

**Tuesday
7 January 2025**

**Volume 759
No. 69**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**
(HANSARD)

Tuesday 7 January 2025

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH AND SOCIAL CARE

The Secretary of State was asked—

Mental Health Services: Children

1. **Graeme Downie** (Dunfermline and Dollar) (Lab): What steps he is taking to improve mental health services for children. [902053]

The Minister for Secondary Care (Karin Smyth): The delivery of mental health services for children in Scotland is the responsibility of the Scottish Government. I hope that they will make the best use of the boost from the recent Budget to invest in mental health services. In England, we will support children and young people earlier by providing access to a specialist mental health professional in every school and rolling out Young Futures hubs in every community. We will also cut waiting times by recruiting 8,500 more workers across children and adult mental health services.

Graeme Downie: The long-term impact of the covid-19 pandemic on young people is often forgotten, with isolation leading to missed opportunities, lost life experiences and still unknown impacts on mental health. Child and adolescent mental health services referrals in Fife and across Scotland have skyrocketed, and despite a record Budget settlement from the UK Government, the SNP Scottish Government have told NHS Fife not even to bother asking for more funding to tackle this massive problem. I and colleagues will write to the Scottish Government about that. Will the Minister join me in urging the Scottish Government to reverse course and ensure that young people have the support that they deserve and need?

Karin Smyth: My hon. Friend makes an excellent point on behalf of young people. It is disappointing that the Scottish Government do not seem to be allocating the funding as they could. He raises a powerful case, and I know that he will work hard with the Government in Edinburgh to make the situation better for his constituents.

Damian Hinds (East Hampshire) (Con): Is the mental health support in schools that the Minister just mentioned the same as or different from the plan for mental health support teams in schools that was already being rolled out by the previous Government?

Karin Smyth: Our plan is to have universal coverage in every school. That was not achieved by the previous Government, and we hope to ensure that it happens.

Employer National Insurance Contributions: Social Care

2. **Charlie Dewhirst** (Bridlington and The Wolds) (Con): What assessment he has made of the potential impact of the increase to employer national insurance contributions on social care. [902054]

The Minister for Care (Stephen Kinnock): This Government will never shy away from taking the choices necessary to fix the public finances and rebuild our public services. It is thanks to those choices that we are able to invest an additional £3.7 billion in 2025-26 in local authorities that provide social care. We are also delivering the biggest uplift to the carer's allowance since the 1970s, an £86 million uplift to the disabled facilities grant, and a fair pay agreement for care workers.

Charlie Dewhirst: The increase in employer national insurance contributions comes at a time when we simply cannot afford to lose any more provision from care providers. Age UK estimates that 2 million people aged 65 and over already have unmet care and support needs. What assessment has the Minister made of the potential increase in unmet care needs as a result of the increase to employer national insurance contributions?

Stephen Kinnock: There is a pattern here. The Conservatives welcome the additional investment in health and care but oppose the choices that we have made to raise the revenue. They need to tell us which services they would cut or which taxes they would raise instead.

Mr Speaker: I call the Liberal Democrat spokesperson.

Helen Morgan (North Shropshire) (LD): Coverage Care, a not-for-profit adult social care provider in North Shropshire that operates 11 care homes and employs around 1,000 local staff, has been in touch to say that it expects the impact of the increase in national insurance contributions to be £840,000 in the first full year of implementation. Given that there are huge numbers of vacancies across adult social care in North Shropshire, will the Secretary of State consider exempting social care providers from the national insurance increase? Otherwise we are putting money into social care with one hand and taking it away with the other.

Stephen Kinnock: I refer the hon. Lady to my previous answer on the very substantial funding that we are providing to local authorities, which of course are key to the adult social care system. However, funding must always be married with reform. We have brought forward a packed programme of reform—from data sharing and empowering care workers to take on basic healthcare to promoting better use of care technologies—and in the spirit of cross-party collaboration that we believe is absolutely vital and urgent in this area, I gently encourage her to see those reforms as the first step towards rebuilding our care service and making it fit for the future.

Access to Primary Care

3. **Nesil Caliskan** (Barking) (Lab): What assessment his Department has made of the adequacy of patient access to primary care services. [902055]

9. **Alistair Strathern** (Hitchin) (Lab): What assessment his Department has made of the adequacy of patient access to primary care services. [902061]

10. **Calum Miller** (Bicester and Woodstock) (LD): What recent steps he has taken to increase access to GP appointments. [902062]

The Secretary of State for Health and Social Care (Wes Streeting): Today there are 1,399 fewer full-time equivalent GPs than in 2015, and NHS dentistry is at death's door. This Government will fix the front door to the NHS. We have announced an additional £889 million in funding for general practice in 2025-26—the biggest boost in years—and we have already started hiring an extra 1,000 GPs on the frontline. Our 10-year health plan will shift the focus of healthcare out of hospital and into the community.

Nesil Caliskan: I thank the Secretary of State for his answer on the critical issue of access to GPs in primary healthcare. My constituency of Barking is woefully under-served by primary healthcare, and especially by GPs. On average, each GP looks after 2,000 patients; the national average is 1,600. In particular, the area of Barking Riverside has no GP services. Will the Secretary of State meet me to discuss this matter, so that the thousands of homes that are being built will also have a primary healthcare facility on site?

Mr Speaker: Order. I remind Members to look towards the Chair, because I cannot hear what is being said. I call the Secretary of State—I hope he heard the question.

Wes Streeting: Thank you, Mr Speaker. I would be delighted for my hon. Friend to meet me or the relevant Minister. The NHS has a statutory duty to ensure sufficient services in each local area, including general practice, and it is vital that we also take into account population growth and demographic changes. I strongly support the Deputy Prime Minister's commitment to delivering 1.5 million new homes, and she and I know that that must be accompanied by local healthcare facilities. We are working together to achieve just that.

Alistair Strathern: I really welcome this Government's focus on making sure everyone can see a GP when they need one. The crisis in GP provision nationally has been exacerbated by the failure under the last Government to ensure that primary care investment has kept pace with housing growth. With such a low share of integrated care board capital funding allocated to primary care by the last Government, how can we make sure we do much better in ensuring that GP capacity expands at the same time as local growth?

Wes Streeting: My hon. Friend has been raising these issues with me since before he was elected to this place on behalf of the communities he represents. As I said to my hon. Friend the Member for Barking (Nesil Caliskan), we must make sure that additional housing—which is desperately needed—is accompanied by health and care

services. The Deputy Prime Minister and I are working together to achieve just that, and thanks to the decisions taken by the Chancellor in the Budget, we are able to invest in the health and care services that this country needs and deserves.

Calum Miller: Woodstock surgery in my constituency is not fit for purpose. In September, heavy rain fell and caused the roof to collapse, causing the surgery to close. The nurse literally sees patients in a broom cupboard. The GPs want to increase their capacity to see more patients, but have been unable to access sufficient capital from the integrated care board. Will the Secretary of State meet me and the Woodstock GPs to discuss how the reforms announced yesterday will help them build a new surgery, so that they can see patients faster?

Wes Streeting: I am grateful to the hon. Member for that question. I am incredibly sorry about the awful conditions in which staff in that practice are having to see patients and in which the patients it serves are having to be seen—that is the epitome of the broken general practice system that we inherited. Thanks to the decisions taken by the Chancellor in the Budget, we are able to invest in the capital estate need in the NHS. That will take time, and we would be delighted to hear more about that individual case to see how the ICB and the NHS can assist.

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

Layla Moran (Oxford West and Abingdon) (LD): Following the theme raised by my hon. Friend and neighbour, the hon. Member for Bicester and Woodstock (Calum Miller), may I make a plea for Summertown health centre? They are my doctors, by the way, so I declare an interest. They operate in an old Victorian building and are desperate to move to new premises. That health centre was at the top of the priority list, but the ICB says that there is no money, and the doctors say that there is no pot that they can bid into in order to get this seen to. Will the Secretary of State meet me as well? Clearly, £102 million spread across 50 projects in the country is not going to be sufficient. Can we get creative about how we can get new premises built for Summertown health centre?

Wes Streeting: Of course I will meet the hon. Lady. It would be daft of me to say no to the Chair of the Select Committee; otherwise, she will see me in less pleasant circumstances. In all seriousness, we are looking creatively at this issue. There are enormous capital pressures right across the NHS estate. We are regularly lobbied on new hospitals, for example, but we are also lobbied on general practice, the mental health estate and the rest. We will do as much as we can as fast as we can, thinking creatively about how we can get more capital investment in, and I would be happy to discuss that further with the hon. Lady.

Claire Hazelgrove (Filton and Bradley Stoke) (Lab): When I am out regularly knocking on doors and listening to people across the constituency, one of the issues residents raise with me most frequently is the challenge in even being able to book a GP's appointment. Could the Secretary of State please set out what his plans are for ending that 8 am phone scramble, including for those who do not use apps and websites as confidently?

Wes Streeting: I am grateful to my hon. Friend for that question. As the Prime Minister set out in our elective reform plan yesterday, we are determined to make sure that accessing NHS services, including general practice, dentistry and other primary care services, is as easy and convenient as accessing any other services at the touch of a button via our smartphones. We have committed to that in the elective reform plan, which will bring benefits right across the NHS as we modernise. Of course, she is right to mention those who may not be digitally connected or may not want to access services in that way. That is why I believe very strongly in patient choice—different courses for different horses. People like me booking via the app will free up telephone lines for those who prefer to access services that way.

Seamus Logan (Aberdeenshire North and Moray East) (SNP): Is the Secretary of State aware that the increase to employer national insurance is actually reducing patient access to primary care? I met GP representatives in Aberdeenshire and Aberdeen recently, and they told me of two ways in which that is happening: first, they are having to let staff go; and secondly, some GPs are considering meeting these costs from their own pockets. Will he consider an exemption for GP practices from these charges?

Wes Streeting: That was a rare admission of failure in this House by the SNP. I am very sorry to hear that general practice in Scotland is in such a sorry state, because here in England we are investing £889 million in general practice, the biggest uplift in years. That is in addition to the funding I have found to employ 1,000 more GPs on the frontline before April, because we are prioritising general practice. As for the decisions the Chancellor took in the Budget, as I said before the election, all roads lead to Westminster. Thanks to the decision a Labour Chancellor has made here in Westminster, coming down that road from Westminster to Holyrood are the resources the SNP Government need to deliver the priorities of the Scottish people. If they cannot, Anas Sarwar and Jackie Baillie stand ready to deliver.

Mr Speaker: I call the shadow Minister.

Dr Luke Evans (Hinckley and Bosworth) (Con): To improve access, the Government have announced a planned expansion of advice and guidance, and GPs will be paid £20 per advice and guidance request they make for further expert advice from consultants. How do the Government expect this expansion to take place? Will they be mandating it given that the current position of the British Medical Association, under its collective action, is that GPs should

“Stop engaging with the e-Referral Advice & Guidance pathway”?

Wes Streeting: I think the shadow Minister will find that GPs welcome the £889 million uplift announced just before Christmas. That is the biggest boost to general practice in years. It is part of this Government's agenda to fix the front door to the NHS and recognise the dire state that GPs were left under. Of course, with that investment comes reform. I think GPs would be delighted to manage more of their patients in the community if given the tools to do the job, and that is something this Government are committed to doing.

Dr Evans: Going back to advice and guidance, GPs use advice and guidance when they have come to the summit of their knowledge and need specialist input. For example, as a GP, I may see a rheumatology patient and ask for advice from a rheumatologist, who may advise specialist blood tests. The problem is that, as the inquiry clinician, I am legally responsible for those blood tests and have to pay for them out of the primary care budget. Do the Government propose that the £20 will cover subsequent follow-ups and the cost of suggested tests? Given the expansion of advice and guidance, will the Government be looking at a legal framework change in accountability for clinicians making requests?

Wes Streeting: First, as the shadow Minister has said, advice and guidance happens in general practice, and we want to see more of it. We have to give GPs the tools to do the job, and that is what we are doing. My hon. Friend the Minister for Care will be talking to the BMA shortly in the context of contract negotiations in the usual way. What the shadow Minister neglects to mention is that these reforms and improvements to general practice are made possible thanks to the £889 million we are putting in, which is investment that he and his party oppose.

Mr Speaker: I call the Liberal Democrat spokesperson.

Helen Morgan (North Shropshire) (LD): Dentistry is a key part of primary care, yet an estimated 5 million people in England have been left without an NHS dentist. That is why today a petition is being handed in at Downing Street signed by more than a quarter of a million people. We have moved on from the election, but we do not yet have a timetable for when the negotiations for a new NHS dental contract will begin and when another 700,000 extra urgent appointments will be rolled out. Can the Secretary of State confirm the timetable for those improvements? What specifically are the Government's plans for the new patient premium, and will he offer assurances to dentists that any changes to the current model will be outlined in detail to them as soon as possible?

Wes Streeting: We are looking at two things, the first of which is making sure we deliver what we said in our manifesto, including the 700,000 urgent appointments. We are determined to deliver those as fast as we can and my hon. Friend the Minister for Care is having discussions with the British Dental Association to that effect. He is also looking closely, as am I, at the money that is already going into NHS dentistry—how that money could be better spent and how it is that year after year, despite people's teeth rotting to the extent that they are having to pull them out themselves or children having to attend A&E to have their teeth pulled out, we saw consistent underspends in the dentistry budget under our predecessors. We are determined to give dentists the tools to do the job so that patients can see a dentist when they need one.

Drug and Alcohol Addiction: Treatment

4. **Dan Carden** (Liverpool Walton) (Lab): What steps his Department is taking to support drug and alcohol addiction treatment services. [902056]

The Parliamentary Under-Secretary of State for Health and Social Care (Andrew Gwynne): I thank my hon. Friend for his question and for his campaigning on this important issue—and indeed for speaking so honestly about his own experiences during his time in this House. An additional £267 million has been invested this year to improve the quality and capacity of drug and alcohol treatment and recovery. We are committed to correcting the years of disinvestment in treatment and recovery services and ensuring that people can access the support they need.

Dan Carden: The Minister has done it for me, but I alert colleagues to my interests in this area.

Last month, the Advertising Standards Authority ruled against seven companies posing as treatment providers or impartial advice services or for failing to make clear their role in earning commission when they were in fact brokers—and I can tell the Minister that many more such companies escaped that ruling. They are able to mislead families while taking cuts of up to 40% of fees being paid directly to treatment providers. Frankly, they have been able to run the sector like a racket. Can we make sure that this ruling by the Advertising Standards Authority is the start of something new, where we can seek to regulate practices properly, and will the Minister meet me and interested parties?

Andrew Gwynne: Attempting to exploit people with addictions is reprehensible. Free drug and alcohol treatment is available in every part of the country and I urge anyone who is struggling right now to visit the NHS addiction website. The Care Quality Commission has said that it could take legal action against companies misusing its logo, and Google has said it would remove search listings from these companies. I am more than happy to meet my hon. Friend to see what more we can do to stop this outrageous activity.

Jess Brown-Fuller (Chichester) (LD): Social prescribing is one of the primary care services provided for drug and alcohol addiction, and it also supports the Government's aim of moving from cure to prevention, which is why I was shocked to hear that a primary care network in my constituency is reviewing its social prescribing offering across the Chichester district and proposing to remove it entirely. Does the Minister agree that social prescribing is a key pillar of our primary care services, and does the money used need to be ringfenced to protect that service across the country?

Andrew Gwynne: Social prescribing is one of the tools, and it is an important one in addressing public health concerns in each of our constituencies. This Government are committed to ensuring that we get those shifts from sickness to prevention. We will be ensuring that local areas have public health funding in reasonable time. We are about to announce, in due course, this year's allocations. We need to make sure that local systems maximise the use of their money, and that certainly includes social prescribing.

Rachael Maskell (York Central) (Lab/Co-op): In 2022, there were more than 10,000 deaths from alcohol use. We know that more than 600,000 people have an alcohol dependency. We need to focus not just on treatment services and their funding, but on prevention. The last

Government failed to bring forward a timely alcohol strategy. Will the Minister update the House on what he is doing to ensure that we are tackling this massive situation in our communities?

Andrew Gwynne: My hon. Friend raises an important point. As part of the Government's health mission, we are producing a five-point plan for prevention, and alcohol harms is one of those areas. I hope to be able to update her and the House in due course on the actions we will be taking to drive down the prevalence of alcohol harms and other addictions, because they are costing lives and causing misery in communities. That is why this Government are determined to tackle these public health problems.

Jim Shannon (Strangford) (DUP): I thank the Minister for his answers. While there are community addiction services for those over the age of 18, worryingly, across this great United Kingdom, those under the age of 18 are succumbing to alcohol addiction, too. There does not seem to be any provision for them. May I ask the Minister genuinely and helpfully what provision there will be for those under the age of 18, because addiction problems are rising among the younger generation?

Andrew Gwynne: The hon. Gentleman raises an important point. This Government are committed to having the healthiest generation of children ever. That means we will have a concerted effort on a whole range of health issues that determine the health and wellbeing of young people, which will hopefully ensure that they become healthy adults as a consequence. Alcohol harms are certainly one of the considerations we will be looking at.

NHS Waiting Times

6. Elaine Stewart (Ayr, Carrick and Cumnock) (Lab): What steps his Department is taking to help reduce NHS waiting times. [902058]

The Secretary of State for Health and Social Care (Wes Streeting): This Government are delivering on our commitment to cut NHS waiting lists and end the Tory backlog. We have taken immediate action with an additional £1.8 billion to support elective activity this year. That funding will support the delivery of our first step of 40,000 extra elective appointments a week. With investment must come reform, and the elective reform plan, published yesterday and announced by the Prime Minister, sets out how we will cut NHS waits to the 18-week standard, increase productivity, reform the system and improve patients' choice and control over their healthcare.

Elaine Stewart: Almost one in six Scots is stuck on an NHS waiting list. People are borrowing money and remortgaging their homes to go private, because they cannot bear the pain. With an SNP Government who have abandoned the principles of an NHS free at the point of entry, does my right hon. Friend agree that Scotland's health service needs a new direction?

Wes Streeting: I strongly agree with my hon. Friend. As I said during the general election campaign—it was quoted regularly by the SNP—all roads lead to Westminster. Down that road from Westminster is a record increase in funding for the Scottish Government through the

Barnett formula. I know the Scottish Government published their own NHS recovery plan just before Christmas, and I look forward to reading it, although I know some have expressed concerns about the lack of detail in the plans to drive down waiting times. The Scottish people can therefore compare and contrast with the ambition of our elective reform plan, which was announced by the Prime Minister yesterday, and then decide at the next Scottish elections who they trust to govern: the SNP with its rotten record, or a Labour Government who will get on and deliver.

David Davis (Goole and Pocklington) (Con): The Secretary of State knows that I wrote to him before Christmas about the planned ward closures and degradation of services at Goole and district general hospital. Doing so will take beds, facilities and employees away from the national health service, which will do nothing but undermine his real attempts to reduce waiting lists and all the plans he announced yesterday. Will he look at the trust-level decision systems that lead to such catastrophic decisions that will undermine every aspect of NHS strategy and all that he is trying to do?

Wes Streeting: I thank the right hon. Gentleman for writing to me before Christmas. I recognise the pressures that have been placed on NHS commissioners in recent years and the pressure that that has put on service configurations. I tend to support the devolution of decision making, with decisions about service reconfigurations taken closer to the communities they serve. I recognise also that commissioners do not always get it right, which is why engagement with Members of Parliament and other democratically elected representatives is important. Ministerial oversight is important, too. We will look seriously at the issues he raises and talk to NHS leaders, and I know he will be doing the same. This Government are determined to give NHS leaders the tools to do the job, so that we can get the right care in the right place at the right time, with a better experience for patients and better value for taxpayers.

Ms Polly Billington (East Thanet) (Lab): I am sure my right hon. Friend will share my delight at the fact that in our growing community of Thanet, the NHS is looking to open the Thanet integrated hub in one of the most deprived parts of Kent. However, Tory-run Kent county council has put in spurious objections to the development. Does he share my concern that such unnecessary objections block access to healthcare and make it harder for the Government and the NHS to cut waiting lists?

Wes Streeting: I am grateful to my hon. Friend for the work she is doing to improve health and care services for her constituents. The Government are giving health and care providers the tools to do the job. Of course, change will take time, and it is therefore crucial that we all pull together locally and nationally. For the avoidance of doubt, the Government are on the side of the builders, not the blockers.

Josh Babarinde (Eastbourne) (LD): The NHS Confederation has said that for the Government to be able to drive down waiting lists,

“the pause to the delivery of the new hospitals programme must be as short as possible and NHS leaders need clarity about timelines.”

With that in mind, will the Secretary of State tell leaders at Eastbourne district general hospital, as well as our community in Eastbourne, precisely when the new hospital programme review will be completed so that we can get cracking with our upgrades?

Wes Streeting: I thank the hon. Member for that question. I agree with him about the need for clarity as well as consistency. We undertook the review into the new hospital programme because the previous Government's timetable was a work of fiction and the money was not there. I hope to report to him and to the House shortly on that, with the undertaking that the timetable we publish and the funding provided by the Chancellor in the Budget and at the spending review will mean that we will provide not just clarity but consistency, which is important for NHS leaders, important for patients and important for the construction industry partners we need to work with.

Mr Speaker: I call the shadow Minister.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): Thank you, Mr Deputy Speaker. *[Interruption.]* I am sorry—that is the last time I will get called. Thank you, Mr Speaker.

Yesterday, in relation to the elective backlog, the Secretary of State said:

“Where we can treat working people faster, we will, and we make no apology for doing so.”—*[Official Report, 6 January 2025; Vol. 759, c. 597.]*

Labour politicians have struggled to define what they mean by working people, but his words have caused anxiety. Will he reassure those with disabilities that prevent them from working and retired elderly people who have worked all their lives that they will not be pushed to the back of the queue and that treatment will continue to be provided in the NHS on the basis of clinical need?

Wes Streeting: Of course, clinical need is paramount and must always drive decision making about who to treat when and the order in which people are treated. That is why I find the question posed so deeply disingenuous. *[Interruption.]* We inherited NHS waiting lists at record levels and waiting times that are frankly shameful. The shadow Minister should be apologising for her party's record, and she should also apologise for the two-tier healthcare system that sees those who can afford it paying to go private and those who cannot afford it—working-class people—being left behind. That is the two-tier system that the Government are determined to end.

Mr Speaker: Order. Can we be a bit careful with the language we are using?

Dr Johnson: The Secretary of State needs to be careful with the words he uses, as you said, Mr Speaker, because his words did cause anxiety among people. It was not a disingenuous question; it was a genuine question to make sure that people are reassured.

It will not have escaped the Secretary of State's notice that it is cold outside. Removal of the winter fuel allowance has reduced elderly people's ability to follow the advice that he gave last week, which was to turn the heating on. What assessment has he made of the number of additional admissions caused by his removal of the winter fuel allowance? What effect is that having on the Government's ability to deliver their reduction in elective backlogs?

Wes Streeting: What the shadow Minister neglects to mention is that the Chancellor has protected the winter fuel allowance for the poorest pensioners, and she has also put in place the warm home discount to assist people with their energy bills throughout the winter. If the shadow Minister does not support the decisions that the Chancellor took at the Budget and ahead of the Budget to raise vital investment for our health and care services, that is fair enough, but then she needs to tell people which NHS services she would cut or which other taxes she would increase.

Care Quality Commission

7. Josh Fenton-Glynn (Calder Valley) (Lab): Whether he has made an assessment of the effectiveness of improvements made to the Care Quality Commission. [902059]

The Minister for Secondary Care (Karin Smyth): In response to the report by Dr Penny Dash, we have made it clear that the CQC is not fit for purpose and requires significant reform. We have increased our oversight of the CQC to ensure implementation of the recommendations in Dr Dash's review, and we will continue to monitor the CQC's progress through this period of improvement. We are also supporting the swift and efficient recruitment of CQC leadership roles, including the new chief executive Julian Hartley, who started in December.

