver  
Dyke, Sarah  
Eastwood, Sorcha  
Evans, Dr Luke  
Farage, Nigel  
Farron, Tim  
Flynn, rh Stephen  
Foord, Richard  
Forster, Mr Will  
Fortune, Peter  
Fox, Sir Ashley  
Francois, rh Mr Mark  
Franklin, Zöe  
French, Mr Louie  
Fuller, Richard  
Gale, rh Sir Roger  
Garnier, Mark  
George, Andrew  
Gethins, Stephen  
Gibson, Sarah  
Gilmour, Rachel  
Glen, rh John  
Glover, Olly  
Goldman, Marie  
Gordon, Tom  
Grant, Helen  
Green, Sarah  
Griffith, Andrew  
Griffiths, Alison  
Harding, Monica  
Hayes, rh Sir John  
Heylings, Pippa  
Hinds, rh Damian  
Hoare, Simon  
Hobhouse, Wera  
Holden, rh Mr Richard  
Hollinrake, Kevin  
Holmes, Paul

Huddleston, Nigel  
Hudson, Dr Neil  
Hussain, Mr Adnan  
Jarvis, Liz  
Jenkin, Sir Bernard  
Jones, Clive  
Jopp, Lincoln  
Kearns, Alicia (*Proxy vote cast by Joy Morrissey*)  
Khan, Ayoub  
Kohler, Mr Paul  
Lake, Ben  
Lam, Katie  
Lamont, John  
Law, Chris  
Leadbitter, Graham  
Lewis, rh Sir Julian  
Lockhart, Carla  
Logan, Seamus  
Lopez, Julia  
Lowe, Rupert  
MacCleary, James  
MacDonald, Mr Angus  
Maguire, Ben  
Maguire, Helen  
Mak, Alan  
Malthouse, rh Kit  
Martin, Mike  
Mathew, Brian  
Mayhew, Jerome  
Maynard, Charlie  
McMurdock, James  
Medi, Llinos  
van Mierlo, Freddie  
Miller, Calum  
Milne, John  
Mohamed, Iqbal  
Mohindra, Mr Gagan  
Moore, Robbie  
Moran, Layla  
Morello, Edward  
Morgan, Helen  
Morrison, Mr Tom  
Morrissey, Joy  
Morton, rh Wendy  
Mullan, Dr Kieran  
Mundell, rh David  
Munt, Tessa  
Murray, Susan  
Murrison, rh Dr Andrew  
O'Hara, Brendan  
Olney, Sarah  
Patel, rh Priti  
Paul, Rebecca  
Perteghella, Manuela  
Philp, rh Chris  
Pinkerton, Dr Al  
Pritchard, rh Mark  
Rankin, Jack  
Reed, David  
Reynolds, Mr Joshua  
Robertson, Joe  
Robinson, rh Gavin  
Roome, Ian  
Rosindell, Andrew  
Sabine, Anna  
Savage, Dr Roz  
Shannon, Jim  
Shastri-Hurst, Dr Neil  
Shelbrooke, rh Sir Alec  
Simmonds, David  
Slade, Vikki



Smart, Lisa  
Smith, Greg  
Snowden, Mr Andrew  
Sollom, Ian  
Spencer, Dr Ben  
Spencer, Patrick  
Stafford, Gregory  
Stephenson, Blake  
Stone, Jamie  
Stride, rh Mel  
Stuart, rh Graham  
Swann, Robin  
Swayne, rh Sir Desmond  
Thomas, Bradley  
Thomas, Cameron  
Timothy, Nick  
Trott, rh Laura

Vickers, Martin  
Vickers, Matt  
Voaden, Caroline  
Whately, Helen  
Whittingdale, rh Sir John  
Wild, James  
Wilkinson, Max  
Williamson, rh Sir Gavin  
Wilson, Munira  
Wilson, rh Sammy  
Wood, Mike  
Wright, rh Sir Jeremy  
Wrigley, Martin  
Young, Claire

**Tellers for the Ayes:**  
**Harriet Cross and**  
**Rebecca Smith**

### NOES

Abbott, Jack  
Abrahams, Debbie  
Ahmed, Dr Zubir  
Akehurst, Luke  
Alaba, Mr Bayo  
Aldridge, Dan  
Alexander, rh Mr Douglas  
Al-Hassan, Sadik  
Ali, Tahir  
Allin-Khan, Dr Rosena  
Amesbury, Mike (*Proxy vote cast by Chris Elmore*)  
Anderson, Callum  
Antoniazzi, Tonia  
Arthur, Dr Scott  
Asato, Jess  
Asser, James  
Athwal, Jas  
Atkinson, Catherine  
Atkinson, Lewis  
Bailey, Mr Calvin  
Bailey, Olivia  
Baines, David  
Baker, Alex  
Baker, Richard  
Ballinger, Alex  
Bance, Antonia  
Barker, Paula  
Barron, Lee  
Barros-Curtis, Mr Alex  
Baxter, Johanna  
Beales, Danny  
Beavers, Lorraine  
Begum, Apsana  
Bell, Torsten  
Benn, rh Hilary  
Betts, Mr Clive  
Billington, Ms Polly  
Bishop, Matt  
Blake, Olivia (*Proxy vote cast by Chris Elmore*)  
Bloore, Chris  
Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)  
Bonavia, Kevin  
Botterill, Jade  
Brackenridge, Mrs Sureena  
Brickell, Phil  
Buckley, Julia  
Burke, Maureen

Burton-Sampson, David  
Butler, Dawn  
Byrne, rh Liam  
Cadbury, Ruth  
Caliskan, Nesil  
Campbell, rh Sir Alan  
Campbell, Irene  
Campbell, Juliet  
Campbell-Savours, Markus  
Carden, Dan  
Carling, Sam  
Carns, Al  
Champion, Sarah  
Charalambous, Bambos  
Charters, Mr Luke  
Clark, Feryal  
Collier, Jacob  
Collinge, Lizzi  
Collins, Tom  
Conlon, Liam  
Coombes, Sarah  
Cooper, Andrew  
Cooper, Dr Beccy  
Cooper, rh Yvette  
Costigan, Deirdre  
Cox, Pam  
Coyle, Neil  
Craft, Jen  
Creagh, Mary  
Creasy, Ms Stella  
Crichton, Torcuil  
Curtis, Chris  
Daby, Janet  
Dakin, Sir Nicholas  
Darlington, Emily  
Davies, Jonathan  
Davies, Paul  
Davies, Shaun  
Davies-Jones, Alex  
Dean, Josh  
Dhesi, Mr Tanmanjeet Singh  
Dickson, Jim  
Dixon, Anna  
Dixon, Samantha  
Dollimore, Helena  
Dowd, Peter  
Downie, Graeme  
Duncan-Jordan, Neil  
Eccles, Cat  
Edwards, Lauren

Edwards, Sarah  
Efford, Clive  
Egan, Damien  
Ellis, Maya  
Elmore, Chris  
Entwistle, Kirith  
Eshalomi, Florence  
Esterson, Bill  
Evans, Chris  
Fahnbulleh, Miatta  
Falconer, Mr Hamish  
Farnsworth, Linsey  
Fenton-Glynn, Josh  
Ferguson, Mark  
Ferguson, Patricia  
Fleet, Natalie  
Foody, Emma  
Fookes, Catherine  
Foxcroft, Vicky  
Francis, Daniel  
Furniss, Gill  
Gardiner, Barry  
Gardner, Dr Allison  
Gelder, Anna  
Gemmell, Alan  
German, Gill  
Gilbert, Tracy  
Gill, Preet Kaur  
Gittins, Becky  
Glindon, Mary  
Gosling, Jodie  
Gould, Georgia  
Grady, John  
Greenwood, Lillian  
Griffith, Dame Nia  
Gwynne, Andrew  
Hack, Amanda  
Hall, Sarah  
Hamilton, Fabian  
Hamilton, Paulette  
Hardy, Emma  
Hatton, Lloyd  
Hayes, Helen  
Hayes, Tom  
Hazelgrove, Claire  
Hendrick, Sir Mark  
Hillier, Dame Meg  
Hinchliff, Chris  
Hinder, Jonathan  
Hodgson, Mrs Sharon  
Hopkins, Rachel  
Hughes, Claire  
Hume, Alison  
Huq, Dr Rupa  
Hurley, Patrick  
Ingham, Leigh  
Irons, Natasha  
Jameson, Sally  
Jermy, Terry  
Jogee, Adam  
Johnson, rh Dame Diana  
Johnson, Kim  
Jones, rh Darren  
Jones, Gerald  
Jones, Lillian  
Jones, Louise  
Jones, Sarah  
Josan, Gurinder Singh  
Joseph, Sojan  
Juss, Warinder  
Kane, Chris  
Kane, Mike

Kaur, Satvir (*Proxy vote cast by Chris Elmore*)  
Kendall, rh Liz  
Khan, Afzal  
Khan, Naushabah  
Kinnock, Stephen  
Kirkham, Jayne  
Kitchen, Gen  
Kumar, Sonia  
Kumaran, Uma  
Kyle, rh Peter  
Kyrke-Smith, Laura  
Lamb, Peter  
Lavery, Ian  
Law, Noah  
Leadbeater, Kim  
Leishman, Brian  
Lewis, Clive  
Long Bailey, Rebecca  
MacAlister, Josh  
Macdonald, Alice  
MacNae, Andy  
Madders, Justin  
Malhotra, Seema  
Martin, Amanda  
Maskell, Rachael  
Mather, Keir  
Mayer, Alex  
McAllister, Douglas  
McCarthy, Kerry  
McCluskey, Martin  
McDonald, Andy  
McDonald, Chris  
McDougall, Blair  
McEvoy, Lola  
McGovern, Alison  
McIntyre, Alex  
McKee, Gordon  
McKenna, Kevin  
McKinnell, Catherine  
McMahon, Jim  
McMorrin, Anna  
McNally, Frank  
McNeill, Kirsty  
Midgley, Anneliese  
Miliband, rh Ed  
Minns, Ms Julie  
Mishra, Navendu  
Mohamed, Abtisam  
Moon, Perran  
Morden, Jessica  
Morris, Grahame  
Morris, Joe  
Mullane, Margaret  
Murphy, Luke  
Murray, Chris  
Murray, James  
Murray, Katrina  
Myer, Luke  
Naish, James  
Naismith, Connor  
Narayan, Kanishka  
Nash, Pamela  
Newbury, Josh  
Niblett, Samantha  
Nichols, Charlotte  
Norris, Alex  
Norris, Dan  
Onn, Melanie  
Onwurah, Chi  
Opher, Dr Simon  
Oppong-Asare, Ms Abena

Osamor, Kate	Stevenson, Kenneth
Osborne, Tristan	Stewart, Elaine
Paffey, Darren	Stone, Will
Pakes, Andrew	Strathern, Alistair
Patrick, Matthew	Strickland, Alan
Payne, Michael	Stringer, Graham
Peacock, Stephanie	Sullivan, Kirsteen
Pearce, Jon	Sullivan, Dr Lauren
Pennycook, Matthew	Sultana, Zarah
Perkins, Mr Toby	Swallow, Peter
Phillips, Jess	Tami, rh Mark
Phillipson, rh Bridget	Tapp, Mike
Pinto-Duschinsky, David	Taylor, David
Pitcher, Lee	Taylor, Rachel
Platt, Jo	Thomas, Fred
Pollard, Luke	Thomas, Gareth
Powell, Joe	Thomas-Symonds, rh Nick
Powell, rh Lucy	Thompson, Adam
Poynton, Gregor	Thornberry, rh Emily
Prinsley, Peter	Tidball, Dr Marie
Quigley, Mr Richard	Timms, rh Sir Stephen
Qureshi, Yasmin	Toale, Jessica
Race, Steve	Trickett, Jon
Rand, Mr Connor	Tufnell, Henry
Ranger, Andrew	Turmaine, Matt
Reader, Mike	Turner, Laurence
Reed, rh Steve	Twigg, Derek
Reeves, Ellie	Twist, Liz
Reid, Joani	Uppal, Harpreet
Reynolds, Emma	Vaz, rh Valerie
Rhodes, Martin	Vince, Chris
Richards, Jake	Wakeford, Christian
Riddell-Carpenter, Jenny	Walker, Imogen
Robertson, Dave	Ward, Chris
Roca, Tim	Ward, Melanie
Rushworth, Sam	Waugh, Paul
Rutland, Tom	Webb, Chris
Ryan, Oliver	Welsh, Michelle
Sandher, Dr Jeevun	Western, Andrew
Scrogham, Michelle	Western, Matt
Sewards, Mr Mark	Wheeler, Michael
Shah, Naz	Whitby, John
Shanker, Baggy	White, Jo
Shanks, Michael	White, Katie
Simons, Josh	Whittome, Nadia
Slaughter, Andy	Williams, David
Slinger, John	Witherden, Steve
Smith, Cat	Woodcock, Sean
Smith, David	Wrighting, Rosie
Smith, Jeff	Yang, Yuan
Smith, Nick	Yasin, Mohammad
Smith, Sarah	Yemm, Steve
Smyth, Karin	Zeichner, Daniel
Snell, Gareth	
Sobel, Alex	
Stainbank, Euan	
Stevens, rh Jo	

**Tellers for the Noes:**  
**Anna Turley and**  
**Kate Dearden**

*Question accordingly negated.*

*The occupant of the Chair left the Chair (Programme Order, 3 December).*

*The Deputy Speaker resumed the Chair.*

*Bill reported, without amendment (Standing Order No. 83D(6)).*

*Bill, not amended in the Committee, considered.*

*Third Reading*

6.50 pm

**James Murray:** I beg to move, That the Bill be now read the Third time.

The Bill seeks to put into law one of the toughest decisions we made at the Budget in October. As I set out in earlier stages of the Bill, we recognise that there will be impacts on employers as a result of the changes, with employers facing difficult decisions. It will implement a difficult but necessary decision that, along with others, is critical to raising the revenue needed to fix the public finances, get public services back on their feet and restore economic stability.

The Bill before us has three measures: first, an increase to the main rate of employer secondary class 1 national insurance contributions from 13.8% to 15%; secondly, a decrease in the secondary threshold for employers from £9,100 to £5,000 per year from 6 April 2025; and thirdly, changes to the employment allowance to support small businesses. The measure will protect small businesses and charities by more than doubling the employment allowance from £5,000 to £10,500 pounds a year from April 2025. In addition, the £100,000 eligibility threshold will be removed.

Through the measures in the Bill and others in the Budget, the Government are taking the difficult but necessary decisions to fix the foundations of our economy. If hon. Members in other parties choose to vote against the Bill, the British people will see that they are voting to ignore the fiscal mess that we inherited. They are voting to cut investment in the NHS and to increase borrowing for day-to-day spending.

Finally, I reiterate my thanks to hon. Members who have participated in the debate, and I extend my thanks to all the officials for their support. I commend the Bill to the House.

6.52 pm

**Mel Stride** (Central Devon) (Con): This is not a Bill, but a Shakespearean tragedy. It is the “Hamlet” of our age. While the Labour party was tipping the poison into the ears of the electorate, it was assuring them in its manifesto that it would do nothing with national insurance. Look what it has done. This will hit inflation—all forecasts show it higher every year than it would have been under us back in the spring. Mortgages will be higher, living standards will be lower, wages will be driven further down and there will be a £770 reduction in the standard of living by October 2029, according to the Joseph Rowntree Foundation. We will see 50,000 jobs destroyed, particularly among our younger people. We will see growth impacted—lower across the forecast period than it would have been under ourselves back in the spring.

This is a far cry from our record when we left office, with employment at near record highs, unemployment at near record lows, the fastest growing economy in the G7 and real wages growing in every month for 13 consecutive months. We brought inflation down from over 11% in October 2022 to exactly the target of 2% on election day. The Bill is a calamity for businesses up and down our country. We are the party that understands that we only get good public services with a strong economy and strong businesses. The Labour party is consigning people up and down this country, plunging them into the tepid bath of managed decline over which it has presided.

*Question put, That the Bill be now read the Third time.*

*The House divided: Ayes 354, Noes 202.*

### Division No. 73]

[6.54 pm

#### AYES

Abbott, Jack  
Abrahams, Debbie  
Ahmed, Dr Zubir  
Akehurst, Luke  
Alaba, Mr Bayo  
Aldridge, Dan  
Alexander, rh Mr Douglas  
Al-Hassan, Sadik  
Ali, Tahir  
Allin-Khan, Dr Rosena  
Amesbury, Mike (*Proxy vote cast by Chris Elmore*)  
Anderson, Callum  
Antoniazzi, Tonia  
Arthur, Dr Scott  
Asato, Jess  
Asser, James  
Athwal, Jas  
Atkinson, Catherine  
Atkinson, Lewis  
Bailey, Mr Calvin  
Bailey, Olivia  
Baines, David  
Baker, Alex  
Baker, Richard  
Ballinger, Alex  
Bance, Antonia  
Barker, Paula  
Barron, Lee  
Barros-Curtis, Mr Alex  
Baxter, Johanna  
Beales, Danny  
Beavers, Lorraine  
Begum, Apsana  
Bell, Torsten  
Benn, rh Hilary  
Betts, Mr Clive  
Billington, Ms Polly  
Bishop, Matt  
Blake, Olivia (*Proxy vote cast by Chris Elmore*)  
Bloore, Chris  
Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)  
Bonavia, Kevin  
Botterill, Jade  
Brackenridge, Mrs Sureena  
Brickell, Phil  
Bryant, Chris  
Buckley, Julia  
Burke, Maureen  
Burton-Sampson, David  
Butler, Dawn  
Byrne, rh Liam  
Cadbury, Ruth  
Caliskan, Nesil  
Campbell, rh Sir Alan  
Campbell, Irene  
Campbell, Juliet  
Campbell-Savours, Markus  
Carden, Dan  
Carling, Sam  
Carns, Al  
Champion, Sarah  
Charalambous, Bambos  
Charters, Mr Luke  
Collier, Jacob  
Collinge, Lizzi  
Collins, Tom  
Conlon, Liam  
Coombes, Sarah  
Cooper, Andrew  
Cooper, Dr Beccy  
Cooper, rh Yvette  
Costigan, Deirdre  
Cox, Pam  
Coyle, Neil  
Craft, Jen  
Creagh, Mary  
Creasy, Ms Stella  
Crichton, Torcuil  
Curtis, Chris  
Daby, Janet  
Dakin, Sir Nicholas  
Darlington, Emily  
Davies, Jonathan  
Davies, Paul  
Davies, Shaun  
Davies-Jones, Alex  
Dean, Josh  
Dhesi, Mr Tanmanjeet Singh  
Dickson, Jim  
Dixon, Anna  
Dixon, Samantha  
Dollimore, Helena  
Dowd, Peter  
Downie, Graeme  
Duncan-Jordan, Neil  
Eccles, Cat  
Edwards, Lauren  
Edwards, Sarah  
Efford, Clive  
Egan, Damien  
Ellis, Maya  
Elmore, Chris  
Entwistle, Kirith  
Eshalomi, Florence  
Esterson, Bill  
Evans, Chris  
Fahnbulleh, Miatta  
Falconer, Mr Hamish  
Farnsworth, Linsey  
Fenton-Glynn, Josh  
Ferguson, Mark  
Ferguson, Patricia  
Fleet, Natalie  
Foody, Emma  
Fookes, Catherine  
Foxcroft, Vicky  
Francis, Daniel  
Frith, Mr James  
Furniss, Gill  
Gardiner, Barry  
Gardner, Dr Allison  
Gelderder, Anna  
Gemmell, Alan  
German, Gill  
Gilbert, Tracy  
Gill, Preet Kaur  
Gittins, Becky  
Glindon, Mary  
Gosling, Jodie

Gould, Georgia  
Grady, John  
Greenwood, Lillian  
Griffith, Dame Nia  
Gwynne, Andrew  
Hack, Amanda  
Hall, Sarah  
Hamilton, Fabian  
Hamilton, Paulette  
Hardy, Emma  
Hatton, Lloyd  
Hayes, Helen  
Hayes, Tom  
Hazelgrove, Claire  
Hendrick, Sir Mark  
Hillier, Dame Meg  
Hinchliff, Chris  
Hinder, Jonathan  
Hodgson, Mrs Sharon  
Hopkins, Rachel  
Hughes, Claire  
Hume, Alison  
Huq, Dr Rupa  
Hurley, Patrick  
Ingham, Leigh  
Irons, Natasha  
Jameson, Sally  
Jermy, Terry  
Jogee, Adam  
Johnson, rh Dame Diana  
Johnson, Kim  
Jones, rh Darren  
Jones, Gerald  
Jones, Lillian  
Jones, Louise  
Josan, Gurinder Singh  
Joseph, Sojan  
Juss, Warinder  
Kane, Chris  
Kane, Mike  
Kaur, Satvir (*Proxy vote cast by Chris Elmore*)  
Kendall, rh Liz  
Khan, Afzal  
Khan, Naushabah  
Kinnock, Stephen  
Kirkham, Jayne  
Kitchen, Gen  
Kumar, Sonia  
Kumaran, Uma  
Kyle, rh Peter  
Lyke-Smith, Laura  
Lamb, Peter  
Lavery, Ian  
Law, Noah  
Leadbeater, Kim  
Leishman, Brian  
Lewell-Buck, Mrs Emma  
Lewis, Clive  
Long Bailey, Rebecca  
MacAlister, Josh  
Macdonald, Alice  
MacNae, Andy  
Madders, Justin  
Malhotra, Seema  
Martin, Amanda  
Maskell, Rachael  
Mather, Keir  
Mayer, Alex  
McAllister, Douglas  
McCarthy, Kerry  
McCluskey, Martin  
McDonald, Andy  
McDonald, Chris  
McDougall, Blair  
McEvoy, Lola  
McGovern, Alison  
McIntyre, Alex  
McKee, Gordon  
McKenna, Kevin  
McKinnell, Catherine  
McMahon, Jim  
McMorrin, Anna  
McNally, Frank  
McNeill, Kirsty  
Midgley, Anneliese  
Miliband, rh Ed  
Minns, Ms Julie  
Mishra, Navendu  
Mohamed, Abtisam  
Moon, Perran  
Morden, Jessica  
Morris, Grahame  
Morris, Joe  
Mullane, Margaret  
Murphy, Luke  
Murray, Chris  
Murray, James  
Murray, Katrina  
Myer, Luke  
Naish, James  
Naismith, Connor  
Narayan, Kanishka  
Nash, Pamela  
Newbury, Josh  
Niblett, Samantha  
Nichols, Charlotte  
Norris, Alex  
Norris, Dan  
Onn, Melanie  
Onwurah, Chi  
Opher, Dr Simon  
Oppong-Asare, Ms Abena  
Osamor, Kate  
Osborne, Kate  
Osborne, Tristan  
Paffey, Darren  
Pakes, Andrew  
Patrick, Matthew  
Payne, Michael  
Peacock, Stephanie  
Pearce, Jon  
Pennycook, Matthew  
Perkins, Mr Toby  
Phillips, Jess  
Phillipson, rh Bridget  
Pinto-Duschinsky, David  
Pitcher, Lee  
Platt, Jo  
Pollard, Luke  
Powell, Joe  
Powell, rh Lucy  
Poynton, Gregor  
Prinsley, Peter  
Quigley, Mr Richard  
Qureshi, Yasmin  
Race, Steve  
Rand, Mr Connor  
Ranger, Andrew  
Reader, Mike  
Reed, rh Steve  
Reeves, Ellie  
Reid, Joani  
Reynolds, Emma



Rhodes, Martin  
Richards, Jake  
Riddell-Carpenter, Jenny  
Robertson, Dave  
Roca, Tim  
Rushworth, Sam  
Rutland, Tom  
Ryan, Oliver  
Sandher, Dr Jeevun  
Scroggham, Michelle  
Sewards, Mr Mark  
Shah, Naz  
Shanker, Baggy  
Shanks, Michael  
Simons, Josh  
Slaughter, Andy  
Slinger, John  
Smith, Cat  
Smith, David  
Smith, Jeff  
Smith, Nick  
Smith, Sarah  
Smyth, Karin  
Snell, Gareth  
Sobel, Alex  
Stainbank, Euan  
Stevens, rh Jo  
Stevenson, Kenneth  
Stewart, Elaine  
Stone, Will  
Strathern, Alistair  
Strickland, Alan  
Stringer, Graham  
Sullivan, Kirsteen  
Sullivan, Dr Lauren  
Sultana, Zarah  
Swallow, Peter  
Tami, rh Mark  
Tapp, Mike  
Taylor, David  
Taylor, Rachel  
Thomas, Fred

Thomas, Gareth  
Thomas-Symonds, rh Nick  
Thompson, Adam  
Thornberry, rh Emily  
Tidball, Dr Marie  
Timms, rh Sir Stephen  
Toale, Jessica  
Trickett, Jon  
Tufnell, Henry  
Turmaine, Matt  
Turner, Laurence  
Twigg, Derek  
Twist, Liz  
Uppal, Harpreet  
Vaz, rh Valerie  
Vince, Chris  
Wakeford, Christian  
Walker, Imogen  
Ward, Chris  
Ward, Melanie  
Waugh, Paul  
Webb, Chris  
Welsh, Michelle  
Western, Andrew  
Western, Matt  
Wheeler, Michael  
Whitby, John  
White, Jo  
White, Katie  
Whittome, Nadia  
Williams, David  
Witherden, Steve  
Woodcock, Sean  
Wrighting, Rosie  
Yang, Yuan  
Yasin, Mohammad  
Yemm, Steve  
Zeichner, Daniel

**Tellers for the Ayes:**  
**Anna Turley and**  
**Kate Dearden**

## NOES

Adam, Shockat  
Allister, Jim  
Amos, Gideon  
Anderson, Lee  
Anderson, Stuart  
Andrew, rh Stuart  
Aquarone, Steff  
Argar, rh Edward  
Atkins, rh Victoria  
Babarinde, Josh  
Bacon, Gareth  
Badenoch, rh Mrs Kemi  
Baldwin, Dame Harriett  
Barclay, rh Steve  
Bedford, Mr Peter  
Bennett, Alison  
Berry, Siân  
Bhatti, Saqib  
Blackman, Bob  
Blackman, Kirsty  
Bool, Sarah  
Bowie, Andrew  
Bradley, rh Dame Karen  
Brandreth, Aphra  
Braverman, rh Suella  
Brewer, Alex  
Brown-Fuller, Jess

Burghart, Alex  
Campbell, Mr Gregory  
Cane, Charlotte  
Carmichael, rh Mr Alistair  
Cartlidge, James  
Chadwick, David  
Chamberlain, Wendy  
Chambers, Dr Danny  
Chope, Sir Christopher  
Chowns, Ellie  
Cleverly, rh Mr James  
Clifton-Brown, Sir Geoffrey  
Cocking, Lewis  
Coghlan, Chris  
Collins, Victoria  
Cooper, Daisy  
Cooper, John  
Costa, Alberto  
Dance, Adam  
Darling, Steve  
Davey, rh Ed  
Davies, Ann  
Davies, Gareth  
Davies, Mims  
Davis, rh David  
Dean, Bobby  
Denyer, Carla

Dewhurst, Charlie  
Dillon, Mr Lee  
Dinenage, Dame Caroline  
Doogan, Dave  
Dowden, rh Sir Oliver  
Dyke, Sarah  
Eastwood, Sorcha  
Evans, Dr Luke  
Farron, Tim  
Flynn, rh Stephen  
Foord, Richard  
Forster, Mr Will  
Fortune, Peter  
Fox, Sir Ashley  
Francois, rh Mr Mark  
Franklin, Zöe  
French, Mr Louie  
Fuller, Richard  
Gale, rh Sir Roger  
Garnier, Mark  
George, Andrew  
Gethins, Stephen  
Gibson, Sarah  
Gilmour, Rachel  
Glen, rh John  
Glover, Olly  
Goldman, Marie  
Gordon, Tom  
Grant, Helen  
Green, Sarah  
Griffith, Andrew  
Griffiths, Alison  
Harding, Monica  
Harris, Rebecca  
Hayes, rh Sir John  
Heylings, Pippa  
Hinds, rh Damian  
Hoare, Simon  
Hobhouse, Wera  
Holden, rh Mr Richard  
Hollinrake, Kevin  
Holmes, Paul  
Huddleston, Nigel  
Hudson, Dr Neil  
Hussain, Mr Adnan  
Jarvis, Liz  
Jenkin, Sir Bernard  
Johnson, Dr Caroline  
Jones, Clive  
Jopp, Lincoln  
Kearns, Alicia (*Proxy vote cast  
by Joy Morrissey*)  
Khan, Ayoub  
Kohler, Mr Paul  
Lake, Ben  
Lam, Katie  
Lamont, John  
Law, Chris  
Leadbitter, Graham  
Lewis, rh Sir Julian  
Lockhart, Carla  
Logan, Seamus  
Lopez, Julia  
Lowe, Rupert  
MacCleary, James  
MacDonald, Mr Angus  
Maguire, Ben  
Maguire, Helen  
Mak, Alan  
Malthouse, rh Kit  
Martin, Mike  
Mathew, Brian

Mayhew, Jerome  
Maynard, Charlie  
McMurdock, James  
Medi, Llinos  
van Mierlo, Freddie  
Miller, Calum  
Milne, John  
Mohamed, Iqbal  
Mohindra, Mr Gagan  
Moore, Robbie  
Moran, Layla  
Morello, Edward  
Morgan, Helen  
Morrison, Mr Tom  
Morrisey, Joy  
Morton, rh Wendy  
Mullan, Dr Kieran  
Mundell, rh David  
Munt, Tessa  
Murray, Susan  
Murrison, rh Dr Andrew  
O'Hara, Brendan  
Olney, Sarah  
Patel, rh Priti  
Paul, Rebecca  
Perteghella, Manuela  
Philp, rh Chris  
Pinkerton, Dr Al  
Pritchard, rh Mark  
Ramsay, Adrian  
Rankin, Jack  
Reed, David  
Reynolds, Mr Joshua  
Robertson, Joe  
Robinson, rh Gavin  
Roome, Ian  
Rosindell, Andrew  
Sabine, Anna  
Savage, Dr Roz  
Shannon, Jim  
Shastri-Hurst, Dr Neil  
Shelbrooke, rh Sir Alec  
Simmonds, David  
Slade, Vikki  
Smart, Lisa  
Smith, Greg  
Snowden, Mr Andrew  
Sollom, Ian  
Spencer, Dr Ben  
Spencer, Patrick  
Stafford, Gregory  
Stephenson, Blake  
Stone, Jamie  
Stride, rh Mel  
Stuart, rh Graham  
Swann, Robin  
Swayne, rh Sir Desmond  
Thomas, Bradley  
Thomas, Cameron  
Timothy, Nick  
Trott, rh Laura  
Vickers, Martin  
Vickers, Matt  
Voaden, Caroline  
Whately, Helen  
Whittingdale, rh Sir John  
Wild, James  
Wilkinson, Max  
Williamson, rh Sir Gavin  
Wilson, Munira  
Wilson, rh Sammy  
Wood, Mike

Wright, the Sir Jeremy  
Wrigley, Martin  
Young, Claire

**Tellers for the Noes:**  
**Harriet Cross and**  
**Rebecca Smith**

*Question accordingly agreed to.*  
*Bill read the Third time and passed.*

## Business without Debate

### DELEGATED LEGISLATION

**Madam Deputy Speaker (Ms Nusrat Ghani):** With the leave of the House, I will put motions 3 to 5 together.

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

#### PROFESSIONAL QUALIFICATIONS

That the draft Recognition of Professional Qualifications and Implementation of International Recognition Agreements (Amendment) (Extension to Switzerland etc.) Regulations 2024, which were laid before this House on 4 November, be approved.

#### INTERNATIONAL DEVELOPMENT

That the draft Asian Development Bank (Thirteenth Replenishment of the Asian Development Fund) Order 2024, which was laid before this House on 4 November, be approved.

That the draft Inter-American Investment Corporation (Further Payments to Capital Stock) Order 2024, which was laid before this House on 4 November, be approved.—(*Vicky Foxcroft.*)

*Question agreed to.*

### PUBLIC ACCOUNTS COMMISSION

*Ordered,*

That Sharon Hodgson be discharged as a member of the Public Accounts Commission, and that Phil Brickell, John Glen, Tom Hayes, Sarah Olney, Chris Vince and Michelle Welsh be appointed as members of the Public Accounts Commission under section 2(2)(c) of the National Audit Act 1983.—(*Lucy Powell.*)

## BBC Charter Review

*Motion made, and Question proposed,* That this House do now adjourn.—(*Vicky Foxcroft.*)

7.7 pm

**Mr Gregory Campbell** (East Londonderry) (DUP): The outcome of the BBC charter review has been awaited for a considerable time. Let me begin by quoting a sentence that has been quoted on many previous occasions:

“The Mission of the BBC is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.”

As someone said in a different context many years ago, that would be a very good idea.

**Jim Shannon** (Strangford) (DUP): I will not detain the House too long, but as my hon. Friend will know, many of our constituents who are put off by BBC bias—but who watch, for example, the BBC Parliament channel, and are probably watching it at this moment—are astounded that they will now pay £174.50 for the privilege of, in the words of one of my constituents, watching biased news reporting and social justice tracking programmes, when all they really want to do is hear the news and watch a programme on farming. The BBC—what are they?

**Mr Campbell:** Given that my hon. Friend is a master of both taking and making interventions, I agree with his comment.

The previous Government made a statement in April, which was just six or seven months ago. It explained that the purpose of the charter review was:

“To take stock, at the Charter’s half-way point, and evaluate the effectiveness of the BBC’s governance and regulation.”

The statement continued:

“The role of public service broadcasting and a free press has never been more significant than it is today. We are all living in an era of fake news”—

the Government were certainly right about that—

“where social media creates echo chambers of opinion, presents individual experience as established fact and mis and disinformation go unchallenged.”

That sets the context for the mid-term review.

I will move on to the comments made by the director general of the BBC, who has repeatedly said that he wants to see greater accountability from the organisation. I agree with him that the BBC should be more accountable; hopefully, the new manifestation of the charter will explain and expand on that. For example, we have had over a number of years what the BBC calls the “on-screen talent”. They have only recently had to declare their BBC salaries publicly; I and others campaigned for that over many years. Many people said it would never be done, but thankfully it was. Now we see, year on year, the top presenters all having their BBC salaries declared. So they should, because we the public pay those salaries, and ought to know what they are.

There is another point that the charter review should take account of. A small number of presenters have their BBC salaries declared, but some of them have private companies, which get commissioned to make programmes

[Mr Gregory Campbell]

that appear on the BBC. We are not allowed to know what the proceeds of those commissioned programmes are, so it could be the case that some on-screen talent get, for example, £300,000 or even over £400,000 a year. They are paid directly by the BBC for their appearances on the BBC, but because they have a private company that gets commissioned to make programmes, they get additional sums of money. We do not know whether that is a substantial five-figure sum, or even a substantial six-figure sum. The director general says that he wants to see greater accountability, and we want to see the sums. Hopefully, the charter review can address that.

**Gavin Robinson** (Belfast East) (DUP): My hon. Friend mentions information that should be shared, and accountability. What about transparency in commissioning? He has raised this issue on a number of occasions over the years. Is he satisfied that there is transparency in the commissioning process? Is there opportunity and fairness in the process, or is there a greater opportunity to inject transparency through the charter review?

**Mr Campbell:** My right hon. Friend is absolutely correct: there is a lack of transparency. I and others have raised the issue of presenters who do their BBC work and so know what kinds of programmes the BBC is looking for. They have an inside track, because they have a private company that is advantageously placed to get a contract. The BBC has been very dilatory in opening up about what that means, how it is reviewed and how the organisation is made accountable. There is a significant lack of transparency.

I turn to the issue of the BBC using licence payers' money in an accountable and transparent way. We had a recent example just last month, when we had a general election in the Irish Republic. I understand that there is a read-across for Northern Ireland from the outcome of that general election, but the BBC in Northern Ireland already has two full-time reporters based in Dublin, who one would assume were well placed to cover the Irish general election over the three-week period. However, in addition to those two full-time Republic of Ireland-based reporters, the BBC dispatched its Northern Ireland political editor from Belfast, a BBC correspondent from Belfast, a reporter for BBC Newsline from Belfast and a senior journalist from BBC Radio Foyle. All were dispatched to Dublin in addition to the two personnel that the BBC already had in Dublin, to cover the general election in the Irish Republic. We are not allowed to know the cost of that coverage of the Irish Republic election, but hopefully the charter review can look at expenditure accountability.

The other issue I want to raise is the recent phenomenon known as BBC Verify. Danny Cohen, a former director of BBC television, has said:

"BBC Verify claims to represent a new gold standard in BBC reporting, but the frequency with which it has had to correct stories does not suggest that it is meeting these lofty aims".

If a former director of BBC television, describing a very recent phenomenon that was supposedly set up to establish the BBC as the overseer of the verification of other news outlets, is saying that it does not really live up to its description, something has to be done to ensure that it does so. If there is going to be verification, it must stand up to close scrutiny.

I would hope that the Minister, whom I thank for being in her place, will take this opportunity to respond to the points that have been made. I fully understand that the BBC, in terms of its output and its day-to-day transmission, is a separate body over which no one in Parliament should have any say, and we accept that that is the case, but accountability, transparency and the lack of impartiality that is often displayed in BBC output must be covered by the review of the charter. I hope we can hear something productive from the mid-term review, and I look forward to the Minister's response.

7.17 pm

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock):** I am pleased to respond to this debate, and I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing it. The debate is a good opportunity to discuss the upcoming charter review, which we intend to launch next year. He has raised a number of important areas related to the BBC, which I will respond to, but I would first like to make a few broad points about the contribution that the BBC makes to the UK.

The BBC supports our democracy, brings our communities together and helps to shape and define our nation through telling stories about the lives of people in all parts of the UK. It also plays an important role in providing trusted news as the UK's most trusted news brand, reaching around 95% of UK adults each month. It is one of Britain's biggest cultural exports and an important soft power asset, with the BBC World Service providing essential, trustworthy news through 42 language services to millions of people across the globe. That is a topic I was pleased to discuss today while giving evidence to the joint sitting of the Culture, Media and Sport Committee, the Foreign Affairs Committee and the International Development Committee. Indeed, I see one of the Committee members in the Chamber right now.

The BBC has provided some of our most memorable moments across television, representing stories from every part of the UK. It acts as a linchpin in the UK's flourishing creative economy, investing in the skills, training and creativity that drive growth across all regions of the UK. Last year, it contributed £4.9 billion to the UK economy and supported over 50,000 jobs, with more than half of this impact outside London, and it invests more in original British content than anyone else.

I shall move on to some of the points the hon. Member raised. I note his view on increasing the accountability of the BBC as part of the charter review, and it is important that we get this area right. The charter review will explore BBC accountability, particularly in terms of ensuring that the BBC is accountable to those who fund it: the British people. As a public service broadcaster that is hugely important to public life, the BBC must be responsive to its audience. The BBC has a duty to deliver impartial and accurate news coverage and content under the charter, which specifically sets out that it must observe high standards of openness and seek to maximise transparency and accountability.

Since 2017, Ofcom has regulated the BBC and has taken action to make sure that it is held to account. Ofcom is required to prepare and publish an operating framework for the BBC, which must contain provisions to secure the effective regulation of the BBC's activities.



Under the BBC's new operating licence, introduced last year, the BBC is required to report more comprehensively on its performance and its plans for services. The Government welcome Ofcom's recent report into the BBC's performance in 2023-24 and note its findings, including where Ofcom has identified areas of improvement for the BBC. It is for Ofcom, as the BBC's independent regulator, to monitor the BBC's progress in these areas. The charter also includes provision for the National Audit Office to examine the economy, efficiency and effectiveness with which the BBC uses its resources in discharging its functions.

The hon. Gentleman spoke about commissioning. A key principle of the BBC's success is its editorial and operational independence, which must be upheld. That is why decisions on commissioning and programming are for the BBC board, not for the Government. Being operationally and editorially independent, BBC commissioning is rightly a matter for the BBC. It is not within the Government's scope to intervene in day-to-day commissioning decisions, but the charter requires the BBC to open up content production to allow non-BBC producers to compete for BBC projects. By the end of the current charter in 2027, 100% of BBC television and 60% of BBC radio will be fully open to competition to support a diverse range of stories and views on the BBC.

**Mr Gregory Campbell:** The Minister talks about the BBC needing to open up contracts to non-BBC personnel. Does he accept that this needs to be seen to be done on an equitable and fair basis, so that people beyond the reach of the BBC, as well as internals, have an equal opportunity to bid for contracts?

**Stephanie Peacock:** Yes, I do accept that, and it is something we can look at as part of the charter review. Of course, Ofcom, as the BBC's independent regulator, holds the BBC to account on its performance and its commissioning practices, and on the market impact of those.

The hon. Gentleman mentioned BBC pay, which I appreciate is a matter of debate and controversy. The royal charter requires the BBC, as he rightly said, to publish the salary details of all BBC staff and talent paid over £178,000. Salary disclosures of this kind were made for the first time as part of the 2016-17 annual report. The salaries of BBC staff are also a matter for the BBC and the individuals themselves, not for Government. However, the charter review will look again at the transparency of this issue.

**Jim Shannon:** In my intervention on my hon. Friend the Member for East Londonderry (Mr Campbell), I referred to impartiality and BBC bias. Many of my constituents feel that the BBC is not impartial. Under the charter, is it possible for people to express such concerns, and for those concerns to be investigated?

**Stephanie Peacock:** Of course, and there is a complaints procedure right now. A complaint goes to the BBC first, and it can then be escalated. If the hon. Gentleman's constituents are not happy, they can then go to Ofcom. As part of the charter review, it is absolutely right that all members of the public can have their say. We will be launching a public consultation so that his constituents,

and indeed people across the country, can have their say, because we want the BBC to represent the people it serves.

Next year, the Government will launch a charter review with the aim of addressing some of the challenges we are discussing today and delivering a renewed charter by the end of 2027 that will support the BBC not just to survive but to thrive long into the future. This will be the ninth charter review in the BBC's history. It will be an opportunity to consider what the BBC is for, how it delivers for audiences and how it should be funded, governed and regulated against a rapidly changing media environment. The charter review will also look to uphold the BBC's independence and ensure that it maintains the public's trust.

Charter review is a well-established process, and our next step will be to publish the terms of reference next year, setting out the objectives we wish to achieve. We will ensure that we take all relevant views into account as part of the review. With that in mind, next summer we will also launch a public consultation, as part of which we will encourage everyone to share evidence. We need to have a truly national conversation and ensure that the BBC is reflective of the people it serves, wherever they come from and whatever their background. Once we have consulted widely, considered the views of stakeholders and assessed the evidence, we will outline our policy direction for the next BBC charter in a White Paper in 2026.

There will also be an opportunity to place a draft charter before both Houses before the current charter expires in 2027. The devolved Governments will be a key part of the conversation and I look forward to visiting Northern Ireland in the coming months. I have met the Northern Ireland Minister for Communities online, and I welcome further conversations with my devolved counterparts.

As we address vital issues about the future of the BBC, we must ensure that there is a sustainable funding model that is fair to those who pay for it. We will consider that area as part of the upcoming charter review. The media landscape has changed radically since the current charter was introduced in 2017, and the BBC faces key challenges to its sustainability. We cannot ignore the fact that the challenges to the funding model in its current form are increasing, and we are fully committed to retaining the licence fee for the rest of this charter period. However, for the BBC to succeed, it must have sustainable funding to allow it to adapt and thrive in a changing media landscape.

We are clear that what the BBC does and what it can achieve are inextricably tied to how it is funded, and those issues should be considered together. The charter review will be an important part of making sure that the BBC is supported to do that. The Government are keeping an open mind about the best solutions. As my Department's work progresses, we will be working closely with the BBC and engaging with other broadcasters, stakeholders across the creative industries and the British public to inform our thinking.

While audience trends are changing, there are still millions of households that continue to rely on digital terrestrial television, also known as Freeview. I am glad to say that the continuity of the technology has been secured in legislation until at least 2034. The need to maintain traditional broadcasting platforms, at the same

[Stephanie Peacock]

time as there is a shift to online viewing, is resulting in more choice for audiences, but it is creating financial pressures for our broadcasters, including the BBC.

Our project on the future of TV distribution will explore those issues. We will analyse how people receive their television programmes now, and through the next decade. It will help us to ensure the continuity of a sustainable TV ecosystem and the best outcome for audiences. As part of the project, I am glad to be chairing a new stakeholder forum on the future of TV distribution, allowing me to hear from TV stakeholders, including the BBC, infrastructure providers and groups that represent the interests of audiences. I will, of course, raise the issue of TV distribution when I next meet my counterparts in the devolved Governments.

The charter review provides us with an exciting opportunity to engage the widest possible range of voices on the future of the BBC. The Government are committed to having a truly national conversation as part of the charter review. It will be an honest, supportive and respectful debate that can give the public confidence in their BBC. We will provide more details on what that looks like and how stakeholders can contribute their views in due course, when we launch the review next year. The hon. Member for East Londonderry has contributed to that national conversation today, and for that I thank him.

*Question put and agreed to.*

7.27 pm

*House adjourned.*

# Westminster Hall

*Tuesday 17 December 2024*

[CLIVE EFFORD *in the Chair*]

## Old Oak Common Station

9.30 am

**Max Wilkinson** (Cheltenham) (LD): I beg to move,

That this House has considered the impact of Old Oak Common station on rail services to the West and Wales.

It is a pleasure to serve under your chairship, Mr Efford. We all know that opinions on High Speed 2 are many and varied—whether or not that line is a good thing is not up for debate today—but nobody would have expected that the development of a high-speed rail line heading from the north to London and back again would have a negative impact on trains heading west. Something about that statement seems entirely illogical. Unfortunately for people in the west and Wales, it is indeed the case that there will be widespread disruption to trains between London Paddington and the west and south Wales for the next six years, and after that six-year period is over, every train between the west and south Wales and London will be slower.

The reason for the delays and slower services is the new Old Oak Common station, which is being built to serve HS2. At this point, it is important to state that today's debate, and indeed the wider public discussion, cannot be about whether HS2 happens at all or whether Old Oak Common station is built. HS2 is happening, and anyone who has travelled on the Great Western line recently will know that Old Oak Common is being built. But there are three points that we must all take up on behalf of our constituents. The first is how the impact of construction work at Old Oak Common can be mitigated. The second is how Old Oak Common can become a useful station for our regions. The third is how the Government can use their power to mitigate the long-term impact of slower trains heading to and from the west and south Wales, by improving services in other ways. I will ask a number of questions, and although I am sure that some of them do not yet have answers, I hope the Minister will at least be able to address each one to confirm the Government's position and their intentions.

First, I will deal with the construction phase. Most people who are aware of the new station will know it as the place where the previous Government had intended to terminate HS2. That was before the new Government decided to bring back the suggestion that HS2 will end at Euston. But it is much more complicated than that. Old Oak Common is being built on the Great Western line, as I mentioned, and consequently a decision has been taken that all trains using the line will eventually stop at Old Oak Common.

That decision makes sense to those in charge of big transport infrastructure, but it will not necessarily make sense to the people we serve in the west and south Wales. Rail industry experts tell us that it will add between four and seven minutes to each journey in the long run. During the period of disruption while construction takes place, we will endure 29 days of disruption in this current operational year—that disruption has already

begun—30 days of disruption in 2025-26, 41 days of disruption in 2026-27, including 14 days when no trains run at all, 34 days of disruption in 2027-28, including 11 days when no trains run at all, and 47 days of disruption in 2028-29, including 18 days when no trains run at all. The disruption for the following year is not yet known.

The majority of the impact will fall on Sundays and at Christmas. We might assume that Sunday is a quiet day on the railways, but since my election and my need to travel to London, sometimes on a Sunday evening, I can tell Members that that is not the case, particularly when Great Western Railway is unable to run most of its timetable. The number of constituencies that will be impacted by the work is absolutely huge. Starting from furthest away, it will be every constituency in Cornwall and Devon, most of Somerset, Bristol, parts of Herefordshire and Worcestershire, south Wales, Gloucestershire—my own area of the country—Wiltshire, Berkshire and Oxfordshire. That is a lot of people whose journeys will be slower for a long time, and a lot of people who will have to make alternative arrangements when trains are cancelled.

**Andrew George** (St Ives) (LD): My constituency, which includes Penzance station, will be deeply affected. We are five hours away from Old Oak Common and will experience much of the pain with no gain. Just a fraction of the £67 billion being spent on HS2—for example, just one two-hundredth of that budget—could address the issue in Dawlish, which is three hours away from Penzance. Those kinds of things need to be addressed if we are to see some kind of compensation.

**Max Wilkinson:** I absolutely agree. Although joining up London with the north and the midlands is a laudable aim, there is a real risk that the west and south Wales could be left out. The amount of money being spent on HS2 is not matched by rail investment towards the west, as those of us who represent constituencies there are well aware.

My first question to the Minister is: what assessment has been made of the fixed-term construction disruption to the economies of the constituencies affected, including my own in Cheltenham? What assessment has been made of the clear risk that the disruption caused by construction is wider than that which is currently being reported, with perhaps extra days of construction work leading to more cancellations? What discussions have Ministers had with Network Rail about whether the speed limit associated with the construction work could be 80 mph rather than 60 mph?

The second area to explore is how Old Oak Common might become a station that serves our constituencies, rather than simply making things less convenient. That is a much more complex discussion, and those of us who have seen the maps will know that that is still up for debate. Rail industry professionals suggest that there is an opportunity to either improve services or significantly mitigate the impact of the potential disruption, but the core problem is clear. At a time when the national rail network is struggling so badly and the Government are promising a brighter future under Great British Railways, our constituents must be able to see benefits.

I am certain that most Members present will agree that those additional four to seven minutes must be offset, and Old Oak Common has the potential to



[Max Wilkinson]

become a significant interchange, enabling travellers from the west and south Wales to switch to the London transport network earlier, perhaps via the Elizabeth line or London Overground services. Achieving that aim would ensure smooth onward journeys, not just into central London but, if it is done right, elsewhere. What assurances can the Minister give us that the station interchange will be just as convenient as Paddington, if not more so? Is the convenience of the interchange with the Elizabeth line as secure as Members have been led to believe in some of the briefings, or is that not yet guaranteed?

If an interchange to the Elizabeth line is secured, can the Minister tell me the anticipated journey time to central London to and from my Cheltenham constituency after those works are complete? Can the Minister also confirm whether technical studies on interchanging with overground services have begun, so that we can work out what is possible? Nothing that Members are hearing so far suggests that the technical work has been properly considered, or even whether it has been started at any level. If studies have begun, what work has been done to cost future works? If they have not, when will those studies take place?

**Rebecca Smith** (South West Devon) (Con): The rail Minister has expressed the view that enabling those of us from the south-west to connect to the midlands and Birmingham would be one mitigation, but does the hon. Member agree that that is not a good enough result for the overground services? Frankly, we need connections into London, because we can already get to the midlands and the services that HS2 would be offering.

**Max Wilkinson:** I can see why the hon. Member's constituents in Devon would not be interested in going to London before going to the midlands. She makes a very good point.

If those studies have not begun, what work has been done to cost the future works? If not, when will those studies take place? For those whose journeys are inevitably taking them to the area around Paddington, what reassurances are there that congestion west of Paddington can be dealt with in order to maintain capacity?

My third point is about restoring trust in our railways by making more general improvements to passenger experience—I want to mention some hyper-local issues, which I hope the Minister will listen to. Although there will undoubtedly be a period of disruption and uncertainty, there are also some clear opportunities to improve rail services. Five-carriage inter-city trains routinely run in excess of passenger capacity for large parts of journeys to the west. Will the Minister confirm that, as part of the mitigation of the Old Oak Common disruption, more rolling stock will be found to ensure that passengers do not routinely have to endure journeys in which they are forced to stand for unacceptably long periods of time? I have stood with pensioners and vulnerable people next to the loo for longer than an hour on journeys west from Paddington.

Will the Minister confirm that those of us who use trains for business can expect wi-fi improvements? Although the current GWR service offers wi-fi on board, it routinely proves useless for large parts of the journey, which is definitely a drag on the economy.

**Tessa Munt** (Wells and Mendip Hills) (LD): I want to mention the shocking damage to tourism, given the number of people who leave Paddington and try to go west. My constituents are stunned to find that all this has only just come to light—my hon. Friend referred to six years of closure; I have heard seven, and we all know that projects overrun. I also want to reiterate his point that first-class travel is meaningless on GWR, because those trains are almost always overcrowded—people going west in first class have to stand in the corridor, sit on their suitcases or find somewhere else. Also, the Glastonbury festival finishes on a Sunday, and many people travel in and out of Glastonbury on a Sunday, so this will be incredibly damaging to that event.

**Max Wilkinson:** My hon. Friend is absolutely right. The impact on tourism is felt by all our constituencies in the west, many of which are tourism hotspots. The point about connectivity is important. If we can have 5G on the Elizabeth line in London, which is already well served by public transport, why can I not have 5G in the countryside between Swindon and Stroud when I travel back to my constituency? It makes no sense. The benefits to business users would surely justify the investment.

I have already asked the rail industry whether progress might be made on the frustrating turnaround times at Gloucester, which delay Cheltenham passengers every day. I accept that it is unlikely that any progress will be made soon, but what chance is there of improving rail infrastructure around Gloucester, to remove the need for the driver to switch from one end of the train to the other—a very 20th-century solution?

Finally, I come to the trains themselves. The current rolling stock is functional, but what plans do Ministers have to make the carriages more pleasant? Older constituents recall the days of comfortable seats and a buffet carriage with snacks. In other European nations, inter-city trains even have carriages with special family-friendly areas where children can play. A civilised and family-friendly nation should surely consider that.

It is no exaggeration to say that weekends are a nightmare. What are Ministers doing in the short term and during the period of disruption to ensure that a Sunday timetable actually runs between London and the west country?

**Claire Young** (Thornbury and Yate) (LD): My hon. Friend raises the need for improvements. The key issue for commuters in my constituency is that the existing GWR mainline is not fit for purpose. In recent weeks, we have seen significant delays and diversions caused by flooding and signalling failures, which has created even more pressure on other parts of the already overstretched network. Does he agree that work at Old Oak Common needs to be accompanied by immediate investment in existing infrastructure to improve the reliability of services for people from the west?

**Max Wilkinson:** I absolutely do. My hon. Friend the Member for St Ives (Andrew George) made the point that, compared with HS2, the amount of money that needs to be invested for improvement in the west country is relatively small.

By way of compensation to Cheltenham for the disruption, can the Minister please ask Network Rail to stop blocking the long-awaited extension to the cycle

path that links Cheltenham town centre to the station? Network Rail has been getting in the way of that development for years. It just needs to get out of the way to improve connectivity in my constituency.

I have asked a number of questions, which are intended as helpful contributions. I am sure that other hon. Members will have pertinent points about the impact on their constituencies. Before I finish, I would like to pay tribute to the work of the hon. Member for Plymouth Sutton and Devonport (Luke Pollard), the new Minister for the Armed Forces. Having researched this issue in the previous Parliament, he played a leadership role by passing on information to new hon. Members, helping to bring about today's debate, for which we thank him.

**Several hon. Members rose—**

**Clive Efford (in the Chair):** Order. I remind hon. Members who wish to speak to stand, so that I know you wish to speak. When a speech ends, you must stand. I note that there are a number of people who want to intervene. I am happy for that to take place, but interventions must be brief. I will not put a hard time limit on speeches, but five minutes is about the right length of time to get everybody in. If you could stick to that timescale, it would be very helpful.

9.45 am

**Richard Foord (Honiton and Sidmouth) (LD):** It is an honour to serve under your chairship, Mr Efford. The south-west is a region with enormous untapped economic potential. We already have a brilliant clean energy industry, which is growing. We have a fantastic defence industry, with lots of small and medium-sized enterprises. We have a thriving agricultural sector and a flourishing food sector. We have a tourism industry that welcomes more than 20 million visitors per year. Our economy depends very heavily, with all these things, on reliable transport links.

We in Devon are bucking the trend nationally. Since 2019, the proportion of rail journeys taken across the country has fallen by 6%, but in Devon, it has increased by 9%. Time and again, however, we have seen the west country miss out on rail investment, which has been concentrated in other parts of the country—in the midlands, the north of England and, of course, London. The south-west is left grappling with an underfunded and unreliable rail network.

The construction of Old Oak Common will exacerbate some of those challenges. Over the next decade, passengers travelling on mainline inter-city services serving the south-west will face severe disruption. Planned works will reduce the number of available seats on trains that are already crowded and have slow journey times. We will see a fall in the number of direct services to London Paddington. Last month, the Government pointed to a £30-million mitigation package. That is woefully inadequate. Compare it with the £6.5-billion cost of Old Oak Common—by contrast, £30 million is a pittance. Worryingly, that £30 million has already been committed to operational adjustments such as depot changes and electrification in London, with little or no regard for the south-west.

The Tories' catastrophic management—or rather, mismanagement—of the rail system was exemplified by the two-year industrial dispute that cost taxpayers an eye-watering £25 million per strike day, and led to

reforms that have saddled the public with hundreds of millions of pounds in additional cost. Nowhere is the previous Government's legacy of transport failure more apparent than in relation to High Speed 2, where flip-flopping over the last 15 or 20 years has led to ballooning costs, neglected communities and misery for passengers.

I want to point out how that has affected people in some west-country communities. It might be supposed that it is only HS2 communities—people in the midlands and the north—who have been affected by some of the cost overruns and the indecision, but that is not so. When we saw the cancellation of HS2 by the previous Prime Minister, the right hon. Member for Richmond and Northallerton (Rishi Sunak), there was then some big announcement about Network North, and we were promised that HS2 money was therefore going to be ploughed into stations and the redevelopment of stations across the country.

In the constituency I represent, the right hon. Member for Richmond and Northallerton came to visit. He hired a community room in a farm shop—a sort of farm shop conference centre. He and other Conservative activists held up British Rail placards with the word "Cullompton" underneath, as if to encourage people that somehow there was money from HS2 that could be invested in our local rail transport. That was absolutely not the case, as has since been revealed. Now we can see that those were all empty promises.

Old Oak Common is one more step in this misadventure, with an additional 20 minutes that it adds to a journey from Paddington to the south-west. That could be enough to influence holidaymakers to choose other destinations overseas, which would be a tragedy for the south-west economy. I really hope that the Government look kindly on proper mitigation.

**Andrew George:** My hon. Friend is making an excellent case, as did our hon. Friend the Member for Cheltenham (Max Wilkinson). Of course, his constituency of Honiton and Sidmouth is three and a half hours away from Penzance, so a 20-minute delay for people at Penzance is not necessarily the issue. It is the disruption, the uncertainty and all the other factors on the route that make the current service completely inadequate. That is really why we want to see investment in improvement, to bring the service up.

**Richard Foord:** I recognise the particular plight of my hon. Friend's constituents, who are as far south-west as one can go in England. My time is up, but I plead with the Minister to think again about the £30-million mitigation fund and whether it really offsets the costs that south-west residents will bear.

**Clive Efford (in the Chair):** I call Ann Davies.

9.51 am

**Ann Davies (Caerfyrddin) (PC):** Diolch yn fawr, Mr Efford. It is a pleasure to serve under your chairmanship.

It is well documented that Wales is being robbed of £4 billion in consequential funding from HS2. Now we learn that Welsh passengers will be robbed of their time, as trains travelling along the Carmarthen—Caerfyrddin—to London line could be cut off from Paddington and diverted to Euston for at least seven years because of the construction of Old Oak Common. It is no wonder that HS2 is referred to as the Great Welsh Train Robbery.

[Ann Davies]

However, it may not be only the passengers in south Wales who will be affected. It is likely that those travelling from north Wales to Euston will have to deal with even more crowded trains and disrupted journey times. Can the Minister tell us what meetings she has had with the Welsh First Minister to set out the near decade of disruption facing Welsh passengers, or have the Welsh Government made any representation to the UK Government on this issue? I find it unlikely that the Welsh Government have been standing up firmly for Wales regarding fairness for our passengers and railways. Only recently the First Minister of Wales said that she felt sorry for the Prime Minister after asking him for money from HS2. It is not the Prime Minister but Welsh passengers I feel sorry for, given that we are the ones being denied the investment needed in our railways.

Historically, Wales has had very low investment in our railways. Despite having 5% of the UK population and 11% of track miles, Wales has received only 1% to 2% of rail enhancement funding in recent years. The proportion of electrified route is 44% in England, 33% in Scotland and—wait for it—7% in Wales. That is shocking. Westminster Governments have broken promises for the electrification of the north Wales main line and for full electrification of the south Wales line up to Swansea. Can the Minister explain why the people of Wales should be denied a modern, fast and reliable railway like those of other European countries?

Old Oak Common is yet another example of how unjust the current arrangements are for Wales. The Government must change course, deliver the billions of pounds that Wales is owed from HS2 and ensure that there is proper mitigation for Welsh passengers because of the disruption at Old Oak Common. Diolch, Mr Efford.

9.54 am

**Martin Wrigley** (Newton Abbot) (LD): Following the failures of the last Government on HS2, Old Oak Common might have made sense as a terminus to HS2 from the north. It is no longer that and now does not make any sense at all. A 14-platform station that duplicates connections from Paddington and Euston is neither wanted nor needed. We know that the trains can go to Euston; we have already seen that at weekends. The new tunnel will make that faster, no doubt.

I do understand that the station is being built—it is likely too late to redesign it—but after a period of six years of construction delay, it is adding insult to injury to then have a delay of between five to 15 minutes on every train on the GWR network going into and out of London. Yes, there is a choke part of the lines going into Paddington, but HS2 will be going to Euston, via tunnel, and the Elizabeth line is already going to Paddington, so we gain no benefit. I understand that the ongoing plan for all trains to stop at Old Oak Common has been under discussion, so surely it is now time to revise that decision and stop this bizarre plan in its tracks.

There is an alternative. Fast trains should not stop at Old Oak Common. In addition, the south-west must see benefits, and not just be second class to midlands traffic. At the very least, we need a commitment to

complete the Dawlish resilience works, and to have other schemes, including partial electrification on the route to Cornwall, to speed up the line to Penzance.

9.56 am

**David Chadwick** (Brecon, Radnor and Cwm Tawe) (LD): It is a pleasure to serve under your chairship, Mr Efford. I thank my hon. Friend the Member for Cheltenham (Max Wilkinson) for securing this important debate.

Wales is a proud industrial nation, which was built on the back of the railways, with the world's first train operating at Pen-y-darren ironworks in Merthyr Tydfil. It did not carry passengers—it carried coal—but it was a train none the less. However, Wales's proud contribution to rail in this country has been diminished in recent years by both Government neglect and diminished services from rail providers.

As the development of HS2 continues, the work at Old Oak Common station in London may seem like an isolated project in the heart of England, with little consequence elsewhere. However, the implications for Wales are substantial and far-reaching. Construction work at Old Oak Common is set to impact services along the south Wales main line until 2030—five whole years during which Welsh travellers will face slower and more disruptive journeys into London. In addition to longer journey times, the disruption is expected to reduce the number of available seats, diminishing the already poor capacity and connectivity, with fewer direct trains to London reducing resilience to recover from any delays.