Josh Fenton-Glynn: It is inarguable that the CQC needs improvement. Many who run care services in local authorities have little confidence in its performance. Does my hon. Friend agree that we could go some way to improving how it is viewed by looking at the use of single-word assessments, which create undue stress for social services leads? They were raised by the Dash review as insufficient to support local authorities to improve, promoting box-ticking over real improvement and giving little information to members of the public on the quality of social services provision.

Karin Smyth: My hon. Friend is right that confidence is the key word in the huge agenda that the CQC has to deliver. Dr Dash and Professor Mike Richards highlighted serious failings that need to be re-addressed. As one of our predecessors said, priorities are our language. Currently, a review of one or two-word ratings is not a priority, but it will be kept under review.

Mr Gregory Campbell (East Londonderry) (DUP): Is the Minister indicating today that there will be a new start in the Care Quality Commission, and that things will change for both staff and the recipients of care?

Karin Smyth: The hon. Gentleman makes an excellent point, particularly with regard to staff, who need support

to continue their important work. A new start with new leadership is what they need, as well as implementation of the recommendations.

Mental Health Services

8. Tom Gordon (Harrogate and Knaresborough) (LD): What steps his Department is taking to improve access to mental health services. [902060]

20. Gideon Amos (Taunton and Wellington) (LD): What steps his Department is taking to improve access to mental health services. [902072]

The Minister for Care (Stephen Kinnock): As Lord Darzi's independent investigation found, around 1 million people are waiting to access mental health services in England. This Government will fix our broken mental health services by recruiting 8,500 more mental health workers, providing access to specialist mental health professionals in every school and rolling out young futures hubs in every community.

Tom Gordon: In my constituency of Harrogate and Knaresborough we have heard harrowing stories from people who have tried to reach out and get access to mental health services before they reach crisis point. Often, people end up facing months-long if not years-long waiting lists. When all too often they reach a crisis point, they end up having to access services as far away as Newcastle or Manchester. What are the Government doing to make sure that we can root local community mental health facilities in communities such as Harrogate and Knaresborough?

Stephen Kinnock: In addition to the measures that I just set out, in the Budget the Chancellor made funding available to expand talking therapies to 380,000 extra patients. We have a £26 million capital investment scheme for mental health crisis centres and, as always with this Government, investment goes with reform. We are finally reforming the Mental Health Act—that was first talked about when Theresa May was in 10 Downing Street. This Government are rolling up their sleeves and getting on with the job.

Gideon Amos: Taunton and Wellington is a trailblazer in taking mental health from hospital to community and from sickness to prevention. The trust is the first in the country to merge mental health with the hospital trust. Will the Minister meet the trust and me to understand how successful that programme is, and to discuss the much needed maternity and paediatric unit at Musgrove Park hospital?

Stephen Kinnock: It sounds like there is some interesting, dynamic and innovative work going on in the areas that the hon. Gentleman mentioned. I would be happy to meet him to discuss it further.

Peter Prinsley (Bury St Edmunds and Stowmarket) (Lab): I have just been visited by my former medical student, a young doctor in Yorkshire working in an intensive therapy unit, who told me that 40 of the 50 patients who were admitted with covid died. Many healthcare workers are suffering from flashbacks and post-traumatic stress disorder. What measures will the

Government take to look after the mental health of the healthcare workers who so bravely helped us during the covid pandemic?

Stephen Kinnock: My hon. Friend raises an important point, which provides an opportunity for us all to reflect on the incredible work of those working in our health service; they are, in many ways, heroes, and we should absolutely acknowledge that fact. We need to explore the point he has raised—we could meet to discuss it further, or I would be happy to write to him.

Anna Dixon (Shipley) (Lab): In England, more than 200,000 people were waiting for an autism assessment in September 2024. In my constituency, some adults have waited more than two years for an autism assessment, and one child has been waiting eight years—and is still waiting—to receive support from child and adolescent mental health services. These delays have a profound impact on people's lives. Will the Minister commit to the mental health investment standard and ensure that as the Government reduce waiting times, they do so for both physical and mental health services for young people and adults?

Stephen Kinnock: We remain absolutely committed to the mental health investment standard. We have prioritised the expansion of NHS talking therapies and individual placement and support schemes, and provided £26 million of capital funding to open new mental health centres. However, we are not complacent on this issue. My hon. Friend spoke about autism assessments, which is a red light that is flashing on my dashboard. I would be happy to discuss that further with her.

Counsellors and Psychotherapists

11. **Sir Desmond Swayne** (New Forest West) (Con): Whether his Department plans to improve integration of counsellors and psychotherapists into the mental health workforce. [902063]

The Minister for Care (Stephen Kinnock): Counsellors and psychotherapists form an integral part of the NHS mental health workforce, delivering support to people with mental ill health across a range of settings in services for both children and young people and adults. We will publish a refreshed NHS long-term workforce plan to ensure that the NHS has the right people in the right places with the right skills to deliver the care that patients need.

Sir Desmond Swayne: Is there a plan to maintain service provision where psychotherapists and counsellors operating in the charity sector have been hit by eye-watering cost increases as a consequence of the national insurance increase?

Stephen Kinnock: As I have said in answers to previous questions, and as my right hon. Friend the Secretary of State has said, there is something of a pattern emerging here: Opposition Members say that they welcome the investment the Government have made, but oppose the revenue-raising measures and refuse to set out whether they would increase taxes or cut services. I still have not heard an answer on that from those Members.

Care Sector Salaries

12. **Martin Rhodes** (Glasgow North) (Lab): What discussions he has had with Cabinet colleagues on staff salaries in the care sector. [902064]

The Secretary of State for Health and Social Care (Wes Streeting): This Government recognise the crisis in social care that we inherited, which is why over the past six months we have taken steps through the Budget to increase investment in social care, deliver the biggest expansion of the carer's allowance since the 1970s and invest in the disabled facilities grant. Of course, as my hon. Friend alludes to, we cannot deliver great social care without the workers who deliver it. That is why I am proud that within our first 100 days, the care worker-turned-Deputy Prime Minister included fair pay agreements in her landmark Employment Rights Bill, so we can give our care staff not just the pay they deserve, but the professional status, recognising the hard work they do as care professionals. That is a crucial step on our path to building a national care service.

Martin Rhodes: Does the Secretary of State agree that the SNP's National Care Service (Scotland) Bill was a missed opportunity to improve pay and conditions for social care workers, particularly when compared with Labour's Employment Rights Bill, which creates the fair pay agreement for social care workers?

Wes Streeting: I agree with my hon. Friend. I am proud that this Government have taken quick action within our first 100 days. Thanks to the Employment Rights Bill, which is UK-wide legislation, this Labour Government in Westminster are giving the Scottish Government the tools they need to do the job of establishing fair pay for care staff. If they do not do it, Anas Sarwar and Jackie Baillie will.

Martin Vickers (Brigg and Immingham) (Con): In north-east Lincolnshire, a social enterprise employs 800 staff providing health and social care. I have been approached by many staff who are unhappy that they have not benefited from the increases that NHS staff have gained. They have the support of the Royal College of Nursing and are looking for the Government to provide Care Plus Group, which employs them, with the resources to ensure that they are recompensed to the same level. What is the Secretary of State able to pass on to them?

Wes Streeting: I am grateful to the hon. Member for that question. With our fair pay agreements, we will be bringing together government, public and private sector employers and staff trade unions to negotiate the future for fair pay agreements that will benefit care workers across the system and give them the professional status and career progression they deserve. The Chancellor, through the Budget, also took steps to ensure that we could invest in our social care services. I am deeply saddened that the Conservative party has not supported that investment.

Mr Speaker: I call Dame Emily Thornberry—congratulations!

Maternity Leave

13. Emily Thornberry (Islington South and Finsbury) (Lab): How many and what proportion of NHS employees have received enhanced maternity leave entitlements under Agenda for Change contracts. [902065]

The Minister for Secondary Care (Karin Smyth): I thank my new Dame Friend for her question. The Department does not collect data on the number of people who have specifically received enhanced maternity leave entitlements. Access to an enhanced maternity leave benefit forms part of the total reward package for Agenda for Change staff, which we believe is critical for retaining our much-valued and needed NHS workforce.

Emily Thornberry: Thank you very much, Mr Speaker. Doctors throughout the NHS, no matter who employs them, have blanket maternity agreements, but nurses do not. When I visited the River Place health centre, I found that nurses employed by Whittington Health were working alongside nurses employed by the GP practice who got completely different maternity leave and pay. As we turn out our hospitals into the community and do much more work in that way, such anomalies will get worse. It is not fair and I wonder what my hon. Friend is going to do about it.

Karin Smyth: My right hon. Friend highlights a problem throughout the system, not just in her area. Self-employed contractors to NHS GP surgeries are not bound by national terms and conditions; they can develop their terms and conditions as they see fit. They have the flexibility to set terms and conditions to aid recruitment and retention. We anticipate that good employers will set wage rates and terms and conditions that reflect the skills and experience of their staff. That is better for staff and for patients, and I know that she will continue to highlight that with her local employer. It is certainly something that we need to keep an eye on as we develop services further.

Start for Life Services

14. Pippa Heylings (South Cambridgeshire) (LD): What steps he is taking to extend Start for Life services to South Cambridgeshire constituency. [902066]

The Parliamentary Under-Secretary of State for Health and Social Care (Andrew Gwynne): We believe that every child deserves the best start in life. Due to the challenging fiscal context, we are initially prioritising family hubs and Start for Life funding to areas of high deprivation. We will consider the case for extension to South Cambridgeshire in future financial years.

Pippa Heylings: We know how important the best start in life is for opportunities for all. Only half upper-tier local authorities currently receive prioritised Start for Life and family hub funding—78 do not. In South Cambridgeshire, officers are doing huge work to provide support and signposting without dedicated funding, which means that babies, young parents and young families do not receive the full benefits. Will the Minister commit, in the next spending review, to extending these services across the whole of England?

Andrew Gwynne: Local authorities were pre-selected using the income deprivation affecting children index average rank scores, with a rural and urban weighting applied. Tackling child inequalities in health and outcomes is crucial. As resources allow, it is the ambition of the Government to ensure that Start for Life services reach every child.

National Cancer Plan: Brain Tumours

15. Gregory Stafford (Farnham and Bordon) (Con): What steps he is taking to ensure that brain tumours are included in the national cancer plan. [902067]

The Parliamentary Under-Secretary of State for Health and Social Care (Andrew Gwynne): Let me start by commending the hon. Gentleman for his fundraising efforts to fight cancer in Surrey and his support for the Brain Tumour Charity. We are committed to ensuring that people with brain tumours have access to more effective treatments and excellent care through, for instance, our national cancer plan, and we will give more details shortly.

Gregory Stafford: I thank the Minister for his answer, and for his googling of my background! Early detection is essential in ensuring that brain tumours do not fall further behind other cancers in priority. Will the Minister update us on the Government's progress to ensure that screening is prioritised?

Andrew Gwynne: We absolutely want to ensure early detection of these cancers, and I recently met representatives of the Brain Tumour Charity to discuss how we can roll that out. The Government are investing an awful lot of money in tackling cancers, but there is a great deal more that we can do on brain cancer.

Topical Questions

T1. [902078] Calum Miller (Bicester and Woodstock) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health and Social Care (Wes Streeting): We have been busy announcing investment in hospices, an uplift in funding for general practice, action through disabled facilities grants and a new independent commission on adult social care, and yesterday the Prime Minister announced the elective care reform plan. As I have said, however, the NHS is experiencing a period of significant winter challenge. The number of beds occupied by people with flu has been much higher than the number last year, and is continuing to rise. An average of just over 4,200 beds were occupied by flu patients at the end of December, surpassing the peak of about 2,500 reported last year. We monitor the situation closely, working hand in hand with NHS England and care leaders, and I continue to chair weekly meetings with senior leaders in social care, NHS England and the UK Health Security Agency.

Calum Miller: I am sure the Secretary of State will share my shock and anger about the number of young people in my constituency who are waiting more than four years for a first assessment by child and adult mental health services. Can he confirm that yesterday's

commitment by the Prime Minister that patients would not wait more than 18 weeks for a first appointment will apply to CAMHS in Oxfordshire?

Wes Streeting: We are determined to improve children and young people's experience of both mental and physical health services, and we are determined to do more to ensure that mental health and paediatric waits are put under the spotlight and given the same attention as the overall elective backlog. I am sure we will have more to say about that when we publish the 10-year plan.

T2. [902079] **Adam Jogee** (Newcastle-under-Lyme) (Lab): I pay tribute to my constituents Sheila and Joe Ward, who have long campaigned for vaccine-injured people and bereaved families following the death of their husband and father. The vaccine damage payment scheme has received 16,824 claims. When can people who are still mourning the loss of loved ones expect to receive the compensation that they deserve?

The Parliamentary Under-Secretary of State for Health and Social Care (Andrew Gwynne): In September the Secretary of State and I met the families of people who had suffered harm following the covid-19 vaccination, including my hon. Friend's constituent Sheila Ward, and they raised the need for reform of the vaccination damage scheme. We listened closely to their descriptions of what they had been through and agreed to look at a number of options, noting that cross-cutting Government decisions might be necessary. We are also working with the NHS Business Services Authority to improve claimants' experiences of the scheme, and to ensure that claims are processed quickly.

Mr Speaker: Order. May I remind Members not to walk past when the Minister is replying to a question? Please have regard for each other; this sets a bad example.

I call the shadow Secretary of State.

Edward Argar (Melton and Syston) (Con): The Prime Minister's announcement yesterday of his elective recovery plan mirrored that of Sir Sajid Javid in 2022, but one aspect was different. Our plan explicitly recognised the importance of the workforce being in place to deliver the 9 million extra tests and interpret the results, and it set out proposals to increase that workforce further. What plans has the Secretary of State to boost the workforce in community diagnostic centres specifically, over and above the plans that he inherited from us, to ensure that his elective recovery plan is deliverable?

Wes Streeting: The shadow Secretary of State is right to say that we need staff in place to do the job. The additional funding announced by the Chancellor in the Budget is central to the delivery of this plan—I note that he opposes that funding, which is deeply regrettable—but we need to improve productivity as well. That is why the plan sets out steps to free up patient appointments that are unnecessary or of low clinical value, but, crucially, staff time in productivity gains is also important, so as well as making the most of the additional investment, we are making the most of delivering value for taxpayers' money—

Mr Speaker: Order. Please help me a little bit. You have had a good run today—don't spoil it.

Edward Argar: On hospices, while the Secretary of State's pre-Christmas hospice funding announcement was, of course, welcome, the vast bulk of it was in fact non-recurring capital funding, which cannot be used to help them cover the hiked employer national insurance tax on hospices' most precious asset: their staff. What steps is he taking to ensure that they receive recurring revenue funding, to enable them to cover the additional costs?

Wes Streeting: The £100 million capital investment we set out before Christmas is the biggest boost to hospice funding in a generation, and it comes on top of the £26 million that we announced for the children and young people's hospice grant. The right hon. Gentleman cannot welcome the investment and keep opposing the means of raising it. Would he cut services or raise other taxes? He has got to answer.

T5. [902082] **Tristan Osborne** (Chatham and Aylesford) (Lab): Pharmacy First is an incredibly popular service that has allowed many residents in Chatham and Aylesford to be referred for illnesses or urgent repeat medicine supplies. Can the Minister indicate whether there warrants a further review and expansion of this offering, to include further access to medicines, including those to treat common dental conditions with bacterial infections, so that patients with these very painful emergency needs can seek immediate over-the-counter appointments?

Mr Speaker: Can Members please remember that these are topical questions?

The Minister for Care (Stephen Kinnock): We are making a priority of resuming consultations with the sector to stabilise community pharmacy. Pharmacy First has built on existing services to increase the clinical scope. The conditions treated under Pharmacy First vary across the UK, and the NHS will keep this under review.

T3. [902080] **Claire Young** (Thornbury and Yate) (LD): When we think of social care, we often think of those who are older, but at a recent advice surgery I met the mother of a 20-year-old with complex needs that local services are unable to meet, so the only option that would allow him to engage with his peers is residential care further afield, taking him away from his family. Will the Minister meet with me, my constituent and his mother to discuss how we ensure that those with complex needs are properly supported?

Stephen Kinnock: I am sure the hon. Lady will welcome the fact that we have found an £86 million uplift for the disabled facilities grant, but on the specific question she raises, I would be happy to meet her and discuss that further.

T6. [902083] **Jo Platt** (Leigh and Atherton) (Lab/Co-op): Groups such as Action for ME and Long Covid Support tirelessly advocate for improved care for over 2 million people living in the UK. How will the Minister ensure that NHS reforms deliver timely diagnosis, effective treatment and long-term support for those affected?

Andrew Gwynne: My hon. Friend raises a really important point. NHS England is due to complete a stocktake of long covid services throughout England at the end of this month. That will provide an accurate in-depth overview of not only long covid services but ME/CFS—myalgic encephalomyelitis/chronic fatigue syndrome—services. The stocktake will provide a comprehensive and accurate national picture, identify key challenges and make strategic recommendations for future service improvement, development and assurance.

T4. [902081] **Rosie Duffield** (Canterbury) (Ind): Since 2017 I have been raising the crisis facing East Kent hospitals university NHS foundation trust. Seven different Health Secretaries across those seven years have promised much but delivered nothing at all. Patients continue to face unacceptably long waits on trolleys in corridors, and last month the *Kent Online* paper compared these conditions to a war zone, with an average of 40 very ill patients a day facing more than 12-hour waits. Will the Secretary of State meet me and the CEO of our trust, who is desperate for even the most basic diagnostic equipment, to ensure that this does not continue to be the case for another seven years?

Wes Streeting: Yes, I or the Minister of State for Health would be delighted to meet the hon. Member. She is right to describe the scale of challenge in urgent and emergency care. Of course, there are other challenges in east Kent, particularly in maternity services, which I am acutely aware of too, and I would be delighted to work with her to help solve some of those challenges in her community.

T7. [902084] **Natasha Irons** (Croydon East) (Lab): The Family Dental Practice in my constituency has faced significant challenges caused by dental contracts introduced by the previous Government. The pilot scheme it took part in caused long-lasting operational financial damages to the practice. How will the Secretary of State support such practices, and will he consider measures such as rebasing the unit of dental activity targets to help them overcome these challenges?

Stephen Kinnock: My hon. Friend is absolutely right: the NHS dental contract simply is not working. We are working with the sector to reform the contract, with a shift to focusing on prevention and the retention of NHS dentists. We will deliver on our pledge to provide 700,000 more urgent dental appointments at the earliest possible opportunity, targeting areas that need them most.

Tim Farron (Westmorland and Lonsdale) (LD): One in five social care jobs in Cumbria are currently unfilled, and the consequences are unbearable for those who are vulnerable; indeed, they are causing pressure on the rest of the NHS. Will the Secretary of State look carefully at the specific needs of rural communities such as ours, where it is so much harder to recruit and retain social care workers?

Wes Streeting: I was in Cumbria recently, and I was struck by the fact that the care home I visited in Carlisle is delivering great intermediate care for the NHS at half the price of a hospital bed—a really good example of how social care often delivers better value and better care. However, the hon. Gentleman is right about the

recruitment challenges. We are determined to work with local training providers and the local university to make sure that we recruit social care workers, grow our own in Cumbria and keep them in Cumbria.

T8. [902085] **Mohammad Yasin** (Bedford) (Lab): The East of England ambulance service NHS trust remains at the highest escalation level—level 4—as call handlers in Bedford remain under immense pressure after responding to 39,000 calls between Christmas and new year. Despite the unprecedented demand, the trust is considering closing the Bedford emergency operation centre, putting nearly 200 jobs at risk. Given that resources are already stretched to the limit in Bedford, does the Secretary of State agree that we must keep experienced staff who have helped to save countless lives in the region?

The Minister for Secondary Care (Karin Smyth): My hon. Friend is right to highlight the particular problems in his constituency. Decisions on the configuration of call centres are a matter for local trusts in consultation with staff and representatives, and I encourage him to continue to engage with the trust in the interests of his constituents.

Greg Smith (Mid Buckinghamshire) (Con): Will the additional money announced for hospices before Christmas cover the full cost of the increase in employer's national insurance contributions or not?

Wes Streeting: The Conservatives cannot, on the one hand, welcome the investment and, on the other hand, condemn the means of raising it. Would they cut NHS and care services, or would they raise other taxes? They have to answer.

T9. [902086] **Cat Smith** (Lancaster and Wyre) (Lab): I thank my right hon. Friend for securing the land purchase for the new hospital in Lancaster. Will he meet me to discuss how a new hospital will transform health outcomes for my constituents?

Wes Streeting: I would be delighted to meet my hon. Friend. She was literally the first person to lobby me immediately after the general election, about her hospital, having already lobbied me before. I am delighted that, thanks to her efforts, we have been able to deliver for her community; indeed, thanks to your efforts, Mr Speaker, we have done so for yours too. I would be delighted to meet her.

Mike Martin (Tunbridge Wells) (LD): Becky's son Will was a normal, happy teenager until he suffered multiple covid infections. His mother tried to find out what was wrong with him, but she found that there were no paediatric long covid care services in Kent. Will the Minister update the House on whether Kent, with a population of 2 million, will ever get a paediatric long covid service?

Andrew Gwynne: I am very sorry to hear about the hon. Gentleman's constituent. I know at first hand how complex and debilitating long covid can be. As I mentioned in an earlier answer, there is a stocktake taking place, which should show where there are deficiencies, but let me be clear: I want to ensure that there are good services for people suffering with long covid in every part of England.

T10. [902087] **Mr Richard Quigley** (Isle of Wight West) (Lab): The Isle of Wight does not just have a problem with its ferries, as the House would expect; we also have a huge problem with dentistry. We are a true dental desert. However, the size of our community means that we are an ideal place to try new approaches to dentistry, especially for children. Will the Minister meet me to discuss those approaches and improve dentistry on the island?

Stephen Kinnock: My hon. Friend is absolutely right to describe the Isle of Wight as a dental desert. That is perhaps one of the reasons why the good people of that island elected a Labour Member for the first time in history. Our ambition is to make sure that everyone who needs a dentist can get one. Sadly, 28% of adults in England—13 million people—have an unmet need for NHS dentistry. I would be glad to meet my hon. Friend to learn more about how the experience of the Isle of Wight can improve services nationally.

Rishi Sunak (Richmond and Northallerton) (Con): Prostate cancer is the most common cancer in men, yet it has no national screening programme. We worked on this issue in government, and I thank the Secretary of State for taking an interest in this area. Will he join me in commending Prostate Cancer Research's excellent new report and urge his team to consider the findings, not least on increasing screening of at-risk groups so that we can not just save the NHS money but, more importantly, save thousands of lives?

Wes Streeting: I welcome the former Prime Minister's question, and he is right to commend the research. We are actively looking at it. Given that he is here and that we are currently taking through the Tobacco and Vapes Bill, I thank him for his leadership on that issue.

Deirdre Costigan (Ealing Southall) (Lab): The last Government treated mental health as a Cinderella service, with my constituents waiting days in A&E to be admitted to hospital mental health wards. The Solace Centre in Ealing Southall provides help and support in the community for those with mental health problems, at a fraction of the cost of a hospital stay. How does the Minister intend to move more mental health services from hospital to the community, and to create more great services like the Solace Centre?

Stephen Kinnock: I thank my hon. Friend for her excellent question. She is right that it is vital to move services from hospital to community. The Chancellor

made funding available for 380,000 more talking therapies for patients and put in place a £26 million capital investment scheme for mental health crisis centres. A lot of work has been done, but there is a lot more still to do.

Vikki Slade (Mid Dorset and North Poole) (LD): Will the Secretary of State confirm what is being done to ensure that patients with rare and complex conditions, such as functional neurologic disorder and achalasia, can access consistent and co-ordinated care, including referrals to the multidisciplinary teams they need for the different symptoms they experience?