The disruption in services for residents across south Wales, including those in my constituency who use Great Western Railway services at Neath and Newport, comes without any significant long-term benefit to them. HS2 does not involve a single mile of track in Wales, yet the previous Conservative Government decided to class the project as an “England and Wales” project, a designation that Labour has taken an active political choice to keep, despite their own Ministers in Wales admitting it is deeply unjust. This means that Northern Ireland and Scotland both received consequential funding to spend on transport, while Wales received not a penny more—particularly none of the estimated £4 billion that it should have received as a result of the project.

Even ignoring HS2, Wales is already underfunded, as the hon. Member for Caerfyrddin (Ann Davies) has mentioned, when it comes to investment in rail, receiving just 1% of rail investment in the UK despite having 11% of the country's rail network. That is having tangible real-life impacts. In my own constituency, the already limited service along the Heart of Wales line is being cut further.

Altogether, it seems that, despite Labour promising a change in how Wales is treated from when the Conservatives were in power, they have continued with a business-as-normal approach. It is completely inappropriate that my constituents, and people across Wales, are now expected to deal with a further reduction in services for several years, for a project in London that will provide no benefit to them, while they continue to be robbed of investment in their own local services. This Labour Government must listen to the Welsh people and ensure that this disruption is minimised and that Wales receives its fair share when it comes to rail funding.



9.59 am

**Rebecca Smith** (South West Devon) (Con): It is a pleasure to serve under your chairmanship this morning, Mr Efford. This is the second debate in a week that we have had on railway lines. I will not repeat everything that I said in last week's debate, which was just about Devon, but we touched on Old Oak Common last week and I am keen to do so again today.

It is worth reminding anybody who is listening or reading the *Hansard* report that it was the coalition Government of the Liberal Democrats and the Conservatives who first published the White Paper for HS2 in 2010. There has been quite a lot of Conservative Government-bashing in this debate so far, but let us be realistic that it was a coalition decision. However, I will remain friends with my Liberal Democrat colleagues, with whom I work across Devon, and speak about the topic before us.

I will repeat one thing I said last week, because it is important: Devon and the wider south-west are not just holiday destinations. As the hon. Member for Honiton and Sidmouth (Richard Foord) says, we have a thriving local economy. We are keen to make sure that it grows. Anything that hinders rail travel in and out of the south-west will have a problematic impact.

It is also worth noting that in the past few years we have celebrated achieving a three-hour train trip between Plymouth and London. I benefit from that when I get the 6.55 am train on a Monday, and no doubt many businesspeople and others travelling to London benefit in the same way. It is incredibly disappointing that that much sought-after shorter journey time will be put to one side over the next few years. My constituency of South West Devon is in exactly the same position as the constituencies of other hon. Members who have spoken. I can see no material benefits at the moment, except perhaps easier access to the Elizabeth line and, I suppose, Heathrow airport, for those of us fortunate enough to go on holiday from time to time.

The point to which I want to draw the most attention has already been covered, but is worth mentioning again: the £30 million mitigation, which the Government seem so proud of, to reassure people and compensate those who will be disrupted by the works at Old Oak Common. As has already been made clear, that will essentially pay for depot changes and electrification closer to London, so I struggle to see how it will compensate my constituents and others who live in the south-west.

Last week, not knowing the breakdown, I gave the Minister some suggestions for what that money could be spent on to make a material impact, including wi-fi. Finalising the business case for the Tavistock-Plymouth line, which would create a great horseshoe around the far reach of Devon, would need £1.5 million, which is not that much out of £30 million. Perhaps some of those things would be adequate compensation. CrossCountry currently refuses to stop at Ivybridge in my constituency, because it claims that the platforms are not long enough. I am not convinced that that is actually the problem, but would it not be great to use the money to extend the platforms at Ivybridge? Can the Minister commit this morning to reassessing the £30 million mitigation pot so that the south-west—and Wales, which other hon. Members have mentioned—see some benefits?

I am also very concerned about the communications. The rail Minister in the other place came back to us very quickly after a meeting about communications, but the works will have an impact on a variety of weekends and days. I am struggling to get my head around that; no doubt other Members are, too. We need a commitment to making sure that the changes are explicitly communicated to residents and tourists alike.

My final thought is about a subject that has come up in the Transport Committee, of which I am a member. Great Western Railway is a big user of delay repay. Ultimately, delay repay is at the cost of the taxpayer. I do not want to be completely negative, but there will be inevitable delays on top of the lengthened train trips as a result of construction work. Who will pay for the inevitable increased delay repay claims? I assume it will be the good people of the south-west and the rest of the country. It is worth looking at the issue in the round and acknowledging that there is not just inconvenience, but huge cost.

10.4 am

**Anna Sabine** (Frome and East Somerset) (LD): I am pleased to serve under your chairship, Mr Efford. I thank my hon. Friend the Member for Cheltenham (Max Wilkinson) for securing this important debate.

As we have heard, the work at Old Oak Common will be hugely impactful on the south-west for at least the next seven years. A month from work starting, however, councils, MPs, businesses and interest groups are only just being notified of the impact on services. That is a totally unacceptable approach to public consultation. This work is meant to last for seven years or more. For us in Frome and East Somerset, it follows 10 years of disruption to our rail services from the electrification of the main line and the construction of the Elizabeth line. The new project will affect approximately 56 million passenger journeys a year through Paddington and will push people on to other lines, such as South Western Railway, which cannot handle the passengers it has at the moment, let alone the numbers it would need to handle to avoid disruption.

My constituents have been left in the dark about how the project will affect them. There has been little to no consultation with local businesses or groups about the disruption. That is unacceptable. This Christmas, our railways are already being delayed thanks to essential work happening in Westbury, leaving many struggling to get from Frome to London. Furthermore, many people and businesses relocated to places like Frome and East Somerset during covid, partly based on the time and regularity of services. They will not have been aware of the plans when they made that decision.

The Prime Minister's response to the hon. Member for Exmouth and Exeter East (David Reed) at Prime Minister's questions on 27 November was welcome, but his comments that services are unaffected between Exeter and London Euston show his lack of understanding of the situation. Many of my constituents use Bath Spa station. The train from Exeter does not run through it, and it travels through Frome a maximum of twice a day. We are lucky that we have a stop on a main line, but many people will not even have access to that.

The planned work will leave the south-west with some of the slowest inter-city services in the country. It will severely reduce the number of trains running and

[Anna Sabine]

the number of seats available. It will be a direct hit on the economies of the south-west and Wales; it will affect people not only now, but far into the future, as they adapt their investment and business decisions accordingly. We already have unreliable services with frankly rubbish wi-fi and mobile signal, which hampers people's ability to work on the train. Millions of passengers will be displaced as a result of the work, which will increase journeys on roads and push services to other stations. Regular users of the M4 and M5 will dread the prospect of more cars on those motorways, particularly at weekends.

No one is denying that the work needs to happen or is going to happen. However, it seems that there has been little to no consideration of the impact on the south-west. I urge the Government to look into a programme of measures, many of which were brilliantly set out by my hon. Friend the Member for Cheltenham, that would mitigate the impact of the disruption caused by Old Oak Common and ensure that the south-west is not being left behind.

10.6 am

**Olly Glover** (Didcot and Wantage) (LD): It is a pleasure to serve under your chairmanship, Mr Efford. I commend my hon. Friend the Member for Cheltenham (Max Wilkinson) for securing this important debate. I agree with colleagues that it is important that we look predominantly to the future, but I want to reflect a little on how we have got here and on how Old Oak Common station even came to be.

As I understand it, Old Oak Common was intended as a substitute for a direct link from HS2 to Heathrow airport, which remains one of Europe's busiest. What a bizarre solution, given that Paris Charles de Gaulle, Frankfurt, Copenhagen and Amsterdam Schiphol airports are all served by direct connections to their high-speed or inter-city network.

The decision to stop all trains at Old Oak Common is also bizarre, but it will be necessary if there are only to be two fast-line platforms with no relief line. I understand from a timetabling perspective why that is necessary, but we continue to lack a direct western link to Heathrow airport that enables inter-city trains from the south-west and the west to connect to Heathrow directly. That is a scheme that has been on and off more times than I can count.

Having said all that, as is so often the case with British infrastructure schemes, we are where we are. There is no point in crying over spilt milk, or in this case spilt concrete. What else can be done to ease the disruption impact? Colleagues have asked whether there may be an opportunity to improve the construction schedule to reduce the impact. I also call on the Minister to ensure that the train operators properly examine options for more or longer trains on alternative routes. For example, between Reading and London Waterloo four trains an hour could easily be accommodated in the timetable. There could also be longer and more frequent trains between Oxford and London Marylebone.

Given that we are going to have this station, how can we make the most of it? I would like to add to the wish list of my colleagues for compensatory improvements, which, it must be said, probably exceeds in length the Christmas lists of all of the offspring of Members of

this House. I would like to see electrification completed to Bristol and between Didcot and Oxford. Bi-mode trains are not very reliable in comparison with all-electric trains. We are constantly afflicted by five-car trains—even on long-distance routes, for example between London and Swansea—stopping at Didcot Parkway in my Oxfordshire constituency. As colleagues have eloquently outlined, we need Sunday to be part of the working week. Sundays can no longer be treated as some sort of bizarre and exceptional time for people to travel.

My colleagues in the south-west have articulately made the case for investment in the resilience of the Dawlish sea wall to improve the reliability of the only rail connection south-west of Exeter. In my constituency, I am campaigning hard for a new railway station at Grove and Wantage, serving the growing population in that area.

My colleagues are quite right to say that we should make the most of Old Oak Common's location to improve connectivity to north and south London on the west London and north London lines. We must also make the most of its potential to create a much easier connection between GWR trains and Elizabeth line trains, which would ease passenger congestion at London Paddington. On the face of it, the new station will provide limited benefit to users of GWR in Oxfordshire and elsewhere, but I hope that the Minister will use every opportunity to make the most of it.

**Several hon. Members** *rose—*

**Clive Efford (in the Chair):** Order. Mr Amos, you were not here at the opening; I must remind you that you should be here for the opening speech. However, as we have made good time, I will allow you to speak, because I appreciate how important the issues are to our constituents.

10.11 am

**Gideon Amos** (Taunton and Wellington) (LD): My apologies for joining late, Mr Efford. I attempted to explain that to you through the Doorkeeper at the beginning of the meeting; I apologise if there was some mix-up. It is a pleasure to serve under your chairmanship.

I congratulate my hon. Friend the Member for Cheltenham (Max Wilkinson) on securing this important debate. The wide range of constituencies represented in the debate and in other discussions on the subject shows just how many parts of the country are affected negatively by this proposal, and why it needs to be thought through again.

The proposals underlying the original HS2 Bill were very different from what we have ended up with. I think we can all understand why parties across the House supported the original HS2, but they did not expect it to mean that almost every journey to almost every station in the west of England would be delayed, with a long period of diversions as well.

Taunton and Wellington sits at a transport fulcrum, 99 minutes from Paddington and 33 minutes from Bristol Temple Meads. Although we are further from London than Bristol, we are actually closer in terms of journey time. Decisions taken by businesses and by people deciding where to live are changed by differences of a few minutes' journey time and the distances that they need to travel, so the Old Oak Common project would have a major negative effect on our local economy in Taunton. One of the biggest factors in our local economy is the

connections at the fantastic railway station, designed by Isambard Kingdom Brunel, in the heart of the town. As hon. Members across the west country have said, these decisions are important to all our local economies.

As well as the six-year diversion, which seems totally unnecessary, the key point that I hope the Minister will address is why it should be necessary for every single train to stop at Old Oak Common. I have been told in meetings that even if not every train stops, the journey time will be increased by trains having to slow down as they go through the station. I have stood on many station platforms, and I am absolutely certain that trains have not slowed down a jot as they have sped through, leaving the wind blowing across the platform. I do not understand why all trains need to be slowed down. We are undermining the strength of the Great Western line, and the speed to stations across the whole of the west of England. It seems totally unnecessary, and it is totally unacceptable to me and my constituents.

The history has been well described by my hon. Friend the Member for Honiton and Sidmouth (Richard Foord) as a misadventure in rail planning over recent years, and the inadequacy of current services exacerbates the problem. Sunday services are treated like a voluntary sector operation, in which passengers might get a driver if they are really lucky. A catalogue of cancelled trains on Sundays is a certainty. That has to change. It is totally unacceptable in the 21st century.

I also reiterate the comments of hon. Members about the lack of wi-fi, the shortage of carriages, the shortness of trains, and the fact that it is normal for passengers to sit on the floor outside the toilets when they may have paid more £200 for a ticket. How can that possibly be justified? I am grateful that the Minister for Rail in the other place has met with hon. Members. I know he is concerned, and I hope that the Government will continue to strive as hard as they can to mitigate some of those effects.

Somerset has not been blessed with enormous amounts of investment in transport in recent months. We have had the cancellation of the A303 and the A358, which has reduced investment in the area by £2 billion, so it really is time that we saw some transport investment coming into Somerset, not being taken out. My hon. Friend the Member for Honiton and Sidmouth wants to see the Cullompton and Wellington stations project go ahead, which is also my dream. With a benefit-cost ratio of 3.67, we believe that it is the most economically important station reopening project in the country. Let us see some compensation for that project, and let us ensure that not every single train to the entire west country has to be slowed down. I urge the Government to think very hard before disadvantaging such a huge region of England and Wales.

10.16 am

**Mr Paul Kohler** (Wimbledon) (LD): It is a pleasure to serve under your chairmanship, Mr Efford. I thank my hon. Friend the Member for Cheltenham (Max Wilkinson) for securing this debate. As we have heard from cross-party colleagues, there is understandable worry and concern about current and upcoming work. This is an important issue; the disruption is impacting the lives of millions of people, and it is good that we can shine a spotlight on it today.

I start by outlining why, however, this is clearly a positive in many ways. After years of neglect by the Conservatives, it is clear that our public transport is not in a fit state, and nowhere is that more keenly felt than our railways. Therefore, notwithstanding what we have heard, and the overspending and mismanagement, HS2 and the associated work at Old Oak Common are an increasing but welcomed rarity. A new rail project of that size is needed and should be lauded for building the vital infrastructure that we need. The new station, when built, will provide a vital interchange that west London is currently lacking. Old Oak Common is vital for us to achieve the full range of economic benefits of HS2 and it will form a vital transport hub for millions of journeys, including those for future passengers from the west of Wales.

The impacts that the project will have on people's lives and the economy in the meantime should not be overlooked, and we have heard the real concerns of hon. Friends, particularly those representing constituencies in the south-west and Wales. My hon. Friends the Members for Frome and East Somerset (Anna Sabine), for Cheltenham and for Taunton and Wellington (Gideon Amos) talked about the widespread disruption. That is a real issue and we need the Government to see what they can do to address it. My hon. Friend the Member for Wells and Mendip Hills (Tessa Munt) spoke about the effect on tourism in Glastonbury and on the economy. How are we going to mitigate those things? My hon. Friend the Member for St Ives (Andrew George) spoke about the resentment out there at the failure to invest for many years in the south-west and in Wales. We must address the inadequate service and the failure to invest. My hon. Friend the Member for Honiton and Sidmouth (Richard Foord) and the hon. Member for South West Devon (Rebecca Smith) spoke about the inadequacy of the mitigation fund—£30 million is not enough. Can more be put there, and can more be done with it?

My hon. Friend the Member for Newton Abbot (Martin Wrigley) spoke about the failure to carry out electrification. We need to electrify more of those rail lines. My hon. Friend the Member for Brecon, Radnor and Cwm Tawe (David Chadwick) and the hon. Member for Caerfyrddin (Ann Davies) talked about the failure to invest in railways in Wales. That is a problem that has gone on for years and years—a constant failure to invest in Welsh railways. We need to do more.

The Department for Transport must keep a very close eye on this project, for all those reasons. With work taking place in such a vital part of the Great Western Railway mainline, we cannot afford greater disruption than is already planned. In fact, we need to minimise it. While we all accept that disruptions caused by the construction are inevitable, it is essential that the Government show us that they doing all they can to minimise them. To ease disruption, changes need to be clearly communicated with the full arsenal of resources, from noticeboards to social media. We as MPs, and other elected officials, have communication channels of our own. We should play our part in ensuring that constituents know when disruption will occur. That requires the Government and the Department for Transport to talk to us, and communicate in good time all the things that will happen and the delays that will occur.

As the hon. Member for South West Devon said, we must strengthen the delay repay scheme to compensate for disruptions, while also ensuring that ticket prices



[Mr Paul Kohler]

reflect the disruption to services. Customers should not have to pay the same price for a journey that has been impacted by these works. Given the disruption, it is important to maximise the utility of Old Oak Common station by ensuring that it connects to Chiltern main line services, and on to the newly named Mildmay line. As the hon. Member said, we must maximise the potential of Old Oak Common and ensure that it is fully exploited, particularly in connections with London.

There is a lot to be done and, to mix my metaphors horribly, it will not all be plain sailing. Public confidence in this project has been undermined by various management mishaps and overspends, and the planning mistakes that were so articulately mentioned by my hon. Friend the Member for Didcot and Wantage (Olly Glover). But as he said, we are where we are. The loss of confidence now extends well beyond HS2, with widespread public scepticism about the UK's ability to manage any infrastructure projects. I feel that that will only get worse unless the industry uses this opportunity to prove itself.

Ensuring that this project is well managed, on time and clearly communicated is key not only to minimising disruption and reducing the economic impact, but to rebuilding public trust in large-scale infrastructure projects across the UK. We must begin tackling other failings in our transport network, including the unacceptably poor provision of transport in Wales and the west. That is why it is critical that the open access rights that FirstGroup recently purchased for Carmarthen to London Paddington services are protected under rail nationalisation, and why the Government must invest in other railway schemes in the south-west, the midlands railways hub, and the north Wales main line.

Let us be clear: the Liberal Democrats and I support building infrastructure, ensuring that our railways receive the vital investment they need. However, we must remember that these projects are ultimately for passengers, who should always be at the centre of the decision-making process. Disruption is inevitable, but passengers and politicians must be convinced that it is being kept to a minimum.

10.22 am

**Jerome Mayhew** (Broadland and Fakenham) (Con): It is good to see you in the Chair, Mr Efford; thank you for chairing this debate. I thank the hon. Member for Cheltenham (Max Wilkinson) for securing the debate. We can see by the level of activity and the number of people who have wanted to speak and intervene how important this is for the region, and how enlightening the debate has been. There has been a huge amount of unanimity about the criticisms and suggested solutions for the upcoming interruptions to the service to the south-west and Wales.

The hon. Member identified three different areas: mitigation, improving services for the west in the long run, and how to make Old Oak Common useful for passengers travelling on GWR. The hon. Member for Honiton and Sidmouth (Richard Foord) also focused on the mitigation sum, and wondered whether the £30 million identified by the Government would be enough adequately to compensate and mitigate those users who will have their travel disrupted for the next five years as a minimum. The hon. Member for Caerfyrddin

(Ann Davies) noticed that the Welsh rail network has only 7% electrification, and she was essentially demanding Barnett consequential for the HS2 project. The hon. Member for Newton Abbot (Martin Wrigley) was one of a number of Members who highlighted that all trains were due to stop at Old Oak Common, and that that would add between four and seven minutes, depending on the estimates, to everyone's journey. He also highlighted the need to spend a portion of mitigation sums on the Dawlish works.

The hon. Member for Brecon, Radnor and Cwm Tawe (David Chadwick) highlighted what he described as under-investment in Welsh railways, largely because of the designation of HS2 as an England and Wales project, rather than just an English project, and the consequential lack of additional payments under the Barnett consequential.

My hon. Friend the Member for South West Devon (Rebecca Smith) focused on the need to reassess the use of the £30 million compensation payment scheme. Since the debate on this subject in this place last week that she and I participated in, the Government have provided further information on how they intend to use that £30 million. She believes that the money is being focused on the wrong areas. As if it made the point for her, she also highlighted the need for better communication of delays and other changes. She made a very interesting point when she put a question to the Minister, and I hope that the Minister will reply to it in her response to the debate. My hon. Friend also asked who will pay for the delay repay scheme—will it be the taxpayer, or is there another mechanism for funding those compensatory payments?

The hon. Member for Frome and East Somerset (Anna Sabine) again focused on better mitigation. The hon. Member for Didcot and Wantage (Olly Glover) did too, and he made an interesting point—that it is no longer correct to say that Sunday is an exceptional day of transport; it is actually part of the general use of the railways. Finally, the hon. Member for Taunton and Wellington (Gideon Amos) questioned the need for every train to stop at Old Oak Common.

I will return to the issue of Sundays. The Christmas period is coming up and we know that there will be a very significant impact on GWR trains. They will terminate at Ealing Broadway and then the passengers are supposed to use the Central line or District line. There will be no Elizabeth line and there will be a reduced service between Ealing Broadway, Reading and Heathrow. All of that will happen only if everything goes according to plan, because the assumption is that GWR will be able to run a full service, as planned, during the Christmas period, but that relies on ASLEF train drivers volunteering to work overtime. I assume that the Government have plans to make sure that happens, because this is now a Government problem; it is not a GWR problem. It is a Government problem because it was the Government who intervened in the pay negotiations with ASLEF and awarded train drivers a pay increase of £9,000 with no conditions attached. In addition, because that pay award was backdated, I understand—from social media, at least—that train drivers have received a payment of £16,000.

One would have thought that when the Government awarded that very significant pay increase, they would have made sure that holiday services were secured in

return, but that is not the case. Nothing was secured in return. In fact, the Government intervention has made the situation worse, because if media reports are to be believed, there has been a reduction in the number of train drivers agreeing to volunteer to man Christmas and overtime services. So, because this is a problem created by the Government, I should be grateful if the Minister would tell us what the Government's solution to it is over Christmas, new year, and indeed every Sunday in future.

That is in the short term, but there is also a need for long-term mitigation. Speaker after speaker today has focused on the inadequacy of the £30 million that has been identified for mitigation payments and questioned how the Government intend to spend that money. Therefore, my message to the Minister is this: listen to local representatives. They know their area, they know what is important to their constituents and they know much better than departmental officials how mitigation funding can be spent. If anything is to be taken away from this debate, it is that the local representatives who have stood up for their constituents in this debate have repeatedly highlighted the areas that need to be focused on to mitigate some of the worst impacts on their constituents and the rest of the travelling public.

That brings me, finally, to communication. We know that delays are inevitable. This is a huge infrastructure project and everyone—at least everyone who has participated in this debate—recognises that some delay is inevitable. What is important is that changes to services are well communicated so that passengers are informed well in advance, alternative services are run effectively—they run on time and have sufficient capacity to take the number of passengers who will be using them—and the Government supply adequate compensation for poor and reduced services, not just for a day or two, but for years.

Compensation can come in a number of different ways. As some hon. Members have suggested, fares could be reduced over that period to take account of increased journey times and unpredictability. Alternatively, increase the mitigation payments significantly above the current £30 million that the Government have identified, not as an additional cost but as a recognition that the quality of service to the travelling public in the south-west and Wales will be adversely affected. We need to do as much as we can to prevent that, but what plans does the Minister have to reduce prices or to increase the bucket of compensation to reflect the reduced services?

The key takeaway for the Minister is to listen to local Members of Parliament, hear their concerns about the impact of the reduced service on their constituents, and take very seriously their recommendations for mitigation.

10.31 am

**The Parliamentary Under-Secretary of State for Transport (Lilian Greenwood):** I congratulate the hon. Member for Cheltenham (Max Wilkinson) on securing this debate on the impact of Old Oak Common on rail services to Wales and the west of England. I thank all hon. Members for their contributions.

This Government understand the important role the rail network plays in providing connectivity to support economic development, housing and employment growth, as well as access to jobs, public services and leisure.

That is why we have made fixing Britain's railways one of our top transport priorities. We have been clear that rail services have been failing passengers for too long. Cancellations are at a 10-year high and punctuality is inconsistent across the network, so I will take no lectures from the shadow Minister, the hon. Member for Broadland and Fakenham (Jerome Mayhew).

We need to improve services for passengers and deliver better value for money for the taxpayer. We have taken immediate action, such as bringing an end to the long-running pay dispute with train drivers, and Ministers continue to meet managing directors of train operators and their Network Rail counterparts to address poor performance and demand immediate action to raise standards. If the shadow Minister's Government were in power, we would still see drivers out on strike. Just last week, the Minister for Rail met again with Great Western Railway and Network Rail to ensure that they are progressing their plans to restore reliability on the route.

I will respond to the questions from the hon. Member for Cheltenham in a little while. First, I will address the subject of the debate. Old Oak Common station is a crucial enabler for the Government's growth mission. It will be not just a connection to HS2 for Birmingham and the north, but a destination in its own right, providing access to work and housing development alongside better connections to other services, including the Elizabeth line through central London, and to Heathrow airport. However, I recognise hon. Members' concerns about the impact of the station and the construction works on rail services from Wales and the west.

**David Reed (Exmouth and Exeter East) (Con):** The key theme set out by hon. Members from across Wales and the south-west is that we are all being kept in the dark. What will the Minister do to engage with MPs from across the region and tell us what plans for mitigation are being put in place in our constituencies for the planned works at Old Oak Common?

**Lilian Greenwood:** I thank the hon. Member for that intervention, and I will use the rest of my speech to do just that. My colleague the Minister for Rail has already had a meeting with a large number of MPs to discuss these issues, and he will continue to engage on precisely those points.

As you will appreciate, Mr Efford, a project of the scale and significance of Old Oak Common cannot be delivered without some disruption to existing services. Our challenge to HS2 Ltd is to keep the disruption to a minimum and to support Network Rail and train operators to keep passengers moving. The next phase of work takes place this Christmas, with changes made to Great Western Railway services from 27 to 29 December. The rail industry has been working hard to prepare for the work and has invested £30 million to mitigate its impact and keep passengers moving.

I will set out some of the things that that money has paid for. While some of the interventions are close to London, they are designed specifically to allow Great Western Railway passenger services during Old Oak Common works, such as electrification of the Poplars railway, which connects the Great Western main line and the west London line. That allows services to access their maintenance depot and for more Great Western

*[Lilian Greenwood]*

Railway trains to terminate at Ealing Broadway. Investment has been made in Ealing Broadway and Reading stations so that they can provide better information to connecting passengers; in facilities at Euston to allow for the terminating Great Western Railway long-distance services, including the Penzance sleeper services; in alternative stabling for the Hitachi trains that serve Great Western Railway; and in other, similar provisions that are designed to help Great Western Railway services to continue operating during the period of disruption.

During these days, some inter-city services will divert to London Euston and some will terminate at Reading or Ealing Broadway. Extensive mitigations have been progressed behind the scenes so that trains continue to be maintained and can provide services again after the works. Passenger communications are happening now to enable people to make choices about how and when they travel. I recognise the importance of providing timely passenger information to enable people to do that. The next significant blockade had been due to take place in December 2026, but this is now being re-planned to a later date by HS2 Ltd. Further detail on the future works plan will be shared as soon as it is available in the spring.

Old Oak Common station is being built to enable all Great Western main line and relief line services to call at the station. This is important for future-proofing, but while all trains will be able to call, the future timetable will be under development for many years, so it is still too early to say with any certainty which trains will call there or from when, but I will come back to that in a moment. We know that many passengers from Wales and the west of England value the faster journeys into London, and will have other options, not via HS2, to travel north. The Rail Minister and I have heard from many colleagues about the concerns of their constituents, and officials are working with the industry to assess the options for calling patterns at Old Oak Common.

**Martin Wrigley:** I was listening very carefully, and I think the Minister just said that not all trains will necessarily stop at Old Oak Common. Could she confirm that, please?

**Lilian Greenwood:** I can confirm that the station is being constructed to allow all Great Western services to call, but no decision has been made on the future timetable.

None the less, building the station requires realignment of the Great Western main line to curve around new platforms. Unfortunately, that means that even trains that do not stop at the station will have a small increase in journey times. I know the Rail Minister has already asked industry partners to review current plans to ensure the impact of this is minimised. I will come back to this when I answer questions from hon. Members. I also recognise that this disruption comes on top of several years of poor performance on this route. The Government are determined to reverse that trend, improve punctuality and reliability, and rebuild a railway we can once again be proud of.

I do not think I can answer all of the questions that were posed during the debate, but I shall attempt to respond to a few of them. I know that my colleague the

Rail Minister has met with many hon. Members to listen to their concerns, and that he is committed to finding the best possible solution that minimises disruption to services to constituencies in Wales and the west. He will continue to engage with hon. Members on this issue. A number of Members asked whether Great Western Railway services will stop at Old Oak Common and raised concerns about the impact on journey times. There will be a small but permanent journey time impact for all services passing through Old Oak Common without stopping. I recognise that that is a disbenefit to hon. Members' constituents, and the Rail Minister has asked what more can be done to get that down from the estimated 90 seconds.

The hon. Member for Cheltenham asked about increasing running through the station from 60 mph to 80 mph, and Network Rail has already begun to develop proposals. They were discussed at the last Old Oak Common programme board, which the Rail Minister attended. If some or all services are to stop at Old Oak Common—as I said, no decision has been made yet on future timetables; that is some way off—it will, of course, add further to journey times. Four to seven minutes added to journey times has been suggested. That would slow down those services but would allow for potential interchange with the Elizabeth line and access to parts of London via the Elizabeth line and the London Overground. The London Overground does not connect directly, but work has begun on Old Oak Common connectivity and a range of options are under consideration, from improved walking routes through to more material interventions.

Various periods of blockade were discussed. The programme is currently under review, but there will be periods of disruption, as the hon. Member for Cheltenham set out, and those are likely to be of the duration that he described or longer. As has been noted, there will be diversions to Euston when the blockades are in place, which will allow services to continue directly into central London for the many constituencies represented here today when the line between Ealing Broadway and Paddington is closed. That will add perhaps 15 to 20 minutes on to journey times.

The hon. Gentleman and others asked about short-form trains. He described clearly the impact on people's journey experience, which is totally unsatisfactory. I know that the availability of sufficient fleet is vital. I recognise the inadequacy of the situation when the trains are over capacity and I know that the Minister for Rail is working to address this.

The hon. Gentleman also mentioned wi-fi. Free wi-fi is available on Great Western Railway services, but I know from my own travels that there are connectivity issues on part of the network. The Rail Minister has asked officials to explore the feasibility of a range of technology options to improve passenger connectivity on the rail network. The Department is conducting research to measure the strength of mobile phone signals along the network to fully understand where interventions are needed and the potential impacts.

The hon. Gentleman rightly raised the issues of Sunday timetables and cancellations. Problems with infrastructure, fleet reliability, and train crew availability have resulted in high levels of cancellations on Sundays in recent months, and I agree that that is unacceptable. We know



these issues must be addressed. They were not addressed by the previous Government and we are working to do so.

Finally, the hon. Gentleman mentioned progress on the extension to the Honeybourne line active travel route in Cheltenham. I know it well, and I agree with his assessment that it would be a valuable extension. I understand that Great Western Railway, Network Rail, and Gloucestershire county council are working to progress the project, and if there is more we can do to hurry it along, I am sure the Rail Minister will be happy to do so.

**Max Wilkinson:** I am aware that I get another chance to speak shortly, but the reason I raised Network Rail's blocking of that scheme is because of the way it has been done: by extending contract negotiations over years, to the point when a bit of cycle path is costing tens of thousands of pounds per metre because Network Rail demands ever greater levels of infrastructure to be inserted. I have raised this with Ministers and all sorts of people, but it is clear that Network Rail just wanted to kick it into the long grass by making it uneconomic. I know that the Minister is an advocate for active travel, so if she could intervene with Network Rail and just say, "Get it done," I would be grateful.

**Lilian Greenwood:** As the hon. Gentleman says, this Government are committed to increasing the number of people who walk and cycle for short journeys. If there is something that my colleagues in the Department and I can do to unblock things and get them moving, we will do it.

Questions were asked about investment in Welsh railways. I assure hon. Members that the Wales Rail Board meets regularly and provides a forum for the UK and Welsh Governments to discuss matters of mutual interest. I understand the new Secretary of State is meeting the Secretary of State for Wales and the Cabinet Secretary for Transport and North Wales, Ken Skates, imminently to discuss transport in Wales. Transport Ministers regularly meet our counterparts in the devolved Governments.

I will close by taking this opportunity to confirm again that the Rail Minister is working with all partners to ensure minimum disruption to travellers on the Great Western main line, both during the construction of Old Oak Common station and when it is in operation. I recognise that these are difficult issues, which hon. Members are right to raise on behalf of their constituents. I thank the hon. Member for Cheltenham and all hon. Members for their participation in this debate. I fully acknowledge and appreciate the importance of the issue

to him and his constituents, and indeed to all hon. Members' constituents. We will work to come up with a viable solution.

**Clive Efford (in the Chair):** We have 14 minutes left, but that is not an invitation for a long speech from Max Wilkinson. I call him to sum up.

10.45 am

**Max Wilkinson:** Thank you, Mr. Efford; I will speak for no longer than an hour. There is much to reflect on. I am grateful to all colleagues for turning up to this important debate, and to the Minister for addressing a number of the points raised. I appreciate there were probably about 35 questions raised during various speeches, including some from myself. Will the hon. Lady take time later to work with the Rail Minister on responses to my questions about everything from the hyper-local, such as the Honeybourne line, up to the bigger picture stuff around wi-fi connectivity and the delays that Cheltenham passengers suffer at Gloucester?

The main thing to come out of the Minister's response is that there is still an awful lot to play for. A key point that I took from what she said was that although the station is designed to take all the trains stopping there, including every service from the west, that need not be the case. That is different from what we are generally being briefed on as Members. When we talk about the technical studies that need to go into the future infrastructure that might link into the overground services elsewhere, there is an impact on timings, on the public debate and on the Government's willingness to fund the studies and the infrastructure. We are now in a period of uncertainty about whether all of the Great Western main line trains will indeed be stopping at Old Oak Common. The opportunity that is being sold by the rail industry, and has been sold by the Government in the very recent past, is thrown into doubt if there is uncertainty about whether all the trains will stop at Old Oak Common, so it seems there is quite a bit of thinking to be done.

I appreciate that the Government are in an imperfect position here. We all are. I suggest that work on the technical studies into the opportunities and economic benefits that we might get in our constituencies and that the nation as a whole might accrue needs to be picked up as soon as possible. I thank the Minister for her response today. I look forward to hearing more in due course.

*Question put and agreed to.*

*Resolved,*

That this House has considered the impact of Old Oak Common station on rail services to the West and Wales.

10.48 am

*Sitting suspended.*

## Musculoskeletal Conditions

11 am

**Clive Efford (in the Chair):** I understand that Sonia Kumar has agreed that another hon. Member can make a contribution. I will then go straight to the Minister. As is the convention with half-hour debates, there will be no opportunity for the mover to sum up at the end.

**Sonia Kumar (Dudley) (Lab):** I beg to move,

That this House has considered the diagnosis and management of musculoskeletal conditions.

I am grateful for the opportunity to have this debate. As chair of the all-party parliamentary group on osteoporosis and bone health, and as an advanced practice physiotherapist and first-contact practitioner, musculoskeletal health is my speciality. I am here to discuss the provisions needed to improve the diagnosis and management of MSK conditions.

My experience as an advanced practice physiotherapist is very much autonomous. I do not think many people know that physiotherapists work from paediatrics all the way to elderly care—from nursery all the way to palliative care. Most people do not know the work of a first-contact practitioner, which is a new service in which physiotherapists work with GPs to diagnose, assess and refer to secondary care, if needed. I was part of that vital service at Dudley Group hospitals, so I declare my interest as working on the bank there.

MSK physiotherapists work not only across hospitals and primary care but also in tertiary care. They work in fracture clinics, rheumatology, pain management and A&E. Not many people realise what we do. MSK physiotherapists are the specialists and experts in musculoskeletal diagnosis. That could include referring people for X-rays to look for suspicion of fractures or for MRI scans to look for sinister pathology, a differential diagnosis, masqueraders that look like Pancoast tumours, metastases or spinal or multi-joint cysts. Along with ultrasounds, guiding injections and prescribing, the scope of physiotherapists has expanded year on year, to a point where they are now specialising and moving their practice on to do simple surgeries, such as carpal tunnel releases.

I look not only from a diagnostic point of view but at the importance of managing MSK conditions, including in respect of rehabilitation.

**Jim Shannon (Strangford) (DUP):** I commend the hon. Lady for securing this debate. There have been some worrying trends in the press in the last six months, in relation to children as young as 11. Does she agree that the NHS plan for change over the next five years is necessary, given that children as young as 11 are being diagnosed with arthritis? We need help and guidance for those whose lives might be impaired from an early age right through to older life, and who need coping mechanisms. The importance of this debate cannot be underlined enough.

**Sonia Kumar:** I agree with the hon. Gentleman. I have worked in paediatrics where many patients get diagnosed late and suffer with late onset. That affects their whole life from the beginning, including their ability to get involved with physical activity and to build relationships, or their mental health and sleeping patterns. Getting an early diagnosis is one of the solutions I want to put

forward. I would like the Minister to consider involving physiotherapists from early on, at nursery stage, to find out why we are not picking up MSK conditions from a really young age so that we can provide health and wellbeing from day one.

**Dave Robertson (Lichfield) (Lab):** I hear my hon. Friend's point about early intervention and making sure that we diagnose MSK conditions as soon as possible. A member of my extended family suffers from pregnancy-related osteoporosis, which needs to be picked up as soon as possible so that appropriate treatment can be put in place and mothers supported through it. A new charity has been set up specifically for pregnancy-associated osteoporosis, and it is pushing for the #MeasureThatMum campaign to make sure that midwives are trained to pick up the condition at that point, as early as is physically possible. Does my hon. Friend support that?

**Sonia Kumar:** Of course. One of the things MSK physiotherapists look at is spinal fractures, 70% of which happen in the thoracic spine, generally in older women who have had poor bone health. It is essential to look after bone health from a really early age, while women are in their 40s, so that when they are older, in their 50s, 60s, 70s and 80s, they are on the right medication and doing bone health exercises to help for the future. For MSK conditions and osteoporosis, physiotherapists are essential. Spinal fractures are very often undiagnosed, and those who suffer spinal fractures as they get older are more likely then to have a hip fracture, after which the mortality rate becomes really high. My hon. Friend makes a very good point.

Let me explain why MSK physiotherapists and MSK care are so important. By 2035, two thirds of the population are expected to have two or more long-term conditions, which include MSK conditions. Versus Arthritis reports:

"Arthritis and related musculoskeletal conditions affect 20.3 million people in the UK."

That means that one in six people has arthritis, which is a staggering amount. MSK conditions cost the NHS £5 billion a year, accounting for one in five GP appointments, 1.6 million hospital admissions and 30 million prescriptions a year. People with low confidence who feel that they cannot manage their conditions are more likely to attend hospital, while those who are most confident with long-term conditions have 38% fewer hospital admissions.

That is what we can do for the economy, but this issue is also about first-contact practitioners, as I mentioned at the beginning. With first-contact practitioners, we can save so many GP appointments. It is part of the long-term plan, which has been created to improve the impact on GP care and allied health professions that work in general practice. Working adults with MSK conditions are twice as likely to be economically inactive compared with those with long-term conditions. Of the people who are economically inactive due to ill health, 21% report having MSK conditions. It is about not just health but the economy and the wellbeing of the society that we are hopefully building together now that we are in government.

It is really important that we look at this issue in a holistic way. MSK conditions affect not just affect somebody's mental health but their relationships and

how they build them. They affect whether they can get into bed and sleep well, as well as their sleep hygiene. Perhaps a person eats poorly because they cannot get out, so they put on lots of weight. A person's emotions, self-esteem and ability to work can be affected. I do not believe there is a silver bullet or that if we manage MSK conditions it will just fix one part. It has to be effective in respect of all the facets of somebody's general wellbeing. We cannot tackle waiting lists and return people to work without that, and we need a strong workforce to plough back into the economy. It is incredibly important for people to understand that it is about holistic management and how we can improve health literacy and self-efficacy for people with MSK conditions.

I came to this debate to talk about solutions, as I am a solution-led person. We need to recognise the allied health professions in the NHS and build a workforce for MSK physios. That includes not just MSK physios but paramedics, podiatrists and every single person in the 14 allied health professions, all of which help to build resilience in the NHS, reduce waiting lists and build a healthier society.

MSK assessments need to happen from day one in nursery. We cannot expect paediatrics or care to be delivered well if we wait until the future, look back and say, "We should have done a better job when that person was younger." If we looked at MSK conditions from day one—early in a child's development and in their early years of support—there would not be a massive impact on society later in that person's life because of having to do delayed diagnosis with multiple appointments and to look after their general wellbeing.

We also need to embed into society notions of what good health looks like from day one. That includes keeping active, going to classes and going to rehabilitation. We need a bigger awareness campaign about what being well looks like. It should not just be that the person leaves school and that is it; it needs to be lifelong. In the same way that people do continuous professional development, they should learn what looking after their body entails, and that should be translated into health policy.

We also need to increase the scope of physiotherapists' practice. At the moment, they do not do DEXA scans, but they look at bone health in every other way. We look at X-rays, and work in fracture clinics, rehabilitation and trauma orthopaedics, but we do not look at the full picture of bone health. Will the Minister consider inputting that in future?

We need to increase the roll-out of community appointment days. We must provide same-day services for patients, including assessments, advice, health promotion and rehabilitation, and the community and volunteer sectors should provide support in a non-medicalised environment. If somebody has shoulder, knee or back pain, there should be a one-stop shop where they can be assessed appropriately, and they can then move on and get the right care at the right time.

We also need to put community care services on high streets and in places of worship. There are people who are not getting access, and there are massive health inequalities, so how do we promote care and health in difficult-to-reach communities? I would love to see care being put into places of worship and other locations

people do not normally think of. I very much welcome the fact that the Government are already moving away from hospital care.

We also need to increase the number of first-contact practitioner places. A consultation with an FCP physio is £30 cheaper than the traditional GP-led pathway. MSK issues are one of the most common reasons to visit GPs, accounting for about 20% to 30% of appointments. Will the Minister meet me to discuss more of the solutions that I think need to be put forward to manage MSK issues? Would he be happy to visit my constituency to look at our fracture liaison service? I hope we will continue to fund that and that the service will be rolled out nationally.

**Clive Efford (in the Chair):** I call Lizzi Collinge.

11.12 am

**Lizzi Collinge (Morecambe and Lunesdale) (Lab):** I was told that I would not be able to speak today, and that I could merely intervene, but I am happy to speak if you allow it, Mr Efford.

**Clive Efford (in the Chair):** I was told that it had been arranged for you to speak.

**Lizzi Collinge:** Excellent news. It is a pleasure to serve under your chairship, Mr Efford. I apologise for the confusion.

Musculoskeletal conditions are very serious, particularly when looked at through the lens of the health and social care workforce. In Morecambe and Lunesdale, 27% of the sickness rate in the health and social care workforce is caused by musculoskeletal conditions. It is clear that if we want to fix our health and social care workforce, we must fix the prevention, diagnosis and treatment of musculoskeletal conditions.

As my hon. Friend the Member for Dudley (Sonia Kumar) pointed out, the conditions do not just have a physical impact, affecting mobility and the ability to work, but can have a particularly serious effect on people's mental health, relationships and ability to live their life to the full. I believe that health and social care and public health should be framed around allowing people to live their absolute best lives. They need to focus on enabling individuals, whether or not they have long-term health conditions, to work, socialise and have a good family life.

I am passionate about preventing ill health as much as possible. We must prevent musculoskeletal conditions, which can cause a lot of pain and discomfort. I welcome the proposals set out by my hon. Friend, and I look forward to hearing from the Minister about the Government's plans.

11.14 am

**The Parliamentary Under-Secretary of State for Health and Social Care (Andrew Gwynne):** It is a pleasure to serve under your chairmanship, Mr Efford. I thank my hon. Friend the Member for Dudley (Sonia Kumar) for securing this really important debate, and for bringing her professional expertise to the House. I also thank my hon. Friend the Member for Morecambe and Lunesdale (Lizzi Collinge), who showed that she can think on the spot and turn an intervention into a short speech.



[Andrew Gwynne]

It is important that we acknowledge just how significant the impact of musculoskeletal conditions can be on both individuals and their loved ones. Poor MSK health can severely impact every aspect of a person's life. It also has a significant impact on the NHS and the wider economy. Pain, stiffness and limited movement all affect quality of life and independence, including the ability to work. MSK conditions are the leading cause of years lived with disability in England. They are responsible for up to 30% of GP consultations, and MSK community services have the longest waiting lists of all community services in England, as of September this year. MSK conditions are also one of the leading causes of sickness absence, with approximately 23.4 million working days lost due to MSK conditions in 2022 in the UK.

That is why the Government are committed to improving care for the 17 million people living with MSK conditions in England, and ensuring that they receive support and access to the latest treatments. Improving health and work outcomes for people living with MSK conditions also forms a key part of the Government's missions to build an NHS fit for the future, and to kickstart economic growth.

Turning first to the health mission, my Department recently announced plans to develop a 10-year NHS plan. It will consider what actions are needed to improve patient access and reduce waiting times. It will set out a bold agenda to deliver the three big shifts needed. Those are moving healthcare from the hospital to the community, from analogue to digital, and from treatment to prevention. We recognise that there is much more we can do to support earlier diagnosis and management for people with MSK conditions, and the need for timely and comprehensive care that starts at home. We know that many people with MSK conditions can be diagnosed and well managed in the community, which is why we are making a start by exploring how best to support MSK primary and community service improvement, helping to give MSK conditions greater parity with other conditions.

I will certainly take away the suggestions made by my hon. Friend the Member for Dudley on physiotherapists, AHPs more generally, and other issues. They could play a vital and important role in getting the better outcomes we want to see. She spoke rightly about how we deal with children. The Government want to create the healthiest generation of children ever. We must ensure that we have the services to diagnose bone conditions at an earlier stage and get children the appropriate treatment.

My hon. Friend also talked about communities that are difficult to reach. I have a row with my officials because I do not accept that any community is difficult to reach—we have just not tried hard enough. It is precisely the kind of suggestions that she set out that will ensure, on a whole range of health conditions including MSK, that we do better at identifying where those people and health inequalities are, and get access to services into the places where those people are so we can get them on to the treatment pathways.

With NHS England, we are considering a range of options to identify the most effective ways of improving the quality of and access to the fracture liaison service model, and the interventions that that model provides.

For MSK conditions such as rheumatoid arthritis, early diagnosis is the key to preventing joint damage and improving quality of life. The Government are investing £1.5 billion in capital funding in 2025-26 for new surgical hubs and diagnostic scanners, to build capacity for over 30,000 additional procedures and over 1.25 million diagnostic tests as they come online.

I turn now to the growth mission. The "Get Britain Working" White Paper highlighted the issue of spiralling economic inactivity, with 2.8 million people, which is equivalent to the population of Greater Manchester, being locked out of work because of long-term sickness. Tackling economic inactivity caused by ill health will play an important part in realising our ambition of having an 80% employment rate.

To support that ambition, the Further Faster 20 scheme will be delivered by NHS England's Getting It Right First Time programme. Further Faster 20 will operate in 20 areas of the country that have high levels of economic inactivity, with the aim of reducing waiting times and enabling people to return to work. Actions will include improving secondary care interfaces with primary and community services.

We will also launch a set of place-based trailblazers in eight areas in England and Wales to run during 2025-26. These trailblazers will be at the forefront of developing joined-up approaches to support people with work, health and skills. Three trailblazer areas will be funded to become health and growth accelerator sites, in order to build evidence of the impact of targeted action on the main health conditions driving economic inactivity, and I assure the House that those conditions include MSK conditions.

I also say to my hon. Friend the Member for Dudley that I am more than happy to meet her to discuss these issues further. If we can squeeze it in somewhere in my diary, I am also more than happy to visit the fracture liaison services in her area.

I want to reassure my hon. Friend the Member for Morecambe and Lunesdale that we take very seriously the impact of MSK conditions on the NHS workforce itself. As part of our workforce planning, we need to get better at identifying NHS employees who have MSK conditions and ensure that we provide them with the appropriate support, so that they can carry on working in our health and care systems.

To conclude, once again I thank my hon. Friend the Member for Dudley for securing this important debate. I hope that she is reassured by some of the measures I have outlined today. In addition, I will take on board the very important points she made about how we can do better on those issues and ensure that they are fed back through my team to those working up our policies on fracture liaison and MSK more generally.

I hope that my hon. Friend recognises that MSK is a priority for this Government. I absolutely recognise that we must go further, but today I will close by reaffirming this Government's commitment to supporting the millions of people in the UK living with an MSK condition, to ensure that they receive the support they need, including improved diagnosis and management, and to ensure that we drive down waiting times and waiting lists, identify conditions earlier, get people into treatment as quickly as possible, and have the happier, healthier and more prosperous country that we

have all been elected to this place to help deliver, which would be the consequence of having a healthier, happier workforce and a healthier and happier population.

*Question put and agreed to.*

11.25 am

*Sitting suspended.*

## Trades and Apprenticeships

[MR CLIVE BETTS *in the Chair*]

2.30 pm

**Amanda Martin** (Portsmouth North) (Lab): I beg to move,

That this House has considered public perceptions of trades and apprenticeship completion rates.

It is a pleasure to serve under your chairmanship, Mr Betts. One of the many toxic legacies of the previous Government is a crisis in education and training, overwhelming barriers to opportunity for many young people and the denigration and downplaying of the construction industry. Young people in my city are not accessing well-paid jobs, despite the many opportunities on our doorstep in the maritime, space, science and trade sectors. To fix that, we must improve and promote vocational pathways through increasing the number of apprenticeships available, improving apprenticeship completion rates, simplifying the apprenticeship system and increasing its flexibility.

Much of the research for this debate has come from Checktrade, a home improvement platform based in Portsmouth North. I will therefore focus mainly on the construction sector. The trade and construction sector sits at the heart of the national mission to get Britain building, to reach net zero and to drive economic growth. From plumbers and electricians to roofers and carpenters, there will be huge opportunities for careers and job creation in building the skilled workforce we need to deliver those targets.

Research by Checktrade has found that the UK economy faces a severe skills challenge. The UK must find 1.3 million new skilled trade people and 350,000 new apprenticeships over the next 10 years to meet the Government's ambitious but much-needed housing and net zero targets. London will require at least 55,000 qualified construction apprenticeships, but the demand is not just in England; it is spread across the UK, with Scotland needing 26,000 new apprenticeships, Manchester 15,000 and Birmingham 13,000. With 35% of those working in the sector over the age of 50, and almost three fifths of tradies planning to retire between the ages of 61 and 65, the industry is facing a cliff edge of retirement with little or no succession planning.

The transition to net zero is also impacting jobs and apprenticeships, with 59% of jobs affected and 29% of those jobs requiring upskilling. However, apprenticeship starts have declined in recent years, highlighting the urgent need for a renewed focus. In 2022-23, there were 337,140 apprenticeship starts, compared with more than half a million in 2011-12. Challenges in the sector, such as high apprentice drop-off rates and high levels of self-employment—37%—make addressing the skills gap even more challenging and crucial.

What solutions can we explore? First, we must create more apprenticeships: despite a chronic skills gap in the UK, for every apprenticeship there are three applications, but only one successful candidate. That can be achieved by restoring financial incentives to small and medium-sized enterprises to take on apprentices under the age of 25, offering an apprenticeship incentive payment and expanding funding to create apprenticeships.

[Amanda Martin]

SMEs have a crucial role to play in boosting the number of apprentices, and we need to find ways to incentivise them to invest in training. We must provide them with the support they need to take on an apprentice and ensure flexibility in training that works for their businesses and for the apprentices. Making the apprenticeship funding model more transparent to help to improve businesses' understanding of and confidence in the apprenticeship system is vital.

Secondly, we must improve completion rates. Only a third of apprenticeships are currently completed—a shockingly low statistic. We could improve that rate by increasing financial support. The apprenticeship rate of pay currently sits at £6.40 per hour, making apprenticeships financially unattractive. More targeted support should be made available to attract those with dependants and other financial responsibilities, and those wishing to change career. Financial mentoring for apprentices could also go a long way towards improving the completion rates. We should also look at expanding foundational apprenticeships and introducing a shorter apprenticeship course for those who cannot afford the minimum length of 12 months in a placement.

Lastly, we must simplify the system and increase flexibility. That could be achieved by creating more flexibility through the apprenticeship levy. For example, the functional skills requirement is cited by employers as a barrier to learning and is not always relevant to the role or individual. Those could be removed in some cases. Apprenticeships and training programme providers should be enabled to deliver three, six or even nine month-courses, which could be used to help workers to reskill and retrain in areas that are part of the green transition. We must also end geographical differences; apprenticeship levy funds can currently be spent only on apprenticeships in England.

To do all that, we must value all the pathways. The toxic legacy of the Tories in education was the undervaluing of certain subjects, including vocational courses and apprenticeships. We must value all pathways if we are to move towards a productive, highly skilled population and achieve our growth targets. Apprenticeships of all kinds create successful business owners and entrepreneurs who are well paid. Average weekly earnings in the construction sector are £761, surpassing the national average by 13%.

Furthermore, not all apprenticeships are low-paid during training. Roofing apprentices can earn more than £24,000 a year, plastering apprentices £19,000 and plumbing apprentices £18,000. Apprenticeships can be a stable and reliable route to success: with success rates remaining stable at 93% over past years and many apprentices staying on with their employer after qualifying, they offer value for money and a good career.

Despite that, however, many young people and their parents do not see a trade career as aspirational. We must highlight those benefits of vocational courses to young people, to inspire them into diverse sectors and to elevate vital sectors, including construction. That could be achieved by using the money raised by the growth and skills levy on access and outreach activities, and by the Department for Education ensuring that careers advice highlights the training provisions available, including T-levels, BTecs, skills bootcamps and more,

as well as the career opportunities accessible through apprenticeships. We must ensure that work experience gives an insight into the opportunities and, although it must have safety at its heart, we must reduce the red tape for SMEs and larger companies to offer valuable work experience places.

In conclusion, to achieve our national mission of kick-starting growth and breaking down barriers to opportunities, we must look at people and skills in the round and value them. To create a highly skilled and highly paid workforce, we must provide accessible, well-funded and fairly paid vocational training. We must provide balanced education about vocational options and provide support for those on vocational pathways to help them to complete courses. That will help to diversify vocational pathways.

Apprenticeships in construction are currently almost 91% male and 92% white. Although there has been some progress in diversifying the workforce, its composition remains highly disproportionate compared with society and other sectors. As an ex-teacher, I truly believe in the saying, "If you cannot see it, you cannot do it." Those opportunities must be visible and open to local communities, whether that is our young people or someone who wants to change career or upskill to a new one.

We must place pride, value and respect in this sector. As the proud sister of an electrician, the daughter of a plumber and the granddaughter of a painter and decorator, I know the value of tradespeople in our communities and families. They are the backbone of our everyday lives—building, fixing, and ensuring that our houses, schools, hospitals and communities are safe, functioning spaces.

**Mr Clive Betts (in the Chair):** Probably much to his surprise, I am going to call Jim Shannon as the next speaker.

2.39 pm

**Jim Shannon (Strangford) (DUP):** It is becoming a bit of a habit for me to be called almost first in Westminster Hall debates, Mr Betts—but whatever the case may be, it is a real pleasure to speak at any stage and to serve under your chairship. I commend the hon. Member for Portsmouth North (Amanda Martin) for leading this very apt debate.

In my constituency, we have a tradition of work in the construction sector, whether in building, plumbing, electrical or roofing, or even in painting and décor. There is just so much to do when it comes to building. I live in the countryside, so there are always houses needing repairs, and many people I have known have been in the business for umpteen years and continue in it. However, and I will come back to this shortly, we seem to have a small dearth of people in apprenticeships, which is disappointing. Of course, those figures are for Northern Ireland as a whole; perhaps my Strangford constituency may not have seen the same fall, because of that strong tradition of working in this sector.

Many hon. Members will know that I am a big supporter of apprenticeships and the opportunities they bring for young people. They provide a real chance for those who have just left school to get out into the world of work, to gain skills, to specialise in a trade and to earn money. It is great to be in Westminster Hall to discuss that. I think it may have been last week that we



had a debate here about universities, and we were saying that there are those who have adapted to academia out of necessity; but for those who are not academically focused, perhaps the opportunity is in the skills we are referring to today.

This debate is really important, and I look forward to the Minister's response. I know she does not have responsibility for Northern Ireland, but I like to come along and give a Northern Ireland perspective, because I think it adds to the debate. I am ever mindful that this House of Commons represents all four regions of the United Kingdom, and we can do things here to better them. I know the Minister would choose, as I would, to share benefits and good things that we have with other parts of the United Kingdom. It is also a pleasure to see the shadow Minister, the hon. Member for West Worcestershire (Dame Harriett Baldwin), in her place and I look forward to her contribution as well.

Just last week Labour announced its commitment to the 1.5 million new houses to be built, which I welcome; it is important for boosting the economy and it will create opportunities and jobs. However, to make that happen we must ensure that we have the apprentices and the workers in all the different sectors we have referred to. When it comes to apprenticeships, one company last week in the news said that to help to build those houses, 2,800 new plumbers would be needed. I will give some examples later on of some of the things we are doing across the water, but that figure perhaps tells us that, if we are going to build all these houses—again, I commend the Government for doing that—we must ensure we have the workers in place to do that, and apprenticeship opportunities must be part of that.

I know sometimes apprenticeships involve working out in the fresh air—that never bothered me, by the way, although other people might want to stay in an office—but, if people can get paid well in an apprenticeship and the number of years for apprenticeships is reduced from five down to three, people can get the qualifications early on and then start to earn. We do not want to decry young people; we want to encourage them and ensure that the apprenticeships come, that they do their three years and that at the end of those three years they are qualified and earning big money. With Labour's commitment to 1.5 million new houses, the opportunity to earn big money is here now.

I would love to hear what the Minister has to say in relation to that and how the hon. Member for Portsmouth North will encourage people to take those jobs. I have listened to her comments in previous speeches where she has emphasised the necessity of tackling our skills shortages across the United Kingdom. She has spoken a few times in the debates she has been involved in about how we can do that through apprenticeships and dealing with skills barriers.

In Northern Ireland specifically, numbers of new participants in apprenticeships decreased by 12% between 2018-19 and 2022-23 and by 24% between 2021-22 and 2022-23. Those figures are unfortunately quite disappointing, highlighting that fewer young people are taking up apprenticeships as a form of education and employment. I suppose it depends on the society people live in; we in the Ards peninsula and Strangford see a tradition of building and house building and repairs, but across the whole of Northern Ireland apprenticeships are unfortunately decreasing.

In addition, participants who leave their course, either with or without leaving their framework, are known as leavers. The question that I want to focus on, and that the hon. Member for Portsmouth North focused on in her speech, is those people who start but do not finish apprenticeships. Perhaps the Minister has some ideas about how to encourage them to stay. I am very keen to hear what she has to say, because perhaps we can share her comments with those in Northern Ireland.

In 2022-23, 5,746 participants left ApprenticeshipsNI courses: 3,091 at level 2, 301 at level 2/3 and 2,354 at level 3. More than half—56%—achieved a level 2 full framework. That was six percentage points lower than in 2018-19, but 13 percentage points higher than in 2021—again, that shows the need to be more focused. The figures show that thousands of people are leaving apprenticeship courses, and a further section of people complete only levels 1 and 2, and do not continue to level 3—level 3 is where the money is, guys! They need to be encouraged to focus, stay the course and do what they are asked to do, because at the end of that they progress to good, constant employment, which will be reinforced because of all these houses that are going to be built. We need to make apprenticeships accessible, encourage people to continue with their apprenticeships and increase financial support through the apprenticeship payment rate. We must give those workers the pay they deserve and highlight to young people that there are opportunities for career progression and stable, secure pay.

For many, working for someone else can be the start of having their own business. In the Ards peninsula, where I live, an incredible number of people have their own business as a result of starting out on an apprenticeship. I will give an example to show where the opportunities are. One of my staff members was having issues with her gas boiler last week. One of her children is asthmatic and must be in a temperature-controlled room; therefore, heating the house is incredibly important. She phoned every single gas company in the area to get a call-out, and only one company could get someone out in the morning. The engineer said that he was able to come out so promptly only because he had an apprentice. In other words, he had seen that it is necessary for young people to have apprenticeships, and that enabled him to do certain jobs and delegate others. That young fella was learning the trade and the business, and was at a stage where he could do some of the work. That took the burden off the single owner of the gas company, but it also gave an opportunity to that young fella, who one day, because there is demand for it, will have his own business and do well. So apprenticeships are an opportunity and they help businesses to grow.

Young people are under the impression that apprenticeships are only for skills such as plumbing, engineering, mechanics, electrical maintenance and so on—jobs that some see as male-dominated—but that is not the case. I am very pleased to say that we have a number of ladies who are progressing in construction. I understand that the business may be different, but there are opportunities for young ladies to involve themselves in any of those skills. They are more than capable of doing that, and I support them.

There are other sets of skills that young people can take advantage of, such as food and drink manufacturing, construction craft, sign making and print production. Some have done so and some will in the future.

[Jim Shannon]

Our responsibility as Members is to ensure the correct provisions are in place so that people push themselves and stay in their apprenticeship. Sometimes they need to be encouraged, because the work can be hard or repetitive, but it is rewarding, and it can lead to employment and their own business further down the line. We must fix the wage and give them the working conditions they need to succeed.

I appreciate the hon. Member for Portsmouth North for bringing this issue to the House. It is time for the Government to focus on where the shortages are and how we can encourage young people to take these opportunities. There are so many young men and women out there who could benefit from apprenticeships, but we do not talk about the harsh reality that our completion rates are low and that a large percentage decide to leave. What can we do to make that better? I hope that the Minister will endeavour to deal with these issues, in parallel with her counterparts in the devolved nations. I always ask that, because it is important to recognise that, although we may live in different parts of this great United Kingdom of Great Britain and Northern Ireland, the things that confront us—this debate today—are salient to every part of every region. We want a strong apprenticeship system across the whole of this great United Kingdom of Great Britain and Northern Ireland.

2.50 pm

**Andrew Pakes** (Peterborough) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate my hon. Friend the Member for Portsmouth North (Amanda Martin) on securing this debate. It is a privilege to follow both her and the hon. Member for Strangford (Jim Shannon), who have given us such a passionate case for the importance of apprenticeships to our economy, to young people and to those changing their careers. I will put on record that I am co-chair of the all-party parliamentary group on apprenticeships. I also refer to my entry in the Register of Members' Financial Interests: I am on the skills advisory board for Google's artificial intelligence campus, looking at new skills and new technologies.

Just last month, I welcomed the Secretary of State for Work and Pensions to Peterborough college to visit apprentices and businesses and launch the Government's "Get Britain Working" White Paper. I had the great privilege to meet excellent businesses and apprentices doing brilliant work, including EML, Baker Perkins, Taylor Rose, Codem and Gen Phoenix. Those businesses and learners are excelling in a system that has failed too many of our young people.

Today's debate goes to the heart of my passion in this House to improve job opportunities for young people and career changers in Peterborough and around the country. I pay tribute to Peterborough college and to my new university campus, Anglia Ruskin University Peterborough, for the work they are doing in my city to transform life opportunities. In my constituency, apprenticeships are down and youth unemployment is up. Under the previous Government, the number of young people not in education, employment or training reached around 900,000, at a time of skills shortages and record net migration to the country. That includes a 40% slump in 16 to 19-year-olds taking an apprenticeship

—unforgivable. This Government, I am pleased to say, recognise the severity of the situation. I pay tribute to the Minister for her sterling work to champion the cause of skills.