Wes Streeting: The hon. Member is right to raise cases where there are multiple comorbidities or complex conditions requiring a range of care services. That is why we need to design services around the patient, not expect patients to contort themselves around the services. Our approach to neighbourhood health services should make a real difference in that regard, but we have to go further and faster on health and care integration, and we absolutely will.

Mr Speaker: Order. I call Kevin McKenna to ask the final question.

Kevin McKenna (Sittingbourne and Sheppey) (Lab): I strongly welcome yesterday's announcement about using initiatives such as community diagnostic centres to move services closer to the public. In the Isle of Sheppey, we are particularly exposed as a coastal community, but thankfully a new CDC will really help. Unfortunately, my experience in the NHS over the past few years shows that while the previous Government talked the talk about shifting care to the community, they failed to deliver. Will the Secretary of State set out what steps will be taken, so I can show my constituents that this shift will actually happen?

Wes Streeting: I am delighted to have my hon. Friend and his experience in the House, standing up for his community and giving us his advice and wisdom as we develop our 10-year plan. We are already walking the talk on the shift to community, not least through the big uplift in funding for general practice announced before Christmas. Many people assume our elective reform plan is just about hospital waiting lists, but a big part of it is about delivering the left shift by asking and funding general practice to do more to manage patients in the community.

Northern Gaza

12.37 pm

Layla Moran (Oxford West and Abingdon) (LD) (*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth, and Development Affairs if he will make a statement on the situation in northern Gaza.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Mr Hamish Falconer): The situation in northern Gaza is dire. The UK condemns Israel's restrictions on aid in the strongest terms. The scale of human suffering is unimaginable. We have been clear that this is a man-made crisis and Israel must act immediately to address it.

The need for humanitarian assistance to reach Gaza is greater than ever before. Close to 46,000 people have now been killed. All of Gaza's population is reported to face the risk of famine. Air strikes within the designated humanitarian zone show there are no safe spaces left for civilians. Reports of up to eight children having died from the cold weather conditions are unconscionable.

It is unacceptable that many medical facilities are no longer in use or are inaccessible to humanitarian actors, and we remain deeply concerned by reports of medics being killed or injured. I have raised this, and will continue to raise this, with both the Israeli Deputy Foreign Minister and Israel's ambassador to the United Kingdom. I have also specifically raised the detention of Kamal Adwan Hospital director Dr Hussam Abu Safiya with both the Israeli Deputy Foreign Minister and Israel's ambassador to the UK. We urge Israel to urgently clarify the reasons for his detention, as well as for the detention of paediatrician Mohammed Hamouda and all the other health workers detained in Gaza.

The UK is doing all we can to alleviate this suffering. We have provided £112 million for the Occupied Palestinian Territories this financial year, including £41 million for the United Nations Relief and Works Agency, providing vital services to civilians in Gaza and the west bank, and to Palestinians across the region, delivered through partner agencies.

The UK is also supporting the provision of essential healthcare to civilians in Gaza, including support to UK-Med for operating its field hospitals, and we have provided £1 million to the Egyptian Ministry of Health to support medically evacuated Palestinians from Gaza.

The Foreign Secretary, working with his French and German counterparts, wrote to the Government of Israel in November to press them to ensure adequate preparations for winter. Make no mistake: in lockstep with our partners, we are continuing to exert pressure to make sure that northern Gaza is not cut off from the south, that Gazans are not forcibly transferred from or within Gaza, and that there is no reduction in the territory of the Gaza strip.

We need a ceasefire, we need hostages to be released, we need much more aid into Gaza, and we need civilians to be protected.

Layla Moran: Over 450 days on, we all know the statistics—45,000 Palestinians killed, 100 hostages missing, 2.3 million people desperate—but I want to tell a single human story. I have previously spoken about my friend,

consultant surgeon Mohamed, who operated on me when I had sepsis. His family are trapped in the Jabalia refugee camp. They are elderly and sick. One is a three-year-old girl. He has described how there are bodies strewn in the street.

I am sorry to report that death did not come knocking this weekend. Rather, it was dropped by a precision drone as Mohamed's brother and his son walked 10 metres to get aid. The son died of a brain injury, two 13-year-old girls and their mother have shrapnel wounds, and Mohamed's elderly father, who was already ill, is in hospital. A three-year-old, her mother and Mohamed's mother are alone in a house with no one to help them get food.

These were obviously not militants—they were sick. They are not legitimate targets of war. There is no excuse for this. Mohamed told me it feels like they are living in "The Hunger Games," dodging drones and scavenging for the basics. Even if they wanted to leave, how can they?

What part of international law makes any of this okay? Where is the accountability? Where is the justice? What does the Minister have to say to Mohamed, who spends his days saving lives here in the UK while his family are slaughtered overnight?

And it is not just Mohamed. People in Gaza are trapped in a doom loop of hell—hospitals decimated, and ceasefires promised and never delivered. So I press the Government again: is this really everything the UK has got? Have we deployed everything to make this stop? When will we recognise Palestine? Why have we not stopped the arms trade to Israel? And when will the Government ban trading with illegal settlements?

The frustration is palpable. Our grief is fathomless. People across the UK are looking on in horror, and the horror in Gaza must stop now.

Mr Falconer: The hon. Member speaks passionately about a situation that so few in this House could even imagine. My thoughts are with Mohamed's family and the many, many other women, children and civilians who are caught up in this war.

I have seen for myself the injured children across the border in Sinai. They are the lucky ones who have been able to leave the strip to access medical assistance. The whole Foreign Office ministerial team has these people in our minds each and every day. I have been engaged through the break, as many others have, recognising that for most people in Palestine there is no break from a truly dreadful situation.

The hon. Member asks what I have to say to Mohamed, and I am incredibly sorry for the loss that people are suffering in Palestine. I am incredibly sorry that we continue to assess that there is a serious risk of breaches of international humanitarian law in Gaza. We are doing everything we can to try to prevent and reduce them in relation to the arms that she mentioned. We have taken decisive action to reduce the sale of weapons being used in the conduct of the hostilities in Gaza, the west bank and Lebanon, and will continue to keep the matters under review. I can only join with the hon. Member for Oxford West and Abingdon in reaching out to those in Palestine in this situation. We have done much; we recognise there is much more to do. My heart goes out to those people.

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

Emily Thornberry (Islington South and Finsbury) (Lab): May I begin by paying tribute to the bravery of the hon. Member for Oxford West and Abingdon (Layla Moran) in continuing to fight for the population in Gaza, even as her own family and friends are suffering?

My Committee is currently undertaking an inquiry into the Israel-Palestine conflict, and we have heard again and again from witnesses, including both Israeli and Palestinian voices, that the UK could, in fact, be doing more to bring the conflict to an end. We have also heard from witnesses, including the former Member for North East Bedfordshire, who is also the very respected former Minister for the middle east, that where UK action has come, it has been too little and too late. While I know that the Minister is unable to comment on any ongoing negotiations, I would like to know this: what role is the UK playing in convening post-conflict discussions and what does he see as a viable, long-term resolution for Gaza?

Mr Falconer: This Government have taken a very different approach from the one that came before us. We have taken immediate, rapid action, calling for a ceasefire, making decisions on arms, which have already been mentioned, increasing the amount of aid available to the Occupied Palestinian Territories, being absolutely steadfast in our support to UNWRA and restoring funding that had been cut. Let us not think that there is no difference between the policy position taken by the Ministers here on the Front Bench and those that came before us. My predecessor, mentioned by my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), is a good and wise man who has done much in the service of his country. Yet let us not have any illusion; there is a difference between what a Labour Government have done in relation to the middle east and what our predecessors did.

I reassure my right hon. Friend that we are very engaged in the questions about what must happen next in Gaza. Clearly, Gaza needs a solution that works for its people, where Gaza is governed by the Palestinians under their own legitimate authority, in safety and security. There are a wide range of international views about how we might get to that objective, and we are playing our full part diplomatically to try and ensure that there is consensus.

Mr Speaker: I call the shadow Foreign Secretary.

Priti Patel (Witham) (Con): I thank the hon. Member for Oxford West and Abingdon (Layla Moran) for securing this urgent question. Innocent civilians in Gaza are suffering and the situation is desperate; everyone in the House recognises that and we all want aid and support to reach them. Does the Minister also recognise that innocent civilians are being used continuously as human shields by Hamas, which has no regard for their safety or welfare? There are no excuses for the current situation. *[Interruption.]* Perhaps the hon. Member for Middlesbrough and Thornaby East (Andy McDonald) can listen to my comments and then he can comment afterwards.

Getting aid over the border is absolutely critical. In the light of the Minister's words, he will also recognise, notwithstanding his comments about the previous Conservative Government, that that Government actively identified different ways to get aid into Gaza and secure food aid in particular. A special representative for humanitarian affairs was appointed, who was on the ground with a clear remit to address bottlenecks and those issues. There were clear proposals put to the Government of Israel to increase the delivery of aid and support. There was active dialogue and Israel made a number of significant and welcome commitments. Will the Minister give details of the recent engagement on fulfilling those vital commitments, how those responsible are being held to account and whether the Foreign Office, under his Government, has identified and proposed new and alternative routes for aid delivery in recent weeks?

Importantly, the only other way to bring this appalling humanitarian conflict and suffering to a sustainable end in Gaza is for Hamas to release all the hostages. I appreciate that we have debated this difficult matter previously, but may I ask the Minister what discussions are currently taking place? The onus, as we know, is on Hamas, but what steps are the Government taking right now? There are many hostages that we know of, including Emily Damari whom we have spoken about before. All our thoughts are with those hostages and their families. We must know what the UK's position is, especially in relation to calling out Hamas. US Secretary of State Antony Blinken was right to say at the weekend that we have not seen a great deal of condemnation. May I conclude by asking the Minister what points of influence we have with Israel in particular and what his Government are doing to address this conflict?

Mr Falconer: The shadow Foreign Secretary rightly raises the important role of the special representative for humanitarian affairs. He remains in post and continues to have dialogue with the Israelis and others about what can be done to ensure that adequate aid gets into Gaza. There has been a great deal of discussion about different routes. I have been to North Sinai to see the routes in through al-Arish, and my right hon. Friend the Minister for Development has been in Jordan to see the routes there. The most fundamental of all of these questions is who controls the crossings. In most cases, that is the Israeli Government and the steps that need to be taken sit most acutely with them.

There are, of course, other questions that are important and relevant, not least those to do with law and order in the Gaza strip, where there are serious and concerning reports of looting. None the less, getting the aid in is vital, and that is through the crossings. We have been raising these points forcefully with the Israeli Government, and it has been disappointing to see with my own eyes British aid piling up in al-Arish, despite the good efforts of the special envoy and others to encourage the Israelis to make progress in delivering the flood of aid into Gaza that they promised.

Several hon. Members rose—

Mr Falconer: Sorry, I was just taking a breath. On the vital question about hostages, we are continuing to use all of our influence to try to ensure an early resolution to the crisis, which has been going on for far, far too

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long. We must work each and every day to try to advance that situation. Clearly, given the degree of tactical leaking to the press about the latest talks, I do not want to comment on press reports.

Mr Speaker: I call the Chair of International Development Committee.

Sarah Champion (Rotherham) (Lab): Thank you, Mr Speaker, for granting this question. I also thank the hon. Member for Oxford West and Abingdon (Layla Moran) for all the work that she has done trying to highlight the horrors that are going on in the region.

What assessment have the Government made of Israel's action in the Netzarim corridor, which Israel has cleared of Palestinian civilians in order to construct military roads and positions. One senior Israeli official told *Haaretz* that the area had been designated as a "kill zone", with anyone who enters being shot. The same officer told *Haaretz* that civilians were knowingly killed and later designated as terrorists. With competitions between military units regarding who can cause the most casualties, what assessment has the Minister made of these alleged war crimes, and can he tell me what we are doing to document and to stop them?

Mr Falconer: Mr Speaker, as you would expect, my Department takes careful stock of all reports, including those that my hon. Friend mentions, and we include them as part of our regular assessments. We have concluded one of those assessments recently, and I have already updated the House on that.

Mr Speaker: I call the Liberal Democrat spokesperson.

Calum Miller (Bicester and Woodstock) (LD): I pay tribute to my hon. Friend the Member for Oxford West and Abingdon (Layla Moran) for her powerful and sustained advocacy for Palestinians. Clearly, the situation in northern Gaza is utterly dire. We need to see action from the Government in the face of a dreadful and worsening situation. At the end of December, Israeli forces closed Kamal Adwan, the last functional hospital in northern Gaza, forcibly removed patients and detained its director Dr Abu Safiya. The Minister said that he has raised this matter with the Israeli Deputy Foreign Minister and the ambassador, but what consequences did he spell out to them if Israel fails to meet its obligations to protect civilians and sustain access to healthcare in northern Gaza?

The Minister also referred to Israeli airstrikes in the allegedly safe zone. I have on previous occasions asked the Foreign Secretary to look again at a full ban on arms sales. Will the Minister now do so? We will only see an end to violence with a ceasefire, so can the Minister update the House on progress towards the release of the Israeli hostages held by Hamas and a lasting ceasefire?

Finally, in the light of deep concerns about the direction that this conflict might take under the second Trump presidency and following remarks made by Israeli Government Ministers about annexation and actions on the ground in the west bank to extend illegal settlements, does the Minister agree that now is the moment to recognise Palestine on the 1967 borders?

Mr Falconer: Let me take the hon. Member's questions in turn. On arms sales, we have been clear, and I am pleased to reiterate that clarity today, that we have taken steps in relation to the weapons at issue in Gaza. We keep that under regular review, but we have taken clear, principled steps. If the question relates to the F-35 programme, I am happy to reiterate that we carved out that provision because there was no other way to meet our obligations in relation to international peace and security, and that remains the position.

On the matter of a ceasefire, efforts are ongoing. We hope to see an early resolution, but I am afraid that we have been here many times before. These are incredibly fraught talks. Flexibility needs to be shown on all sides. The violence has gone on for far too long. We want an immediate ceasefire, which we have called for since we came into Government.

I have raised the situation in Kamal Adwan and the wider matter about the provision of healthcare in northern Gaza. I have been clear with the Israeli Government about their obligations under international humanitarian law to ensure that proper medical assistance is available to Gazan people. They are entitled to that and those obligations are clear in international law. I have made that clear to the Israelis, as well as what the consequences will be internationally if those obligations are not met.

The hon. Member also raised a question about illegal settlements. I am pleased to repeat our position: we do not support the annexation of Gaza; we support the 1967 boundaries; and we deplore illegal settlements, which is why we took sanctions against them late last year.

Patricia Ferguson (Glasgow West) (Lab): I thank the hon. Member for Oxford West and Abingdon (Layla Moran) for securing this urgent question; it is indeed urgent. At the UN, the UK called for Israel to abide by UNSC resolution 2286 on the protection of civilians and healthcare. It is clear that Israel is not abiding by that resolution, so with the words having been uttered and ignored, what will the Government now do to ensure that Israel is held to account for its actions?

Mr Falconer: We could not be clearer, either publicly or privately, about what expectations fall on Israel in relation to health provision. I have raised these issues, the Foreign Secretary has raised these issues, and my ministerial colleagues have raised these issues. It is a source of enormous frustration to the ministerial team that, this far into the conflict, we are still having to raise these issues, and we will continue to do so until there is some resolution. And that resolution must enable greater healthcare for the Palestinians of Gaza and the wider region.

Kit Malthouse (North West Hampshire) (Con): Mr Speaker, you and I have been through this rigmarole many times over the past 14 months. I was going to ask today about the fate of Dr Abu Safiya, but I think we all know what will happen to him. I was going to ask about the babies who are freezing to death while blankets are being denied entry into Gaza, but I do not think we will be able to do much about that. The same applies to the denial of access for cancer medication, anaesthetic, or crutches or, indeed, the bombing of every single hospital.

The Minister said that he and his team are frustrated, but given the partial application of international law and the Government's unwillingness to take any significant steps to either compel the imposition of a ceasefire or compliance with international law, rather than being frustrated, is he not ashamed that millions of people in this country and around the world believe that there is an inherent racism at the heart of British foreign policy in this regard that says that Palestinian lives matter much less than any other lives, or indeed than Israeli lives? And if he and the Minister for Development, who has answered these statements before, are ashamed, why are they hanging on to their red folders? Why are they not standing down and compelling the Government actually to do something active and physical to save these lives?

Mr Falconer: There are places where I will take lessons about shame, but it is not from the Conservative Benches, and particularly not on this issue. If they want to give me a hard time about what is being done in relation to the people in Gaza, they should turn to their own record, whether that is on aid into Gaza, the ICC or the ICJ. These are sober issues and we deal with them with the sobriety they require, and I would appreciate, particularly from the Conservative Benches, questions of that tone.

Abtisam Mohamed (Sheffield Central) (Lab): In November, the Israel Defence Forces made an official statement that they are getting closer to the complete evacuation of northern Gaza and that Palestinians will not be permitted to return home. In December, Doctors Without Borders reported on the clear signs of ethnic cleansing in the north of Gaza. Only last week, the residents of Beit Hanan were ordered to leave the area. Ethnic cleansing is taking place before our very eyes, and the world remains silent. Will the Minister confirm that Israel must allow Palestinians to return to northern Gaza and that any settlements there would be illegal?

Mr Falconer: I can confirm that it is the view of the Government that Palestinians must be able to travel freely between north and south Gaza, that there can be no further illegal settlements, and that we will continue to condemn that in the way we do in the west bank. There must be no annexation of Gaza.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Do the Government acknowledge that what is happening in northern Gaza is a campaign of ethnic cleansing? If the Minister does not, what would he call it?

Mr Falconer: We have been incredibly clear about the position in northern Gaza and about our deep concerns in relation to healthcare provision, aid going into the area, the targeting of healthcare professionals, the detentions, the importance of transparency where people have been taken, ensuring that they have adequate rights to see their lawyers, and that the ICRC can see people. The situation in northern Gaza is close to our minds. We have commented extensively throughout the winter period, and we will continue to do so.

Sam Rushworth (Bishop Auckland) (Lab): Having listened to evidence on Gaza as a member of the International Development Committee, it is clear to me that there have been egregious breaches of international law. While I do not doubt the integrity and sincerity of

my hon. Friend, it is clear that the actions taken so far by the Government have either not shifted the dial an inch or make me question how much worse it would be. Besides rhetorically supporting an international court, what will the Government do to help gather evidence to protect witnesses and ensure that there is justice and accountability?

Mr Falconer: I am grateful to my hon. Friend for his question, although I take issue with it. This Government have done more than rhetoric, whether it is the £13 million of funding we announced in December; the £112 million of funding for the Occupied Palestinian Territories; the quite different position we have taken on questions of international justice, compared with our predecessors; or the extensive funding we provide to the ICC each year to ensure that it can do its work. I want to be clear that we do not specify that the funding is in relation to Gaza; we give it so that the ICC can pursue its work without fear or favour globally, and we will continue to do so.

Greg Smith (Mid Buckinghamshire) (Con): The aggressors in this situation are the terrorists in Hamas. The ones who took and continue to hold hostages are the terrorists in Hamas. Does the Minister therefore agree that the only concrete way to end this horror is for those terrorists in Hamas to release the remaining hostages, and that talk of an unconditional ceasefire gives those terrorists no incentive to free those innocent people?

Mr Falconer: Hamas are terrorists and they should release the hostages immediately.

Alice Macdonald (Norwich North) (Lab/Co-op): There are an estimated 50,000 pregnant women in Gaza, with more than 180 births taking place every day. None of us can imagine the hell of Gaza, let alone being pregnant in it. Ultimately, we need a ceasefire, but the health system is on its knees. Will the Minister expand on whether he has specifically raised the issue of women and girls and how our aid is being targeted to support access to sexual and reproductive health services?

Mr Falconer: We have raised those issues specifically, but I want to be straightforward with the House: we are clear that insufficient aid of all kinds is getting into Gaza. On almost any question that the House might put to me, there is insufficient aid, insufficient equipment and insufficient provisions for people to be existing in Gaza under those conditions, and we will continue to raise that with force with the Israelis for as long as that situation remains.

Brendan O'Hara (Argyll, Bute and South Lochaber) (SNP): Exactly a year ago, Lord Cameron, when talking about the situation in northern Gaza, told the Foreign Affairs Committee that

"the conflict is now effectively over there".

Unfortunately, no one seems to have told Tel Aviv, because babies are still freezing to death and the last hospital has been destroyed. In that year, while the faces on the Government Benches might have changed, the UK's complicity in the mass killing of Palestinians remains as it has been. Given that nothing has changed, does the Minister genuinely believe that in another year from now he will be able to say that continuing to arm the IDF was moral and legal?

Mr Falconer: If words are to have meaning, clearly our policy is different from that of those on the Opposition Benches, as I think they would accept. I do not want to see this conflict continuing for another year. The Palestinians cannot wait. We are doing everything we can. We have been calling for an immediate ceasefire since we came into government. We will continue to take steps to try to advance that call.

Dr Rosena Allin-Khan (Tooting) (Lab): I was left numb by the words a doctor wrote on a whiteboard in the Al-Awda hospital in Gaza before he was killed by an Israeli air strike, which said:

“Whoever stays until the end will tell the story. We did what we could. Please remember us.”

We need to know that we did all we could. I know the Minister and his Department are pulling every lever available, but please can we have an extra push to get the ceasefire deal over the line? We need to put an end to this horror.

Mr Falconer: I remember those words from the whiteboard, and we must and will spare no effort and will strain every sinew to try to do what we can to advance the ceasefire as quickly as possible. It is already far too late.

Monica Harding (Esher and Walton) (LD): I am pleased that the Prime Minister recently met UNRWA's Commissioner-General Lazzarini and pledged further funding, but in three weeks legislation to ban UNRWA will come into force. Lazzarini has said that

“dismantling UNRWA will collapse the United Nations’ humanitarian response”

in Gaza and that the

“entire population...fears that their only remaining lifeline will be cut.”

He also commented that:

“Since the beginning of the war in Gaza, Israeli officials have described dismantling UNRWA as a war goal.”

Will the Minister set out what consequential steps the UK will take if that comes into effect?

Mr Falconer: The Prime Minister was the first Prime Minister to meet the Commissioner-General of UNRWA. He did so in a week when we had announced further funding for UNRWA. We have raised those vital questions with the Israeli Government. We did so over the course of the break. I myself have met Commissioner-General Lazzarini, and I will be saying more about UNRWA in the coming weeks if we are not in a position to see that the Israelis have taken the action necessary to ensure the sustained and continued support that Palestinians require and which only UNRWA can provide.

Afzal Khan (Manchester Rusholme) (Lab): Not one single hospital now operates in northern Gaza. Healthcare staff continue to be targeted, resulting in the death of even more innocent civilians. We have heard the Minister, but surely what we are doing is not enough. What can we do to stop the systemic dismantling of the hospitals in Gaza?

Mr Falconer: My hon. Friend is right that what we have done is not enough, and we know it is not enough because the provision is so poor in northern Gaza. We are distressed by the scenes in northern Gaza and by the

circumstances that hon. Members have described. We will continue to work as hard as we can, both in relation to UNRWA and directly with the Israeli Government, to try to ensure that the aid provision, including medical provision, is provided with urgency. The current situation is not good enough.

Mark Pritchard (The Wrekin) (Con): Of course Israel has the right to defend itself, but surely the life of a Palestinian child is as precious as the life of an Israeli child, and it is a breach of international humanitarian law for fuel, food and energy to be cut off from ordinary Palestinians. Will the Minister confirm to the House that the UK Government have an independent foreign policy on Israel and Gaza, and that it is set in Whitehall, not in Washington?