I will talk about two challenges around the perception and reality of apprenticeships. First, following my hon. Friend the Member for Portsmouth North, I want to look at how the Government must mend the broken apprenticeship levy and increase opportunities. The levy has strayed from its original purpose of providing paid, skilled opportunities mainly for young people, and ensuring that employers target their levy spend to tackle skills gaps and shortages. I thank the Minister, alongside her colleagues in the Department, for their drive to make reform of the levy a reality.

All of us have a focus on certain elements of change, and I want to highlight a few areas that matter in my constituency. The first area is removing barriers related to English, maths and functional skills. We should allow flexibility on functional skills requirements, focusing on workplace-specific competencies rather than mandatory qualifications that block completion. I know from my conversations in Peterborough that that would be particularly important for construction, trades and other areas that we are talking about, where sometimes the competencies required are holding back young people who could flourish in those workspaces.

The second area is increasing the availability of level 2 programmes as a crucial entry point, aligned with local skills gaps and economic needs, particularly in sectors such as construction and healthcare, and for traders and small businesses. The third is providing fast-track options for those with technical certificates or prior experience, enabling them to complete apprenticeships faster. I would also like to see the expansion of degree apprenticeships, enabling more working-class young people to acquire skills in a paid job from day one.

At the end of the day, we cannot ignore the problems we face: poor skills, declining youth opportunities, stagnant wages and an over-reliance on workers from abroad. Some 11 million people of working age are currently inactive. That is a scandal, and it is the legacy of the last 14 years of Conservative Government. We all have a duty to turn it around by generating thousands more apprenticeships for young people, especially those under 25. That will be central, I believe, to the mission of this Government.

That brings me to my second challenge, which is a much broader one, about how we talk about apprenticeships. The topic of this debate, the perception of trades and apprenticeships, is central to that. We need to change the language, culture and approach to careers guidance and apprenticeships. I totted up the entries in a list I got from my office, and since I was elected, as part of my work on apprenticeships, I have met more than 100 businesses and learners from my constituency and more widely. Not one learner said to me that they started their apprenticeship because of help at school.

In our education system, we have a language for university but not one for apprenticeships. That cultural bias in our education system is holding young people and our country back. It needs to end. School are too often geared towards helping young people enter higher education. The language is about higher education: "What do you want to study?", "Where are you planning

to go?”, “Have you been to an open day?” We need a Government-wide and country-wide mission to change that—to make apprenticeships as important a choice as university for our young people. If we do not, we will fail.

As co-chair of the all-party parliamentary group on apprenticeships, I am working across the House to help find workable solutions to those issues. I am lucky enough to meet great employers and apprentices in Peterborough and around the country—particularly those in construction, which my hon. Friend the Member for Portsmouth North focused on so clearly. I have met with Laing O’Rourke on building sites in east London, with Travis Perkins to look at its work to support the trade, and with young people and construction workers in my own constituency. I know the will is there.

My dedication to apprenticeships is why I support the plans to get Britain working. It is why I welcome the youth guarantee, under which all young people will be offered the chance to earn and learn. It is why I will continue to campaign for an apprenticeship system that is fit for purpose—because apprenticeships are the lifeblood of decent work and growth in our economy, offering more young people a ladder of opportunity to the jobs of the future, and ensuring that our economy can sustain higher living standards through the right kind of skills training, which leads to economic growth.

We are committed to changing both the scope and perception of apprenticeships. Sir Martyn Oliver’s recent Ofsted report emphasised the transformative impact that apprenticeships can have, offering young people practical skills, experience and opportunities. Those milestones underscore an important truth: apprenticeships are not a fallback, they are a springboard to success.

2.57 pm

**Clive Jones** (Wokingham) (LD): It is a pleasure to serve under your chairship, Mr Betts. I thank the hon. Member for Portsmouth North (Amanda Martin) for securing this important debate.

We do not have a construction college in Wokingham borough, and residents hoping to undertake a trade apprenticeship will find that the closest colleges are in Bracknell, Reading or even Basingstoke. Anyone who wishes to undertake a civil engineering course will need to travel as far away as Fareham, an hour and 18 minutes away by car. The lack of local training centres has proved to be a challenge for construction companies in the area. Often, young apprentices do not have cars, and so cannot drive long distances, or lack the financial means to travel very far out of the borough. Given that the existing public transport is not very good, the problem is set to get bigger with the Government’s removal of the £2 bus fare cap. More must be done to support young apprentices.

It is unfortunate that there is a currently significant skills gap in the construction sector in my constituency of Wokingham, and across Berkshire. I thank Paul Britton of the Thames Valley Chamber of Commerce for its work on Berkshire’s local skills improvement plan. It has calculated a 19% decline, locally, in the number of carpenters’ and joiners’ jobs, an 8% drop in electricians’ and electrical fitters’ jobs, a 9% decrease in construction operatives’ jobs, and a 7% fall in elementary construction occupations. Despite that overall decline, we have an

estimated need for an extra 4,300 jobs, and 14,900 replacement workers in those sorts of jobs will be needed by 2035. What will the Minister do to cover the shortages that we know are in the pipeline?

Just about everybody will say that they have difficulty finding a carpenter, a plumber or an electrician. Employers state that greater knowledge of the sector is needed in schools to show the opportunities and career progression that is available. Employers also note that the skills gap is not just limited to traditional trades, but to digital and sustainable skills in the construction sector. Can the Minister explain the Government’s plans for building awareness of apprenticeships in schools?

The Liberal Democrats would create a new lifelong skills grant for every adult, giving them £5,000 to spend on approved education and training courses to gain skills for the jobs of the future. Our existing system is not set up for a world of work in which the skills we learn at 18 or 21 will not last a lifetime. How will the Minister’s plans for Skills England and reforming the apprenticeship levy yield better opportunities for apprentices in Wokingham, especially in the construction sector? Will the Minister commit to meet me and the companies that offer apprenticeships to discuss what they need from the Government to deliver better opportunities for apprenticeships in Wokingham?

Turning to the issue of recruitment and completion rates, there is a perception of trade apprenticeships as muddy boots and jobs for young boys. Through the work of Wokingham’s section 106 employment and skills plan, we hope to change that perception. Locally, 30 community skills events have been held to help break down the stereotype, including work experience, careers talks in schools and site visits. However, there are foundational issues with the existing structures that the Government need to address before firms can consider establishing apprenticeships.

Specifically, Wates Construction is currently managing the Gorse Ride redevelopment project in my constituency. It has highlighted a problem that similar and smaller subcontractors experience. They sometimes do not have the capacity to take on apprentices due to the value of the contract and the duration, where they may not be on site for long enough. Although shared apprenticeship schemes are great, they have to pay agency fees on top of apprenticeship wages, which makes it an unaffordable option. Can the Minister address the issues raised by Wates Construction about the affordability of apprentices? What more can be done to ensure businesses like theirs can take on more apprenticeships?

3.3 pm

**Dame Harriett Baldwin** (West Worcestershire) (Con): It is a great honour to serve under your chairmanship this afternoon, Mr Betts. I congratulate the hon. Member for Portsmouth North (Amanda Martin) on securing this important debate. I must start by declaring an interest: I am married to someone who did a BT apprenticeship back in the day, and he always talks about how incredibly valuable that was as a way to learn after leaving school. So I did slightly bridle at the rather attacking political tone that I heard from the hon. Lady in her opening remarks, because if there is one thing that we have complete cross-party consensus about in this Parliament, it is about the value and importance of apprenticeship routes. We may occasionally differ on the means and the



*[Dame Harriett Baldwin]*

approach, but I think we would not differ in terms of the end and how important it is for our country and economy to have more people doing apprenticeships, because they offer a wonderful opportunity for young people to learn valuable skills on the job and earn a salary while they learn. As a nation, we need to ensure that school leavers and employers view an apprenticeship on equal terms with going to university.

I will point out some of the positive statistics from the last Government's track record. Nearly 70% of occupations could be entered via an apprenticeship by the time the last Government left office. In 2009-10, there were fewer than half a million people participating in apprenticeships, but by 2023-24, there were more than 735,000 participating and training under the more rigorous industry design standards introduced in 2014. The 178,220 achievements reported for the 2023-24 academic year represented the highest number since the pandemic, in 2018-19. Between 2010 and 2024, the previous Government delivered 5.8 million apprenticeships, and passed legislation requiring children to be informed about technical education opportunities. It is crucial that the Government build on this legacy, and I am sure we will hear from the Minister on how they intend to do that.

According to the Liverpool School of Plastering, the UK will need to recruit more than 1 million tradespeople by 2033 to meet the demands of a growing population and the infrastructure requirements. The hon. Member for Portsmouth North highlighted some of the important roles in her constituency that would require that. The shortfall we have in this country is driven partly by an ageing workforce, but also, as the hon. Lady rightly highlighted, by negative perceptions of trades, and by demand outstripping supply. Some of the negative perceptions that young people have include seeing these jobs as being physically demanding, low paying, and lacking in career progression. That does not reflect the diverse and rewarding career paths that exist today in trades.

In the autumn Budget, we heard that the Chancellor is increasing the rate of pay for apprenticeships by some 18% up to £7.55 an hour. On top of that, the Government have raised employer national insurance contributions, and the threshold at which national insurance is paid has been lowered from £9,100 to £5,000 a year. It will be important to note how this cost squeeze will impact the number of apprenticeships that businesses are able to provide. We will follow and scrutinise that in the weeks and months to come.

I endorse what we have heard from so many Members this afternoon about the importance of apprenticeships, the incredible opportunities they offer to so many young people, the importance of issues such as transport, and the awareness and knowledge that both businesses and young people need to have. With that, I look forward to hearing from the Minister.

3.8 pm

**The Parliamentary Under-Secretary of State for Education (Janet Daby):** I congratulate my hon. Friend the Member for Portsmouth North (Amanda Martin) on securing this important debate. I thank her for speaking so

passionately about the importance of apprenticeships as a route into the construction sector and many other vital industries. I will endeavour to respond to all the points she made. I would also like to thank the other Members that have contributed to the debate: my hon. Friend the Member for Peterborough (Andrew Pakes) and the hon. Members for Strangford (Jim Shannon), Wokingham (Clive Jones), and West Worcestershire (Dame Harriett Baldwin).

Everyone across this Chamber cares about young people and fully accepts that young people need to be in apprenticeships, where that is suitable for them. If it is right for them, it is also right for getting the economy going and ensuring the growth in our country that we so desperately need. It is right that we put our efforts as a Government towards making sure that young people succeed in this area. However, I would also say that we have inherited a picture that is not as positive as the shadow Minister laid out.

We know that around a third of vacancies in the UK are hard to fill due to a lack of skills in these sectors, with large shortages in construction and information and communications. Skills shortage vacancies make up a significant proportion of all vacancies in construction, information and communications, manufacturing and health and social work. We have actually inherited a picture where many companies and organisations are finding they cannot employ people because they do not have the relevant skills, and we have millions of people that need to be in work that do not have the skills for certain jobs where they could fulfil their potential.

Between 2020 and 2035, the construction industry will need an additional 1,143,000 people in the workforce, in order to take account of additional workers and to replace existing workers. As Members have said, we really do have our work cut out for us.

All Members will recognise the long and proud history of apprenticeships and trades in this country. Apprenticeships in England can be traced back to the middle ages when craft guilds were first established—they are part of our DNA. The first national apprenticeship system of training was introduced as far back as 1563.

Despite that long-standing history, especially in construction, it is concerning that, in recent years, we have seen declining apprenticeship opportunities in vital occupations such as bricklaying, plastering, plumbing and so on, particularly for younger people. It is of great concern that, following reforms of apprenticeships, including the introduction of the apprenticeship levy in 2017, apprenticeship starts by young people under 25 fell by almost 40% according to data published by the Department for Education. It is also concerning that so many workers and employers have told us they find it difficult to access the skills they need, particularly in critical areas such as construction trades.

The UK construction workforce is just over 2 million people, according to the latest figures from the Office for National Statistics. Despite an average of 38,000 vacancies advertised per month, almost a third of construction employers report that finding suitable skilled staff was their key challenge, as I have already mentioned. In addition, our labour market and skills projections suggest that between 2020 and 2035, we will need to work hard to make sure there are more than a million people to replace people in this sector.

We need reform of our skills system so that we are able to meet such demands. That is exactly what this Government are going to do, and have begun to do. It is clear that the skills system is fragmented and has lacked a clear plan, which has resulted in a lack of clarity around which sectors need prioritising and has led to a skills landscape that is confusing to learners and employers.

There has been lots of concern, as has been mentioned, about the drop-out rate of young people in apprenticeships. That is of course very concerning, and there are different reasons for those rates. Surveys have been done and people move on for many reasons, such as other employment or promotion, or finding the apprenticeship difficult. The situation is being reviewed and assessed.

The issues have been compounded by insufficient investment in skills, which has led to a decrease in adult participation in further education and training. To address that, the Government have established Skills England, a new body that will tackle skills shortages and support sustained economic growth. Skills England will help to ensure that the skills system is clear and easy to navigate for young people and adults, strengthening career pathways into jobs across the sector. It will increase the quality and quantity of skills development in the workplace. It will work together with combined authorities and other places with devolution deals, as well as other regional organisations such as employer representative bodies, to ensure that regional and national skills needs are met at all levels—from essential skills to those delivered via higher education, in line with the industrial strategy.

We have also set out plans for a more flexible levy-funded growth and skills offer, building on the current apprenticeship offer. I assure hon. Members that the Government are listening to employers. Employers have told us that the current apprenticeships offer is inflexible and that the system does not work for them. We want to support employers, not only in the trades, but in all sectors, to develop the skills that they need to thrive. That is why we have introduced a more flexible levy-funded growth and skills offer that will provide employers with greater choice.

As a key first step toward greater flexibility, we are introducing new shorter-duration apprenticeships and foundation apprenticeships, as employers have told us that not all roles or all learners need a minimum of 12 months' training. We are responding to employers who have said that more support is needed to generate a pipeline of talent that can access occupationally specific apprenticeships, and we are exploring the best way in which shorter-duration apprenticeships can better meet the needs of specific sectors such as construction, where occupational competence can be reached in less than the current minimum duration of 12 months, or where individuals have relevant prior learning.

We will, of course, protect the elements that make apprenticeships work so well and ensure that they retain the credibility and prestige they hold with employers. Our new work-based foundation apprenticeships will focus on ensuring that training is directed towards real vacancies. They will provide young people with a broad training offer, with clear and seamless progression into their next opportunity, whether that is the next level of apprenticeship or other valuable occupational learning. We will work closely with employers and providers. The Government will make sure that we get this right.

**Jim Shannon:** I thank the Minister for her positivity and for her response to the hon. Member for Portsmouth North. I hope I have not jumped the gun with this point—perhaps the Minister is coming to it. Has she had discussions with those back home in the Northern Ireland Assembly about working together to progress things in a positive way for everyone?

**Janet Daby:** I thank the hon. Member for his intervention and for his earlier speech. We are working with our devolved Administrations and are committed, along with them, to making sure that we get this right for young people. I thank him for his contributions about, and concern for, young people needing to complete their apprenticeships. I am very willing to engage further with him on these conversations.

In addition to the declining numbers of apprenticeship opportunities in recent years, it is also concerning that only around half of apprentices go on to achieve their apprenticeships. The latest available data for the 2022-23 academic year shows that the apprenticeship achievement rate was 54.3%. In the construction sector, the achievement rate was slightly lower, at 52.7%. Although that represents an increase on the previous year, as in so many areas of the skills system, we need to do much more. We all know that apprenticeships, when completed, deliver great outcomes, so it is critical that we work together with employers, learners and providers to make sure that more apprentices achieve. The Government are working hard to deliver that.

There are concerns around the English and maths requirements for apprenticeships, which are sometimes a barrier to completion and achievement. We are looking carefully at this policy to make sure that we set high standards while supporting apprentices to achieve. We will continually improve other areas of apprenticeships, including end-point assessment, to ensure that they are robust yet proportionate and aligned with key professional qualifications. I am clear that this is a partnership, so we will also make sure that employers and providers have the support and challenge that they need to improve by sharing best practice and improving guidance, alongside an inspection and accountability system that drives improvement.

I welcome the work of the Construction Industry Training Board to support construction apprenticeships in key trades, such as bricklaying and carpentry. The CITB, which is sponsored by the Department, provides financial support to both construction employers and learners. Employers can claim £2,500 a year per apprentice while individuals complete their apprenticeship and a £3,500 achievement grant on successful completion of their full apprenticeship. Apprentices that go on to complete their apprenticeships can look forward to wage returns and more secure employment.

I gently remind my hon. Friend the Member for Portsmouth North that the Chancellor set out in the Budget that the apprenticeship minimum wage will increase by 18% from April 2025, from £6.40 to £7.55 per hour. The median annual earnings for apprentices achieving a level 3 apprenticeship in the construction, planning and built environment sector in 2015-16 were £21,730 one year after studying, rising to £29,620 five years later. We will ensure that many more apprentices, including those in key trades, see those benefits in the future.

[Janet Daby]

As my hon. Friend mentioned, small and medium-sized enterprises are a key area of interest. They are a driving force in the construction sector, playing an important role in providing local opportunities to young people, and we provide a range of financial support to help them to take on apprentices. For non-levy paying employers—they are likely to be smaller employers—we pay 100% of the apprenticeship training cost for young apprentices aged 16 to 21. We also provide £1,000 to employers when they take on apprentices aged under 19, in recognition of the additional support that younger apprentices may need when entering the workplace. Employers can choose how best to spend that, and they are not required to pay anything towards employees' national insurance contributions for apprentices up to the age of 25.

I strongly encourage any young person to consider a rewarding career in the trades, whether that is as an electrician, scaffolder or plasterer. My hon. Friend the Member for Peterborough spoke so passionately about apprenticeships being an excellent entrance to jobs and occupations. It is a brilliant route for young people, and I could not agree with him more. The Government are really ambitious for young people, where it is right for them, to pursue apprenticeships, and it is our job to make sure that we give them every opportunity to do so. This Government are about breaking down barriers and ensuring that young people have those opportunities.

The Government have an ambitious plan for rebuilding Britain. We have committed to building 1.5 million homes in England to ensure that people have access to quality housing, and skilled trades are absolutely necessary if we are going to achieve that target. We are working closely with industry to ensure that we have a skilled workforce to deliver that commitment. Last month, we announced a £140 million package of industry investment to create 32 home building skills hubs in areas that need more housing. The hubs are an example of how sectors can use existing flexibilities to solve skills shortages and support growth. They will make use of existing flexibilities in our apprenticeship system to deliver fast-track home building training and apprenticeships for skills in critical demand for home building, including groundwork, site carpentry and bricklaying. The Government are committed to building on that type of innovation.

I am enormously grateful for the support that my hon. Friend the Member for Portsmouth North has given this agenda today and for all the very significant and relevant contributions. The hon. Member for Wokingham spoke about his local area and the support that is needed. He emphasised the decline in many of the apprenticeships that are needed for young people, and he asked for a meeting. I invite him to write in and I will endeavour to ensure that my noble Friend, Baroness Smith, will have a meeting for that very important discussion.

Hon. Members have raised some important concerns about skills shortages in critical trades, and about the perception of careers in those vital occupations. I am grateful for the considered contributions of everyone who has spoken. It is clear that there are widespread skills shortages in vital industries, such as construction. We will all need to benefit from young people being in those jobs at some point or other in our lives, and it is especially needed for our country when we are looking at growth. I have set out today how we will begin to

tackle this issue, starting with the establishment of Skills England and by developing a more flexible and levy-funded growth and skills offer. Those actions will support employers and learners across the country in accessing high-quality skills training.

3.29 pm

**Amanda Martin:** Thank you for your chairmanship during this debate, Mr Betts. I thank everyone for their valuable contributions, and I welcome their research and insight into this topic. I will touch on a few points, if I may. I thank the hon. Member for Strangford (Jim Shannon) for his Northern Ireland perspective and the questions he posed. However, I want to say that working in a trade is, and can be, a career for those academic kids, as well as those who would traditionally follow a vocational route. I met a wonderful young man at Springfield secondary school's year 11 awards evening. He did very well in getting grade 9 in all his GCSEs, and had proudly taken up a carpentry apprenticeship. He was so passionate about the opportunity he had that it gave me goosebumps to have that conversation with him. We need to put lads like that at the forefront to say that this career path can be taken.

I thank my hon. Friend the Member for Peterborough (Andrew Pakes) for his promotion of the trade sector in his constituency and in this place, and for his solutions, ideas and passion to elevate the status of trades, which I echo. The hon. Member for Wokingham (Clive Jones) presented stark statistics, showing the difficulty that young people face in accessing training and a start to their careers. I can echo that it is difficult enough to find a tradesperson, as they are always busy, but try doing that when it is someone in your family and you become a love job—you definitely to go to the bottom of the list. My mum has had a dripping tap for over a decade, and I had a light in my front room—we call it “the big light”—that did not work for 18 months. So I know that it is even worse when it is a love job from your family.

I want to make a few points in response to the shadow Minister. First, it is good that she made a commitment—obviously, she has her background with her husband—to apprenticeships and their value, because previous Government initiatives did not seem to do that. Levelling up did not work, with areas of affluence seeing more sign up to apprenticeships while deprived areas saw a drop. Also, the high-level apprenticeships did not work because there was a drop in the construction industry.

I thank the Minister for her contribution and commitment to people working in the trade sector, be that businesses, apprentices or future apprentices, through the changes that we have started, identified and hope to continue. I would like her to take back to the Department some points from today's debate. To achieve the ambitious growth in house building targets that I am pleased the Government are pursuing, we must upskill, and vocational education must be central to that across the country. Broadening the pool of apprenticeships not only solves an important part of the skills gap facing several sectors—notably construction—but it unlocks opportunities for young people and those who want a career change.

We need more people to use the flexible apprenticeships that have been mentioned, and we need those to work for a diverse range of people. I was one of the first girls to take a GCSE in design and technology, which is why



it has always been a big passion of mine. We need to look at what we are doing in our education system. We need a system that values all pathways equally, so that the young man from Springfield school is not unique in pushing himself into this career. We must celebrate and elevate this vital sector, showing young people, and those not so young wishing to change their career, the possibilities, the positivity and opportunities available. I thank everyone working in the sector who is doing that day in, day out.

Apprenticeships can lead to successful businesses, higher wages and skills to be proud of, and I would like to see our education system and society placing vocational training at the heart of its ambition. As I have said, and continue to say, if someone cannot see it, they cannot do it. I am pleased that the Government recognise that and are beginning to unlock and make improvements immediately.

*Question put and agreed to.*

*Resolved,*

That this House has considered public perceptions of trades and apprenticeship completion rates.

3.33 pm

*Sitting suspended.*

## Aldridge Train Station

4 pm

**Wendy Morton** (Aldridge-Brownhills) (Con): I beg to move,

That this House has considered the future of Aldridge train station.

It is a pleasure to serve under your chairmanship, Mr Betts. I am grateful for the opportunity to speak on the proposed development of a new train station in my Aldridge-Brownhills constituency and its funding through the city region sustainable transport settlement, known as CRSTS, which is less of a mouthful.

I will start with a little background about Aldridge-Brownhills and where we have got to with the development of a train station. Currently Aldridge-Brownhills is one of only 49 constituencies in this country that do not have a passenger train station and one of three in the West Midlands combined authority area. That is worth remembering. As in so many other areas, we lost our station in Aldridge due to the 1960s Beeching cuts. The last passenger train left Aldridge in 1965. Although we still have a freight line with freight trains operating on it, we do not have passenger services, but what we do have is a vision and determination to once again see passenger train services stopping at and running through Aldridge.

Things began to change in 2017. Following the first West Midlands mayoral election and the establishment of the West Midlands combined authority under Andy Street, the mayor laid down a bold and ambitious transport plan for the West Midlands region up until 2040.

**Jim Shannon** (Strangford) (DUP): I commend the right hon. Lady for securing this debate. I suppose her ambition will be not just for the train station, because in this day and age there is definitely a need to ensure that those with disabilities can have access to all the train stations. I know the Government are committed to making those changes, but in the new build that the right hon. Lady is asking for, is it not possible to have disabled access there at the beginning so that everyone has the right to travel in this great United Kingdom of Great Britain and Northern Ireland?

**Wendy Morton:** The hon. Gentleman makes an important point. New train stations must have disabled-friendly access, and also access for those who might have a pram, a pushchair or bags that are hard to carry up the stairs. That is really important. I am conscious that across the rail network, as the Minister will be aware, we have a lot of older train stations and heritage buildings. I know there is a programme to bring those up to speed. Perhaps she will say a little more about that.

I am passionate about a train station for Aldridge because I want to make sure that my constituents have opportunities to go into Walsall, Birmingham and beyond. I want young people to have the opportunity to get the train to go to study, to university, and of course to access employment—so, yes, I am ambitious for Aldridge. When Andy Street was the mayor, part of his ambition was to bring a train station back to Aldridge. In fact, I remember the day he launched the plan and it almost looked like a smaller version of the London Underground map with all the different lines linking together and taking passengers into New Street. Such maps probably

[Wendy Morton]

get the Department for Transport thinking about a mass transit system and the ability to move people around an area.

A city region such as the West Midlands combined authority needs an integrated transport plan. In Aldridge we have the train line. All we need is a station and then we will be part of that integrated plan. Throughout the intervening period since 2017 a huge amount of work was undertaken by the West Midlands combined authority and Transport for West Midlands. The gamechanger came in February 2021, when Andy Street, on behalf of the combined authority, purchased land from the NHS for car parking. That was a clear demonstration of intent to reopen a station in Aldridge.

**Clive Jones** (Wokingham) (LD): Aldridge station is projected to have 40 new car parking spaces, but Twyford station in my constituency is having some resurfacing and relining that will see the number of spots decline. That is despite half a million people now using the station, mainly because of the Elizabeth line, leading to a nightmare for commuters in my constituency. Does the right hon. Lady agree that the Minister should bring Network Rail, Transport for London, Great Western Railway, and the Department together to find a solution that delivers more car park spaces for stations such as Twyford?

**Wendy Morton:** I am grateful to the hon. Gentleman for raising that point. As train users, we all know that the availability of car parking is important, and it is disappointing when a car park is upgraded or resurfaced and the upshot is fewer spaces rather than more. For Aldridge station, the purchase of the land is critical as part of the plans, but I am conscious that that will need to go through planning and so on. The hon. Gentleman makes a fair point. Let us hope that the Minister might have heard his comments, and if she does not respond in this debate, perhaps she will respond to him another time.

Let us return to Aldridge station and the journey to where we are today. By June 2022, the strategic outline business case for the scheme was assessed, and given ministerial approval by the Department for Transport. Further funding was provided from the Restoring Your Railway programme. The outline business case demonstrated that the proposal to reopen a station in Aldridge presented the potential to improve connectivity for the residents of Aldridge, and reduce existing congestion by providing a more convenient public transport route, with greater access to job opportunities. Demand modelling for the proposed station shows the potential for 237,000 passenger journeys per year. That would help to reduce pressure at existing stations nearby, most notably at Blake Street and Four Oaks in the constituency of my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), who is not here today, as well as at Tame Bridge in the West Bromwich constituency.

On 20 February this year, the green light for the project was given, and the budget of £30 million was secured from the Government. Transport for West Midlands and the West Midlands Rail Executive were working with Network Rail to get the station built and open, with a project end date of 2027. Imagine how excited we all were when we heard the news. For the avoidance of

doubt, it was stated on the West Midlands combined authority website that the budget for Aldridge station was secured. Aldridge station would initially offer a half hourly service to Walsall town centre, where passengers would be offered an easy interchange with services to Birmingham, as well as the opportunity to connect to wider regional and national services. In addition, there were active discussions for further opportunities to improve and increase services at Aldridge. Those included the possibility that if the open access request was granted by DfT Ministers for services between Euston and Wrexham, the Wrexham, Shropshire & Midlands railway could provide services through Aldridge directly to London five times a day. What a game changer that would be for my constituents.

It therefore came as a big surprise to me and my constituents when, no sooner was the newly elected mayor of the West Midlands, Richard Parker, in place, than he announced in July a review into the future of Aldridge station. Not only that, but having said that he would look into all transport projects, he then singled out only three projects to be reviewed. Those included, of course, our proposed station in Aldridge. The question is: why? Then, having secured the £30 million of funding through the CRSTS, it came as a further shock to learn that, as an outcome of its review, Arup, the independent assessor, was under the misapprehension that there was a budget of only some £3.6 million, and therefore it seemed to believe that it was not a fully funded project. That is of course wrong, but that is the narrative that the mayor now wants people to believe, somehow conjuring up an illusion that the project has no funding and therefore could easily be pulled.

Mayor Parker knows that is completely wrong. In fact, he made an application to the Secretary of State for Transport to move over £26 million of that funding to other areas within the budget. I was informed by the former Secretary of State for Transport, the right hon. Member for Sheffield Heeley (Louise Haigh), in a letter on 21 November that she had agreed to move the ringfence funding for the project on the advice of the mayor. Can the Minister confirm today when Mayor Parker made his application? Where has he sought to direct that funding to? I can only presume that it is to part of his wider transport budget, but which part, and where? My constituents are left wondering whether their funding is now being used to fund an unaffordable bus nationalisation scheme that everyone told Mayor Parker, before the election, could not be delivered on the budget he had planned, which was only £25 million.

On that basis, call me cynical, but an additional £26 million from the Aldridge project would prove to be very handy for the elected mayor to push forward with his pet project. I am not anti-buses at all, but I am against money that was earmarked and ringfenced for Aldridge being moved somewhere else. That is why, given that the Secretary of State gave approval to vire this money, it is important that we fully understand where it has gone. I very much hope that the Minister will be able to tell me today, as the mayor is trying to have his cake and eat it. First, there was a review, and that review then became all about Aldridge station being deferred until future years. Now this week he is saying:

“What is pretty clear is the funding wasn’t in place but more importantly that project has not currently met the business case requirements that it would need for that investment to take place”.

To me and my constituents, this all sounds rather like the whole project is slowly being pulled into the sidings, awaiting derailment by the mayor. I would therefore be grateful if the Minister confirmed what intention Mayor Parker has signalled to the Department for Transport.

I simply cannot, and will not, accept the comments from the mayor on funding. I would like the Minister to confirm: first, this was a fully funded project through the CRSTS and the funding allocation was awarded to the West Midlands combined authority and Transport for West Midlands; secondly, it was also detailed on the West Midlands Rail Executive website; and thirdly, this was a political decision and a political choice by the elected mayor to change his political priorities to move that money, and he sought approval from the Secretary of State to do so. Once and for all, I believe that it is time to call out the elected mayor. My constituents and wider public transport users in the West Midlands deserve better, and it is time to admit that this was not his political inheritance, nor his predecessor's, and it was not any failure of the previous Government to fund a new station in Aldridge. It is his decision, and his alone, to deny the people of Aldridge their funding for their new station.

Turning to the so-called review, I would like to ask the Minister some questions—sorry about all my questions today. When did the former Secretary of State give her approval to move the money? I am concerned that the basis of the Arup review was seriously flawed, as the independent adviser to the mayor was under the impression either that approval to move the money had been given, or that the project had only a fraction of the budget, when the opposite was true. The residents of Aldridge deserve to be treated with respect, fairly and equitably, yet the manner in which the new mayor has handled the whole matter does a disservice to politics. Now we find that the mayor, having created his own hole, continues to dig himself in by repeating in his statements that the project was not funded and that the case for a station in Aldridge was not properly made, which is simply not the case.