Mr Falconer: Britain has an independent foreign policy set by the Foreign Office Ministers and the Prime Minister—I am happy to confirm that to the House. Of course, for this Government the value of a Palestinian life is exactly the same as that of an Israeli life, and we deplore all the civilian suffering that we have seen in this conflict, which, as I say, has gone on for far too long.

Paul Waugh (Rochdale) (Lab/Co-op): Thank you for granting this urgent question, Mr Speaker. One of the most appalling aspects of this conflict has been Israel's reckless disregard not just for civilian life but for that of medical practitioners and patients. Kamal Adwan hospital, the last major facility in northern Gaza, is now out of service, as Members have said. Patients have been moved to the nearby but non-functional and partially destroyed Indonesian hospital, and are unable to receive care because of a lack of necessary equipment and supplies. Will the Minister confirm that Israel's actions have clearly breached international law, and that a consequence of that will be the continued suspension of weapons sales to Israel when it comes to Gaza?

Mr Falconer: We are following the situation closely. I raised the circumstances of those hospitals with the Deputy Foreign Minister on 23 December. I confirm that all the developments in the conflict are considered as part of the regular assessment process and contribute to the assessments that we make.

Mr Adnan Hussain (Blackburn) (Ind): Report after report from reputable organisations—the most recent being Amnesty International—have concluded that Israel's actions in Gaza are genocidal in nature. The scale of destruction in northern Gaza has now been described as much worse than that in the aftermath of Hiroshima. Will the Government change their position and identify that Israel's actions in Gaza are indeed genocidal in nature, and what action will be taken given the grave nature of those facts?

Mr Falconer: Determinations of genocide and war crimes are properly matters for international courts and, as the House knows, there is an international court process on that question, so I will not comment further on determination questions. The Member asks about what we are doing, so let me recap again. We have taken action in relation to arms, aid and diplomatic pressure on the Israelis, and we will continue to do so. The situation in Gaza is intolerable, and we will continue to take steps to try to reduce the suffering.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I appreciate the difficult position that the Minister is in. He has spoken a number of times in the House about this issue. However, I have significant sympathy for the right hon. Member for North West Hampshire (Kit Malthouse) and others who have expressed frustration. Now is the time for action. I appreciate that we as a Government have done a lot and are significantly different from the previous Government, but that is a very, very low bar. It is important that this House has its view expressed through Ministers. Have the Government finally accepted the ICJ's advisory opinion, which is absolutely crucial to the delivery of a two-state solution and a peace process?

Mr Falconer: I am always happy to hear the House's view on these issues, which I have heard and will continue to hear extensively, and I know the strength of feeling across the House. On the ICJ advisory opinion, we are still considering what was a complex and far-reaching judgment with significant horizontal legal implications as well as in relation specifically to the conflict. At the heart of that advisory opinion is a concern about the status of the Occupied Palestinian Territories. I am pleased to confirm that we continue to consider Palestinian territory to be occupied, we continue to take a position consistent with international law, and we continue to condemn illegal settlements. That is why we took tangible—not just rhetorical—steps against violent and illegal settlements in the west bank.

Sir Desmond Swayne (New Forest West) (Con): The Minister must be aware that there are hon. Members on both sides of the House who were equally as frustrated with the form of the previous Administration as they are with this one. He says that he has brought pressure to bear on the Israeli authorities. When that pressure manifestly fails to deliver, is there a plan?

Mr Falconer: I pay tribute to the right hon. Gentleman, who was also a Foreign Office Minister. I once hosted him in Afghanistan, which I am sure he will not remember. *[Interruption.]* I am sure that he remembers Afghanistan and has vivid memories of Kabul at that time—I meant that he might not remember me. We raise those issues with force. There are consequences for sustained breaches of international humanitarian law, but it would be inappropriate for me to comment in too much detail on how we conduct diplomatic relations on those questions.

Ms Polly Billington (East Thanet) (Lab): I thank you, Mr Speaker, for granting this urgent question, and I thank my hon. Friend for all his hard work in these difficult situations. Eight members of the Knesset have penned a letter to the Israeli Defence Minister demanding that Israel destroy all sources of water, food and energy for Palestinians in Gaza. They argue that Israel should do to the rest of Gaza what it has been doing to the north. Will the Government ban entry of those eight Knesset members, who are openly calling for the extermination of Palestinians in Gaza?

Mr Falconer: I thank my hon. Friend for her question and her kind words. The House will be bored of hearing me say it, but we do not comment on sanctions measures in advance of taking them, as doing so would reduce their impact, but I welcome the opportunity to make a brief comment on the proceedings of the Knesset.

There is much said in other Parliaments with which we do not agree. We are clear that obligations under international humanitarian law, and diplomatic obligations, fall on the Israeli Government. We are clear with the Israeli Government on their obligations under international humanitarian law, and we are clear about our policy position. I will refrain from providing detailed commentary on the proceedings of another Parliament.

Jeremy Corbyn (Islington North) (Ind): It is quite clear that Israel's ability to destroy life in Gaza—killing 45,000 people—and to destroy medical facilities is possible only because of the supply of weapons, principally from the United States. I ask the Minister to be very clear. Will Britain continue supplying weapons, including parts for jet planes, and allowing the use of RAF Akrotiri as a route for weapons to go to Israel to be used to destroy life in Gaza?

Mr Falconer: The right hon. Gentleman asks about fighter jets. In relation to the F-35 supply chain, where it is not possible to disentangle components that might eventually end up in Israel, we have made a carve-out for the arms suspension. Where we have been directly selling fighter jet parts to Israel—whether for F-35s or other fighter jets—those licences have been suspended. We will continue to have the same position on the F-35 supply chain—we have discussed that at length in this House since it was announced in September—but in relation to other fighter jets we will take steps in accordance with wider policy.

Yasmin Qureshi (Bolton South and Walkden) (Lab): Aid access is non-existent for Palestinians in north Gaza. Over the past two months, the UN has made over 160 attempts to reach the civilians in north Gaza, with almost zero access, and we have heard that babies have frozen to death. In October, the Prime Minister said that

“the world will not tolerate any more excuses on humanitarian assistance”,

so what further action have we taken to ensure that the assistance gets to the people who need it?

Mr Falconer: As I have set out this afternoon, we have taken further action, including further funding in December for UNRWA. However, to be straightforward with my hon. Friend and with the House, the further action we have taken has not had the effect we would wish, which is clearly that greater aid reaches the Palestinians. Until we see greater aid going into the Gaza strip, we will continue to make those efforts, however frustrating it may be.

Wera Hobhouse (Bath) (LD): Many of my constituents are deeply worried about the intolerable suffering of the people in Gaza, but at this moment they are particularly worried about the ban on UNRWA, which will come into force at the end of the month. The Minister's previous answer on UNRWA was simply not good enough. Where is the urgency to do something about this, making an assessment of what it means if no more humanitarian aid is being delivered through UNRWA?

Mr Falconer: I am sorry that my answers were not to the hon. Member's taste. To repeat, this Prime Minister is the first Prime Minister ever to meet the commissioner-general of UNRWA, and in December we announced

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further aid. We have repeatedly been clear with the Israelis, UNRWA and the wider UN system, privately and publicly, about the vital role of UNRWA. We are doing everything that could be hoped for to try and ensure that aid continues. Clearly, there is no alternative to UNRWA at the scale at which it operates—it is not possible to substitute for its function quickly or easily, and indeed, it is mandated by the UN to perform that function. This is not a welcome situation, and if we find ourselves this month in a situation where UNRWA cannot function, I will say more to this House at that point. However, I can reassure you, Mr Speaker, and the rest of the House that we are treating this issue with the full seriousness it deserves.

John McDonnell (Hayes and Harlington) (Ind): The Minister has expressed his frustration and distress. I think he shares the depth of anger that most of us in this House feel. Over the Christmas period, while we have been celebrating with our families, we have witnessed scenes of children starving and freezing to death as a result of Israeli actions. The actions that have been taken up until now clearly have not had the effect we have wanted. The only solution we have seen in the past is a total isolation of a country, economically and militarily, to prevent it from performing war crimes in the way that Israel has. This Government could take a leading role in that isolation of Israel to bring it to some form of negotiated settlement, but one thing that grates with me in particular is that we have an Israeli ambassador who is an advocate of a greater Israel, refuses to recognise the Palestinian state and defies all the UN resolutions that have been passed about how we can secure peace, and who still remains in this country. Why are we not expelling the Israeli ambassador?

Mr Falconer: I thank my right hon. Friend for his question, and recognise the anguish in his voice about the scenes coming out of Gaza over the winter period. He is right that I feel that anguish as well—I think this whole House feels it when we see pictures of civilians in terrible distress.

My right hon. Friend asks me about the Israeli ambassador. It is tempting to think that, if only we had representatives who were more to our taste politically, things would be easier. There is a clear disagreement between the British and Israeli Governments about the conduct of the war in Gaza and the humanitarian implications that flow from it. We will continue to make that disagreement clear through all channels, both through the Israeli ambassador and directly to the Israeli Government through the Foreign Minister, the Minister of Strategic Affairs and the deputy Foreign Minister. We will continue to talk to the Israeli Government about these issues—indeed, that is the only direct route to secure the changes in the situation that we want to see.

Ellie Chowns (North Herefordshire) (Green): The UN says that the healthcare system in Gaza is on the brink of collapse, and the International Committee of the Red Cross says that it is being obliterated in besieged northern Gaza. The World Health Organisation says that hospitals have become battlegrounds, and we have all seen the terrible scenes of patients and medics being

forcibly removed from Kamal Adwan, the only remaining functioning health facility at that time. What further evidence does the Minister need to conclude that war crimes are being committed in Gaza and that a genocide is taking place, and how can he continue to justify the export of any arms to Israel, given that it risks making us complicit in the systematic destruction of healthcare in Gaza?

Mr Falconer: I refer the hon. Member to my previous answer on the question of legal determinations about genocide. That is a question for international courts, and international courts are considering it.

In relation to arms, I want once again to reassure the House that the measures we have taken regarding arms licences are far-reaching. I have already discussed this afternoon the carve-out for F-35 parts, which will remain the position. As for the remaining arms licences, it is important to say that many of them are not in fact for arms, but for dual-use equipment that requires licensing even if it is not for military use. Even where they are military components, very few of the remaining licences are going to the IDF; for example, they are for body armour and helmets that non-governmental organisations use when they visit Gaza. We have taken far-reaching action in relation to the concerns we have about the breaching of international humanitarian law in Gaza, and we keep that under regular review.

Sarah Owen (Luton North) (Lab): UNICEF reports that at least 17,000 children in Gaza are unaccompanied, some so young that they do not even know their names. Continual bombardment from Israeli forces makes family reunification impossible. The brutal reality of injured children in Gaza is that thousands of child amputees have been operated on without any pain relief or any chance of recovery, including a 10-year-old left for four hours with rocket shrapnel in his leg in an overcrowded hospital that is now running out of fuel. Will the Minister commit to insisting that the Israeli Government honour a ceasefire and allow full access to aid and supplies? If not, why are we not considering an arms ban and further sanctions to end this violence before there are no more vulnerable people left to protect?

Mr Falconer: We are pressing the Israeli Government on a ceasefire, to show the flexibility and take the urgent action required in order to ensure that hostages are released, violence stops and Palestinians can return to some form of dignity and security.

My hon. Friend raises the vital question of injured children in Gaza. There is not enough medical provision—it is of neither the sophistication nor the scale required to deal with the very many children who have been affected by this war, some of whom I met in north Sinai. As I said earlier, those children are the lucky ones: they were able to get to what is admittedly an overstretched medical system, but it is a functional one. As we have heard movingly from the hon. Member for Oxford West and Abingdon (Layla Moran) and from many other colleagues this afternoon, that is not the case elsewhere. The Government are keeping these issues under review, and when I visited Egypt and north Sinai, I was pleased to announce £1 million of UK aid to try to ensure that the Egyptian healthcare system can help Palestinian children under those circumstances.

Regrettably, since that period, too few people with medical emergencies—both children and adults—have been able to leave Gaza. We continue to raise these issues, and my Department was working on them through the Christmas break. I do not want to talk about specific cases; we have had some success, but limited success, in ensuring that children and adults who either require urgent medical assistance or family reunification are able to leave the Gaza strip. I hope to say a little more about that in the coming weeks.

Martin Vickers (Brigg and Immingham) (Con): Last Saturday morning, a constituent came to my surgery to discuss the situation in Gaza. She reminded me that she had previously visited my surgery exactly a year ago to discuss the situation. I recognise that the Minister was critical of the previous Administration; to some extent, that is justified, but the reality is that the situation remains the same. We can all agree that Hamas should release the hostages immediately, but does the Minister agree that the continued bombardment of Gaza by the Israelis is not of itself going to deliver that? If he agrees, has he made that very clear to the Israelis?

Mr Falconer: I regret that the situation does not remain the same a year on. As we have heard, the situation in Gaza, northern Gaza, Lebanon and the west bank is far, far worse. There have been material changes in the Occupied Palestinian Territories and the wider region, and with the suffering of the Palestinians, the Israeli hostage families and Lebanese civilians, there has been considerable further suffering over the course of the past year. It is clear that the only way to get a lasting, safer, more secure region for Palestinians, Israelis, Lebanese, Yemenis and many others is a proper diplomatic solution, with a resolution in the immediate term through a ceasefire and the release of hostages, but also moving back towards a two-state solution that provides dignity and sovereignty for the Palestinian people. We make that point with force to the Israelis regularly.

Several hon. Members *rose—*

Madam Deputy Speaker (Judith Cummins): Order. I will try to get everybody in, but I am aiming to finish this urgent question at about 2 o'clock and a lot of Members are on their feet. You would really help each other if you made your questions and answers succinct.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Reportedly, six babies have so far frozen to death in Gaza, largely as a result of a denial of fuel, heating, shelter and medical care. People's tents are being flooded in the winter rains, diseases are spreading, aid access is virtually non-existent and there is not one single operational hospital in northern Gaza, with healthcare staff continually being targeted. What are the UK Government doing to ensure that Israel's Prime Minister Netanyahu immediately stops such atrocities and allows proper aid access into Gaza, and that we finally get an end to the bloodshed in Palestine?

Mr Falconer: I thank my hon. Friend for his question. I have spoken a little bit about some of the direct advocacy with the Israeli Government conducted by Ministers. That advocacy is also conducted by the special envoy, to whom the shadow Foreign Secretary referred. We are clear at every level of the urgency of the situation in northern Gaza, and we will continue to have it in our

minds each and every day until the situation stabilises. It must stabilise both with adequate aid and medical assistance, and with dignity and sovereignty for the Palestinians.

Mike Martin (Tunbridge Wells) (LD): The case for further British action to protect Gazan civilians is unanswerable. Is the Government's moral integrity being damaged by their inaction?

Mr Falconer: Perhaps the hon. Member could be a bit clearer about what further action this Government could be taking to try to protect Palestinian civilians. We are raising these issues—

Mike Martin: Sanctions, arms sales, recognition of a Palestinian state—

Madam Deputy Speaker: Order. You do not get two bites of the cherry.

Mr Falconer: The hon. Member mentioned sanctions, and we put in place extensive sanctions at the end of last year. I will not comment on further sanctions—to do so might undermine their impact—but we keep these issues under close review. I have discussed the recognition of a Palestinian state and arms. I recognise the strength of feeling in the House, I recognise how desperately people in this Chamber and across the world want to see an urgent ceasefire in Gaza, and that is the zeal with which the Foreign Office ministerial team approach this.

Apsana Begum (Poplar and Limehouse) (Ind): Recently, a surgeon broke down as he told the International Development Committee of drones descending after a bomb strike to shoot children, with wounds that he believed reflected some form of artificial intelligence. I understand that the Government are saying that, since September 2024, UK-made arms are currently suspended where they may be used against civilians. Notwithstanding what exactly that entails—the various details, caveats and definitions—can the Minister confirm and clarify today whether UK-made drones that were exported to Israel before September 2024 are being used to shoot civilians, including children, in the manner described by the surgeon?

Mr Falconer: I am familiar with the testimony of Professor Nizam Mamode, and I saw his videos from when he was in Gaza. He is an impressive surgeon and a friend to many in this Chamber, and his testimony is harrowing. On the drones, I want to be clear that the suspension of arms licences would cover exactly that activity.

Ben Lake (Ceredigion Preseli) (PC): It has been estimated that over 650 attacks have been launched on healthcare facilities in Gaza and more than 1,000 healthcare workers have been killed, injured or detained since October 2023. I recognise that the Minister has raised his concerns with his Israeli counterpart, but could he perhaps explain what the consequences will be if the Israeli Government fail to listen?

Mr Falconer: Ensuring adequate provision of medical assistance is an obligation that falls on the Israeli Government. We are clear about the status of these facilities under international humanitarian law, and we continue to raise these issues with force.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): I am sorry that the hon. Member for Mid Buckinghamshire (Greg Smith) is no longer here because he is right that Hamas are terrorists, but we need to be clear in this House that this is not being done in the name of the hostage families. The hostages' families do not want to see babies freezing to death in Gaza, and they know this will not bring their loved ones home.

The Minister was clear with us earlier that he had seen aid piling up at the borders and that Israel controls the borders. Impeding access to humanitarian aid is a direct breach of international humanitarian law, so for the avoidance of doubt, is it his testimony that Israel is impeding access at the borders by the way in which it is controlling them? I think he needs to be clear on this point, because it does have ramifications for us.

Mr Falconer: I know many others in this House have done so as well, but I saw the hostage families in December, and my hon. Friend is absolutely right. They are desperate for the safe return of their loved ones, and we hold them in our hearts as their agony continues yet further.

On aid access, my hon. Friend is of course right that these questions are relevant to determinations of international humanitarian law. When we set out the assessment that underlined our action on the arms suspensions, we made particular reference to the provision of aid into the occupied territories in Gaza, and I refer her to that statement. We tried to provide as much detail in it as possible, and it remains the clearest articulation of our view about international humanitarian law and aid provision into Gaza.

Vikki Slade (Mid Dorset and North Poole) (LD): It is quite clear that the Minister is frustrated, but thoughts and prayers are just not enough. What is the Minister doing to progress the Palestinian statehood that Norway, Spain, Ireland and more than 100 other countries have all confirmed? The Foreign Secretary confirmed it would happen. What is stopping that happening now?

Mr Falconer: I am a Foreign Office Minister and I do not treat in thoughts and prayers—this House of course feels united in our anguish about what we are seeing in Gaza—but what we do in the Foreign Office is seek diplomatically to advance a political solution, with an immediate ceasefire, the release of hostages and, of course, a two-state solution. That two-state solution must include a sovereign, viable Palestinian state alongside a safe and secure Israel, and the routes to get there will be diplomatic. It is on those questions that we base our assessment of when would be the moment to recognise a Palestinian state. I recognise that close allies have made different judgments than the UK about when to recognise a Palestinian state. This is not just a question of recognition; it is about a viable state that exists and functions next to a safe and secure Israel, and that is the objective of this Government.

Jon Pearce (High Peak) (Lab): In recent weeks we have seen the distressing footage of Israeli hostage Liri Albag, who has been held captive by Hamas for over 14 months. The hostage families, including Mandy Damari, the mother of British national Emily Damari, are campaigning day and night for the ICRC and other humanitarian organisations to have access to the remaining hostages, but Hamas are refusing. Will the Minister

condemn Hamas's refusal to secure humanitarian access to the remaining hostages and set out what steps he is taking to return those hostages to their families?

Mr Falconer: I thank my hon. Friend for his question and I know how much time he has spent with hostage families over recent months. I do condemn both Hamas's refusal to release the hostages, with British nationals and UK-linked persons among them, and the lack of access for the ICRC and other medical agencies. I am consistent on this point: whether it is Israeli hostages or Palestinians in Israeli detention, the ICRC provides vital work and a lifesaving function, and access should be provided to it in times of conflict on both sides. That is an essential humanitarian step. It has long been a principle of international law, and I am deeply distressed to see that norm being undermined by Hamas and others.

Stephen Gethins (Arbroath and Broughty Ferry) (SNP): The Minister's statement about this man-made humanitarian disaster is one of the bleakest I have heard. It is a man-made humanitarian disaster and the Minister was good enough to set that out. In the short term, it is a humanitarian catastrophe. In the medium to long term, a brutalised population makes us all less secure and disrespect for international law makes us all less secure.

The Minister asked what else can be done and talked about disagreements. It is not a disagreement if someone advocates for the breaking of international law. Will he look at other measures such as targeted sanctions in order to bring this forward? When I was first elected, I got in touch with the Government straightaway about a Fire Brigades Union donation, and I got many of the same words then as I do now. It is months on. Targeted sanctions, stopping arms sales—the Minister wants to know what else can be done; plenty more can be done.

Mr Falconer: The hon. Member mentions a fire engine that the FBU has generously donated to try to contribute to relief efforts in Palestine. That issue had been raised by my own colleagues in advance of his doing so. I am frustrated that I have not been able to secure that fire engine for use in Gaza, alongside the many other pieces of aid and vital equipment that so many in this House know is not going to the Palestinian people. I would not want the hon. Member to think that I ignored his entreaties in relation to the FBU donation, just as I would not want any Member who has asked me to try and secure aid access into Gaza, and where I have been unable to do so, to think that these issues are not raised regularly. I am a Labour politician and am particularly responsive to the requests of our trade union partners. I wish that I had been able to secure that fire engine into Palestine, just as I wish I had been able to secure the neonatal support we have discussed, the medical support that has been raised or the many other items of international aid which I have seen with my own eyes in al-Arish that have not crossed through the Rafah crossing or anywhere else into Gaza. These are frustrating issues. I will continue, as will the rest of the ministerial team, to press for more aid to go into Gaza. Insufficient aid is going in and we will continue to raise these issues.

Mr Clive Betts (Sheffield South East) (Lab): I want to return to the issue of the recognition of an independent Palestinian state. As I understand it, the Government's

position is that Israel has no veto on the creation of a Palestinian state. The Minister just said in response to a previous question that recognition has to come through diplomatic efforts. Do those diplomatic efforts have to involve Israel? If so, and Israel refuses to co-operate in them, does that not effectively give Israel a veto over the creation of a Palestinian state?

Mr Falconer: We have to be straightforward about the situation in Israel and Palestine at the moment. There are Occupied Palestinian Territories that have illegal settlements and an IDF presence. To get to a viable two-state solution, we are going to need agreement on both sides. The two states would need to live side by side with arrangements in place to ensure that both were safe, secure and sovereign, so I cannot see a route to a two-state solution that does not involve serious negotiations with the Israeli Government in order to reach a lasting settlement. That is a statement of the diplomatically essential. That is not to say that the Israelis can veto whether or not the Palestinians are entitled to a state, but it is a fact of reality that both states would need to work side by side to ensure each other's safety and security.

Andrew George (St Ives) (LD): The Netanyahu regime continues to seek to justify its cold-blooded slaughter of Palestinian people behind the dishonest façade of self-defence. While the Minister asserts that the Government are taking an even-handed approach in this regard, he will remember that only two months ago the UK military intervened to protect innocent life in Israel by intercepting bombs. Taking on board the passions in the Chamber, the question is about equivalence. What actions have the Government taken to do the same for Palestinian people in Gaza?

Mr Falconer: The hon. Member refers to missiles sent by the Iranians to strike Israel, and we will act in Israel's legitimate self-defence in accordance with international humanitarian law. We do not want to see Iranian missiles rain down on Israeli civilians. The military scenario here is totally different: Israeli troops are inside Gaza. This is not a question of missiles crossing international borders, or going overseas. On a number of occasions, there have been risks of direct exchange between Iran and Israel. As many in the House will know, the military questions about whether the UK could act to take down missiles would be dependent on the circumstances. At the heart of the question the hon. Member poses is whether we are even-handed on issues of international humanitarian law, and we are. It is a great regret that our close partner Israel is acting in a way that causes us concern about serious risks to international humanitarian law, and we have said so as clearly and explicitly as we can.

Harpreet Uppal (Huddersfield) (Lab): May I return to the issue of UNRWA? Philippe Lazzarini, its head, visited Parliament just before Christmas and was very clear about the consequences if its operations are banned. There will be an impact on the provision of schools and primary healthcare, as well as on a number of municipal services that it delivers in Gaza. May I urge the Minister to continue to take action on this matter, and to be clear that there will be consequences for the Israeli Government if they carry out this ban?

Mr Falconer: I, too, have met with commissioner-general Lazzarini and discussed the implications of the Knesset votes. We are clear with the Israelis about the role that UNRWA plays, both practically at the volume that it operates and also its role as mandated by the UN, and we will continue to be so.

Jess Brown-Fuller (Chichester) (LD): Women who can get access to hospital provision in northern Gaza are undergoing C-sections without any anaesthetic, and new mothers—180 every day—are struggling to find clean water to provide formula for their new babies or continue to breastfeed, but Israel continues to restrict aid. The United Nations has made three attempts in the last three days to reach Gaza, and has been refused every time. The Minister has mentioned political solutions but seems to be avoiding consequences so I will ask the question again: what consequences can Israel expect from this Government if it continues to ignore international law and the urgent requirement to get the care that is needed for women and children in Gaza?

Mr Falconer: As I said earlier, the situation for new mothers, for expectant mothers and, indeed, for the majority of vulnerable Palestinians is appalling and needs to change urgently. The obligations on the Israeli state under international humanitarian law are clear. We raise these points with Israel publicly and privately, and we will continue to do so directly and in multilateral forums until the situation is resolved to the satisfaction of international bodies.

Mr Toby Perkins (Chesterfield) (Lab): Israel's conduct in this war is not just an attack on the people of Palestine; it is an attack on the international rules-based approach, the international community and the United Nations. Although I accept that the Minister is right to say that this Government are doing more than their predecessor, can he specify why the UK Government's current policy is not to have sanctions, even against occupied territory products? Even if that is under review, why is that the Government's policy at this moment? Does he agree that it is an attack on all those institutions, and not just the people of Palestine?

Mr Falconer: First, on the question of international law, this Government have been clear that we stand for a rules-based international order. Where anyone, whatever our relationship with them, takes steps that undermine that order, they undermine the safety and security of British nationals and many others. We are clear, with the Israelis and others, where we are concerned that there are breaches of international humanitarian law. I reiterate our position on the status of the Occupied Palestinian Territories, which is consistent with UN Security Council resolutions. We have put sanctions on those operating in those territories, both where they are conducting illegal settlements and where they are perpetuating horrific violence against Palestinians in the OPTs. We will continue to keep these measures under review.

Richard Foord (Honiton and Sidmouth) (LD): The Minister said at the outset,

"The UK is doing all we can to alleviate this suffering"

[Richard Foord]

in Gaza. Does the Minister really think that? The Government are not even tracking British components for F-35 fighter jets, which are being used in northern Gaza.

Mr Falconer: On F-35s, where we are in a position to track components directly, we have suspended those arms licences. Where our components are part of a global supply chain and where measures to restrict their onward sale would bring down the overall F-35 function, we have done a carve-out. That carve-out is done clearly on the basis of concerns about international peace and security. The F-35 programme is an important contributor to British national security and the national security of many of our allies. If we were to bring down the F-35 programme, that would have relevance to allies not just here in Europe, but elsewhere. We have taken proportionate measures to ensure that we are clear in our position on international humanitarian law and that we abide by our obligations to international peace and security and our allies.

Andy Slaughter (Hammersmith and Chiswick) (Lab): The new year has seen an intensification of attacks on civilians, including medical staff, in northern Gaza. The UK Government's response does not appear to have changed. The Minister is frustrated, because he is saying the same things to the same people and getting stonewalled every time. Do we not need to raise our game, and should recognition not be the first step in that? Will he clarify what he said a few moments ago about Israelis not having a veto over whether we recognise Palestine or when we recognise Palestine, which should be now?

Mr Falconer: In relation to recognition, I am happy to clarify the position. The Israeli Government have no veto over whether we recognise a Palestinian state, or when we recognise a Palestinian state. The point I was making in response to my hon. Friend the Member for Sheffield South East (Mr Betts) is that talks with Israel about a two-state solution will be a necessary part of a sustainable solution in the region. We therefore need to be clear that it is not possible to reach the outcomes we want in the middle east without diplomatic talks, including with the Israeli Government. That does not mean they have a veto on British Government decisions—

Kit Malthouse: It does.

Mr Falconer: Perhaps the right hon. Member has a solution for ensuring a Palestinian state without talking to the Israeli Government, but I think he would be outwith the view of most international scholars on that question.

Jim Shannon (Strangford) (DUP): I thank the Minister for his patient answers to everyone in the Chamber. Does he agree that the only way to preserve peace and stability in north Gaza is to ensure the complete dismantling and destruction of the Hamas terrorist network, which is a threat to Israeli and Palestinian civilians. The principal way to achieve that is through robust international co-operation and targeted action. Furthermore, what measures will the UK Government put in place to support a sustainable peace framework that prioritises security for Israel while addressing the urgent humanitarian needs of the Gaza civilian population?

Mr Falconer: Hamas are a terrorist group, and I hope they will have no future role in Gaza or any of the Occupied Palestinian Territories. They are a threat not just to Israel, and they hold British nationals and UK-linked people in horrific conditions. We have heard little from them in months and months. We have no access. I know the hon. Member will share the Government's outrage about that situation. We are in talks with our counterparts about how we might reach a future Gaza that provides for the safety and security of Israel, but also, vitally, the questions of humanitarian access, dignity and sovereignty that have been discussed this afternoon.

Richard Burgon (Leeds East) (Ind): Israel is ignoring international law, ignoring the world's top court's rulings and ignoring the United Nations. Let us be totally frank: Israel is ignoring everything that the Government say. If the Minister is serious about getting Israel to stop its genocidal war, the Government must act and that must mean widespread sanctions. That means ending all arms exports, including the parts for the jets bombing Gaza, and it means sanctions on trade with Israel. The Minister says that we are even-handed when it comes to international humanitarian law and international law. I ask the Minister a specific question: the Government have imposed widespread sanctions on Russia for its war crimes, so why will they not do the same for Israel's war crimes?

Mr Falconer: I will not comment on forthcoming sanctions, but I confirm that this Government remain opposed to war crimes anywhere that they occur. Where we feel in a position to put in sanctions to prevent war crimes, we will do so.

Several hon. Members *rose*—

Madam Deputy Speaker (Judith Cummins): I am aware of the time, and I am aware of the number of Members who want to ask a question, so I will run things slightly longer, but I ask Members to keep their questions and answers as short as possible.

Rachael Maskell (York Central) (Lab/Co-op): I listened to what the Minister said about the recognition of a viable Palestine, as opposed to the recognition of Palestine. As that could happen in a number of steps, will he take the first step in recognising the state of Palestine, before moving to a full viable Palestine, as he describes?

Mr Falconer: Any state needs to be viable. We would want to create the conditions for a sovereign Palestinian state that could perform the basic functions of a state, so it would need to be viable. As I am sure the House can tell, I am keen to remain focused on the necessary diplomatic steps to make that happen.

Andy McDonald (Middlesbrough and Thornaby East) (Lab): The Minister is a good and knowledgeable man, and his frustration with the process is palpable. For many of us, although we see the steps taken by the UK Government—which should be acknowledged, as they have been different from those under their predecessor—they have been completely and utterly ineffective. The continued repetition of the call for a review and keeping matters under review does not move the dial one jot. Israel is just laughing at the UK. It has no regard for the

position here. While we have been home at Christmas celebrating with our children and grandchildren, in Gaza children are being burnt to death as bombs rain down upon them, buildings crush their little bones and six babies die of hypothermia. I am afraid that the Government's position just does not cut it. I say to my hon. Friend with all sincerity that this continued dancing around and avoiding of clear legal definitions of genocide, ethnic cleansing and crimes of extermination is just prevarication. We need to make the position clear. More important than anything, what is now required, and what the British people are asking the Government to do, is to visit sanctions and consequences on the Israeli Government for their flagrant disregard of basic humanitarian law. If we do not, the entire world system will collapse.

Mr Falconer: I know how diligent, attentive and moved by these issues my hon. Friend has been over a long period. The force of his question is obviously right. We have taken far-reaching steps, yet we are all still seeing images on our televisions and hearing about them on our radio; they remain deeply distressing. We will continue to do everything that we can about a situation that is distressing for the civilians affected and for the region, and in which there are questions about adherence to international humanitarian law.

I say to my hon. Friend that there are a number of other places in my ministerial portfolio where the situation has also remained stuck for a long time, with terrible consequences for civilians, and they need to continue to have our focus as well. The situation in Palestine is appalling, as it has been for a long time in Yemen, Syria and a range of other places. We will continue to make serious efforts. That our efforts do not secure the progress that we want does not mean that we are not making them. We will remain committed to a more safe, more secure middle east and wider region in which the horrific imagery that he described is not burnishing our minds as it is at the moment. We will continue to act.

The fact that, as my hon. Friend the Member for Hammersmith and Chiswick (Andy Slaughter) said, I am answering so many hon. Members' questions with similar answers over a course of weeks and months is of huge frustration to me. I would want to be making more progress on some of these questions, whether they are on aid access—[*Interruption.*]. The fact that I have not been able to make progress does not mean that the UK Government are not taking every action we can to try to bring about the ceasefire that we have been calling for since July.

Josh Fenton-Glynn (Calder Valley) (Lab): The situation in northern Gaza is grave, with no functioning hospitals, medical centres destroyed and more than 1,000 medical personnel killed, injured or detained. The UK representative to the UN made it clear that that is unacceptable. What steps will the Minister take to ensure that Israel abides by its responsibility under international law to protect medical staff and access to healthcare?

Mr Falconer: I reiterate, to reassure the House about some of the steps that we are taking, that I have raised with the Israeli Government the hospitals and the people mentioned in many of the questions this afternoon, and I will continue to do so.

Jacob Collier (Burton and Utttoxeter) (Lab): Only 16 of the region's 36 hospitals remain partially operational, with a collective capacity of barely 1,800 beds to serve a population of millions in dire need. Kamal Adwan hospital in northern Gaza should be a crucial lifeline for countless civilians, but the IDF have forcibly evacuated the hospital, detained its medical staff and disrupted its vital services. What consequences on Israel will there be for that action to safeguard those medical institutions and ensure the uninterrupted flow of medical aid?

Mr Falconer: As I have said over the course of the afternoon, we are raising those hospitals and the overall question of medical provision with the Israelis, and we will continue to do so.

Andrew Pakes (Peterborough) (Lab): May I put on record my thanks to the Minister for the care and concern about the situation that he shows Members? Yet every time we meet, the situation seems to have become more desperate, even in recent weeks, with babies freezing, the continued bombing of hospitals and real concerns about the annexation of Gaza. Over Christmas, I met constituents with friends and family in Gaza. Those people are increasingly despondent about whether the killing will ever stop, whether hostages will ever get to see their loved ones again and whether international law matters at all. With the change in world leadership in the coming weeks, what reassurances can the Minister give the House that the UK will continue to lead the world community for peace, an immediate ceasefire and, most importantly, getting aid in where it is needed now?

Mr Falconer: I thank my hon. Friend for his commitment to these issues. I confirm that the UK will continue to press with our allies for proper aid access and for an immediate ceasefire, and we will take that position regardless of the views of others. This is an important question for my constituents in Lincoln, for constituents in Peterborough and for constituents of hon. Members right across the House. I know the force of feeling from Lincoln and from the whole United Kingdom on these questions. They will remain important to the UK, and we will continue to show the leadership that we have sought to since July.

Yuan Yang (Earley and Woodley) (Lab): I recently met medics from the Royal Berkshire hospital as well as other constituents from Earley and Woodley who described the atrocious conditions in which their Palestinian colleagues and relatives continue to operate in the medical facilities that remain in Gaza. I am thankful that the Minister has raised detained medical professionals with the Israeli authorities, and I thank him for all the work that he has done to ensure that our Government are leading on international humanitarian law. However, as I am sure he has heard from many Labour Members, we would like more action; we do not think that the current action is enough. I remind him of the comments made by the Prime Minister on looking into sanctions against Minister Ben-Gvir and Minister Smotrich for their comments supporting the illegal resettlement of northern Gaza. When may he be able to give us an update on that?

Mr Falconer: I thank my hon. Friend for the question but will not provide a further update on the individuals that she raised. As I have said, we try not to trail

[Mr Falconer]

sanctions decisions before they are taken. I recognise the strength of feeling and reassure her and the whole House that we want to see no further illegal settlements in the Occupied Palestinian Territories; that includes both the west bank and, of course, the Gaza strip, north and south.

Chris Murray (Edinburgh East and Musselburgh) (Lab): I recognise the work that the Minister is doing on this intractable issue and the frustration that we all share at the lack of progress, but the fact remains that not one hospital operates in northern Gaza, healthcare workers have been detained and targeted, and medical aid is blocked. So many of my constituents have written to me expressing their outrage about that. The systematic destruction of a healthcare system is a crime against international humanitarian law. What steps can the Government take to try to protect what remains of Gaza's healthcare system?

Mr Falconer: I know the concern that is felt in Edinburgh, as it is elsewhere. We have to be honest about the medical system in Gaza, which is insufficient on almost any of the points raised this afternoon. Of course, there is still provision—I think my hon. Friend the Member for Rochdale (Paul Waugh) mentioned the Indonesian hospital, where we believe patients are sheltering in facilities that are not properly functional and unable to provide the quality of care that anyone should reasonably expect at a hospital. I fear that, as my hon. Friend the Member for Edinburgh East and Musselburgh (Chris Murray) already knows, there is not a sufficient medical system in Gaza to protect, but we will continue to raise these issues and do all that we can to ensure that that situation changes rapidly.

Helena Dollimore (Hastings and Rye) (Lab/Co-op): Today we have rightly heard a lot from Members in all parts of the House about the desperate need to get more aid into Gaza—an issue that many of our constituents are concerned about and that the Government are rightly working very hard to address.

One of the most disturbing trends in this conflict is the huge number of aid workers who have lost their lives—over 300 humanitarian workers to date. As the Minister knows, one of the most basic fundamentals of international humanitarian law is that aid workers must be protected. In the recess, we saw an air strike on Sana'a airport, when a plane operated by UNHAS—the UN Humanitarian Air service, which our Government proudly contribute to—was on the runway. The head of the UN World Food Programme was also in the airport at that time. I have travelled to that airport as an aid worker, and I took that UN house flight. I can only imagine the impact on aid operations in the region when such incidents occur and UN colleagues are on the runway.

Will the Minister join me in reiterating our call as a country that aid workers must never be targets? Will he outline what is being done to ensure accountability in instances where aid workers are killed? What steps is the UK taking to ensure the protection of aid workers and humanitarians?

Mr Falconer: My hon. Friend is right to flag the more than 300 aid workers killed since 7 October. We have many former aid workers on the Government Benches; they perform a vital function for the provision of international humanitarian assistance. British nationals are among those killed since 7 October. Particularly close to my heart are the families of the British aid workers who were part of the World Central Kitchen convoy killed on 1 April. Most particularly in relation to the death of British nationals, but also in relation to all such incidents, we continue to press for a proper legal process in Israel to ensure that where aid workers are killed, there are proper investigations and full legal consequences where that is appropriate.

Madam Deputy Speaker (Judith Cummins): I call Dr Scott Arthur—sorry, Brian Leishman.

Brian Leishman (Alloa and Grangemouth) (Lab): Thank you very much for that upgrade, Madam Deputy Speaker.

In my opinion, there is no grey area to be had here: to sell arms is to be complicit. How can the Government realistically and honestly say that Britain is doing everything it can for a ceasefire and for peace when we continue to sell any arms to Israel?

Mr Falconer: I have been clear about the position in relation to F-35s. I have a responsibility, as do the rest of the Government, to try to ensure Britain's national security. That includes, where we have entered into multi-nation, complex programmes such as the F-35, not bringing those programmes down where that would undermine international peace and security. That is our judgment in relation to the F-35 components, which I have discussed already.

On other arms that are not suspended, I think that this House would be much reassured to see the detail of those licences. I am sure that everybody wants body armour and helmets on aid workers going into dangerous areas. I am sure that everybody would want us to focus on the arms that could be used in breaches of international humanitarian law, not other arms.

Douglas McAllister (West Dunbartonshire) (Lab): This year has started with a horrific intensification of Israeli air strikes raining down on civilians and children. Israel has intensified its assault on the already decimated healthcare services in Gaza, to the extent that there are no fully functioning hospitals remaining in Gaza. It is a humanitarian crisis, so I am afraid I have to ask the Minister the question that he has been asked repeatedly this afternoon: have we not reached the stage where the UK should immediately end all arms trade and exports with Israel?

Mr Falconer: As I set out in my previous answer, we have sought to focus on those weapons that could be used for a serious breach of international humanitarian law. We have taken far-reaching action. We have sought to safeguard Britain's national security in relation to the F-35 programme and exclude licenses that we judge do not contribute to a risk of breach of international humanitarian law. This is far-reaching action focused on weapons that could be used in breaches. I remain of the view that it is the correct judgment.

Pro-democracy Campaigners: Arrests

2.14 pm

Priti Patel (Witham) (Con) (*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if he will make a statement on the Hong Kong police offering rewards for the arrest of pro-democracy campaigners, including British nationals overseas resident in the United Kingdom.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Catherine West): I thank the right hon. Lady for her question on this most important matter. I am glad to reassure her that the Foreign Secretary issued a statement on Christmas eve, immediately following the Hong Kong police's issuing of arrest warrants for the six pro-democracy campaigners. As the Foreign Secretary said, those targeted on Christmas eve were merely exercising their right to freedom of expression. We will not tolerate any attempts by foreign Governments to coerce, intimidate, harass or harm their critics overseas, especially here in the UK.

We call on Beijing to repeal the national security law, including its extraterritorial reach, and on the Hong Kong authorities to end their targeting of individuals in the UK and elsewhere for seeking to exercise their basic rights. Let me reassure the right hon. Member that senior British diplomats immediately went out to reiterate the Foreign Secretary's deep concerns directly in Hong Kong and Beijing over the Christmas period. Officials here in London immediately raised concerns with the Chinese embassy and the Hong Kong Economic and Trade Office here in London.

China's imposition of the national security law has clearly eroded the rights and freedoms of Hongkongers. I raised these concerns with the authorities during my visit to Hong Kong, as did the Foreign Secretary during his visit to Beijing. Following the latest arrest warrants issued by Hong Kong police, ensuring the continued safety of the pro-democracy campaigners remains a top priority for the Government. Let me assure hon. Members that the UK will always stand up for the people of Hong Kong. The Government are deeply committed to supporting all members of the Hong Kong community who have relocated to the UK, making such valuable contributions to life here.

Priti Patel: I thank Mr Speaker for granting this urgent question. This is an incredibly serious matter. As the Minister and the House know, on Christmas eve we saw the Hong Kong police once again trying to give the national security law extraterritorial reach and threatening people on British soil. We unequivocally reject any attempt to apply the national security law in the UK. In government, the Conservative party were consistent and clear that it should be repealed.

Today, I want to press the Government on how they will respond to this latest attempt to clamp down on freedoms and dismantle the essence of what made Hong Kong such a special and successful place. Will the Minister explain what practical steps are being taken across the Government to protect those in the UK with bounties placed on their heads, and assess the security of the Hong Kong community in the UK? They have come to the UK under the BNO route established by

the last Government when I was Home Secretary, to live in the UK free from fear of intimidation. We must have a zero-tolerance approach to such behaviours.

Has the Foreign Secretary raised this outrageous attempt to suffocate fundamental freedoms with his counterpart, Wang Yi? Once again, does this not show that this Government's supposed reset with China is just one way? Before meeting President Xi, the Prime Minister said that he wanted a relationship that is consistent, durable and respectful, and stated that the pair agreed that there would be no more surprises. Does the Minister believe that trying to arrest BNOs in the UK is compatible with any of those comments? Did the Hong Kong or Chinese authorities notify Ministers in advance, or was this a surprise?

Will the Minister confirm, with a simple yes or no, whether the Chancellor will raise these bounties at the highest level when she jets off to China next week to beg for a quick investment to bail out her failing economic strategy? She cannot ignore human rights issues, whether in Hong Kong or Xinjiang, on her visit. Will the Government take this incident into account when considering the planning application for the new Chinese super-embassy in London?

Catherine West: I thank the right hon. Lady for raising a number of concerns. We are as one on the outrageous attempts to reach across the water to try to impose any intimidation on people based here in the UK. She mentions other human rights concerns, such as those in Xinjiang, and says that long-standing policies, such as the national health service not purchasing cotton equipment from the Xinjiang region, are the right policies. Of course, those policies were brought in following pressure from Members from her own party over previous Parliaments. She is also right to emphasise the importance of the welcome programme for BNO passport holders, which she brought in as Home Secretary, which provides an enormous contrast between a repressive regime and one that welcomes people newly arrived in the UK. Indeed, it is across our regions that the 12 hubs, which were created under her leadership of the Home Office, are going from strength to strength. They are giving people based in the UK the confidence to raise their voice, become active in their local communities, take English classes and all the rest.

The right hon. Lady mentions the Chancellor's trip; I knew this would be one of her themes, so I have come prepared. As she is well aware, we are in a position where our economy is quite fragile. While we have clear national security concerns—today is a good example of those—we have to balance those concerns with being an outwardly facing and globally trading nation, where we need to sometimes be involved with countries whose values may not align completely with ours. I make no apologies for trying to support British business abroad—including in Hong Kong, where British businesses have said how lovely it is to see MPs visit them. I was able not only to be robust in my condemnation of these sorts of actions, but to support British business, our friends who are based in difficult places and undertaking hardship postings, and our diplomatic staff, who live our values day by day to uphold the strong framework of human rights abroad.

John McDonnell (Hayes and Harlington) (Ind): I will use this opportunity to ask the Minister whether she and the Chancellor on next week's visit will raise the

[John McDonnell]

case of my Unite colleague Carol Ng, who became the general secretary of the Hong Kong Confederation of Trade Unions, and who became involved in the democracy movement and has been imprisoned for four years now. During the last statement, I appealed to ensure she had family access. Could her case be raised again, both to secure her release and to at least secure her the opportunity of meeting her family?

Catherine West: I will, of course. Would my right hon. Friend write to me with the exact details and his most recent update? I have had the privilege of meeting trade union colleagues from Hong Kong, Taiwan and a number of other areas that are very exposed to the People's Republic of China and some of the tactics we have seen there. I have been pleased that there has been great collaboration across not only the trade union movement here in the UK, but defenders of human rights—be they environmental, relating to freedom of religion or belief or across the great range of freedoms that we enjoy here, and which we want other countries to share, too.

Madam Deputy Speaker (Judith Cummins): I call the Lib Dem spokesperson.

Calum Miller (Bicester and Woodstock) (LD): The extraterritorial arrest warrants issued against Hong Kong pro-democracy activists are disgraceful. We must be clear: Hong Kong democracy campaigners such as Carmen Lau, a former district councillor in Hong Kong, are welcome and free to express their views here in the UK. This attempt by Beijing to interfere in our democracy is unacceptable. The previous Government did not do enough to counter this interference, and we urge this Government to go further than words with actions. Will the Minister meet me, my hon. Friend the Member for Maidenhead (Mr Reynolds) and his constituent Carmen Lau to assure her of the Government's support? Will the Government clarify that it is illegal to bounty hunt in the UK, and that anyone who does so can expect to be prosecuted? Will she use our Magnitsky sanctions regime against those in Hong Kong and Beijing responsible for the unacceptable targeting of Hong Kong pro-democracy activists? Finally, in the light of the continued detention of Jimmy Lai and these warrants, will the Government reconsider the Chancellor's planned trip to Beijing?