The new Transport Secretary, the right hon. Member for Swindon South (Heidi Alexander), said just yesterday that better rail services

“put the needs of local people first”.

I could not agree with her more. Ensuring that transport services are joined up, meet local needs and drive economic growth is exactly what Aldridge station is all about. It is time that the mayor apologised to the people of Aldridge for the whole review. I hope that the Minister will clear up the facts for my constituents today—that she will confirm that the project was fully funded and that by one means or another, the people of Aldridge have been seriously shortchanged, and the mayor has put their proposed new station at risk.

I will conclude by repeating that the residents of Aldridge deserve better than the treatment they have been given, and it is incumbent on the Minister today to be clear with all of them about why the Government have backed the decision. She needs to give them, and me, the answers to those very basic questions. Aldridge deserves its train station, and it expects its train station.

4.16 pm

**The Parliamentary Under-Secretary of State for Transport (Lilian Greenwood):** It is a pleasure to serve with you in the Chair, Mr Betts. I congratulate the right hon. Member

for Aldridge-Brownhills (Wendy Morton) on securing this debate about the future of Aldridge train station. I also congratulate the hon. Members for Strangford (Jim Shannon) and for Wokingham (Clive Jones), who used the opportunity to raise important issues pertinent to their constituencies. I know that the hon. Member for Wokingham would like my thoughts about extra car parking spaces at Twyford station; I regret that I shall have to ask my colleagues in the Department and perhaps my officials to write to him about that, as I had not prepared notes on Twyford for today's debate.

I share the right hon. Lady's enthusiasm for the delivery of new rail infrastructure enhancements such as a new station at Aldridge, and I recognise the wide array of transformative benefits that they can bring. Railways can create jobs, spur economic growth, promote decarbonisation via a modal shift from road to rail, and generally enhance people's quality of life by helping them to get easily from A to B. The magnificent new University station in Birmingham, which opened at the start of the year, has already facilitated millions of journeys and is a shining example of how infrastructure can transform lives and stimulate growth. That is backed by early passenger survey results, which show that nearly 90% of passengers rate the new station as “good” or “excellent”, and nearly 20% would have taken their journey by car if the new station was not there. I am sure she agrees that those are worthy goals, and she is right to advocate for the delivery of similar schemes in her constituency that can unlock such benefits.

I completely understand the right hon. Lady's vision for passenger train services serving her constituency for the first time in a long time. However, it is in that spirit of wanting to complete transformative transport enhancements that difficult decisions have been made. As she knows, in 2022 the Conservative Government allocated £1.05 billion of city region sustainable transport settlement funding to the West Midlands combined authority, or the WMCA. The money was devolved to the WMCA, led by then metro mayor Andy Street, to spend on its local transport priorities. The WMCA set out its priorities for a programme of investment, which the Department for Transport supported and which included an allocation of £30 million towards delivery of a new railway station at Aldridge.

Time passed, and in July 2024 the West Midlands combined authority presented a paper to the Department outlining cost pressures across its portfolio of projects. As the right hon. Member knows, there has been significant inflation since 2022, and it is not unique to the West Midlands combined authority that cost pressures have arisen in the delivery of infrastructure projects. The cost gap presented a material risk that schemes already in construction would be left unfinished. The combined authority proposed reallocating funding that was allocated but not ringfenced from schemes not in construction, including Aldridge railway station, to those in delivery to ensure that they were completed.

I am happy to share with the right hon. Member which schemes have been prioritised. The schemes that have been assisted with the funding, reallocated as she described, include Rail Package 2, which is delivering three new stations—Moseley, Kings Heath and Pineapple Road—on the Camp Hill line between Kings Norton and Birmingham New Street; the Wednesbury metro depot; certain sections of the Sprint phase two priority bus corridor; the Dudley



*[Lilian Greenwood]*

Interchange, which is a new bus station at Dudley; and the Wednesbury to Brierley Hill metro extension and a further extension on to Merry Hill. Also included is the Birmingham Eastside metro extension, which serves Digbeth and will serve the HS2 Curzon Street station.

A number of other programmes have been deferred as a result of those schemes needing to be prioritised. I can assure the right hon. Lady that while improving bus services is an important issue, including in the West Midlands, the funds are not being redirected and used for the purpose that she suggests might be the case.

The West Midlands combined authority proposed retaining £3.6 million to complete important ongoing design and business case development work for Aldridge station. As the right hon. Lady knows, projects need to go through a process to secure final funding and move to delivery. At present, work is being done using that development funding to produce an outline business case for Aldridge railway station; then, a final business case will be needed. In any case, these are crucial steps to securing a decision to deliver. Work can still continue with that important development funding.

**Wendy Morton:** I hear what the Minister is saying, and I still hope she will answer some of my questions, but on that ongoing work, that money was part of the £30 million for Aldridge station. The Department and the mayor always fall back on the argument that the station is not under construction, but the work had started and it is ongoing. There is £3.6 million to do the preparatory work and ground work. I have spoken to Network Rail, and it is all teed up to do all of this. The Government have allocated £3.6 million, but I would still argue that that is part of the £30 million. I still do not understand why Aldridge train station was the one singled out to be pulled from all the projects.

**Lilian Greenwood:** A number of projects are in construction, and I have spelled out precisely which ones. The West Midlands combined authority wanted to ensure that those projects would be completed and opened, as significant spending had already been put into taking those into construction. As I have set out, Aldridge railway station has not yet reached an outline business case. It is not in construction, but that development funding—the £3.6 million—will be used to develop the work and ensure that it can go forward in the future. It is not the only project that has been deferred.

**Wendy Morton:** I will not make too many more interventions, but on the specific point about the project moving to the next phase and then into construction, does the Minister not accept that because the mayor and the Department for Transport have vired the money elsewhere, the money for the station's construction is now gone?

**Lilian Greenwood:** I accept that the West Midlands combined authority had cost pressures and that it does not have sufficient funding to complete all the projects that were set out in its original plan to the timetable that was envisaged. The right hon. Lady is correct that the money has been reprogrammed to be used on other projects, but that does not mean that the railway station

cannot be delivered in the future. Other deferred programmes include part of Sprint phase 2, the Hagley Road rapid transit development and the cross-city bus programme. I know that will be unwelcome news.

The request was made in July this year, and in September my Department approved the West Midlands combined authority's recommendation. I stand by that decision, although I understand the right hon. Lady's disappointment that schemes not yet in construction, including Aldridge railway station, will not be delivered to the timescale originally planned. The £1.05 billion originally allocated by the Conservative Government to the West Midlands combined authority has not been reduced; the West Midlands combined authority has, with our approval, reallocated the way that the money is being spent so that it can finish the job on schemes that are in flight. I am confident that we are aligned on the benefits that transport enhancement can bring, and that is why we cannot afford to leave schemes unfinished. I understand the right hon. Lady's concerns, but that is the decision that the West Midlands combined authority sought for us to take, and we have allowed it to proceed in that way.

As the right hon. Lady says, the West Midlands combined authority's portfolio of transport enhancement schemes was established and signed off under the previous West Midlands mayor and under a Conservative Government. However, cost escalations and delays to the programme also occurred during Mayor Street's tenure, and under a Conservative Government. I am committed to ensuring that the schemes in delivery, which were named in the previous mayor's manifesto, and which the right hon. Lady campaigned for, are delivered. I believe that with her advocacy and the leadership of the current metro mayor, Richard Parker, who I know is ambitious for the West Midlands and its transport network, the future remains bright for Aldridge railway station. With its £3.6 million of development funding, design work and business case development continue at pace.

My Department is undertaking a review of the previous Administration's spending plans, and once that is complete, we will confirm future funding allocations. By carrying out that essential pre-delivery business case and design work, the West Midlands combined authority is ensuring that Aldridge station is well placed for delivery funding, as and when more money becomes available. The right hon. Lady's work with the West Midlands combined authority and her constituents to advocate for the scheme is the best way of ensuring that there is a strong local consensus behind it and increasing the chances of it being funded in the future, as and when funds become available. If and when Aldridge does get delivered, in combination with the new stations being built at Willenhall and Darlaston, we could see the number of stations in the Walsall area double from three to six, which is a hugely exciting prospect for her constituency and the wider region.

I am ambitious for the future of Aldridge and the West Midlands, and I urge the right hon. Lady and the West Midlands combined authority to continue developing plans to ensure that we deliver better transport infrastructure, which supports economic growth, jobs, decarbonisation and improved quality of life for the travelling public of the West Midlands.

*Question put and agreed to.*

## Community Pharmacies: Devon and the South-west

4.30 pm

**Rachel Gilmour** (Tiverton and Minehead) (LD): I beg to move,

That this House has considered Government support for community pharmacies in Devon and the South West.

I am delighted to have secured my first Westminster Hall debate. It is an honour to speak under your chairmanship, Mr Betts. At a time such as this, when we repeatedly hear from the Government and our communities that the national health service is under strain, is heading into yet another winter crisis and is struggling with capacity, community pharmacies need the greatest consideration for further Government support. I will start by focusing on the role of pharmacies in our society, and then I will outline the challenges and end on what we might be able to do with the right support and engagement.

I wish to thank all pharmacists and their staff in Tiverton and Minehead for the invaluable work they do day in, day out. In particular, I commend Neil and Anna, who have run Bampton pharmacy in my home village for decades, and have, along with the owners of Wiveliscombe pharmacy and Alcombe pharmacy, provided me with first-hand, real-life insights into the challenges they face.

The 15 pharmacies in my constituency of Tiverton and Minehead provide a vital service to their communities—something they share with every pharmacy across Devon, Somerset, the south-west and, indeed, the whole of the United Kingdom. As I am sure we will hear from other hon. Members, pharmacies are under threat from the economic environment in which they now operate. Core pharmacy funding has decreased in real terms by more than 30% since 2016, and costs have gone in exactly the opposite direction. The number of pharmacies open in England is lower than it has been in any year since 2008-09, even though their workload is 40% higher, in terms of annual prescriptions.

**Sarah Dyke** (Glastonbury and Somerton) (LD): I thank my hon. Friend for securing this really important debate. As she was laying out, community pharmacies face large funding gaps, but the rate of pharmacy closure is Glastonbury and Somerton is nearly double the national average. Does she agree that the Government should commit to publishing the independent economic analysis commissioned by NHS England in early 2025, when the work is concluded? Does she also agree that we must reform community pharmacy funding and put in place a sustainable, long-term funding model?

**Rachel Gilmour**: I agree with both courses of action, and I thank my hon. Friend very much for that important and interesting contribution.

The increase in workload is not sustainable, but that workload is too important not to receive proper backing from central Government as they make headway on their ambition to create what they have referred to, on occasion, as a neighbourhood health service.

Being a Devonian, I would like to go through things logically. First, I will talk about prescriptions. In Tiverton and Minehead, each pharmacy dispenses an average of

7,540 prescriptions every month. Across all 15 pharmacies, that is an average of 113,175 prescriptions each month across the constituency. That is 20,000 more prescriptions each month than the House of Commons Library says there are people in the entire constituency. Prescriptions that provide life-altering medications for constituents are the front door to the work of pharmacies. They are what most people think pharmacies do most often, but our pharmacies do a lot more work in our villages, towns and cities.

**Ann Davies** (Caerfyrddin) (PC): It matters not whether the community pharmacy is in Devon or my constituency of Caerfyrddin; drug tariffs, which put such a strain on our pharmacists, need to be reviewed, and an uplift is long overdue. Would the hon. Member agree that we need to highlight that financial shortfall to the Government, and that something needs to be done immediately?

**Rachel Gilmour**: I agree that we need to do that as often as possible. I will move on to the workload. This is not a typical example: along with prescriptions, in Tiverton and Minehead each pharmacy conducted 398 flu vaccines on average during the 2023-24 season, higher than the national average of 355.

If Members are unfortunate enough to need their blood pressure checked, they can go to a pharmacy. Across the UK, 930,000 hypertension blood pressure checks are undertaken in just one year. With public health as a driving mission for the Government, I would hope that this was something they could support wherever it takes place. Pharmacies also offer a range of other clinical and public health services, including providing flu and covid-19 vaccinations, and if further services were to be commissioned from community pharmacies in the context of sustainable core funding, the sector could do even more to improve access to primary care.

**Jim Shannon** (Strangford) (DUP): I thank the hon. Lady for bringing this debate forward. She has touched on the issue of funding. In Northern Ireland, we have already made that commitment as it is a devolved matter; an additional £15 million has been set aside for community and GP pharmacies, with extra money beyond April 2027. We all want to achieve what the hon. Lady wants, but does she agree that to achieve that the Government and the Minister have to invest accordingly?

**Rachel Gilmour**: I do agree. In addition to delivering formally commissioned services, pharmacies provide an alternative point of contact for the public for informal clinical advice. The 2024 pharmacy advice audit found that the average pharmacy carries out around 22 informal consultations per day, which is the equivalent of 1.3 million informal consultations taking place in community pharmacies every week.

**Steve Race** (Exeter) (Lab): I congratulate the hon. Member on securing the debate. From the first day we met we have talked about getting this debate, so I am very pleased that it is happening. I am the chair of the all-party parliamentary group on pharmacy. Does she agree that community pharmacies have a huge amount of potential to support patients with a range of services, which will support the NHS ten-year plan to move more care into the community and help prevent ill health in the first place? That is one of the main roles they can play in the future.

**Rachel Gilmour:** As the hon. Member knows, I am keen on strategies, particularly the one that he has just mentioned.

Pharmacies are not paid for the informal advice sessions. In over half of such occasions, if the patient had not been able to access their local community pharmacy they would have instead visited their GP surgery. That suggests that we have freed up 37.7 million GP appointments over the course of a year simply by patients having access to their local community pharmacy, which speaks to the point that the hon. Member just made.

Such a workload is commendable, but it is not sustainable in the current funding model. That has meant that over the autumn the National Pharmacy Association found that pharmacies are overwhelmingly willing to reduce services in order to protect patient safety and preserve access to pharmacies, if funding is not provided to protect the network. Pharmacies do not want to do that; they know the impact that reducing their services can have on a community, but if the other option involves continuing in an overstretched, under-supported environment, for pharmacists and anyone committed to delivering health and health-related services to vulnerable people, it is not a real choice.

**Sir Ashley Fox (Bridgwater) (Con):** I thank the hon. Lady, my neighbour, for securing the debate. Does she agree that the many benefits that community pharmacies provide are in danger, because in many cases the pharmacist is not reimbursed even for the cost of prescription drugs? Will she, with me, ask the Minister to reply specifically on that point?

**Rachel Gilmour:** I will of course do that.

**Adam Dance (Yeovil) (LD):** I congratulate you on securing this vital debate. In my constituency of Yeovil, pharmacies provide vital services, including more than 6,700 prescriptions per month—not quite as many as in your constituency, Rachel.

**Mr Clive Betts (in the Chair):** Order. “You” and “your” refer to the Chair.

**Adam Dance:** Sorry, Mr Betts. Since the launch of the Pharmacy First service this year, it is estimated that pharmacies in Yeovil have saved at least 556 GP appointments. However, a lack of investment and the rise in national insurance contributions threaten the amazing work done by pharmacies in Yeovil and across the country. I understand from the response I received to a parliamentary question—

**Mr Clive Betts (in the Chair):** Order. Interventions should be brief and to the point for hon. Members to respond to. They should not be another speech.

**Adam Dance:** Will my hon. Friend join me in urging the Minister to provide a clear timeline for the consultation to start?

**Rachel Gilmour:** I thank my hon. Friend for his not particularly concise, but erudite, intervention.

I will turn briefly to the funding model of pharmacies. Some 90% of a pharmacy's income is derived directly from NHS funding, but when it comes to how that

funding is allocated, the system is broken. Community pharmacies across the UK dispense more than 1.1 billion items a year and deal with shortage issues on a daily basis. The Department of Health and Social Care sets reimbursement prices in our system, but due to the reimbursement prices being so low and pharmacies being unable to compete on the international stage, the global market is now a safer bet for pharmaceutical companies than the UK. That means that people in the UK sometimes are not able to get the right medication due to shortages and that even when the DHSC puts together a price concession and allows for a greater reimbursement rate to allow UK pharmacies to compete for those life-aiding medications, there are extraordinary pressures on the NHS and the taxpayer. The realities of the funding model mean that community pharmacies are trying to push up water uphill using tools riddled with holes—in other words, sieves.

**Claire Young (Thornbury and Yate) (LD):** Does my hon. Friend agree that in addition to the issues with the cost of drugs, the funding model for providing all the other services that pharmacies are expected to provide, including the Pharmacy First approach to avoiding GP appointments, needs addressing?

**Rachel Gilmour:** I will come on to Pharmacy First at the end of the debate, because I see it as the solution, rather than the problem.

The sector is trying its hardest, but without a fundamental overhaul of the system these NHS services, which are much-needed by patients and the public, may fall by the wayside into one of the following pits. There are the hours lost. When the money is not there, pharmacies cannot operate. As we see in many areas across the south-west and the UK, including in Tiverton and Minehead, hundreds of hours have been lost to temporary closures of pharmacies. According to the Company Chemists' Association, pharmacies across the south-west have cut opening hours to the tune of 130,400 hours over just more than a year and a half by reducing their opening hours. According to Community Pharmacy England, from October 2021 to May 2024, in my constituency alone, more than 520 hours of pharmacy time were lost due to temporary pharmacy closures.

Although pharmacies operate all the services that I mentioned in the first part of my speech—and more, but I do not have time to go through them all—the closures take a toll on the GPs and A&E staff who might be someone's next port of call if they cannot see their pharmacist. They take a toll on the NHS 111 line if the individual calls in, and they take a toll on the people who might not have any other free time in that day to take care of their health needs. Those lost hours add up. When pharmacies cannot provide those appointments or other services, it leads to bottlenecks elsewhere in the system.

Over the first three months of Pharmacy First, to which I will come shortly, pharmacies took 234 appointments out of the GP system simply by offering consultations for the seven applicable conditions. Pharmacies have fantastic potential to relieve pressure and provide new ways for people to access medical services, receive advice and so much more. Pharmacies cannot fulfil their potential if they are closed. The prospect of local pharmacies closing really does scare people. In a recent poll, 83% of



respondents reported that they would be concerned about their local pharmacy closing. Data shows that closures are disproportionately taking place in the most deprived areas, with 50% of the pharmacy closures recorded in areas in the lowest three deciles of deprivation.

**Andrew George** (St Ives) (LD): Further to the point made by the hon. Member for Exeter (Steve Race), is that not the nub of the argument? If the Government are to make the three shifts—including, importantly, the shift from hospital to community—they must not only stem the loss of pharmacies, but build them up.

**Rachel Gilmour**: I see it as a pyramid, with pharmacies at the bottom, right up to operations and A&E at the top.

According to the CCA, between September 2022 and June 2024 nearly 200,000 hours of pharmacy time was lost due to pharmacies closing their doors permanently. Over 1,000 pharmacies have closed since 2016, with a net loss of 136 pharmacies in the south-west over the last decade—including in Tiverton and Minehead, where we did not have many pharmacies to begin with. The number of pharmacies operating in England is now the lowest since 2008-09. There are reports across the sector of sustained difficulties in even staffing the pharmacies that remain open. The sector cannot sustain these exits, nor can communities where pharmacies are so vital. Pharmacies across the south-west and Devon need proper investment to safeguard and fix our broken pharmacy system, and to ensure that our health system is up to scratch and our social care system is supported.

**Several hon. Members** *rose*—

**Mr Clive Betts (in the Chair)**: Order. Given the number of Back Benchers who wish to speak, you will probably have to keep to less than five minutes each. Also, at some point we may have to suspend the sitting for 45 minutes to vote, so please do not speak unless you are prepared to come back when the debate resumes.

4.47 pm

**Sadik Al-Hassan** (North Somerset) (Lab): It is a pleasure to serve under your chairship, Mr Betts.

Over the past two decades I have had the privilege of working in a range of community pharmacies across the south-west and elsewhere. I thank the hon. Member for Tiverton and Minehead (Rachel Gilmour) for the best birthday present I could ask for: an opportunity to talk about a passion that has defined my life and that I am still proud to practice today. I started my journey in community pharmacy studying at that pearl of south-west education, the University of Bath, more birthdays ago than I care to admit. From there, I went on to work in community pharmacies across the region, from Bideford in north Devon to the heart of Bristol, and even in Clevedon—a town I am honoured to represent as its Member of Parliament.

During my time working in village pharmacies, town pharmacies and even online pharmacies, I was witness to the irreplaceable value that pharmacies and their teams provide to some of the most vulnerable in our society. I am sad to say that I also experienced many of the challenges that the sector now faces. Indeed, it was living with those challenges and seeing the unnecessary suffering caused by the decline of community pharmacies that prompted me to run for Parliament earlier this year.

Over the past two decades working in community pharmacies across the south-west, I have seen at first hand the consequences of 14 years of pharmacy neglect by the previous Government, not least through their bad Brexit deal. By weakening our co-operation with our nearest neighbours, we have cut off the supply of pharmacists coming from Europe, we have greatly exacerbated our supply chain issues, resulting in medicine shortages, and we have contorted the Medicines and Healthcare products Regulatory Agency into a role it was never designed for and has since failed to live up to.

Undoubtedly the worst thing the previous Government did for our industry was freeze the funding settlement for 10 years, resulting in a 40% reduction in real terms. With ever-growing demands on prescribing and the introduction of the new role for pharmacists with Pharmacy First, the Conservatives prescribed pharmacy a tough pill to swallow and it will take years to undo the side effects. That is why we must not waste any more time. We must stabilise the sector today with a fair funding settlement while we begin the arduous task of reforming the role of pharmacy and the role it plays in our healthcare system.

Pharmacy First was a good step but, with only seven conditions eligible for treatment, it falls far short of Wales's 27 and Scotland's 30, with the scheme in England fraught with issues, not least in payment. Although the obvious priority is to expand Pharmacy First and relieve pressure on GPs, we must first expand pharmacies' capacity, which can be done only by finally implementing the hub-and-spoke legislation that was inexplicably shelved in September without warning or explanation.

Hub-and-spoke model 1 would allow smaller independent community pharmacies finally to take advantage of the technologies that larger chains have been using for decades, thereby greatly increasing their efficiency and freeing up time previously spent on dispensing to be used for the delivery of clinical services to patients under an expanded Pharmacy First scheme.

I am eager to see this Government avoid the mistakes made during the past 14 years that have brought the sector to crisis point. I thank the hon. Member for Tiverton and Minehead for securing the debate, and the Minister for listening to our concerns. We have a once-in-a-generation opportunity to rewrite the story of pharmacy, which has a long and rich history of healthcare provision in this country but now faces an uncertain future, with some in the sector concerned that we might not survive past 2039.

The prescription for pharmacy is an immediate funding settlement for this year to stabilise the sector with a sticking plaster while we look at the longer-term changes the industry needs. Having been on the ground for the past 20 years, I am here to say that pharmacy has cut every ounce of fat that can be cut, and all that is left is bone. Without advancing the modernisation agenda, the sector has no more efficiencies to make. For that to happen, we need the Government to commit to implementing the hub-and-spoke model to increase capacity, and to expanding Pharmacy First to use that capacity. Pharmacy has an important future role to play in relieving pressure on other parts of our healthcare system, but it can play that role only if we proactively engage with the sector, rather than leave it out in the cold for another 14 years.

4.52 pm

**Steve Darling** (Torbay) (LD): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate my hon. Friend the Member for Tiverton and Minehead (Rachel Gilmour) on securing this important debate.

A number of primary care providers, including GPs, dentists, opticians and pharmacists, spoke to Devon MPs a few weeks ago. They shared with us the crisis that the frontline of the NHS currently faces. They also shared another challenge that I ask the Minister to reflect on: how national operating framework 4 puts additional pressures on services in Devon, and how the integrated care board is challenged in respect of some decisions, perhaps where fewer prevention opportunities have been taken. That has increased pressures on primary care, with more money spent on acute services. The Government rightly highlight the fact that, in children's services and adult social care, prevention is better than cure, and it is the same for this area of the NHS.

My constituency has 22 pharmacists serving communities across Torbay. Sadly, we have lost seven pharmacists in recent years, significantly increasing the pressure on those that still trade, which is a grave concern. We have an older population, leading to greater footfall for our helpful pharmacists. I also reflect on the fact that 10 years ago the NHS spend on support for pharmacists was 2.4%, and it is now 1.6%. If our plan is prevention, that is going in the wrong direction. Colleagues have rightly raised the Pharmacy First approach, which has saved a little under 500 GP appointments in the Torbay constituency; we need to push harder on that agenda.

I would like to curry a little favour with the Minister by sharing with him the fact that the first manifesto I bought had a picture of his father on the front of it. I still have it up on my shelf, despite my wife regularly asking me to clear out my office. I would like the Minister to reflect on whether NOF4 is part of the problem rather than the solution for NHS services, and to ensure that we get the long-term funding for pharmacies that is the strength they need to build on.

**Several hon. Members** *rose*—

**Mr Clive Betts (in the Chair)**: Order. I am going to have to squeeze speeches down to no more than four minutes.

4.55 pm

**Anna Gelderd** (South East Cornwall) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts, and I thank the hon. Member for Tiverton and Minehead (Rachel Gilmour) for securing the debate.

After decades of Conservative Government, our NHS is on its knees, and we see that in our long waiting times, in GP services over capacity and in hospitals struggling to meet demand. In the middle of this, community pharmacies have been quietly stepping up and taking on more responsibilities to help NHS colleagues and to ensure that our communities are not disadvantaged further. However, underfunding, medication shortages and a reduction in the skilled workforce have left many pharmacies in crisis.

According to the Company Chemists' Association, the south-west has lost more than 300,000 hours of pharmacy care a year, with 40% lost due to reduced opening times and 60% as a result of permanent closures.

Behind the statistics are real people in our constituencies who are struggling to access the care they need. Community pharmacies are trusted pillars of our communities and a key part of the wider healthcare system. For areas such as my South East Cornwall constituency, where we have a large elderly population and constituents who often have to travel very long distances to access healthcare services, our pharmacies are vital lifelines.

This Government have a plan to rebuild our NHS, but it will take time and we need to do more in the interim to support our pharmacies so they can continue to support our communities. Great initiatives such as Pharmacy First have demonstrated that pharmacies can support our NHS and deliver for people when they are empowered to do so. Such schemes can help to free up GP capacity and improve patient access to treatments for common conditions. However, more could be achieved, so will the Minister outline what support will be made available for community pharmacies in my area of South East Cornwall and across the south-west?

4.57 pm

**Vikki Slade** (Mid Dorset and North Poole) (LD): It is a pleasure to serve under your chairmanship, Mr Betts, particularly because I speak after the hon. Member for North Somerset (Sadik Al-Hassan) indicated that it may be his birthday, which means that he and I share our birthday with the Pope.

**Sadik Al-Hassan**: I congratulate the hon. Member on having the best birthday.

**Vikki Slade**: I thank the hon. Gentleman for that intervention.

Like my colleagues, I get a lot of correspondence about community pharmacies, which comes from my constituents and also from the pharmacists of Mid Dorset and North Poole. One of my constituents, Ruth in Wimborne, visited Quarter Jack Pharmacy for me at the weekend to get some data. I asked her to get some examples of drugs for which the price differential between what was paid and what was reimbursed was particularly high. The pharmacist gave her a whole list of drugs for which the money received was substantially less than what he got. He said that the precise amount varied from week to week, including for apixaban, which is prescribed to prevent strokes and which presumably saves the NHS a lot of money. Does the Minister agree that that is unacceptable? What commitment will he give to update the contract urgently?

On the medicines shortfall, I cannot tell Members how many people have told me about having to go around the county to try to find the medication they need. Patients with epilepsy, attention deficit hyperactivity disorder, Parkinson's and sight loss have all contacted me worried about their health. David explained his issue with epilepsy, which is that stress can increase the chance of seizures. I have a personal example: my husband Paul also has epilepsy, which is controlled by drugs, but if he has one seizure, he will lose his driving licence again. He has just got it back after two years and I really do not want to be driving him around. The idea of people being unable to work or drive is mad. The list of medicines available under prescription includes epilepsy, but not Parkinson's. Does the Minister agree it is high time that the list was updated, given that it was last changed in 1968?

There has been a recent consultation on allowing non-pharmacists to give out bagged medication, and on pharmacists being allowed to give approved persons the right to issue medication. I wrote to the Minister to ask when we were going to get a result and was told that it was still being considered, so I really hope that, today, he might give us a timeline for when we can expect that for our pharmacists.

Finally, in one of my local villages the GP dispenses out of a side window of the surgery, with patients expected to wait in the cold. When I asked why they could not reduce this inconvenience for patients, who are often out there for 45 minutes, I was told it was because they cannot make up prescriptions for three months instead of one because they get paid per prescription and not for the drugs, so the GP would be out of pocket if they made the prescription for three months. That seems outrageous. If it is true, will the Minister urgently review how that works so that dispensing GPs and pharmacists are not out of pocket for providing a better service to their patients?

5.1 pm

**Edward Morello** (West Dorset) (LD): It is a pleasure to serve under your chairmanship, Mr Betts. I thank my hon. Friend the Member for Tiverton and Minehead (Rachel Gilmour) for securing this important debate.

Community pharmacies are indispensable to West Dorset, serving as essential health hubs for our communities. However, they face mounting challenges, including escalating financial pressures and critical workforce shortages that threaten their ability to continue to provide those vital services.

West Dorset, amazingly, is served by only 18 active pharmacies, for a population of more than 100,000. Data from the NHS Business Services Authority shows that the number of community pharmacies in England has declined by 6.7% since 2001. In the past year alone, a further 217 pharmacies have been lost, and startlingly it is those not offering in-person services—often called distance-selling pharmacies—that are the least likely to fail. That demonstrates that the new role that pharmacies are having to play in our healthcare system is actually hurting their viability due to the broken funding model.

Workforce shortages exacerbate the strain. In NHS Dorset, the integrated care system that covers West Dorset, there are 47 vacancies, equating to a vacancy rate above the national average of 19%. The impact of these staffing challenges is clear: a 2024 survey by Community Pharmacy England found that three quarters of pharmacy team members reported shop staff shortages, and approximately 10% of pharmacy owners had no choice but to temporarily close their doors as a result of those shortages.

For patients, that means longer waiting times, reduced services and less access to advice for urgent healthcare concerns. For staff, it translates to unsustainable workloads, difficulties in sourcing medicines and, most alarmingly, increases in patient abuse. Nearly all respondents—92%—reported struggling to cope with the pressure, highlighting the human toll of the pharmacy crisis.

The recent rise in national insurance contributions places an additional burden on pharmacies as employers, particularly in rural areas, where revenue streams are less predictable. I have one pharmacy in my constituency that made a six-figure loss last year, even before the increase in national insurance contributions came in.

**Sarah Dyke:** I thank my hon. Friend for giving way. As he is rightly pointing out, the employer national insurance contributions, alongside the national living wage, are increasing the pressure on our important community pharmacies. Does he agree that the Government must urgently exempt pharmacies, GPs and dentists from the tax hikes to avoid considerable damage to the sector?

**Edward Morello:** I thank my hon. Friend for the intervention. She will be pleased to know that there is, in fact, a Liberal Democrat amendment right now to do exactly that, which I am sure we will all be voting for, and which we would ask the Government to take the opportunity to support. Community pharmacies already face slim margins under the current community pharmacy contractual framework funding model, and while initiatives such as Pharmacy First have brought new funding streams into the sector, they are not sufficient to offset the rising costs of operation, including wages, rents and utility bills.