Catherine West: I would be delighted to meet Ms Lau again; I believe I met her at an event with Dame Helena Kennedy in the previous Parliament, but it would be lovely to refresh that acquaintance and to hear from her following the traumatic experience she has had. I would be very happy to provide an update in writing, but I will also provide one here—as much as you will let me get away with, Madam Deputy Speaker. I have personally promised Mr Lai's son, Sebastien, that whenever I have the opportunity, I will raise the case of his father, who remains on trial; in fact, the trial was due to restart on 6 January. I have as many briefings as possible from the consul general to Hong Kong and his team, who are very conscientious and diligent in attending all the trials they can get tickets for and who give me regular updates. I have promised the Lai family that I will continue to do that; I believe I have a meeting with them in the diary in the coming weeks.

On the Chancellor's visit, I refer the hon. Gentleman to my earlier answer about balance. Unfortunately, because of our rather exposed position post Brexit, our economy has to be outward looking. If we want our constituents to get away from food banks, we need to have more import-export and to be pragmatic on the matter of having an economic relationship with our fourth biggest trading partner. It is hard to tell the House that, because I want to just talk about the other elements of the relationship. However, when I go to my constituency, and people tell me how hard their lives are and how, over the past 14 years, our economy has gone into decline, I know I have to stand up for our economic relationships as well.

Blair McDougall (East Renfrewshire) (Lab): I associate myself with the Minister's comments about the contribution that Hongkongers have made to the UK, which is particularly true in East Renfrewshire. The Hongkongers in my constituency will welcome the strong comments from the Minister and the Foreign Secretary. However, we have heard those comments many times from the Front Bench, and the response from Beijing has been to imprison dozens more people, put more bounties on the heads of British people, escalate transnational repression and keep people like Jimmy Lai in prison. At what point do the consequences come for these actions? As other Members have asked, I ask not just when our senior Ministers will stop going there, but when we will stop welcoming Hong Kong officials here. I also ask whether the Government can and will meet the British nationals who have had bounties put on their heads, and whether they are being given specific security advice.

Catherine West: Perhaps I could encourage my hon. Friend to join the all-party parliamentary group on Hong Kong, which I know is very active in the House—I was a member before I became a Minister. It provides really regular updates, as does the Hong Kong committee on human rights, which writes a regular email newsletter to update us on the situation of the likes of Ms Lau, who was mentioned earlier in this debate, as well as what is happening across the globe, in the US, Canada, Australia and other places.

My hon. Friend asks how we can manage this most difficult of relationships, and I say that the opportunity we have with an exchange does not in any way take away from our position—in fact, I think it strengthens my arm. If I am in Hong Kong, I can eyeball the Beijing representative and tell him exactly what my views are, with the support of the consul general, who is an excellent representative of the UK, reinforcing that regularly. That is the element of engagement that we have, which we are looking through the audit to increase in order to give us the opportunity to lay our concerns at the door of those with whom we seek to have a dialogue.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I congratulate my right hon. Friend the Member for Witham (Priti Patel) on securing this urgent question. The Minister should not take what I am about to say personally: no matter who is in government, I have been in opposition on this issue, and I continue to be so. I remind her that these seven pro-democracy campaigners, who now have a bounty on their heads, are just the latest act of a Chinese Communist party that does not care what countries like the UK say. Let

us run through the examples: the freezing of all pension savings of those in the UK who fled Hong Kong, which was, outrageously, done by HSBC; Confucius Institutes continuing to spy on Chinese students in universities; illegal Chinese police stations; the bullying back in China of families of those who have fled for human rights reasons; and the brutal assault in Manchester by the consul general himself and others.

I say to the hon. Lady who speaks for the Government that I was at odds with the Foreign Secretary in the previous Government when he said he would do exactly what she says she will do: engage with the Chinese. It was after that that they continued the case against Jimmy Lai. America has sanctioned a large number of Chinese officials at the highest level in Hong Kong. No British Government have so far sanctioned a single person for any of the abuses that have taken place. Will she now say to the Foreign Secretary and the Prime Minister that we must sanction people for what they do to abuse British citizens and those we welcome here? Until we do that, we will not be taken seriously.

Catherine West: I fully accept that, as a sanctioned MP, the right hon. Gentleman is very concerned. I respect and admire his doggedness in raising these issues in the House. I hope he will reply to my invitation, from me and the Foreign Secretary, to visit me in the Foreign Office to discuss his ongoing concerns, including those he has raised today.

Specifically on the Mandatory Provident Fund, this is an ongoing dialogue. Both my predecessor, the former Member for Berwick-upon-Tweed, and I raised the documentary requirements for withdrawing funds early. Basically, the Hong Kong authorities have a particular approach, but we are quite right to keep campaigning on that. Why should BNO passport holders not receive the funds to which they are entitled? He mentions HSBC. We will continue with any financial institution that is not being fair to its own investors. We will continue, with his support, to campaign for that. On sanctions, he is well aware that there are many sanctions against Chinese entities. I will write to him with the detail of where we are at with sanctions, but he is also aware of the Government's long-standing position on sanctions, which is that we do not talk about them in the House because that could take away from their efficacy in future.

Neil Coyle (Bermondsey and Old Southwark) (Lab): What representations have been made to the Chinese Communist party's ambassador here in London on the consequences of a third round of bounties targeting democracy activists, including British nationals and BNOs, here on British shores?

Catherine West: My hon. Friend is quite right to raise that issue. He will be aware, from the Foreign Secretary's statement, that it is being taken extremely seriously. We have raised through officials—this happened only on Christmas eve—the concerning example of transnational repression. That is an ongoing discussion. We have a high-profile visit next week. Our officials are in regular contact with Chinese officials who have their embassy here in the UK. In Hong Kong, our excellent consul general meets regularly not just with Hong Kong Ministers but with the Beijing official office in Hong Kong, to put on the record our concern, anger and ongoing human rights concerns wherever they may come from.

Sir Julian Lewis (New Forest East) (Con): No one should be surprised, as I have said before, when a communist totalitarian state behaves like a communist totalitarian state. Does the Minister agree that there is a little pattern emerging here? Every time a senior British politician—be it the Prime Minister or the Chancellor—is going on a visit to the Chinese, something particularly egregious is done. That suggests to me that they are trying to rub our noses in it, and that they are not interested or concerned about anything we say on human rights abuses.

Catherine West: The right hon. Gentleman can obviously read his coffee cup granules or tea leaves better than I can. I do not know, but I am concerned about the increasing regularity of these sorts of issues. I share his view that we need to understand more. We need to be as robust as possible with representatives here in London and through our excellent diplomatic representation abroad, and join together with the like-minded—an area he has worked on through Congress and other Members. In the case of the US, which is always very robust in its response, I note that its export-import trade flows have increased rather than decreased.

Sarah Owen (Luton North) (Lab): I welcome the Minister's statement and her robust words, and her outstanding disagreement when it comes to China's approach to protecting UK people on our soil, in particular those with a bounty on their head or those subject to China's national security laws. I also welcome her words on HSBC's disgraceful behaviour in withholding pensions from people who have worked and saved all their lives. What can we do to protect people here on UK soil further? What discussions has she had with her Home Office counterparts to ensure that UK police forces fully understand the seriousness of the threats to Hongkongers' safety on UK soil? How can we be assured that UK police forces are being adequately trained to understand the pressure from China?

Catherine West: I thank my hon. Friend for her thoughtful comments and her support for the cross-party campaign for financial freedom for BNO passport holders here in the UK. If I may, I will pick up on her point about training. On transnational repression, whether from the People's Republic of China, Iran or other countries with whom we have such a significant disparity in values, it is very important that we continue to deepen our understanding of, and improve our training on, how cyber-crime works and the influence of social media. I am sure she agrees that another area is our learning institutes, including universities, where students report feelings of being watched and being under surveillance. We are wise to all those things. My hon. Friend the Minister for Security and I are working together closely on the challenge of transnational repression. It is much more difficult in this day of social media, but we will redouble our efforts to train law enforcement officers, local government and teachers, so that we can pick up on any fears that victims of transnational repression might be experiencing.

Mark Pritchard (The Wrekin) (Con): I agree with the Minister that the UK-China relationship is necessary, but she will know that it is complicated and often conflicted. Russia has attacked political dissidents and refugees in this country, even to the point of murder.

[Mark Pritchard]

Iran is seeking to track down political dissidents in this country. Now the Chinese state—let us be honest about it—is making direct threats against people living in this country who have sought political asylum. I have two simple questions for the Minister. First, are the security services resourced enough to counter the increased threat? Secondly, are Hongkonger political dissidents safe on the streets of Britain?

Catherine West: The right hon. Member asks two excellent questions. The first concerns training and capabilities, which feature in our audit of Government Departments and the extent of their preparedness for these increasingly different challenges and threats—they are part of what we are looking at. In response to the second question, I can tell the right hon. Member that BNO passport holders are safe because we keep them safe, and we ensure that there is adequate training and up-to-date knowledge on an ongoing basis. I think that we have the best intelligence services going, particularly when it comes to questions of this sort, but we can never be complacent. Instances such as those raised by the right hon. Member for Witham (Priti Patel) and others give us an opportunity to underline from Parliament the important and cross-party nature of cracking down on transnational repression.

Mr Mark Swards (Leeds South West and Morley) (Lab): Chloe Cheung, a resident of Leeds, has been subject to a £100,000 bounty simply for telling the truth about Jimmy Lai. At 19 years old, she is the youngest person to be subject to Hong Kong's national security law. What reassurances can the Minister give Chloe and other Hongkongers that they will be protected from transnational repression while they reside within our borders?

Catherine West: I thank my hon. Friend for his excellent constituency work, and for knowing his constituents so well such a short time after being elected. I can reassure him that if he feels that the advice that his constituent has been given is in any way lacking, he can write to me so that I can secure a specially designed package of safety for that vulnerable 19-year-old.

Jim Shannon (Strangford) (DUP): How far are the Government prepared to go before the United Kingdom of Great Britain and Northern Ireland decides to push back in relation to this issue? I have heard many reports, in my constituency and across Northern Ireland, of the targeting of families and friends of mine by Chinese authorities. They feel vulnerable in this great United Kingdom of Great Britain and Northern Ireland, all of which is now on the frontline. The Government must step up and protect our citizens.

Catherine West: I thank the hon. Member for relentlessly raising in the House the issue of human rights and the concerns of his constituents. May I refer them to the excellent welcome programme, which is run through local authorities? It was introduced by the last Government and is being continued by this Government. Its purpose is to provide a warm welcome and help people with employability and some of the softer skills—English language courses, for instance—but it has a hard edge to it as well: it is linked with community policing, so

that we can be absolutely sure that no one here in the UK is afraid for their safety owing to intimidation from a Government many miles away.

Emily Darlington (Milton Keynes Central) (Lab): I thank the Minister for coming here to give reassurance. Many thousands of people from Hong Kong have decided to settle in Milton Keynes, and we are very pleased that they are adding to our wonderful diversity. Some of those who contacted me over Christmas are quite concerned, and not just for themselves but for their families who remain in Hong Kong and are fervent believers in democracy and in their nation of Hong Kong, and who want to ensure that that is protected through their ability to campaign for it. The rise of transnational aggression continues. Also over Christmas, one of my constituents, Hazar Denli, who is a whistleblower, was issued with an arrest warrant from Vietnam. Will the Minister meet me to discuss how we can deal with something that is happening increasingly across the world?

Catherine West: I thank my hon. Friend for being such an involved constituency Member and for being so responsive over the Christmas period. A number of every active MPs are sitting behind me. Let me make a more serious point. These are the sort of constituency concerns that we want to jump to immediately. In the first place, could my hon. Friend approach her constituent and check that he has the required safety package and that the police in that wonderful city of Milton Keynes are aware of the case? Could she also send me some details about the other case that she mentioned, which I am happy to look at, so that I can write back to her with an informed answer?

Sarah Olney (Richmond Park) (LD): I am fortunate enough to have a large community of Hongkongers in my constituency, who are extremely welcome, but they often speak to me about the limitations imposed on them by the conditions of the BNO visa under which they have arrived in this country. They cannot gain full access to healthcare, education or employment opportunities. Does the Minister agree that addressing some of the concerns felt by Hongkongers in Britain will send the Chinese Government a strong message about how much we value our Hong Kong citizens, and how hard this Government work to support their freedoms and their right to live in this country?

Catherine West: I have the pleasure of walking in Richmond Park, which is a lovely thing to do, and I thank the hon. Member for her concern for her constituents.

The scheme was designed by the last Government. There are now 293,000 BNO passport holders in the UK, and on the whole I think it is a success story, given the 12 hubs, the welcome programme, the English courses and so on, but there are always improvements to be made. Perhaps the hon. Member would direct her question to my colleagues in the Home Office in the first instance, but also copy me in. I am keen to know how we can be even more welcoming, so that we can provide the contrast of a society that values difference and values newcomers and what they bring, but that also makes everyone feel safe.

Peter Swallow (Bracknell) (Lab): The British Hong Kong community, including those who have made their homes in my constituency, will welcome the Minister's robust answers today. Will she confirm that Beijing's actions against BNOs will be scrutinised as part of the Government's China audit?

Catherine West: Yes, of course, but it is a fairly broad audit, so if there is anything specific that my hon. Friend would like our officials to look at, will he send me just a couple of paragraphs so that I can wind that into our response? We want an up-to-date audit and we are hoping to publish it in the coming months, so perhaps he could do that soonish.

We want to be robust on human rights and security, and we are concerned about cyber-security and other aspects of the transnational repression that appears to be growing, but this also has an edge to it, in that we are looking at our own national interest and at where we are exposed economically. This is a difficult thing that we have to do in foreign policy: to look to our own interests, as well as defending our broader human values and human rights.

Stephen Gethins (Arbroath and Broughty Ferry) (SNP): The Minister was right to point out that Brexit has made us more vulnerable. I wonder whether the UK is fit for the increased challenges to democracy, be they from the Russian Federation, Iran or China; the Intelligence and Security Committee highlighted that some years ago. I also note that a foreign oligarch called for the unelected Head of State to get rid of the democratically elected Government, using his own social media channel.

On a serious note, will Ministers introduce updated measures showing how they see themselves defending democracy in the UK, including the rights of those who are already here, while also protecting us all from outside interference?

Catherine West: I will not be tempted down the particular track that the hon. Member has invited me to go down, involving oligarchs and so forth, but what I will say is that we live in a very uncertain time. There is a sense of "safety first" in foreign policy: we would like to close everything down and just operate within the UK, but that option is not available to us. What we therefore seek to do is bring ourselves into line with other interlocutors. Janet Yellen, a very robust interlocutor, has visited Beijing a number of times. The Australians, the Singaporeans and a number of others do not have to leave their values at the door if they want to have a discussion about a particular economic opportunity, or if they are worried about something; they say what they want to say in an engagement. I can promise the hon. Member that there will be no return to the golden era and a pint with Xi Jinping, but there will be a heightened awareness of our national security, and human rights will be paramount.

Sir Desmond Swayne (New Forest West) (Con): The Chinese Government respect one thing: strength. So long as they continue to perceive that we are cringing, they will treat us with the contempt they believe we deserve, so how many Hong Kong officials have we sanctioned?

Catherine West: As the right hon. Gentleman is well aware, the Hong Kong Economic and Trade Office is still functioning here in the UK. We are keeping a close watch on the situation, and we keep all these things under review. My visit to Hong Kong in November was instructive, and I can assure him that nobody was cringing when I met the representative from Beijing. If you think this Minister cringes, then you don't know her.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): If human rights are paramount, why should we allow our trade balance to determine how we respond to abuses of human rights?

Catherine West: The hon. Member asks a very important question. There is a three-legged approach in good foreign policy, with national security first, human rights as our duty, and an eye to our economy, because I do not think any of us wants the continuation of a situation where our economy is at the bottom of the league table, which is how it feels now.

Dr Andrew Murrison (South West Wiltshire) (Con): The malign extraterritorial reach of the Chinese Communist party is being played out in very human terms, and I congratulate my right hon. Friend the Member for Witham (Priti Patel) on bringing an example of that to the Floor of the House today. Why, then, are this Government potentially facilitating that reach by handing over the Chagos islands?

Catherine West: This urgent question is about Hong Kong, but I think it is very important that when international courts make decisions—be that on the United Nations convention on the law of the sea, or other international court judgments—we comply with them.

Blake Stephenson (Mid Bedfordshire) (Con): Does the Minister agree that the national security law for Hong Kong is in direct conflict with article 23 of the Basic Law for Hong Kong and a clear breach of the Sino-British joint declaration?

Catherine West: We have been relentless in pushing back on the erosion of freedoms in Hong Kong. When meeting civil society organisations in Hong Kong in November, I reassured people there of the values of this House. For those of us who were founding members of Hong Kong Watch, when the Prime Minister of the time was having a pint with Xi Jinping, we will never turn away from underlining the importance of those fundamental rights and what Hongkongers enjoyed in the past. It is terribly sad to see the erosion of those rights, but we cannot just give up and walk away. We have to have a dialogue, we have to keep pointing out our point of view, and we have to keep pushing back.

Luke Taylor (Sutton and Cheam) (LD): Hongkonger residents I represent in Sutton and Cheam are regularly in touch with me to outline their fears and uncertainty, living under the threat of the transnational repression operated by China. The news that China is now issuing arrest warrants and bounties for the identification of pro-democracy campaigners in the UK is another step in that fear and repression. They often wonder, will they

[*Luke Taylor*]

be next? May I ask the Minister again to make it clear to China that these bounties are illegal and that any individuals who engage in the practice will be prosecuted? More broadly, will she start to stand up to China and its unacceptable persecution of British residents by applying Magnitsky sanctions to the Hong Kong officials responsible?

Catherine West: We will always maintain our flexibility on Magnitsky sanctions; that is the benefit of them, post Brexit, as we have our own sanctions programme now. The hon. Member will be aware of the important work we are doing to sanction certain Chinese companies that are facilitating Russia in the Ukrainian conflict. We will continue to look at what we can do within that regime, to ensure that we use any tools we have to strengthen international processes and procedures and to stand up again and again for what is right in the international arena of human rights.

Jim Allister (North Antrim) (TUV): What oversight is there by the Foreign Office of our devolved institutions' connections with China? I ask because Simon Cheng, a pro-democracy Hong Kong activist who is in exile because he was tortured in China, has properly criticised the fact that when the First Ministers of Northern Ireland recently had contact with Chinese authorities, they refused to publish a record of those meetings. What oversight is there to ensure that we are presenting a united front across the United Kingdom to China?

Catherine West: I do not think the hon. and learned Member intended a pun with "united front". Taking his point very seriously, I think we could be doing more, and if he could write to me with the example he mentioned—the hon. Member for Edinburgh West (Christine Jardine) has also mentioned a particular incident to me in Edinburgh that I was unaware of—I would like that, so that I can challenge our officials to come up with a more robust, joined-up approach. As he is aware, following the general election in July, the Prime Minister set out first to Edinburgh, then to Cardiff and then to Belfast to emphasise the importance of the devolved regions to a holistic way of looking at governance. This is a really good example of where we could be doing more.

Bobby Dean (Carshalton and Wallington) (LD): I have listened carefully to the Minister's answers on the Chancellor's visit to Beijing, and I believe she has said that concerns will be raised. Concerns have been raised time and again, and it has got us nowhere, so is it not time to draw a line in the sand? Is it not the minimum we could do to raise our voices a little more loudly, demonstrate our anger a little more publicly and cancel the Chancellor's visit to Beijing?

Catherine West: The hon. Member is quite right to say that it has been raised, not least by the Prime Minister when he met Xi Jinping; he is on film raising the Jimmy Lai case, which is in the courts right now. That is the nature of a dialogue—to raise it—but we will be robust in the way that we raise those cases, and we will continue to make a point. There will not be cancelling of trips, on the basis that there has to be an element of outward focus by the UK, particularly given the economic legacy and the position we find ourselves in. I will pass on the hon. Member's concerns, and I will certainly listen to any further suggestions he has, but I believe that engagement is necessary.

Tom Gordon (Harrogate and Knaresborough) (LD): Harrogate and Knaresborough is blessed to have a small but thriving group of Hongkongers who have made it their home and opened up a number of local businesses, adding to the fabric of our towns. My worry is that, with the latest arrest warrants and transnational repression, Hongkongers will not want to be visible in public, playing that part in our communities. What tangible steps will this Government take to get the message down to people on the ground that this is not something we will stand for and that we will stand by and support them?

Catherine West: I thank the hon. Member for his question and, with his permission, I will take it away to see which hub he is closest to. Twelve hubs were set up specifically for the welcome programme for BNO passport holders, so keen were we in 2021 to extend the hand of friendship to those who were so cruelly treated in Hong Kong and continue to be. I will write back to him; if he could email me with any specific constituency issues, it would mean a more informed reply.

Domestic Abuse (Safe Leave)

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

3 pm

Alex McIntyre (Gloucester) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for an entitlement to paid safe leave for victims of domestic abuse; and for connected purposes.

Domestic abuse is a national emergency. All Members of this House will have been contacted by women and men in their constituencies who have suffered from domestic abuse at some point in their lives. According to SafeLives, approximately 2.1 million people in the UK have experienced some form of domestic abuse. Sadly, the majority are women, and I will refer today to the Government's mission to tackle violence against women and girls. But we should not forget that 750,000 of those survivors are men, and Office for National Statistics data shows that one in seven men has experienced domestic abuse. Although those figures may shock some Members of this House, they do not paint a full picture of the emergency that we are in.

One in four women has experienced domestic abuse. At least one woman is killed by a current or former partner every week in this country. Each year, more than 75,000 people are at high or imminent risk of being murdered or seriously injured as a result of domestic abuse. Some 1.5 million domestic abuse-related incidents were recorded by police in England and Wales in the year ending March 2023, and nearly 250 people were arrested in Gloucester alone this December for domestic abuse-related offences. Behind all the statistics, however, is a human being—a person in our society, our communities and cities like mine who has faced unimaginable pain and suffering.

Domestic abuse is not just about physical violence. It is also about psychological manipulation, economic control, coercion and the isolation of victims from their friends, families and support networks. It affects people of all ages, backgrounds and walks of life. It takes a profound toll on a survivor's physical and mental health. The trauma of abuse lingers and leaves long-lasting scars on victims that can take years, if not decades, to heal.

The impact of domestic abuse has been brought home to me, as a new MP, by the constituents who have attended my surgeries across the city and shared their personal stories. They include survivors and victims who have had to flee across the country, only to be followed by their abuser, individuals who have been prevented from having friends or even getting a job for more than a decade, and constituents who have been forced to pay their abuser's rent long after they left the relationship.

Of course, we in Gloucester all remember the horrific murder of Hollie Gazzard, which I raised at Prime Minister's questions just before Christmas. In 2014, Hollie was murdered at work by her boyfriend after months of obsessive behaviour, jealousy and harassment. Tackling domestic abuse matters to me, and it matters to my city. I have already held a roundtable with local charities and organisations, including the Hollie Gazzard Trust, FearFree and the Gloucestershire Domestic Abuse Support Service, and putting forward this Bill would

not have been possible without the tireless campaigning and research of national organisations such as Women's Aid, SafeLives and Rights of Women.

I am pleased that this Government are already getting on with the job of supporting victims and survivors of domestic abuse as part of their unprecedented mission to halve violence against women and girls. We have already introduced domestic abuse specialists in 999 control rooms up and down the country and rolled out domestic abuse protection orders, which enable victims to be protected from all forms of domestic abuse, including non-physical abuse and controlling or coercive behaviour. However, I genuinely believe that this Bill could play an important part in that mission, and change the lives of victims and survivors across the country.

Why this Bill? Well, perhaps one of the most challenging aspects of leaving an abusive relationship is the financial reality. Survivors often find themselves trapped in cycles of abuse, because they simply cannot afford to leave. Figures from Women's Aid's recent report, "The Price of Safety", suggest that it could cost a survivor almost £50,000 to leave an abuser, based on the direct costs of fleeing and rebuilding a new life. Despite the financial burden, taking time off work is an unavoidable necessity for many victims—whether it is for medical treatment, finding a new place to live, attending court hearings, seeking legal advice or taking their children to safety.

The demands on a survivor's time are overwhelming, and many are forced to take holiday to give evidence against their abusers in court. Many take time off sick, only to fall foul of their employer for having too much sickness absence. Some take the impossible decision that they simply cannot afford to leave, so they remain in unsafe situations, continuing the cycle of violence. Two weeks' paid safe leave would give victims and survivors the time they need to seek help, to find the resources they need to escape their abuser, and to start the long process of healing.

Let me be clear: victims of abuse should never have to choose between their safety or their wages. Survivors should not have to take annual leave to attend court in order to see their abusers prosecuted. Women fleeing an abusive husband should not have to call in sick and face the sack for getting their children to safety. Victims should not fear repercussions at work just for seeking help.

The last Conservative Government undertook a review of domestic abuse leave and concluded that it would be too difficult to implement. I do not accept that. What I do accept is that there will be complexities in ensuring that an entitlement to paid leave works as intended, that it supports survivors and victims of domestic abuse, and that it provides a framework by which survivors and victims can feel confident in having confidential conversations at work about what they are going through at home, free from fear of repercussions or a detrimental impact on their career. Unlike the Conservative party, however, I do not believe that something should be stuck in a drawer and forgotten about just because it is difficult. That is why I propose that the Bill require the Secretary of State to come back with regulations to implement safe leave. Such a process would allow the Government to consult victims and survivors, charities such as Women's Aid, Refuge and SafeLives, businesses

[Alex McIntyre]

and employers, and trade unions in order to tackle the difficult issues head-on and deliver for victims and survivors.

Some may argue that providing paid leave for domestic abuse victims will put a burden on employers. Although such leave would be paid for by businesses, that argument misses the bigger picture. Domestic abuse already costs business and the economy. A 2019 study by KPMG shows that businesses in the UK lost £316 million a year as a result of work-related absences due to domestic abuse. Women's Aid and ResPublica have calculated that domestic abuse cost our society £78 billion in 2022 alone. The reality is that employers who already voluntarily offer supportive work environments, including domestic abuse leave, tend to foster loyalty, improve employee retention and create safer, happier and healthier workplaces. It is no longer enough to say that domestic abuse is a personal issue; it is an issue that should concern every workplace, every employer, and every member of this House.

We do not have to look far for examples of how safe leave can be introduced in this country. In fact, parts of the United Kingdom have already begun the process of introducing safe leave. The Northern Ireland Assembly have passed the Domestic Abuse (Safe Leave) Act (Northern Ireland) 2022, and are currently consulting on proposals. Residents in the Republic of Ireland, New Zealand, Australia, Canada and the Philippines all have the right to time off work because of the domestic abuse they have suffered. As this Government are taking a global lead on tackling violence against women and girls, I truly believe that my proposal would be a fantastic part of that agenda.

Today, I hope to start a conversation in workplaces up and down the country so that employers ask themselves a very simple question: "If one of my employees was

suffering from domestic abuse, would they come to us for help?" If the answer is no, surely more needs to be done. Safe leave would save lives. Safe leave would start conversations in workplaces in my city of Gloucester that will help survivors and victims of domestic abuse get to safety, get the support they need and get back on their feet.

Imagine living in a society in which victims and survivors of domestic abuse feel safe and empowered to seek support at work. Imagine if, having fled your home, got your children to safety and then taken legal action against your abuser, you did not have to worry about your job. You could take the time to attend court, get medical help and see your solicitor, safe in the knowledge that you had a protected and paid right to time off. That is the kind of society that I want to live in.

In closing, I ask the House to consider the many victims and survivors who are suffering in silence today; I ask Members to think about the children and families whose lives have been torn apart by violence; and I ask all of us to think about what we as Members of this House can do to ensure that these survivors are not abandoned or left behind. Introducing two weeks of paid leave for victims of domestic abuse is a step towards a more just, compassionate and equal society. It is a commitment that we will stand by survivors, support them and never stop fighting until violence against women and girls is a thing of the past.

Question put and agreed to.

Ordered,

That Alex McIntyre, Jess Asato, Emily Darlington, Catherine Fookes, Dr Allison Gardner, Tom Hayes, Uma Kumaran, Alice Macdonald, Ben Maguire, Anneliese Midgley, Katrina Murray and Mrs Sarah Russell present the Bill.

Alex McIntyre accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 June 2025, and to be printed (Bill 157).

Crown Estate Bill [Lords]

Second Reading

3.11 pm

The Chief Secretary to the Treasury (Darren Jones): I beg to move, That the Bill be now read a Second time. May I commend my hon. Friend the Member for Gloucester (Alex McIntyre) on his moving ten-minute rule Bill, which he just presented?

The purpose of the Crown Estate Bill is to bring legislation governing the Crown Estate into the 21st century. The Crown Estate is a commercial business, independent from government, that operates for profit and competes in the marketplace for investment, yet it is restricted in its ability to do so by legislation that has not been amended since 1961. With less ability to compete and to invest, it is less able to deliver returns for the public purse than it might otherwise be able to do.

Existing limitations on the Crown Estate's powers have meant it has had to generate capital for investment by selling its assets, which is neither desirable nor sustainable. Under current legislation, the Crown Estate is constrained in its ability to support sustainable projects and to preserve our heritage for generations to come. These are the reasons why the Bill is necessary and why the Crown Estate has asked successive Governments for reforms.

The Bill has been expanded and improved during its passage in the other place, with requirements relating to sustainable development, GB Energy and the composition of the board. Fundamentally, the changes that the Bill proposes will give the Crown Estate new freedoms, including the power to borrow as their competitors can, enabling them to adopt a sustainable and competitive business model.

The Bill has two key objectives. First, it broadens the scope of activities that the Crown Estate can invest in, in order to support the delivery of its core purpose across net zero, nature recovery, economic growth and generating returns to the public purse. In its current form, it is predominantly a property estate and is significantly limited in its investment options. The Bill would provide it with the ability to invest more widely in new growth opportunities—for example, investing in the further mapping of our seabed. This will enable it to undertake significant de-risking activity, such as pre-consent surveys and supporting grid connections, thus increasing the frequency of leasing for offshore wind and supporting the clean energy transition.

Stephen Flynn (Aberdeen South) (SNP): I hope the Minister will not hear much disagreement about the points he is making so eloquently. However, may I query why these provisions and powers, which he believes are relevant for the Crown Estate in England and Wales, are not also being provided to the Crown Estate in Scotland?

Darren Jones: As the right hon. Gentleman knows, Crown Estate Scotland is a separate organisation to the Crown Estate that is the subject of the Bill. Of course, we continue to have conversations and we will be pleased to talk to him and others about that issue for the future.

Stephen Flynn: On that point, will the Minister give way?

Darren Jones: I will make some progress.

The second objective of the Bill is to enable the Crown Estate to invest in capital-intensive projects more effectively. It does so by empowering the Crown Estate to reduce the size of the cash reserves it needs to hold, thereby expanding its ability to use its land and property assets far more efficiently.

Mark Pritchard (The Wrekin) (Con): Let us be clear that this is a huge departure for the Crown Estate. The Bill basically allows it to go to the City and to raise capital based on its assets, most of which, as the Minister highlights, are property. As he knows, the sponsor Government Department for the Crown Estate is the Treasury, but investments go up and down. What if those investments go down? Who will be the guarantor for those liabilities? Will it be the taxpayer or the Crown Estate?

Darren Jones: I will come to a number of those points later in my speech. If I have not answered the right hon. Gentleman's points as I get towards the end, I will take another intervention from him.

As a result of the changes in the Bill, the Crown Estate will be able to accelerate investment in redeveloping and decarbonising its Regent Street and historic London portfolio, as well as investing in projects to support science and innovation. The Bill will unlock potential investment of up to £1.5 billion in the science, technology and innovation economy over the next 15 years, building on the Crown Estate's recent investment in the city of Oxford.

To reduce the size of its cash holdings and engage in more capital-intensive activity in the long term, the Crown Estate needs the ability to borrow, as its competitors currently can. Such borrowing will be from the Government or from other sources, but only with Treasury consent. Borrowing from the Government will be at commercial rates, meaning the interest the Crown Estate pays, funded from its own income, will outweigh the Government's cost of borrowing the money they loan to the Crown Estate. This will enable the Crown Estate to build on its long track record of delivering significant revenues to the public purse year after year—it has delivered over £4 billion in the last decade.

Mark Pritchard: Is there not a potential conflict of interest? The Minister mentions GB Energy, a new national organisation introduced by Labour Government policy. Because of the Crown Estate's partnership with the Treasury, the Government are encouraging the Crown Estate to invest in GB Energy, but what if people out there do not like that policy? What if GB Energy is a failure? Is there not a clear potential conflict of interest between the Crown Estate and the incumbent Government?

Darren Jones: The right hon. Gentleman is doing a brilliant job of anticipating sections in my speech. Once again, I will point at him when I come to the relevant section; in fact, it is the next section, so he is in luck.

There will be a memorandum of understanding in place between the Treasury and the Crown Estate that will govern how the borrowing powers will be exercised. Above all, the Crown Estate will be borrowing for investment, maximising the profits returned to the public purse. Any such borrowing will require Treasury consent and will be within our fiscal rules.

[Darren Jones]

Given that the new powers will enable the Crown Estate to first draw on its cash holdings, it is not envisaged that these borrowing powers will be used until the end of the decade. As with any public sector borrowing, the Treasury will ensure that this is consistent with “Managing Public Money” principles to ensure value for money for the taxpayer. The fiscal impact of any Crown Estate borrowing will be fully considered, starting with this year’s spending review, to ensure it is consistent with our fiscal rules.

The Bill contains a set of necessary reforms, ensuring that the two key objectives can be met and that the Crown Estate can continue to operate effectively, both now and in the years ahead. It is composed of five key elements. First, it widens investment powers by removing existing restrictions on investing in the current Crown Estate Act 1961, and clarifies the Crown Estate’s ability to invest in complementary activities, such as research, digital technology and energy supply chains. Secondly, it grants the Crown Estate the power to borrow with Treasury consent. As well as generating returns for the public purse, the new ability to borrow will free it up to make better use of its existing assets, leveraging these to give it more room to invest.

Thirdly, the Bill makes amendments relating to the governance of the Crown Estate to provide legislative simplification and to bring it in line with best practice for modern corporate governance. By expanding the number of commissioners, the board will be able to better reflect the growing breadth of the Crown Estate business and ensure a greater range of expertise and diversity at board level. The Bill also requires the appointment of commissioners to advise on Wales, England and Northern Ireland, which will ensure that the board continues to act in the best interests of the areas in which it operates.

Fourthly, the Bill requires the commissioners to keep under review the impact of their activities on the achievement of sustainable development goals in the UK. It is important that progress towards national goals on the environment and climate, as well as wider considerations on society and the economy, continue to be at the core of the Crown Estate’s strategy.

Fifthly, the Bill requires the annual report to include a section on the activities of the commissioners under their recently announced partnership with Great British Energy. That will ensure that details of the partnership and the benefits it creates are publicly available, clear to all and subject to debate in this House when those reports are published.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I understand that the Minister is proposing that, in relation to the seabed, the Crown Estate will be a licensing authority for renewable energy projects and will now be able to invest in them too. The commissioners have a primary duty to maximise the return to the Crown Estate of any activity they undertake. To comply with the law, will the Crown Estate be compelled to side with renewable energy development at the expense of the fishing industry if, for example, there is a conflict between the siting of an offshore wind farm and the use of that sea by the fishing industry, and is that fair?

Darren Jones: That is a great question. I have no idea, so I will commit to writing to the right hon. Gentleman with an answer, if he will forgive me for not knowing.

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): Will the Minister give way?

Darren Jones: Only if it is a question to which I know the answer.

Melanie Onn: I might be able to help a little with the question asked by the right hon. Member for Orkney and Shetland (Mr Carmichael). The Crown Estate has engaged in supporting the evidence and change programme that has brought the fishing industry and the renewables sector around the table to enable earlier planning to prevent some of the conflicts we have seen. My speech will highlight some good examples of where those plans and the evidence and change programme have started to be implemented. The industries are working together, hand in hand, to prevent the kind of conflict about which the right hon. Gentleman is rightly concerned.

Darren Jones: I am grateful to my hon. Friend for her help, which I hope gives the right hon. Member for Orkney and Shetland (Mr Carmichael) some reassurance, as it sounds eminently sensible.

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): Clause 3 covers this:

“The Commissioners must keep under review the impact of their activities on the achievement of sustainable development in the United Kingdom.”

This has been written into the Bill.

Darren Jones: I am continually grateful for the team effort, and I am grateful to my hon. Friends for having paid such close attention to the Bill.

Mr Carmichael: I am aware of the duty to keep this under review, but that will surely be overridden, because the primary duty remains to maximise the return for the Crown Estate. I am quite happy for the Crown Estate to be both a licensor and an investor, although there is something of a conflict of interest, but surely there needs to be more concern about the Bill’s impact on other seagoing industries. In a way, I fear that the Minister’s response to my initial question suggests this has not been given sufficient attention thus far.

Darren Jones: The right hon. Gentleman should not take my not knowing the answer as meaning that other people are not paying sufficient attention to the issue. He has asked a very technical question, and I commit to making sure an answer is made available to him and the House before the Bill goes to Committee.

The Bill currently places an obligation on the commissioners in relation to salmon farming, due to an amendment made in the other place. The Government do not believe this obligation would be effective or, indeed, appropriate, given that it relates to a devolved policy area. We therefore intend to seek to remove this measure in Committee.

The Bill has seven clauses. Clause 1 inserts two new measures into the Crown Estate Act 1961 to clarify and broaden the commissioners’ powers. It also removes section 3(4) of the 1961 Act, thereby removing limitations on the commissioners’ investment powers.

The two new measures grant a power to borrow, subject to Treasury consent, and clarify that the commissioners have the powers to do that which is connected, conducive or incidental to meeting their general functions, including enhancing and maintaining the Crown Estate and the returns obtained from it. This allows the Crown Estate to borrow from the National Loans Fund, the Treasury or otherwise, subject to Treasury consent, and authorises the Treasury to provide financial assistance to the commissioners or to provide loans from the National Loans Fund.

Clause 2 makes two amendments to modernise the Crown Estate's governance, by increasing the maximum number of board members from eight to 12 and removing the requirement for the salaries and expenses of its commissioners to be paid out of voted funds.

Clause 3 requires the commissioners to keep under review the impact of their activities on the achievement of sustainable development in the United Kingdom. Clause 4 requires the commissioners' annual report to include a specific report relating to the Crown Estate's partnership with Great British Energy.

Clause 5 requires the commissioners to make assessments relating to salmon farms on Crown Estate land, and to refuse or revoke a licence for a salmon farm if the assessment determines that it may cause, or is causing, environmental damage, or if it raises significant animal welfare concerns.

Stephen Flynn: The Minister has mentioned GB Energy and the desire to get on with allowing the Crown Estate in England and Wales to borrow. He will not have forgotten that GB Energy is likely to be located in my Aberdeen South constituency, and many of its projects to drive the net zero agenda across the UK will come to fruition in Scotland. Will he provide a little clarity on why he believes these powers should apply to the Crown Estate in England and Wales, yet his Government are not legislating for the powers to be provided to Crown Estate Scotland? I am at a loss to understand the reasoning.

Darren Jones: The right hon. Gentleman will know that the ambitions for GB Energy are broader than those relating to the provisions of this Bill. On the connection between the Crown Estate and GB Energy in relation to this Bill, it is merely about the partnership that has already been announced to facilitate the investment opportunities that are available in relation to England, Wales, and Northern Ireland. I refer the right hon. Gentleman to my previous answer on Crown Estate Scotland.

Steve Race (Exeter) (Lab): We have talked a little about Scotland and Wales, but does the Minister believe this Bill will stimulate greater economic growth in other areas and regions of the country? The south-west peninsula has a huge amount of wind energy potential, for example, so has he assessed what sort of investment opportunities might come from this Bill?

Darren Jones: I thank my hon. Friend for his excellent question. He will know from the work of ministerial colleagues in the Department for Energy Security and Net Zero that the enormous potential for offshore wind in the Celtic sea and off the south-west coast is currently

largely untapped. A lot of the work that needs to be done to make those seabeds available, and to bring the interconnections onshore and on to the grid to make it viable for private sector investment, requires quite a lot of up-front work. The Bill will enable the Crown Estate, working in partnership with GB Energy, to identify opportunities to invest in things like supply chain and in preparation and planning for the seabed work, and to identify the cost profiles that might relate to the projects that are being developed. That will facilitate the deals that we wish to make with private sector suppliers to unlock those opportunities. We see this as an important enabling mechanism to take advantage of the opportunities we have in the south-west and other parts of the country.

Clause 6 requires the appointment of separate commissioners with responsibility for giving advice about England, Wales and Northern Ireland, noting, as I have on a number of occasions, that Crown Estate Scotland is a separate entity. It also grants Welsh Ministers and the Executive Office in Northern Ireland the right to be consulted on each of the appointments relating to those parts of the UK. Clause 7 sets out procedural matters relating to the Bill's extent and commencement.

The Bill gives the Crown Estate the flexibility it needs to meet its core duty of enhancing and maintaining the value of the estate and the returns obtained from it. The Bill broadens the scope of the activities in which the Crown Estate can engage, enabling it to further invest in the energy transition, and it empowers the Crown Estate to invest in capital-intensive projects more effectively. Critically, these measures will unlock more long-term investment, increasing the Crown Estate's contribution to creating high-quality jobs and driving growth across the United Kingdom.

This Bill delivers a targeted and measured enhancement to the Crown Estate's powers and governance, modernising it for the 21st century, and I commend it to the House.

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

3.28 pm

James Wild (North West Norfolk) (Con): The work on reforming the Crown Estate was developed by the previous Government. I am pleased to be debating the Bill today, and I thank my noble Friends for the scrutiny they have already provided.

We support the objective to increase the Crown Estate's ability to compete and invest, so that it maintains and enhances the value of the estate and the income derived from it. Assets managed by the Crown Estate are not the property of the Government, nor are they part of the sovereign's private estate. Since George III, the assets have been held in right of the Crown, which encompasses the interests of the sovereign and the Government. That is why appropriate scrutiny of the Crown Estate and its £15.5 billion in total assets is important. It has a rural portfolio of 185,000 acres, manages roughly 7,400 miles of coastline, has one of the largest property portfolios in the west end and returns all its profits to the Treasury. Last year, there was a record profit of £1.1 billion, up more than £600 million largely due to fees from round 4, and it has generated £4.1 billion for the nation's finances over the past decade. There is, however, the potential to do more. In the business case prepared under the last Government,

[James Wild]

the Crown Estate estimated that changes in the Bill would enable it to generate £100 million a year in additional revenues by 2030. It is right, therefore, that we help to modernise the Crown Estate as it aims to create lasting prosperity for the nation.

Although we support the Bill's aims, further scrutiny is obviously needed in some areas, including a limit on the level of borrowing, governance, the relationship with Great British Energy and safeguards in relation to the disposal of assets. I will come to each in turn.

As we have heard, the kernel of the Bill is clause 1, which confers on the Crown Estate a broader power to borrow, subject to Treasury consent. While I note the need for Treasury approval, a lack of parliamentary oversight on borrowing levels is a concern. When pushed by Baroness Vere of Norbiton and other noble Lords, the Government stated that a limit on borrowing

“is better placed outside of legislation”—[*Official Report, House of Lords*, 5 November 2024; Vol. 840, c. 1400.]

and instead should be placed in the memorandum of understanding between the Crown Estate and the Treasury.

The MOU sets out that the Crown Estate can borrow up to 25% of the worth of its total assets, but an MOU is easily altered. Public borrowing levels should be transparent. If Parliament is being asked to remove restrictions on borrowing, why should there not be a cap in legislation with the ability to swiftly amend it through a statutory instrument, if necessary, to protect against unconstrained borrowing and the concerns that my right hon. Friend the Member for The Wrekin raised?

Mark Pritchard: I agree with my hon. Friend that the Crown Estate and Treasury's framework agreement was ineffective, or that at least it could have been strengthened. The memorandum of understanding is in a similar vein. I therefore support him.

Will he comment on this? I have concerns about the Bill. I agree with the general principle but there are potential fiscal and reputational hazards ahead for the Crown—not just the Crown Estate—if some of the investments go south. Also, at the moment there is a link between the Crown Estate and the sovereign grant. I think it is around 12%, as not all the income to the sovereign grant is derived from the Crown Estate. However, if the investments were to go wrong, who would be liable? If we have a weak MOU with no statutory oversight, it is more likely to go wrong.

James Wild: My right hon. Friend is absolutely right to highlight the potential risk. There is no one-way bet in life, and there is no guarantee that the Crown Estate will successfully invest in projects that go well. I will come on to the point about the energy side of things later in my speech.

It is perfectly reasonable, as we proposed in the other place, to have that 25% cap in legislation, which could be amended. I am sure we will consider the issue further in Committee.

The Bill alters the governance of the Crown Estate and provides for the number of commissioners to be increased to 12. Given the extension of the powers and the decrease in parliamentary oversight, pre-appointment

scrutiny is of great importance. Again, I thank Baroness Vere for seeking and securing assurances from the Government that the chairman of the Crown Estate commissioners could be added to the Cabinet Office pre-appointment scrutiny list. Just before Christmas, Ric Lewis was announced as the preferred candidate for the role and I am pleased that the appointment will now be considered by the Treasury Committee. Will the Minister confirm in his winding-up speech whether other commissioners will be subject to any pre-appointment scrutiny?

Turning to salaries, which I do not believe the Chief Secretary referred to, under clause 2, Parliament will no longer be responsible for approving them through the estimates. Instead, they will be paid out of the income of the Crown Estate. Currently, the framework document sets out that remuneration of the chief executive should be in line with or below that of an appropriate benchmark group approved by the Treasury and that a clear majority of the chief executive's total reward should be conditional upon performance. We support rewarding success, but with the loss of parliamentary oversight, will the Minister confirm whether any changes are proposed to the remuneration framework and, specifically, for the chief executive? Will he undertake to report to the House on any such change in future?

Turning to Great British Energy, on the day the Bill was introduced, the Government announced a partnership between the Crown Estate and GB Energy, which they claimed will

“unleash billions of investment in clean power.”

Indeed, the press release went on to say it

“will lead to up to 20-30GW of new offshore wind developments reaching seabed lease stage by 2030”.

However, there is a lack of transparency over how the partnership will work, the difference it will make, and its impact on the Estate's primary duties. Given the supposed significance, I would have expected to have seen a partnership agreement by now, as without one, we do not know what has been agreed. Will the Minister confirm if there is a partnership agreement yet? Will he commit to publishing it before the Committee stage? Has the Crown Estate agreed to invest a certain amount with GB Energy? What process is there to ensure the Crown Estate continues to deliver on its duty to maintain and enhance the value of the estate? How will the Crown Estate decide between projects GB Energy backs and other projects that may have a higher rate of return?

The GB Energy founding statement adds to the confusion, adding that the Crown Estate

“will establish a new division ‘Great British Energy: The Crown Estate’.”

That raises several questions. Will new staff be required, or will it simply be a restructuring of the existing group? The statement also says it will sit

“under both Great British Energy and The Crown Estate, with strategy and investment agreed by Great British Energy.”

Will decisions be made jointly on investments, or will the Crown Estate retain its independence? Given the Government voted down our amendments to the Great British Energy Bill to introduce more accountability, it simply fuels some suspicion that the partnership has been created for political rather than economic reasons. The reporting requirements that were secured and added

to the Bill in clause 4, which the Chief Secretary referred to, will at least help to bring some transparency to this, but there is a need for a lot more.