Community pharmacies are lifelines for rural constituents like those in West Dorset. They provide crucial access to healthcare services, especially for those who struggle to reach GPs or hospitals. They are also uniquely vulnerable due to small patient bases and higher operational costs, and the Government should recognise those disparities. That means revisiting the funding framework, addressing workforce shortages and offering targeted financial relief to offset rising costs, including the impact of national insurance contributions.

Community pharmacies are not just businesses; they help to support our strained healthcare systems and are a part of our communities. For the people of West Dorset, and for millions across the country, we cannot afford to let them falter. I urge the Government to prioritise this issue, undertake a comprehensive review of the funding model, work closely with Community Pharmacy England and provide the support necessary to secure the future of our pharmacies and the vital service that they deliver in rural communities.

5.5 pm

**Richard Foord** (Honiton and Sidmouth) (LD): It is an honour to serve under your chairship, Mr Betts. Growing up, people used to talk about going to the chemist, and at the time I saw that alongside going to the butcher or shoe shop—it was where we went to buy stuff. What I did not realise was how crucial pharmacies are to prescriptions and thus to people's health and wellbeing, and I am ever so aware of that now that I represent a constituency in Devon.

Under the previous Government, in the last two years alone, Devon has seen the closure of nine pharmacies, leaving the county with just 133. For the people I represent in Honiton and Sidmouth, that translates to just 16 pharmacies per 100,000 people—even fewer than in West Dorset. That is partly because income for pharmacies has stagnated, particularly what they receive from the NHS, and that is combined with rising costs, including energy bills and wages, as well as the cost of medication. Altogether, it makes for an unsustainable financial model. Yet pharmacies provide over 1.3 million consultations each week for people's health concerns, which is keeping people out of the NHS and saving 38 million GP appointments every year. Just last month,



[Richard Foord]

a pharmacist in Devon noted that his team spends over two hours per day providing free, unfunded clinical consultations, and those prevent health conditions from deteriorating, and prevent hospital visits and additional strain on the NHS.

**Edward Morello:** My hon. Friend raises a very important point: under the current funding model, pharmacists are reimbursed only if the consultation results in a prescription being issued. That results in a medicalisation of the process, which means that pharmacists are less likely to provide other sorts of solutions, such as community care. Does my hon. Friend agree that the model is fundamentally flawed and creates a medicalisation issue?

**Richard Foord:** It is flawed, particularly for those parts of the country that are rural and coastal, such as those represented by my hon. Friend and myself. In Honiton and Sidmouth, the average age of my constituents is 56. I went to a meeting of the all-party parliamentary group on ageing and older people last week, and we hosted Sir Chris Whitty, the chief medical officer for England. He described how, while in some societies people move away from the coast and rural areas to seek comfort and care in towns and cities, in England we do quite the reverse. That makes it even more crucial that we maintain our pharmacies in those rural and coastal communities.

In short, we are calling for the Government to provide funding to halt the closures and stabilise the sector, ensuring that rural communities such as those in Devon are not left behind. We want to see the role of pharmacists expanded to give them greater prescribing rights and allow them to take on bigger public health responsibilities.

**Lloyd Hatton** (South Dorset) (Lab): It is really important that we widen the discussion to talk about not only stemming the loss of pharmacies, but how we can put pharmacies back. In the south-west, community hospitals would act as an excellent venue for them. Does the hon. Member agree that we should be looking at community hospitals as a potential venue for new pharmacies, so that they are a bit of a one-stop shop where people can access healthcare and advice?

**Richard Foord:** I think the hon. Gentleman has come up with an absolutely brilliant idea. Community hospitals are potentially hubs where pharmacies might sit in the future. I pay tribute to my hon. Friend the Member for Tiverton and Minehead (Rachel Gilmour) for securing this debate; she has done a great thing by doing so.

**Mr Clive Betts (in the Chair):** We now move on to the Front Benchers. The two Opposition spokespeople have no more than five minutes, and then the Minister will probably have about 10 minutes left.

5.10 pm

**Dr Danny Chambers** (Winchester) (LD): I pay tribute to my hon. Friend the Member for Tiverton and Minehead (Rachel Gilmour) for securing this debate, which is very timely because just yesterday the hospital in Winchester declared a critical incident. It has had so many infectious patients come in with various flus, the norovirus and

other infectious diseases that it is short of beds. It has asked people to seek other healthcare arrangements, and has specifically mentioned pharmacies as a place to go for advice.

Alongside providing more social care packages to free up beds, one part of the solution to prevent the yearly NHS winter crisis is to increase the delivery of flu and covid vaccinations well before winter. We have seen that, with the right Government support, our community pharmacies are well placed to deliver vaccinations; they are not just accessible but convenient, and they deliver care right in the heart of a community.

I have been to many pharmacies in and around Winchester, including the Springvale pharmacy in Kings Worthy, the Wellbeing pharmacy on Winchester High Street and the Colden chemist in Colden common. I have spoken to the staff who work there and have heard at first hand that the NHS funding model really isn't working for them. I was saddened to hear that, although those pharmacists are passionate about their work, they struggle to see how they will remain open for the next 12 to 24 months.

**Caroline Voaden** (South Devon) (LD): Pharmacies in two of the major GP surgeries in my constituency, Leatside in Totnes and Compass House in Brixham, have closed in the past year because the private operators could not make a profit. Does my hon. Friend agree that it is urgent that we revise the funding model for prescriptions so that pharmacies, particularly in GP surgeries, can survive?

**Dr Chambers:** I completely agree. As other Members said, in some cases it costs pharmacies money to dispense NHS prescriptions. That is clearly not viable, especially given that the core NHS funding for pharmacies has been reduced by about 30% since 2015.

Some healthcare providers are really struggling and are on the brink of financial viability. They include pharmacies, hospices and some social care providers. The increase in national insurance contributions will cost the pharmacy industry approximately £50 million extra this year. Once again, we urge the Government to exempt some healthcare providers from the increase in national insurance or potentially repay that money through another mechanism, because it could be a death blow to social care providers, pharmacies and hospices that are on the brink of financial viability.

I thank hard-working pharmacists, such as the hon. Member for North Somerset (Sadik Al-Hassan), who really are part of the community. People come in; they trust them. Pharmacists have a really good personal relationship with their communities. Through the work they do and the hours they work, pharmacies are a lifeline for millions. They provide nearly a third of consultations outside normal working hours. They are often the only point of care for people living in rural areas. As our population grows older and faces increasingly complex health challenges, pharmacies must be empowered to step up and deliver the reliable, flexible care solutions that our communities desperately need.

As we talk about the strain on the public finances and the NHS budget, we cannot be tempted to see primary care—GPs, mental health provision, pharmacies or dentists—as a cost to be cut. We must invest in them and ensure we keep them viable, because it is always

more cost-effective to treat people in their communities and prevent them from getting ill than it is to treat them when they end up in hospital.

5.14 pm

**Dr Luke Evans** (Hinckley and Bosworth) (Con): It is a pleasure to serve under your chairmanship, Mr Betts, and to speak across the Chamber from the Minister for the first time.

As a GP, I am grateful for the fact that 38 million GP appointments are saved each year. Although the temptation is to try to thank everyone—it can feel like doing a set of prescriptions again—I pay particular tribute to the pharmacists, because whenever I used to get a call from a pharmacist, I always knew that they were right and that I should listen carefully to what they said.

As of January 2024, there were more than 10,000 pharmacies providing NHS services, with 80% of the population living within 20 minutes' walking distance of a pharmacy. We know that the number of registered pharmacists also grew consistently under the last Government, up 61% in 2024 compared with 2010. I am pleased to hear that the Government are still committing to the NHS workforce plan. As we have heard today, there are still difficulties in meeting recruitment needs.

I congratulate the hon. Member for Tiverton and Minehead (Rachel Gilmour) on securing her first debate. As she rightly pointed out, there are many difficulties in the sector. I would like to take a quick canter through them. With five minutes, I have five questions to the Minister.

The first and most obvious issue is the community pharmacy contractual framework, which is so important to the financial agreement for 2024-25. This was a deal struck in July 2019 to provide £2.59 billion in annual funding to NHS pharmacy services. Under the last Government, in 2023, the NHS published a delivery plan for improving access to primary care, which included a £645 million investment over two years to expand community pharmacies. However, the delays in the negotiations are having an impact on pharmacies across the country. In a recent letter, Community Pharmacy England wrote that

“there will not be a community pharmacy sector left to deliver the Contractual Framework, let alone the future ambitions of the Government and the NHS.”

Question No. 1 is: can the Minister provide an update on the negotiations? When will it start, and will there be published terms of reference?

My next question relates to the impact of the increases in national insurance contributions and the national living wage—the Government's choice to place a burden of about £50 million on the sector, as has been set out. The Government have exempted secondary care, but made no such commitment to community pharmacies. Question No. 2 is: was the Health Department aware of the Treasury's decision, and did it raise concerns about pharmacies and the impact the changes would have? After all, it has led the National Pharmacy Association to vote in favour of collective action for the first time in their history, saying:

“The sense of anger among pharmacy owners has been intensified exponentially by the Budget, with its hike in national insurance employers' contributions and the unfunded national living wage increase, which has tipped even more pharmacies to the brink.”

Question No. 3 is: what mitigations are planned and when for? As we have heard from the Prime Minister, the Chancellor and the Health Secretary, it will be done in the usual way. Decisions are being made now, so could they please set that out?

Let me turn to the evolving model of Pharmacy First. The programme has shown just how capable pharmacies are, and it has been welcomed. There is great potential for the service to benefit patients, yet recent data from NHS England identifies that GP referrals to Pharmacy First in England can vary quite significantly across integrated care boards. For example, in Greater Manchester, there were 11,683 referrals, whereas in Cornwall and Isles of Scilly, there were 612. There could be obvious reasons for that, such as demographics or locations, but question No. 4 is: can the Minister clarify what the Government are doing to promote Pharmacy First services, and share that data?

I was pleased to hear the hon. Member for Mid Dorset and North Poole (Vikki Slade) discuss the issue of dispensing GPs. There are 948 dispensing GPs, and they account for 7% of prescriptions, covering almost 9 million people, many of whom are in rural areas. Not much is mentioned about what they do, so I am keen to understand the Government's position on dispensing GPs. Question No. 5 is: will the Minister set out how he perceives the landscape? Given the time constraints of this debate, perhaps he can write and give me an idea of what it would look like.

Finally, the pharmacies stepped up during the pandemic. They were the lightning rod not only for getting medications out but for providing the much-needed vaccinations that allowed us to relieve lockdown. Christmas is one of their busiest times—I have seen that at first hand. I would like to put on record our thanks, from both sides of the House, for the fantastic job that they do.

5.19 pm

**The Minister for Care (Stephen Kinnock)**: It is a real pleasure to serve under your chairship, Mr Betts. I thank the hon. Member for Tiverton and Minehead (Rachel Gilmour) for ensuring that this really important debate can take place today. I start by acknowledging and paying tribute to the outstanding work of community pharmacy teams in Devon, the south-west and right across the country. I have heard so many examples, showing just how many patients and communities rely on pharmacy services, and the lengths to which they go to deliver care. I thank them for their professionalism, hard work and dedication in providing excellent standards of patient care.

It is a credit to them that surveys show that nine in 10 people who visit pharmacies feel positive about the experience. Community pharmacies are often the most accessible part of our NHS, allowing people to access professional healthcare advice right there on the high street. They are also vital in supporting rural communities and people living in remote locations. Furthermore, as community pharmacies provide more clinical services, they help to relieve pressure in other areas of the NHS. That includes freeing up GP appointments, preventing hospital admissions and reducing overall pressure on secondary care.

For far too long, however, Governments have failed to recognise the essential role of community pharmacies in safeguarding the nation's health. On 4 July, we inherited

[Stephen Kinnock]

a system that has been starved of funding, with a 28% cut in funding in real terms. In many ways, it is on its knees, with far too many closures happening across the country. Lord Darzi's report laid bare the true extent of the challenges facing our health service. Even he, with all his years of experience, was truly shocked by what he discovered. His report was vital, because it gave us a frank assessment—a diagnosis—so that we can face the problems honestly and properly. It will take a decade of national renewal, lasting reform and a long-term plan to save our NHS. We have committed to three key shifts: from hospital to community, from analogue to digital, and from sickness to prevention. Our 10-year plan will set out how we will deliver these shifts to ensure that the NHS is fit for the future.

To develop the plan, we must have a meaningful conversation with the country and those who work in the system. We are therefore conducting a comprehensive range of engagement activities, bringing in views from the public, the health and care workforce, national and local stakeholders, system leaders and parliamentarians. I urge Members, their constituents, and staff across health and social care to tell us what is working and what needs to change. They should visit [change.nhs.uk](https://change.nhs.uk) and make their voice heard.

The Government are committed to restoring the NHS to its founding promise that it will be there for all of us and our constituents when we need it. However, as identified by Lord Darzi's review, primary care is under massive pressure and in crisis. I recognise that it is a really challenging environment for colleagues in all parts of the NHS, including in community pharmacy, but we remain resolute and determined to fix this situation.

Pharmacies are based in, and are a key part of, the communities that they serve. They are ideally placed to help to tackle inequalities and to increase the reach of and access to NHS services. This includes delivering a range of health advice and support services, helping to relieve pressure on and improve access to the wider NHS. Community pharmacies are a vital part of our NHS that must be recognised in the development of the Government's 10-year plan. They are central to the three big shifts in healthcare that I outlined earlier. I know that pharmacies can and should play an even greater role in providing healthcare on the high street. This will be imperative if we are to deliver across the Government's mission—not just on the health mission, but on growth and opportunity.

A healthy society and workforce are pre-conditions for prosperity and growth. We have a staggering 2.9 million people who want to work, but are unable to do so because they have been failed by our health and care system for the last 14 years. Community pharmacy has a pivotal role to play in getting our economy back on its feet and fit for the future, whether that is by identifying those with risk factors for disease such as high blood pressure, or ensuring that people can access and use their medicines to best effect. As a Government, we are fully committed to working with the sector to achieve what we all want: a community pharmacy service that is fit for the future.

I am keen to unlock the potential of the whole pharmacy team. We want pharmacists to be providing new and impactful clinical services, including our future

pharmacies prescribing service. We want pharmacy technicians to have more responsibility in supporting the pharmacists, to help people to deliver the best possible health outcomes.

Every day, pharmacy teams facilitate the safe supply of medicines to patients, enabling them to manage health conditions as part of their daily lives in Devon, the south-west and right across the country. They also provide vital advice on prescriptions, over-the-counter medicines and minor ailments. But pharmacies do not just dispense medicines and offer advice. They do much more. They positively impact patients' health and support the wider NHS by providing a wide range of clinical services. Many offer blood pressure checks, flu or covid-19 vaccinations, contraception consultations and many more locally commissioned services.

**Dr Evans:** The Minister is espousing brilliantly what community pharmacies do. That all comes under a contractual framework, and one of the key things that pharmacies are asking for is when the negotiations will start and what the terms of reference will be. Will the Minister address that point?

**Stephen Kinnock:** I thank the shadow Minister for that intervention. I am as frustrated as everybody else about the delay. The reason for the delay is that the negotiations did not get over the line before the general election. The general election came, and we have spent a lot of time now clearing up the disastrous mess that the previous Government made of the system. I can say that we are now very focused on getting these negotiations started early in the new year. I know that hon. Members across the House will be very interested in that, in terms of the contractual framework, the medicines margin and all of the funding. We have a statutory duty to consult with the sector before we can make any announcement, but we are confident that we will start the negotiations early in the new year.

We supported Pharmacy First in opposition, and we will build on that programme in the future. We look to create an independent prescribing service, where prescribing is an integral part of the services delivered by community pharmacies. We are also doing a lot of work on the IT infrastructure to make sure that the sector can more easily prescribe and refer through better IT. That is an important part of our shift from analogue to digital. We need pharmacies delivering services that help patients to access advice, prevention and treatment more easily—services that help people to make best use of the medicines they are prescribed and that ease some of the pressures in general practice and across parts of the NHS.

There are more than 10,000 pharmacies in England. They are busy dispensing medicines, offering advice and providing these services. Patients across the country can also choose to access around 400 distance-selling pharmacies that deliver medicines to patients' homes free of charge. They play a vital role in reaching the most isolated members of our society.

I am very keen to ensure that the hon. Member for Tiverton and Minehead has a minute at the end of the debate to sum up. In the short time I have, I want to say a couple of words about her constituency, where there are 15 pharmacies. We are aware of the closure of one pharmacy in her constituency since 2017 and that the local population instead get their medicines from the



neighbouring dispensing GP. I also note that, according to the latest data, there are 203 pharmacies in Devon; across the south-west, there are 916. Where closures have occurred across the south-west, the ICBs are working through the process of approving applications from new contractors. Some applications have already been granted. Following approval, the new pharmacy contractor has 12 to 15 months in which to open a pharmacy, so the ICBs are also working with GP practices and other contractors to minimise any temporary disruption for patients.

Community pharmacies are a vital part of the NHS and communities across our country. The Government are committed to supporting them now and into the future. I look forward to working with pharmacists across the country and hon. Members across this House as we progress our plans to embrace the skills, knowledge and expertise in pharmacy teams.

5.29 pm

**Rachel Gilmour:** The Health and Social Care Committee reported in May that

“the undoubted potential for pharmacy to improve access to health care, crucially including immunisations, and reduce pressure on general practice and other areas of the health system can only be realised with the right support and the right investment of public funding.”

Why, then, are we not hearing anything from the Government about support for pharmacies? In under a decade, the proportion of NHS funding for pharmacies has fallen from 2.4% to 1.6%. An average pharmacy relies on NHS funding for 90% of its income.

It does not have to be like this. The sector is ready, it just needs backing. We know that pharmacies across the country and the region, and especially in Tiverton and Honiton—whoops: Tiverton and Minehead—are willing to provide these services. Pharmacy First—

5.30 pm

*Motion lapsed, and sitting adjourned with Question put (Standing Order No. 10(14)).*



# Written Statements

*Tuesday 17 December 2024*

## BUSINESS AND TRADE

### **Kroll Investigation into Capture Software: Government Response**

#### **The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas):**

##### *Network subsidy uplift and postmaster remuneration*

The Government are committed to delivering the manifesto commitment to strengthen the post office network. To do this, we intend to take steps that will improve the culture, structure, and organisation of the company. I have announced that the Government will publish a Green Paper in the first half of next year to seek the public's views, insights and experiences to help shape the future of the Post Office. In the meantime, it is important to continue to support the post office network and the important services it provides across the country. I can therefore announce that the Government are providing a further £37.5 million of network subsidy this financial year.

Postmasters have raised concerns with me that their income has not kept up with inflation over the past decade. The Government therefore welcome that the Post Office is going to make a one-off payment to postmasters to increase their remuneration.

##### *Government response to independent investigation into Capture software*

I am today publishing the Government response to the independent report conducted by forensic accountant Kroll Associates, into the Post Office Capture software. This can be found at <https://www.gov.uk/government/publications/independent-investigation-into-capture-government-response>. I have also placed copies in the Libraries of both Houses.

Earlier this year, concerns were raised by parliamentarians and postmasters about the Capture software which was rolled out by the Post Office to some branches in the early 1990s and predated the Horizon IT system. The concerns were that the Capture software had bugs which may have caused shortfalls, leaving postmasters to pay the Post Office back, and that some postmasters may have been prosecuted as a consequence.

In responding to these concerns, the Government committed to publishing the conclusions of the Kroll report as quickly as possible after the investigation concluded. The report was published on 30 September 2024, and an addendum to the report containing additional evidence was published on 18 October 2024. The report concluded there was a reasonable likelihood that Capture could have created shortfalls for postmasters. The Government accept those findings.

This has come to light thanks to the hard work of postmasters, campaigners and parliamentarians and the Government are committed to moving swiftly on proposals for delivering redress.

After closely considering the findings and other evidence presented to the Government, including testimony from postmasters, the Government have concluded that postmasters who were adversely impacted by Capture should be offered redress.

The next step in this process will be to decide how and what form of redress should be offered in the context of Capture, which is distinct from Horizon due to the passage of time and the significant lack of contemporaneous records and evidence.

The Government will develop their proposals, engaging with postmasters and other key stakeholders over the coming months to determine the scope of the financial redress and the eligibility criteria. Financial redress will be offered to postmasters who do not have a criminal conviction or where a court has overturned their conviction.

The Kroll report does not make conclusions on whether Capture led to unsafe convictions. Therefore, the Government are continuing to work with the Criminal Cases Review Commission, the Scottish Criminal Cases Review Commission and the Post Office on their ongoing investigations into the use of Capture in prosecutions.

I would like to thank postmasters that have come forward so far, and for those who have shared their initial suggestions for redress.

Lastly, I urge all postmasters who may have used Capture and may have experienced shortfalls related to Capture to come forward to the Government to make themselves known. Equally, we welcome family members of any postmasters who have sadly passed away, who believe their relative may have been affected, to come forward.

[HCWS318]

### **Progress Towards a Modern Industrial Strategy**

#### **The Secretary of State for Business and Trade (Jonathan Reynolds):**

I am delighted to confirm today that the Chancellor and I have appointed a diverse group of the UK's top business leaders, policy experts and trade union leaders to the Industrial Strategy Advisory Council. The Chancellor and I will join the council for the first meeting later today. This is a key milestone on the path to delivering our new, modern industrial strategy—a key pillar in the growth mission of the Government. The Council will hardwire stability and long-termism into our plan from the start.

Members will use the first meeting to discuss investment, innovation and breaking down barriers to growth as well as emerging themes in response to the industrial strategy Green Paper. This comes shortly after the end of the industrial strategy consultation period, where we received responses from businesses, international investors, unions and others up and down the country to help shape the strategy.

The Government announced the appointment of Clare Barclay as chair of the Industrial Strategy Advisory Council on 13 October 2024. As the president, enterprise and industry, EMEA at Microsoft, Clare is well placed to lead the work of the council, bringing a wealth of leadership experience from the top flight of business.

The Chancellor and I are delighted that 15 of the UK's business leaders, academics, policy experts and trade union leaders have joined the council to support Clare in this vital work. I have also asked Professor Dame Nancy Rothwell to be the deputy chair of the council. The interim



chair of Skills England and the chair of the national wealth fund will be ex-officio members of the council, to ensure close working between these bodies.

The full list of Industrial Strategy Advisory Council members is:

Clare Barclay, President, Enterprise and Industry, EMEA, Microsoft (chair).

Professor Dame Nancy Rothwell DBE, former Vice-Chancellor of the University of Manchester (deputy chair).

Kate Bell, Assistant General Secretary of the Trades Union Congress.

Right hon. Greg Clark, former Secretary of State for Business, Energy and Industrial Strategy.

Professor Dame Diane Coyle DBE, Bennett Professor of Public Policy, University of Cambridge.

Dame Anita Frew DBE, Chair, Rolls-Royce Holdings.

Greg Jackson CBE, CEO, Octopus Energy.

Sir John Kingman, Chair, Legal & General and Chair, Barclays UK.

Tunde Olanrewaju, Senior Partner, McKinsey.

Professor Henry Overman, Professor of Economic Geography, LSE.

Henrik L. Pedersen, CEO, Associated British Ports.

Aislinn Rice, Non-Executive Director of Analytics Engines.

Roy Rickhuss, General Secretary, Community.

Baroness Vadera (Shriti Vadera), Chair, Prudential plc and Chair of The Royal Shakespeare Company.

Chris Grigg CBE, Chair of the National Wealth Fund (ex-officio).

Richard Pennycook CBE, interim Chair of Skills England (ex-officio).

The council will make and publish recommendations on the development and implementation of the industrial strategy, a cross-Government strategy supported by engagement with stakeholders. This will include an annual report which will be laid before Parliament. My Cabinet colleagues and I will carefully consider these recommendations. Focusing on growth-driving sectors and how the pro-business environment can help them thrive, the Council will also monitor and evaluate the impact of policies, with data and analysis central to this mission.

The council will initially focus on supporting development of the industrial strategy, including proposals to break down barriers to growth. To achieve this, I have asked the Council to make initial recommendations for consideration by the Chancellor and me to inform discussions at the Growth Mission Board.

The Government have committed to work in partnership with the devolved governments to make this strategy a UK-wide effort.

To underline our commitment to build the long-term certainty and stability that businesses need to invest, we will legislate to place the Council on a statutory footing as soon as parliamentary time allows.

On 14 October, the Chancellor of the Exchequer and I published a consultation on our new, modern industrial strategy: a credible 10-year plan to deliver the certainty and stability businesses need to invest in the high-growth sectors that will drive our growth mission.

We also set out our vision to create a pro-business environment, support high-potential clusters across the country and deliver growth that is supportive of net zero, regional growth, and economic security and resilience.

I continue to work closely with the Chancellor and my Cabinet colleagues to ensure we make it simpler and easier for business to invest, thrive and grow.

The consultation underscores our intention across Government, and through the council, to design and implement the strategy in lockstep with local leaders, mayors, and devolved leaders across all corners of the UK.

The consultation closed on 25 November 2024. The Department for Business and Trade and HM Treasury will now consider responses in partnership with teams across Government. The response to the consultation will be integrated into the final industrial strategy and growth-driving sector plans, to be published alongside the spending review in 2025.

[HCWS319]

## CABINET OFFICE

### Government Response to the Infected Blood Inquiry Recommendations: End-of-year Update

**The Paymaster General and Minister for the Cabinet Office (Nick Thomas-Symonds):** The infected blood inquiry's final report was published on 20 May 2024 and made 12 recommendations. The recommendations made by Sir Brian Langstaff are wide-ranging, well considered, and necessarily complex.

In the months since the publication of the inquiry's report, Parliament has come together a number of times to discuss the infected blood scandal. In the course of those debates, I committed to providing an update on the Government's response to the recommendations by the end of this year. This update fulfils that commitment. Alongside this statement, I am publishing a Command Paper detailing the full update on [www.gov.uk](http://www.gov.uk), and I have requested that copies be deposited in the Libraries of the Houses of Parliament.

The Government accept in full or accept in principle all of the recommendations made. Where recommendations are accepted in principle, we have sought to explain the rationale for doing so. Many of the recommendations are wide-reaching, and proper implementation needs time to be delivered effectively. The Government have worked to progress implementation and assess the deliverability of each of the recommendations. We are committed to making meaningful change. As per recommendation 12 of the infected blood inquiry, I will provide a further final update on the progress made on Inquiry's recommendations by May 2025.

I am grateful to my ministerial colleagues for their co-operation, and in particular the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Gorton and Denton (Andrew Gwynne), for his leadership on the recommendations for which his Department is responsible. I am also grateful to Ministers in the devolved Governments, in particular the Minister for Public Health and Women's Health in Scotland, the Cabinet Secretary for Health and Social Care in Wales and the Minister of Health in Northern Ireland. Their engagement has been invaluable in ensuring that we have as consistent an approach as possible across the whole United Kingdom.

The victims of this scandal have suffered immeasurably. It is my utmost intention to deliver what justice and compensation the Government can as quickly as possible. This Government are taking concrete action to deliver

on the compensation scheme. The Chancellor announced £11.8 billion of funding in the autumn Budget, and I am pleased to update that the Infected Blood Compensation Authority has been able to make the first payments to the victims of this scandal in the last few days.

Furthermore, I can also confirm today that the Government have extended their eligibility criteria for siblings for the infected blood compensation scheme to ensure that the scheme provides fair compensation to those who have been devastatingly impacted as a result of their sibling's infection.

Under the new definition, siblings of infected people will be eligible if they, while under the age of 18, lived in the same household as an infected person for a period of at least two years after the onset of the infection, or would have been expected to live in the same household were it not for the impact of the infection. Siblings in this scenario will receive an injury impact award in line with the severity of the infection, and a social impact award of £12,000.

Alternatively, siblings will also be eligible as long as they cohabited, or were expected to cohabit with the infected person were it not for the impact of the infection, for at least two years while the affected sibling was under the age of 18. This is the case even if that period was prior to the infection, including if the infection happened during adulthood. Siblings in this scenario will receive an injury impact award in line with the severity of the infection, and a social impact award of £8,000. This mirrors the social impact award available to carers, parents, where the onset of a child's infection began after age 18, and children, where the onset of a parent's infection began after their child turned 18.

I hope that both these updates provide the infected blood community with some assurance that we are learning from and acting on the mistakes of the past.

[HCWS320]

### **Infected Blood Compensation Authority: Contingency Fund Advance**

**The Paymaster General and Minister for the Cabinet Office (Nick Thomas-Symonds):** I hereby give notice of the Cabinet Office's intention to seek a Contingencies Fund advance to make compensation payments to victims of the infected blood scandal.

The Cabinet Office's capital annually managed expenditure estimate does not provide funding for compensation payments already approved by Parliament through the Victims and Prisoners Act 2024. This advance will be used to quickly compensate victims of the infected blood scandal. While this will be received through the supplementary estimate, this advance will enable compensation to be made ahead of Parliament formally approving the ambit and the associated expenditure through an estimate, in line with the Government's commitment.

Parliamentary approval for additional capital of £272,000,000 for this capital will be sought in a supplementary estimate for the Infected Blood Compensation Authority. Pending that approval, urgent expenditure estimated at £272,000,000 will be met by repayable cash advances from the Contingencies Fund.

[HCWS321]

## **CULTURE, MEDIA AND SPORT**

### **Review of Arts Council England: Lead Reviewer**

**The Secretary of State for Culture, Media and Sport (Lisa Nandy):** Today I am announcing the appointment of the right hon. the Baroness Hodge of Barking DBE to lead an independent review into the Arts Council England. The review will commence in the new year.

This Government will ensure that the arts and culture will no longer be the preserve of a privileged few. We will also place arts and culture at the heart of our plan for change to deliver growth and break down the barriers to opportunity across the country. This review will ensure that Arts Council England is best positioned to help deliver this and successfully steward our cultural and creative sectors in every part of England, helping to rebuild Britain in a decade of national renewal.

Arts Council England is an executive non-departmental public body, and was established by Royal Charter in 1946. Arts Council England is one of the Government's primary vehicles to support the arts in England; its role encompasses funding and investment, research, support and advice to the sector, and partnership promotion. It works in partnership with a broad range of individuals and organisations across artforms and at the local, regional and national levels. Arts Council England is also the national development agency for libraries and museums in England.

Now that Baroness Hodge has agreed to take on the review she will work with myself and Arts Council England to finalise the terms of reference which will be published in the new year. However, I expect the review to look at the following areas:

Exploring ACE's role in supporting excellence across the country, ensuring that everyone is able to participate in and consume culture and creativity, regardless of their background or where they live;

Exploring how ACE engages with its partners and stakeholders at all levels to ensure that national and local priorities work harmoniously to benefit the public;

Evaluating ACE's role in developing a strong and vibrant creative sector which supports both grassroots creativity and internationally renowned art;

Considering ACE's role in the wider cultural funding ecosystem, and mechanisms to strengthen the role of local voices in decision making;

Examining how the arm's length principle is working in relation to the funding of the arts to ensure decisions are taken at the appropriate level;

Assessing ACE's mandate to ensure it is clear and appropriate for the 21st century able to deliver high-quality arts and culture on a national, regional and local level.

Baroness Hodge will be supported by an advisory panel of experts with a range of experiences. We are working to confirm the final list and this will be published in the new year alongside the terms of reference.

In conducting the review, she will be supported by a small team of officials. Together they will engage with a broad range of stakeholders in the arts and creative sectors across the UK. This will involve individual meetings, group discussions and a survey so that anyone who wants to contribute can do so.

The review will report to the Government in the autumn of 2025, and the Government will publish the conclusions of the review along with the Government's response in early 2026.

[HCWS322]

## DEFENCE

### Developments in Military Housing

**The Secretary of State for Defence (John Healey):**

I am pleased to confirm that today, the Ministry of Defence and Annington Property Ltd have formally agreed that the MOD will reacquire the 36,000 service family estate homes sold to Annington in 1996.

This agreement reverses one of the most notorious privatisations of the 1990s, with the balance of risk and reward skewed heavily against the public sector. The billions of pounds spent by the MOD on renting back these properties since 1996 could have been better spent on maintaining, improving or rebuilding service family homes.

Estimates suggest the 1996 deal has left the British taxpayer nearly £8 billion worse off—money that could have been used to deliver homes fit for our heroes. In addition to the billions of pounds paid in rent, billions of pounds-worth of empty properties have also been handed over to Annington Ltd.

The new deal is a decisive break with the failed approach of the past, which will save the public purse £230 million a year in rental costs—more than £600,000 a day. These important savings to defence pave the way for a substantial improvement and construction programme to provide high-quality homes for armed forces families. The deep-set problems with military housing will not be fixed overnight, but this is a major step forward and a demonstration of our Government's intent.

This deal forms part of our growth mission to secure jobs, economic prosperity and house-building across the UK, and our commitment to renew the nation's contract with those who serve—boosting morale, retention and recruitment across the armed forces.

The opportunity for this landmark deal was presented following a High Court ruling in MOD's favour. This established MOD's legal rights to repurchase the houses from Annington, providing a once-in-a-generation opportunity to fix the long-term decline in military housing and deliver homes fit for heroes.

The deal also represents excellent value for money. We are buying the estate for £6 billion, yet the properties are valued at £10.1 billion by Annington when not subject to leases. However, eliminating the liabilities associated with the leases creates budgetary headroom to partially fund this purchase, meaning that the public expenditure impact of this measure, and the impact on public sector net debt, is confined to £1.7 billion.

By contrast, failing to take advantage of this opportunity would have meant rising rental and maintenance costs on properties that, in many cases, have reached the end of their useful lives.

The taxpayer would have faced a further £5.9 billion costs over the next 10 years through ever-increasing rents. Homes with a value of £1.3 billion would also have been returned to a private company.

Problems with the existing deal were recognised by the last Government, in particular by the right hon. Member for Horsham at the time, Jeremy Quin, who had oversight of the initial core legal challenges. This Government have accelerated this work in recent months across the Ministry of Defence, UK Government Investments and His Majesty's Treasury. We pay tribute to all those who have worked tirelessly to complete this deal.

This announcement comes as the Government start work on a new military housing strategy, to be published next year. The first steps in the strategy will include the rapid development of an action plan to deliver on the “once in a generation” opportunities unlocked by today's deal. This work will involve independent experts, forces families and cross-Government input.

The strategy will help to deliver a generational renewal of military housing, new opportunities for forces homeownership, and better use of MOD land to support the delivery of affordable homes for families across Britain.

Our armed forces make extraordinary sacrifices to keep our country safe. Theirs is the ultimate public service. By ensuring that our personnel and their families have the homes they deserve, this work will support the Government's plan for change, which is built on the foundation of strong national security, and it will help achieve the Government's milestones on kick-starting economic growth and boosting house-building across the country.

Today's announcement demonstrates how our Government are delivering for defence. This is a major step forward towards delivering military housing fit for our heroes.

[HCWS323]

### Reserve Forces and Cadets Association External Scrutiny Report: Government Response

**The Minister for Veterans and People (Al Carns):** Led by Major General (Retired) Simon Lalor, the reserve forces and cadets associations external scrutiny team provides an independent assessment on the health of the reserve forces on behalf of the Department. I have today placed in the Library of the House a copy of the 2024 report, along with a copy of my response to this report. I am most grateful to the team for their work.

Attachments can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2024-12-17/HCWS326/>

[HCWS326]

## ENERGY SECURITY AND NET ZERO

### Accelerating to Net Zero: CCC Progress Report and Clean Energy Superpower Mission

**The Secretary of State for Energy Security and Net Zero (Ed Miliband):** Accelerating to net zero offers huge opportunities for Britain. This transition will be one of the economic opportunities of the century—a chance to create hundreds of thousands of good jobs, to drive investment into all parts of the UK and to protect the UK economy from future price shocks that reliance on fossil fuels creates. Beyond growth and energy security, the transition to a net zero economy can deliver a range of social and health benefits for people right across the UK. As we act on how we heat our homes and buildings, fuel our transport and protect our natural world, we can cut fuel poverty, clean up our air, increase access to nature and improve quality of life.



Looking beyond the UK, we also have an important role to play. For example, the UK was the first country to set legally binding carbon budgets and the first major economy to establish a net zero target in law. Now, more than 90% of the world's economy is covered by a net zero commitment. The UK showed leadership again at COP29, where we announced that our 2035 nationally determined contribution (NDC) headline target will reduce all greenhouse gas emissions by at least 81% on 1990 levels, excluding international aviation and shipping emissions. This is an ambitious, economy-wide emissions reduction target that aligns with the recommendation of the Climate Change Committee (CCC) and the sixth carbon budget, set by the previous Government.

The CCC's 2024 progress report to Parliament made clear the committee's view that the previous Government were off track and urgent action is needed, and we take these findings seriously. That is why we are taking urgent and ambitious action, and why making Britain a clean energy superpower is one of this Government's five missions.

In response to the CCC's 2024 progress report, today's publication highlights the achievements that this Government have overseen already and looks forward to upcoming actions that will be key in reducing our emissions and seizing the economic opportunities of net zero.

For example, in our first few months in office we have: lifted the de facto onshore wind ban; approved solar projects offering power of almost 2GW; launched Great British Energy; announced investments of over £20 billion in carbon capture, usage and storage, which is a new industry for Britain; delivered a record-breaking renewables auction; and set out plans to increase the energy efficiency of rented homes, in order to lift a million households out of fuel poverty.

The action taken so far and our future plans mean that this Government are acting or partially acting on all of the CCC's 35 recommendations to the UK Government, with progress proactively being made on the CCC's 35 recommendations for the devolved Governments.

This is just the beginning. Over the coming months we will set out the next steps for our mission, including publishing a Clean Power 2030 action plan, setting out a detailed updated plan to meet our carbon budgets, and setting the pathway to the seventh carbon budget by June 2026. These future moments will be key in delivering our pathway to net zero, bolstering growth and clean jobs, ensuring energy security, and delivering social and health benefits.

Through our mission-driven Government, we will act with much greater urgency and determination than the past. We will continue to work in partnership with businesses, trade unions, civil society and all levels of Government to seize the opportunities of action.

As required by the Climate Change Act 2008, I will place copies of today's publication "Accelerating to Net Zero: Responding to the CCC Progress Report and delivering the Clean Energy Superpower Mission" in the Libraries of both Houses.

[HCWS328]

## HEALTH AND SOCIAL CARE

### Healthcare Incidents: Suspected Criminal Activity Contributing to Death or Serious Harm

#### The Minister for Secondary Care (Karin Smyth):

I am pleased to announce that the memorandum of understanding (MoU), "Investigating healthcare incidents where suspected criminal activity may have contributed to death or serious life-changing harm", was published today on [www.gov.uk](http://www.gov.uk).

This MoU was recommended by Professor Sir Norman Williams' rapid policy review into gross negligence manslaughter in 2018. The Williams review was set up to look at the wider impact of concerns among healthcare professionals that simple errors could result in prosecution for gross negligence manslaughter, even if they happen in the context of broader organisation and system failings.

Following this recommendation, the Department of Health and Social Care consulted with regulatory, investigatory and prosecutorial bodies to develop the new MoU, "Investigating healthcare incidents where suspected criminal activity may have contributed to death or serious life-changing harm".

The MoU applies in England and has been formally signed by:

NHS England  
National Police Chiefs' Council  
Health and Safety Executive  
Crown Prosecution Service  
Care Quality Commission  
General Medical Council  
Nursing and Midwifery Council  
General Dental Council  
Health and Care Professions Council  
General Pharmaceutical Council  
General Optical Council  
General Chiropractic Council  
General Osteopathic Council

The MoU will be used by signatories to help deliver early, co-ordinated and effective action following incidents where there is reasonable suspicion that a patient/service user's death or serious life-changing harm occurred as a result of suspected criminal activity in the course of healthcare delivery.

The MoU specifically delivers on the following recommendations from the Williams review:

Updates and replaces the previous MoU from 2006;

sets out the roles and responsibilities of the signatories providing a framework for how organisations should work together to ensure a co-ordinated approach;

provides advice on communication including liaising with families and the public; and

supports the development of a "just culture" in healthcare which recognises the impact of wider systems on the provision of clinical care or care decision making. This includes considering the wider systems in place at the time of the incident, to support a fair and consistent evaluation of the actions of individuals and ensuring expert witnesses consider the effects of the wider systems in place during an incident.

[HCWS330]

## HOME DEPARTMENT

### Preventing Radicalisation

**The Secretary of State for the Home Department (Yvette Cooper):** Today I can update the House on the initial steps arising from the counter-extremism sprint initiated by the Government in July, designed to ensure that the UK's strategies and systems to prevent radicalisation are functioning effectively, and addressing the full range of threats that we currently face as a country.

National security is one of the Government's foundations and fundamental to our plan for change. We must therefore first and foremost recognise and applaud the continued excellent work carried out by counter-terrorism police, security and intelligence agencies, and other experts working on prevention across the country. Since March 2017, MI5 and the police have together disrupted 43 late-stage attack plots.

The UK's counter-terrorism strategy, CONTEST, was established after the terrible attacks on 11 September 2001 and 7 July 2005. Made public in 2006, CONTEST has continued under successive Governments and evolved over years in line with the threat.

The four pillars of that strategy—prevent, pursue, protect and prepare—are of long standing and set the standard globally for a comprehensive counter-terror response, but the threats that the strategy is designed to tackle have also become more complex:

Islamist terrorism remains the primary threat, followed by extreme right-wing terrorism, and there is an increasing number of cases where the ideological driver is mixed or unclear;

The internet continues to act as a central enabler of radicalisation, facilitating increasingly easy access to extremist material and like-minded individuals;

While the majority of previous terrorist incidents have been perpetrated by adults, increasing numbers of young people are being drawn towards violent ideologies; and

Terrorist groups based overseas continue to present a significant threat to the UK, but the most common manifestation of terrorist risk in the UK in recent years has been cases involving individuals or small groups acting without direct support or instruction from a wider terrorist network. Additionally, the threat landscape is more interconnected and complex than at any time, with terrorist threats interacting with a state threat of unprecedented scale and severity and the challenge of organised crime.

This requires a response from Government agencies, law enforcement and the public that is informed, agile and integrated. As our first response to the Home Office's counter-extremism sprint, I am today setting out action and next steps that will be taken in five key areas.

#### *National security funding*

First, in the light of these increasingly complex and rapidly changing threats, law enforcement partners and agencies need appropriate levels of resource. As announced in the provisional police funding settlement 2025-26, counter-terrorism police funding will increase next year by £140 million (14%) to £1,160 million, ensuring that counter-terrorism policing has the resources it needs to deal with the threats we face. Separately, the Chancellor confirmed in the autumn Budget on 13 October an additional £499 million funding for the single intelligence account, which includes MI5, SIS and GCHQ, showing our commitment to ensuring that our agencies are equipped to do the job.

#### *Youth diversion orders*

Secondly, we need new measures to address the growing proportion of young people who are featuring in counter-terrorism casework, as highlighted in the latest official statistics:

13% of all those being investigated by MI5 for involvement in UK terrorism are under 18, which is a threefold increase in the last three years;

Arrests of under-18s for terror offences have increased from just three in the year ending September 2010, to 32 in the year ending September 2024; and

11 to 15-year-olds now make up 40% of all referrals into Prevent, and half of all cases adopted by Channel where the age is known (up from a third in 2017).

These concerning trends have been flagged by Ken McCallum, the director general of MI5, who said they are

“seeing far too many cases where very young people are being drawn into poisonous online extremism”,

and by Jonathan Hall KC, the independent reviewer of terrorism legislation, who has said that

“the profile of alleged terrorist offenders is getting younger, and includes children who may accurately be described as vulnerable”.

Most recently, on 5 December, UK counter-terrorism policing, working with Five Eyes counterparts, issued a joint call to action on youth radicalisation, stressing that they are

“increasingly concerned about the radicalisation of minors, and minors who support, plan or undertake terrorist activities”.

It is clear that while the UK has a robust counter-terrorism toolkit, including measures to prevent the escalation of terrorist risks, those tools are not currently well designed for intervention with young people.

The Government therefore intend to introduce youth diversion orders—a new counter-terrorism risk management tool specifically designed for young people, building on recommendations from Jonathan Hall KC.

Police will be able to apply to the courts for a youth diversion order, permitting them—in partnership with other agencies—to intervene earlier and to impose conditions such as engagement with Prevent interventions or restrictions on online activity. The courts must deem these conditions to be necessary and proportionate to mitigate terrorist risk.

#### *Strengthening Prevent*

Thirdly, we need reforms to strengthen the Prevent programme.

Prevent has been an integral part of our counter-terrorism machinery for the last 20 years, supporting nearly 5,000 people away from radicalisation since the introduction of the statutory Prevent duty in 2015. Over that period, dedicated counter-terrorism police and multi-agency partners have worked tirelessly and effectively day in, day out to divert individuals away from terrorism.

However, Prevent must continually adapt and improve to deal with challenges and keep pace with the changing nature of the threats that the programme is meant to tackle.

In particular, as backed up by recent reviews and statistics, it is not always clear to practitioners what kinds of cases should be dealt with under Prevent, which should be referred to other services, and what the responsibility of those services should be.

The reforms of recent years, including better training for frontline staff, updated guidance and a new Prevent assessment framework to strengthen decision making by police and Channel panels, have all sought to address this confusion, but more needs to be done.

Concerns over low numbers of referrals for Islamist extremism have still not been addressed, and at the same time a lack of clarity remains over whether Prevent should be confined to cases of clear ideology or should also be picking up cases where the ideology is less clear, or where there is a fixation with violence.

Therefore, the Home Office is taking forward work in a number of areas, including:

Conducting an end-to-end review of Prevent thresholds, updating policy and guidance, including on repeat referrals, to ensure that they reflect the full range of threats we see today;

Broadening the interventions available to people supported by the Channel early intervention programme. In addition to ideological mentoring, we will seek to reflect the diverse drivers of radicalisation, by exploring options to support at-risk individuals with cyber-skills, family interventions or practical mentoring, working to reduce the threat of radicalisation in the increasingly complex cases we see;

Undertaking a strategic policy review to identify and drive improvements in how individuals referred into Prevent who are neurodivergent or suffer from mental ill health are supported and managed; and

Strengthening our approach to the monitoring and oversight of referrals that do not meet Prevent thresholds, by launching a pilot in January to test new approaches to cases that are transferred to other services to ensure there is proper monitoring and requirements in place.

#### *Creation of a Prevent commissioner role*

Fourthly, we need to ensure that there is a means of regularly and robustly checking the effectiveness and quality of the programme in different parts of the country, in line with our wider programme of reform to drive up performance and standards in other areas.

I am therefore announcing today that we have begun a recruitment exercise to appoint an independent commissioner of Prevent, with a specific remit to review the programme's effectiveness and identify gaps, so any problems can be fixed early. This will include ensuring that we have robustly implemented recommendations from previous reviews and overseeing delivery and evaluation on the steps I have set out above.

An interim appointment to this role will be announced shortly to enable swift work to begin, and an open and fair recruitment campaign will run in parallel to select a permanent Prevent commissioner.

#### *Social media and radicalisation online*

Finally, we need stronger action to tackle online radicalisation, in the face of growing evidence that the increasingly violent and extreme ideological material that young people in particular are accessing online is transforming the way in which they are radicalised.

In response, we are strengthening action to tackle this online radicalisation and protect our young people from harm. Yesterday, Ofcom published new codes of practice to drive implementation of the Online Safety Act 2023.

#### *Next steps*

In the new year, we will provide further updates on these measures and on action to counter terrorism and extremist radicalisation arising from the counter-extremism

sprint and other work under way. We recognise the need for a whole-of-society approach to confront the threat from terrorism, and that everyone in our society should have the confidence and peace of mind to go about their lives freely and without fear. That requires greater vigilance than ever and stronger action than ever to identify, prevent and relentlessly pursue terrorism and violent extremism wherever it is found.

[HCWS327]

### **Provisional Police Grant Report (England and Wales) 2025-26**

**The Minister for Policing, Fire and Crime Prevention (Dame Diana Johnson):** My right hon. Friend the Home Secretary (Yvette Cooper) has today published the Provisional Police Grant Report (England and Wales) 2025-26. A copy of the provisional report will be placed in the Libraries of both Houses and will be available on [www.gov.uk](http://www.gov.uk). This provisional report sets out the Home Secretary's determination for 2025-26 of the aggregate amounts of grants that she proposes to pay under section 46(2) of the Police Act 1996. The final report will be laid before the House in the new year following the period of consultation.

Today, the Government have set out the provisional police funding settlement in Parliament for the forthcoming financial year. I am pleased to announce that, for 2025-26, funding to police forces will total up to £17.4 billion, an increase of up to £986.9 million when compared to the 2024-25 police funding settlement—a significant increase, and more than the increase set out for 2024-25. This settlement represents a real terms increase in force funding of 3.5%, and a cash increase of 6%. The additional funding confirmed through this settlement will cover the costs of the police officer pay awards and fund the recruitment and redeployment of more neighbourhood police and PSCOs.

Overall funding for the policing system in England and Wales, including to police forces and wider system funding, will be up to £19.5 billion, an increase of up to £1 billion when compared to the 2024-25 funding settlement, representing a real terms funding increase of 3% and a cash increase of 5.5%. The investments announced today are in addition to the provision of one-off funding of £175 million we announced in July to support the costs of the 24-25 pay award. Taken together, this significant investment reflects this Government's commitment to restoring confidence in policing and boosting neighbourhood policing, by providing them with the resources they need to invest in their frontline workforce.

Of the £986.9 million of additional funding for police forces, I can confirm that £657.1 million of this is an increase to Government grants, which includes an increase in the core grants of £339 million to ensure police forces are fully equipped to deliver our Safer Streets mission. This also includes £230.3 million to compensate territorial forces for the costs of the change to the employer national insurance contributions from 2025-26, and an additional £100 million to kick-start the first phase of 13,000 additional police officers, PCSOs and special constables into neighbourhood policing roles. This will provide policing with the funding required to tackle crime and keep communities safe.



As set out in the Local Government policy statement of 28 November, PCCs will have the flexibility to raise the police precept to £14 for a Band D property in 2025-26. This could generate up to £329.8 million of additional funding available to police forces compared with 2024-25. This strikes the balance between protecting taxpayers and providing funding for police forces.

We recognise that the Metropolitan Police Service faces increased demands on resources from policing the capital city. Despite this, the National and International Capital City grant has not increased in line with inflation for at least five years and there has been a substantial increase in protest activity in London in recent years. Therefore, as part of the 2025-26 police funding settlement, the Metropolitan Police and City of London Police forces will receive £255.2 million through the National and International Capital City grant; an increase of £65 million when compared to the 2024-25 settlement, equating to a 34.2% cash increase and 31.1% real terms increase.

Attached are accompanying tables that outline how we propose to allocate this funding settlement across various funding streams and local policing bodies for 2025-26.

Today, this Government have confirmed significant increase in funding for police forces. In return, we expect police forces to raise their ambition on efficiencies and drive forward improvements to productivity while helping us deliver on our mission to create safer streets. To enable this, we have launched the Commercial Efficiencies and Collaboration Programme which will initially focus on national buying and frameworks and cost recovery. We are determined to work with policing to maximise the potential of productivity and innovation, ensuring officers are equipped with the tools they need to keep our communities safe and to deliver our mission.

We expect policing to approach the 2025-26 financial year with a focus on delivering the Government's priorities, as set out in the Prime Minister's Plan for Change:

Increasing the number of officers, PCSOs and special constables in neighbourhood policing teams;

Tackling violence against women and girls;

Reducing knife crime;

Cracking down on antisocial behaviour;

And by doing these things, increasing public confidence in policing.

In 2025-26, we will be allocating £376.8 million to support forces to maintain officer numbers.

This Government are committed to increasing policing visibility to protect our communities and restore confidence in policing. To support delivery of our Safer Streets mission, our priority is to increase neighbourhood policing roles.

We are grateful to those forces who have gone above and beyond in recruiting additional officers to maximise the strength of their workforce. We expect that these forces prioritise maintaining these officer numbers and have provided funding to achieve this.

Police forces will still be expected to meet officer number targets in return for funding. However, the Home Office has listened to feedback from forces on the need for increased flexibility to help forces manage their finances. We have therefore rebalanced the funding available in core grant and the ringfence for the purpose of maintaining officers for 2025-26.

As well as investing in maintaining police officers, this Government are committed to going further. As part of our pledge to increase policing visibility, improve public perceptions of the police, and create safer streets for our communities, we are providing a £100 million investment for neighbourhood policing. This will fund the recruitment of additional and redeployed neighbourhood police officers, PCSOs and special constables in 25-26. This will form part of a multi-year programme, and kick-start the delivery in 2025-26 of these additional neighbourhood personnel over the course of this Parliament.

The increase in neighbourhood policing will be done in a way that prioritises forces' operational flexibility. Forces will be allocated funding and propose a planned workforce increase and mix that works best for the communities that they serve. This funding will help forces deliver our neighbourhood policing guarantee, including the restoration of patrols to town centres giving every community a named officer to turn to, and introducing stronger tools for police to tackle persistent antisocial behaviour.

It is essential that we maximise the value of any new investment within policing. We are driving work to reduce inefficiencies and maximise productivity, freeing cashable savings and officer time to reinvest in frontline activities. We will require forces to participate in the recently announced commercial efficiencies and collaboration programme, starting by forces signing up to national approaches to buying energy, vehicles, fuel, temporary staff and software licences. We will work with policing to develop this programme, to unlock immediate cost savings and laying the foundations to deliver hundreds of millions of pounds of efficiency savings by the end of this Parliament.

The programme will initially target several priority areas. These include:

*Fleet*—Require better use of existing frameworks and working with policing to standardise requirements enabling better value and reducing full life costs.

*Energy*—working with the sector to ensure policing can harness wider purchasing power across Government and wider public sector.

*ICT*—ending the variation in prices for software contracts and then moving to smarter purchasing in other areas of technology.

We will build on the foundations of the policing productivity review to tackle bureaucracy, free up officer time for redeployment on to the frontline and improve outcomes. Such as working to eliminate any wasteful and unnecessary redaction of files passing between the police and the CPS or supporting the roll-out of enhanced and rapid video responses to improve response times and victim outcomes.

The review also highlighted that embedding productivity into the culture of policing can ensure that improvements are made to unlock non-cashable and cashable savings. The effective roll out of this technology is vital to achieve these benefits, and we will work closely with the College of Policing to provide implementation and business change support for forces to implement promising and proven technologies, provide a blueprint for measuring those benefits and demonstrate how to best reinvest time saved into delivery of the neighbourhood policing guarantee.

Firearms licensing fees have not increased since 2015 and are now significantly less than the cost of the service provided by police forces. This funding deficit is impacting the effectiveness of police firearms licensing controls and the crucial role they play in safeguarding the public. We therefore intend to lay a statutory instrument when parliamentary time allows to increase firearms licensing fees to provide full-cost recovery for police forces, in line with our manifesto commitment. The additional revenue raised will be retained by police forces to support the important improvements needed in firearms licensing.

In a written ministerial statement on 19 November, HCWS232, the Home Secretary set out some of the core components of our long-term plans for necessary and overdue police reforms. This will be a joint programme of work between Government and policing in recognition that the challenge of rebuilding confidence is a shared one, and we will work closely with policing over the coming months to develop the detail of the proposals. Working closely, and in partnership with, policing, we will publish a police reform White Paper in the spring, outlining our plans for bold and comprehensive reforms to the policing system. The funding set out today reflects Government's investment in policing and commitment to ensuring forces have adequate resources to protect the public.

To drive excellence across policing, we will consult with police system leaders on plans for a new national centre of policing. While work is under way to determine the scope and scale of the unit, it is expected to include specialist and supportive functions like forensics, aviation and IT, which have become fragmented and underpowered over the last decade. National arrangements on procurement will also generate savings to reinvest into frontline policing.

To drive up performance and standards and ensure communities can have confidence in their local police force, a new performance unit will be established in the Home Office. The unit will harness national data to monitor performance and direct improvements, underpinned by a performance framework developed with the College of Policing, policing inspectorate, National Police Chiefs' Council and PCCs.

This Government recognise that police forces must have the right systems, capabilities, and support in place to support us on meeting our mission. This settlement includes £914.3 million for the wider policing system, which:

- Maintains the police settlement's investment in tackling serious violence and county lines next year, ensuring the continuation of violence reduction units and supporting all forces in their ongoing work to close county lines.

- Ensures the continuation of major law enforcement programmes which will modernise national mission-critical systems, without which policing cannot operate effectively, tackle a range of threats and make our streets safer.

- Supports police efficiency and collaboration by investing in national policing capabilities. This funding establishes the new commercial efficiency and collaboration programme, maintains the digital routes through which members of the public can contact the police, and supports the implementation of digital evidence sharing across the criminal justice system.

- Supports law enforcement in tackling serious and organised crime by investing in regional organised crime units, ensuring they are supported in tackling some of the highest harm threats.

This does not represent the Government's total investment in the policing system and law enforcement. In 2025-26, funding for areas including arm's length bodies,

cyber-crime, forensics, fraud, police productivity and innovation, and tackling exploitation and abuse—including violence against women and girls—will be decided as part of the Home Office's wider budget allocation process, with funding arrangements for specific programmes confirmed in due course.

Ensuring national security is the first duty of any Government. This Government will provide essential support for Counter Terrorism Policing, ensuring that they have the resources they need to deal with the threats we face. Funding for Counter Terrorism Policing will increase by £140 million to £1.2 billion, which includes funding to compensate for the cost of the employer national insurance contribution changes. PCCs will be notified separately of force-level funding allocations for CT policing, which will not be made public for security reasons.

The provisional funding allocations set out in today's report reflect this Government's commitment to working with policing and giving it the resources required to bridge the gap between policing and our communities. This is critical for restoring the public sense of safety on our streets.

We understand that funding certainty is crucial for effective financial planning across police forces. Funding for future years will be agreed in phase 2 of the forthcoming spending review. Police reform proposals will be developed alongside this.

Finally, I must use this opportunity to pay tribute to and thank our committed officers and police staff for the remarkable dedication, courage and resilience they show every day to keep this country safe. This investment today is an investment in these brave men and women. We look forward to working with officers and police staff across the country on our shared ambition to make our streets safer.

Attachments can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2024-12-17/HCWS325/>

[HCWS325]

## SCIENCE, INNOVATION AND TECHNOLOGY

### AI and Copyright Consultation

**The Minister for Creative Industries, Arts and Tourism (Chris Bryant):** The fast-paced development of artificial intelligence (AI), and in particular the need for large volumes of data during training of large language models (LLMs), has led to increased scrutiny of the way that copyright law applies to such activity.

It has become clear that rights holders are finding it difficult to control the use of their works in the training of AI models and seek greater ability to control their use and/or be remunerated for it. AI developers are similarly finding it difficult to navigate copyright law in the UK, which affects investment in and adoption of AI technology.

AI technology has enormous potential to drive economic growth, through productivity improvements and technological innovation, and to stimulate more effective public service design and delivery. These are opportunities that the United Kingdom cannot afford to miss and that is why AI, alongside other technologies, will support the delivery of our five national missions.

The UK is also home to world-leading creative industries, which has been identified as a growth-driving sector in the Government's industrial strategy. Supporting their continued success is vital to our national mission to grow our economy, as well as safeguarding our culture and identity.

At present, the application of UK copyright law to the training of AI models is disputed. This uncertainty is holding back innovation and undermining growth in our AI sector and creative industries.

We believe that action is needed now. That is why we are today publishing a consultation on how we can deliver a viable solution that achieves our key objectives for the AI and creative industry sectors. These are:

To support rights holders to continue to exercise control over use of their content and ability to seek remuneration for its use,

To promote greater trust and transparency between the sectors, and

To support the development of world-leading AI models in the UK by ensuring wide and lawful access to high-quality data.

The consultation published today jointly by the Department for Science, Innovation and Technology, and the Department for Culture, Media and Sport, sets out a package of interventions that we believe could address the needs of both sectors.

The proposals include a mechanism for rights holders to reserve their rights, enabling them to license and be paid for the use of their work in AI training. Alongside this, we propose an exception to support use at scale of a wide range of material by AI developers where rights have not been reserved. We are conscious that this combination will only work if a workable technical system of rights reservation can be brought in.

The consultation also includes proposals to support greater transparency from AI developers about what material they are using and how they acquire it, and measures to ensure that rights can be reserved easily, and right holders' decisions can be enforced. It also considers several issues relating to the outputs of generative AI. These include questions about labelling of AI-created outputs and the extent to which they should be protected by copyright, as well as questions about digital replicas where AI is used to generate material that mimics the voice or appearance of existing performers.

Our aim is to find a balance that supports growth in both the AI and creative industries sector, by providing a clear and simple legal basis for access to large volumes of data for training purposes, while enabling rights holders to exert control and secure payment. Our hope is that the eventual solution will provide clear routes to licensing of intellectual property and legal certainty for all.

We very much welcome responses to the consultation from creators, copyright owners, AI developers and technology users. We look forward to receiving feedback through the consultation on whether the proposals achieve this balance.

[HCWS324]

## TRANSPORT

### Development Consent Order: London Luton Airport

**The Secretary of State for Transport (Heidi Alexander):** This statement confirms that it has been necessary to extend the deadline for the decision for the London Luton Airport development consent order under the Planning Act 2008.

Under section 107(1) of the Planning Act 2008, a decision must be made within three months of receipt of the examining authority's report unless the power under section 107(3) to extend the deadline is exercised and a statement is made to Parliament announcing the new deadline.

The examining authority's report on the London Luton Airport development consent order application was received on 10 May 2024. The current deadline for a decision is 3 January 2025, having been extended by way of written ministerial statements from the original deadline of 10 August 2024. The deadline for the decision is to be further extended to 3 April 2025—an extension of three months. The reason for the extension is to allow the newly appointed Secretary of State appropriate time to fully consider this complex application before making a final determination. The Department will however endeavour to issue a decision ahead of the deadline above where possible.

The decision to set a new deadline is without prejudice to the final decision on whether to give development consent for the above application.

[HCWS329]

## High Speed 2

### **The Secretary of State for Transport (Heidi Alexander):**

I am today announcing the publication of the first report to Parliament on the progress of High Speed 2 from this Government.

This new Government are committed to transparency on HS2 and keeping parliamentarians informed of both the issues the programme is facing, the position we have inherited and its progress towards delivering rail capacity and passenger benefits between London and the west midlands (phase 1). Since coming into Government, we have announced urgent measures to get a grip on HS2's costs and ensure taxpayers' money is put to good use and we will be working closely with the new CEO, Mark Wild, to deliver the remaining work as cost-effectively as possible, including setting a realistic budget and schedule.

HS2 phase 1 is a vital part of the Government's mission to rebuild Britain, and the Government have been clear that we need to deliver infrastructure that works for the whole country. Right now HS2 supports 31,000 jobs and when completed, it will give faster, more reliable and frequent rail services between the west midlands and London, promoting economic growth and opportunities for workers, releasing capacity to meet increasing demand on regional and local services, and stimulating new jobs and houses around its new stations in Birmingham, Solihull and London.

This report, which covers data reported by HS2 Ltd to the end of September 2024, provides information about the key decisions taken since the new Government were formed in July, and the progress made in delivering phase 1. The Government intend to publish these updates broadly every six months.

I will place a copy of the full report in the Libraries of both Houses. This will also be available on [www.gov.uk](http://www.gov.uk).

[HCWS331]



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Tuesday 24 December 2024**

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