Under the previous Government, the UK became the first to more than halve emissions while growing the economy and became a leader in offshore wind. However, we must acknowledge that renewables are not cheap in all scenarios. There is clearly a risk that the Government will push up the cost of wind by rushing ahead to meet their political target and increase prices for consumers as a result. That is a far cry from the £300 cut in energy bills that Labour promised during the general election. As we scrutinise the Bill, Parliament has an important role to play to ensure the Government do not seek to use the Crown Estate to try and deliver the Energy Secretary's damaging policies and undermine returns to the taxpayer.

As I set out earlier, the Crown Estate owns some vital assets, so it is surprising that there are so few safeguards to prevent commissioners from selling off such important assets. In the business case for the changes, the Crown Estate was planning £1.4 billion of disposals to fund investments, representing nearly 10% of its portfolio. When I asked Crown Estate representatives what that covered, they said they were unable to disclose plans for disposals because it is commercially sensitive information. Again, that raises concerns about transparency. In response to questions in the other place, the Government said they were working with legal experts

"to establish the extent to which the Crown Estate can currently sell the seabed"

for example. On Report, Lord Livermore confirmed that if the Government establish that

"further legislation is required to restrict the ability of the Crown Estate to sell the seabed,"—[*Official Report, House of Lords*, 5 November 2024; Vol. 840, c. 1412.]

they would bring forward an amendment.

I would be grateful if, in his winding up, the Minister could update the House on the process of those discussions and the need for such an amendment. The disposal of assets should be properly scrutinised. The Government rejected attempts in the other place to bring more scrutiny here and said that a statutory limit on disposals would undermine the flexibility of the Crown Estate to operate commercially. Given that the assets are held for the benefit of the nation, we should ensure some form of transparency if they are to be disposed of, whether that is reporting to Parliament, or seeking HMT approval for disposal of specific assets, or those over a set value.

Finally, let me turn to salmon. Clause 5 would require the commissioners to assess the environmental impact and animal welfare standards on salmon farms on the Crown Estate. If a salmon farm is causing damage or animal welfare issues, its licence would have to be refused. I commend my noble Friend Lord Forsyth of Drumlean for his tireless work on this matter and for highlighting that salmon farming can cause detrimental impacts in the event of escapes in terms of disease, breeding and other issues. Given that wild Atlantic salmon are now on the international union for conservation of nature's red list, these are perfectly reasonable obligations which he said might influence how the Crown Estate of Scotland is to operate. The amendment was sponsored by Lord Forsyth, but also by Green and Labour party Members, so it is disappointing to hear the Chief Secretary

to the Treasury talking about reversing that measure, and we look forward to that debate in the Committee stage.

Mr Carmichael: Salmon farming is enormously important in my community and in many other communities around the highlands and islands. Those communities will not be affected by this apparently, although we might hear conformation on that at a later stage, but is it the hon. Gentleman's position that this is the only way of regulating salmon farmers? Is he not aware that there is a massive amount of regulation affecting salmon farming already? Does he really think that the Crown Estate commissioners are the people to be doing this job?

James Wild: Like me, the right hon. Gentleman will have read the *Hansard* reports of the debates in the other place where this issue was covered at some great length, so I defer to the points made by Lord Forsyth there. Regulation is obviously in place, but this addition would simply raise awareness of the issues in the Bill. The Government said that they supported the objective of the amendment when it was discussed in the other House, but did not think it was necessary. They did not think that it would do any damage, so I suggest that it remains part of the Bill.

To conclude, the Crown Estate Bill will help deliver the modernisation that is needed, but the purpose must be supporting the estate's duty to maintain and enhance its value for maximised return to taxpayers, rather than becoming an extension of GB Energy's cheque book. We will be pursuing the concerns that I have raised about checks on borrowing governance, the relationship with GB Energy and the safeguards in response to the disposal of assets to ensure that that remains the case.

3.41 pm

Matt Rodda (Reading Central) (Lab): Thank you, Madam Deputy Speaker, for giving me the opportunity to speak in today's debate. I wish to speak in favour of the Bill and to make a few brief points, both general ones about wider policy and some in relation to my constituency. I wish to cover the issue of the Crown Estate in central London. I shall then move on to the estate's property around the coastline, and, finally, I shall come on to some of what I hope will be significant wider benefits of the just transition to a green economy.

First, on modernising buildings in central London, it is often forgotten that our built environment is one of the poorest in terms of energy efficiency across the developed world, including in Europe, and that we do need significant investment. We can obviously see that in the building in which we work. Many buildings in central London date from Victorian and Edwardian times, or the 1960s, when building standards were much lower than they are now. Indeed, there is enormous potential precisely because those building standards were lower—I am talking about issues such as solid walls, cavity walls that are not insulated, and existing single glazing or poor quality older double glazing that could be replaced with newer materials. That shows very precisely the potential benefits in carrying out this work.

It is important to remember, however, that this is in the nature of a one-off capital investment in the short term, which will lead to enormous benefits in the medium

[*Matt Rodda*]

to longer term. Therefore, this type of measure, which was outlined so ably by my hon. Friend on the Front Bench, is exactly what is needed by many large landowners to allow them to have access to the capital that they need to carry out works that will improve building efficiency and therefore lead to energy saving. I welcome that, and it is important to remember the context of the built environment in London and across the country.

Secondly, let me move to the issues of the coastline. It is worth noting that the UK is a leader in offshore wind. We need to recognise the benefits of the past few years, particularly the move to the majority of British energy being generated by low carbon sources, particularly offshore wind. However, there is a need for a new, significant additional step up, which requires the mapping of new areas of seabed, new interconnectors, and new grid connectivity at the coast, because the whole of the grid at the moment is designed around a post-war model of large, coal-fired generation inland, so there is significant need for further investment in coastal locations. As my hon. Friend the Member for Exeter (Steve Race) mentioned earlier, some of that is not particularly well mapped, and part of the work that we are seeing allowed today is the ability of the Crown Estates to map much of its property on the coast or on the seabed more accurately, therefore allowing investment as well as supporting and regulating investment as well. I ask the Chief Secretary whether he could outline further detail of aspects of that, in particular the scope for the Bill to allow for and support more investment in interconnectors to other neighbouring countries, as well as more grid connectivity at the coast itself, which can be a bottleneck for renewable energy coming onshore.

Thirdly, I would like to discuss some of the wider benefits of the Bill and ask some further questions. One of the big challenges with the move towards renewable energy is delays in grid connectivity. I have seen that in my own area when I visited a large solar farm next to the M4 motorway, just outside Reading in the seat occupied by my hon. Friend the Member for Earley and Woodley (Yuan Yang). The connection of this large solar array to the grid was delayed by a year because of a lack of capacity among energy companies and wider infrastructure challenges. I hope the Chief Secretary can provide some further detail on how the Bill will allow further acceleration of grid connectivity. I also hope it will add to the wider green energy economy and that the benefits accruing from it could be felt by some smaller onshore schemes.

I certainly ask the Chief Secretary if he could investigate the possibility for it supporting some smaller schemes. For example, in my area there is an innovative scheme to put a low-head hydro generation scheme on the Thames at Caversham. That generates power for several hundred homes. However, there were significant challenges in installing the scheme. Again, grid connectivity, access to capital and other practical issues delayed the project. Up and down the Thames, and other major rivers, there are many examples of sites that could be used for this straightforward, rapidly deployable form of renewable energy. I would appreciate the Minister writing to me if he is unable to comment directly today.

On a related matter, I hope that the Bill will in some way support the wider roll-out of solar on roofs and potentially on canopies over car parks. Both have enormous

potential as deployable forms of solar that would have a limited impact on land use, and they may have real benefits through the ease with which they can be accessed. I look forward to getting further detail on those points. I warmly welcome the Bill and thank the Chief Secretary for his words.

Madam Deputy Speaker (Caroline Nokes): I call the Liberal Democrat spokesperson.

3.47 pm

Pippa Heylings (South Cambridgeshire) (LD): I begin by extending my gratitude to all those who have worked tirelessly in the Lords on the Bill over the past seven months. I note in particular the way in which full transparency was offered and delivered by Lord Livermore, the Financial Secretary to the Treasury, in response to requests for clarification and evidence. I hope that we can replicate such co-operation as the Bill passes through this House.

The objectives of the Bill are to broaden the investment and borrowing powers of the Crown Estate and to strengthen its corporate governance, in order to help accelerate, among other things, the delivery of new renewable energy, particularly offshore wind. We are generally supportive of the Bill and would welcome further scrutiny on issues such as the cap on borrowing; accountability in the relationship with Great British Energy; managing the conflicts between competing interests and values of our seabed and coastline, as mentioned by my right hon. Friend the Member for Orkney and Shetland (Mr Carmichael); community benefit; devolution in Wales; and our climate and nature duty. I will proceed to elucidate those issues.

In the UK, we are off track in meeting our climate targets, following previous years when the Conservatives have dithered and rowed back on pledges. We need to increase investment in renewable energy in order to strengthen our energy security and to help families keep warm and lower their energy bills, particularly during this cost of living crisis. As a result of Russia's invasion of Ukraine, families and businesses have been left exposed to skyrocketing bills. For far too long we have been reliant on autocrats such as Putin to meet our energy needs.

The Crown Estate oversees 200,000 acres of land, 12,000 km of coastline and a seabed area larger than the combined land mass of England, Wales and Northern Ireland. As the owner and steward of the seabed, the Crown Estate leases plots to offshore wind developers and other infrastructure projects, playing a fundamental role in the sustainable development of this national asset and in the potential for securing our world-leading position on floating offshore wind development.

For many years, however, the Crown Estate has been constrained in its ability to borrow through the Treasury, forcing it—as we understand it—to resort to selling off assets in order to fund its investments for the future. The changes proposed in the Bill, in partnership with Great British Energy, hold the potential to unlock investment in vital infrastructure across supply chains, ports and green energy sectors, and to accelerate progress by unblocking the huge delays in the delivery of new green energy, which is desperately needed following the slow progress made under the previous Government.

It is reassuring to hear that during the Bill's passage through the Lords, assurances were given that there would be a borrowing cap of 20% of the loan-to-value ratio. We look forward to seeing that reflected in the updated framework agreement as we go into Committee. On the day the Bill was introduced to the House of Lords, the Government announced the Crown Estate's partnership with Great British Energy to bring forward new offshore wind developments. Despite the significance of that relationship between the two, the original Bill did not provide clarification on or accountability in how it would work.

Clause 4, which was introduced by my Liberal Democrat colleagues, ensures important transparency through annual reports on activities within that relationship. However, we also share Energy UK's concerns about how that relationship will work, particularly in relation to other private sector investment. We support its calls for annual schedules for offshore wind leasing that identify locations and target capacities. Such a road map would help developers and suppliers to plan investments, including necessary port upgrades, and would align with the offshore wind industrial growth plan.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): Does my hon. Friend agree that this legislation should have set out a framework for devolving the Crown Estate in Wales, as is the case in Scotland?

Pippa Heylings: Indeed, I read the report of the debate in the Lords, and there was a passionate request for the Crown Estate in Wales to be devolved to the Welsh Administration and for the benefits to be felt by Welsh communities. We look forward to discussing that in Committee.

Another crucial area that has been mentioned is the mapping of the seabed around our coastline. The Crown Estate has already begun that work with award-winning geospatial techniques. That key contribution to spatial planning for our coastal and marine areas needs to balance economic development with environmental responsibility. For years, the Liberal Democrats have called for comprehensive land and sea use frameworks. Although the Government have committed to a land use framework, we remain far behind on marine spatial planning. We have heard today, in response to the concerns of my right hon. Friend the Member for Orkney and Shetland, about the conflict of interest in the Crown Estate leading on determining priorities in our coastal and marine areas. It is on that point that we seek assurances.

Statutory bodies such as the Maritime Management Organisation are responsible for prioritising and managing competing interests and values between users of our coastline, including in fishing, as has been mentioned, and in tourism, amenity use and shipping. All those things need to be managed, and that can be done through marine spatial management. We caution against the Crown Estate becoming the leader by default because it is the owner and steward of the seabed and has the capacity for mapping. We know that it is undertaking liaison work with fisheries, and that is good, but the MMO is the statutory body for managing those competing interests, and we seek assurances that that will be clarified in Committee.

Raising the issue of devolution to Wales brings me to the key point of community benefits. We need to know how communities will benefit from the investment in infrastructure and renewable projects facilitated by this Bill. Local communities must not feel that this energy transformation is being done to them, but that it is empowering them to participate and benefit from it. While the new borrowing powers will enable investment in offshore wind, they will also facilitate property development across the 185,000 acres of the Crown Estate, so the Bill must do more to ensure that those developments do not ride roughshod over community concerns regarding planning, infrastructure and environmental standards, both on land and at sea. People must have a say in the decisions that affect them and, where infrastructure is concerned, they should also receive the benefits where appropriate.

I was really pleased to see the inclusion of amendment 10, championed by Baroness Hayman. That amendment requires the commissioners to

“review the impact of their activities”

on sustainable development. As Liberal Democrats, we have long called for climate and nature duties to be a requirement of all public bodies. As Baroness Hayman wisely said,

“What matters is the endgame and the results... What matters is the impact we have and how much we have shifted the dial in terms of what the Crown Estate achieves in support of the Government's climate and nature objectives.”—[*Official Report, House of Lords*, 5 November 2024; Vol. 840, c. 1425.]

During the debate in the Lords, an undertaking was given that the framework agreement would be updated to include a definition of the meaning of sustainable development as regards the Crown Estate, with explicit reference to part 1 of the Climate Change Act 2008—the targets for 2050—as well as section 56 of that Act, and to sections 1 to 3 of the Environment Act 2021 regarding nature recovery. I look forward to seeing an updated version of the framework agreement to reassure us that this definition of sustainable development has been included.

This Bill presents a trident of opportunity. It can enhance energy security, reduce household bills and bring us closer to achieving our net zero targets, but we cannot afford to lose sight of the need for financial accountability, the duty to protect nature, the need to devolve to Wales, and the need to ensure that all communities are included in the crucial journey to net zero.

3.57 pm

Henry Tufnell (Mid and South Pembrokeshire) (Lab): I am grateful for the opportunity to speak in this debate. The Crown Estate sits as one of the more peculiar features of our society—King George III's surrender to Parliament in 1760 has now morphed into a corporate body that submits 88% of its profits to the Treasury, with 12% remaining with His Majesty. It does not stop there: up to £60 billion of borrowing powers will be granted by this legislation. Given that Great British Energy's investment stands at £8 billion, that demonstrates the scale of this organisation, as well as its power, reach and influence. The key question is whether it serves the people of this great country or whether, like any other commercial outfit, it is seeking to feather its own nest in the name of corporate greed.

[Henry Tufnell]

In our United Kingdom, one of our biggest and most powerful natural resources is wind. To cut bills, deliver energy security and achieve net zero, we have to become to wind what Saudi Arabia is to crude oil. Off the coast of my wonderful, coastal, diverse and rural constituency of Pembrokeshire, we have an abundance of wind, but thankfully not much hot air. However, 12 miles offshore—where that glorious wind blows with such regularity, majesty and force that it would make Aeolus proud—the seabed is owned by none other than the Crown Estate.

In the past few years, creativity in international industrial policy has moved on, leaving the UK in danger of trailing behind. The United States and the European Union are actively incentivising investment in domestic supply chains, justified by their need for national energy security and urgent acceleration to net zero. To keep pace internationally, we must grasp the nettle and do it fast. The Crown Estate must utilise its own financial resources to make enabling investments that crowd in private investment into UK supply chains, such as ports and other coastal facilities for floating wind.

Over the last year I have been doing everything I can to engage constructively with the Crown Estate, but, unfortunately, I have yet to secure any assurances that it will utilise its financial resources for the benefit of our energy security, our jobs of the future and our acceleration to net zero. We cannot sit by and let the conflict between raising national income via annual option fees and incentivising early investment to develop regional supply chains ruin the chances of bringing children out of poverty and giving young people in areas such as mine back home in Pembrokeshire good, secure, long-term and well-paid jobs.

The Bill should give full rein to the Crown Estate to explore all such options to maximise domestic supply chains, particularly for floating offshore wind. The population of south Wales and the south-west will never forgive us if we do not seize this once-in-a-lifetime opportunity to redevelop their regional economies. The Crown Estate has an absolutely pivotal role to play here, and one that speaks to all the King has done across much of his career to address climate change and align business interests with the rejuvenation of economically deprived regions.

Yes, the Crown Estate has set out its strategy in respect of integration, ports, and apprenticeships and skills, but this has to be optimal vis-à-vis the clean energy strategy and the focus of this new Labour Government. When carrying out its leasing rounds, it should set out the options considered, with an assessment of and the reasons for the rejection of recent international precedents. These include, but are not limited to, the ScotWind lease auction of 25 GW of mixed fixed and floating offshore wind, which included commitments to project expenditure in Scotland via supply chain development statements, and did so without triggering a legal challenge by the European Union; and the US Bureau of Ocean Energy Management lease auctions for offshore wind, which included a 20% bid credit for investments in domestic US supply chains—for example, the recent lease sale auction for offshore wind in California.

There should also be consideration of non-price factors in lease auctions, especially weightings allocated to the sustainability of supply chains, which would give a

lifeline to communities in Port Talbot, and the resilience of supply chains, also known as energy security, which are likely to favour geographical port-to-offshore project sites such as my own in Milford Haven in Pembrokeshire. There have been examples of and precedents for this, as in the recent EU Net-Zero Industry Act.

We need this Bill to equip the Crown Estate with powers to introduce non-price factors more directly into the seabed rights auction process—for example, by offering a fee discount, as is done in the United States, for supply chain investments that reduce the risk of offshore wind projects being delayed due to international supply bottlenecks, which in turn would accelerate our progress to a net zero power sector and protect UK energy security.

Finally, geographical ringfencing is a critical element in ensuring that we as a Government tackle regional inequality head-on and with real urgency. We must end the historical injustice of the politics of extraction, where the resources of a community such as mine are used to build ever more lavish buildings while young children struggle to get three square meals a day. This Bill can make a real difference. I urge the Minister to be bold and ambitious, and I assure him of my full support as he does just that.

4.3 pm

Llinos Medi (Ynys Môn) (PC): The Crown Estate owns 65% of Wales's foreshore and riverbeds, and more than 50,000 acres of land. Recent rising demand for renewable energy projects has resulted in the value of the land sky-rocketing. In 2007, the asset value of the Crown Estate in Wales was £21.1 million, and in 2023 this reached £853 million. Correspondingly, profits generated from these assets have also increased. Net revenue profit across the Crown Estate rose from £345 million in 2020 to £1.1 billion in 2024. Profits generated from Wales's natural resources are, however, not retained for the Welsh public purse; instead they leave Wales and are sent to the Treasury and the sovereign grant. In contrast, in Scotland the Crown Estate is devolved and profits from Scottish natural resources are transferred to the Scottish Government. In 2024 the sum was estimated to be a record £108.3 million. How can the Government justify Welsh profits being sent to the Treasury and the monarch when in Scotland they are held back and put back into the Scottish purse? The situation is worse than that, with Welsh councils having to pay lease fees simply to use the land which is owned by the Crown Estate. In 2023 the sum was nearly £300,000. With huge pressures on council budgets, how can that be justified?

In the age of coal, Wales saw a huge extraction of wealth from our communities. In 2025, Wales is now experiencing a similar process of extraction of our green wealth.

Catherine Fookes (Monmouthshire) (Lab): The reality is that Plaid Cymru Members are divided on this issue and are confused as well. Their colleagues in the other place supported provisions in this Bill to create a new commissioner with special responsibility for Wales, yet now the hon. Member is saying only devolution will do. Why does she think Plaid Cymru colleagues in the other place are wrong?

Llinos Medi: I will come on to answer that question and perhaps show a pragmatic way of working forward.

As I said, in 2025 Wales is now experiencing a similar process of extraction of our green wealth and we cannot let this happen. As in Scotland, it is for the people of Wales to have control and derive the benefit from all profits generated from our own resources. However, the Bill makes no mention of devolving the Crown Estate to Wales despite the fact that the new investment and borrowing powers under the Bill may allow the Crown Estate to generate £100 million more a year in profits for the Treasury. None of this will be retained by the Welsh Government.

In the other place, Lord Hain's amendment, supported by Plaid Cymru, has ensured that there will be Welsh representation on the Crown Estate board. While we welcome that as a step forward it still does not address the fact that membership of the Crown Estate board is largely outside of democratic control as it is the monarch who appoints the commissioners who make investment and borrowing decisions, not Parliament or the Senedd.

Claire Hughes (Bangor Aberconwy) (Lab): Devolving the Crown Estate would needlessly jeopardise the role it is playing now to deliver good clean energy and jobs, which are needed across Wales, including in the hon. Member's constituency, which neighbours mine. These jobs are much needed across north Wales, as she well knows. The hon. Member is a great champion for her constituency, but does she really want a delay in delivering the jobs in clean energy projects that are needed so much across Wales?

Llinos Medi: I will come on to that, too, because as an energy champion for my constituents for many years I am fully aware that we do not want any delay but there is a way of working that through slowly while also benefiting from Scotland's experience.

Plaid Cymru has been leading the calls for devolution of the Crown Estate for many years, and in July 2023 the Senedd passed a Plaid Cymru motion calling for the devolution of the management of the Crown Estate to the Welsh Government. Only through the devolution of the Crown Estate can the people of Wales have democratic control over their natural resources.

Plaid Cymru will be bringing forward an amendment to devolve the Crown Estate to Wales. Although we will be looking to engage constructively with the Government, including on how to support the Welsh Labour Government and the independent commission on the constitutional future of Wales as well as 58% of the people of Wales. It is time for the Government to listen and devolve the Crown Estate to Wales.

4.9 pm

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): I represent Truro and Falmouth, which has huge potential to benefit from floating offshore wind. With Falmouth docks and our position in the Celtic sea, if the build-out of the sea is done quickly and well, our young people could benefit from good, well-paid jobs in a strong local supply chain, but intervention will be needed to get to that place. No projects in the Celtic sea have been

successful in leasing rounds or contracts for difference, except for one test and demo model that is struggling to build viably due to price changes. It cannot just be left to the market to build local supply chains. That will not occur without intervention and investment in our ports, businesses and further education.

I welcome the Bill. The changes to the powers of the Crown Estate will enable it, in partnership with GB Energy, to invest in ports such as Falmouth, the mapping of the seabed to front-load the leasing rounds, research and development and local supply chains. When Falmouth marine school, in my constituency, was struggling to get funding for a level 2 course on floating offshore wind engineering for local 14 to 16-year-olds, the Crown Estate stepped in with one year's funding to allow it to go ahead on a pilot scale. With the Bill's changes, more such positive interventions could be made. With powers to borrow from the Treasury national loans fund and invest come greater responsibility. The framework for this borrowing is to be drawn up at a later date, but the Crown Estate is classified as a public corporation with a portfolio of nearly £16 billion, so it is important that it is held accountable and scrutinised in the normal way.

I welcome the governance changes to the number of commissioners and the fact that they will now be paid out of Crown Estate proceeds, rather than from Parliament, but the fact remains that if they are to be given more power and control and are to enter into partnership with GB Energy, their aims and objectives need to strongly align with the growth agenda, the industrial strategy and our environmental targets, and there needs to be a mechanism of accountability.

Where clause 3 compels the commissioners to

"keep under review the impact of their activities on the achievement of sustainable development in the United Kingdom",

the words "strongly aligned with" would seem more appropriate. Most of the proceeds of the Crown Estate—it will be lucrative, now that wind energy is a priority, as the Crown Estate owns much of the seabed and there will be many more leasing rounds—go to the Treasury, but how the leasing rounds are conducted is important. If the Crown Estate's priorities are truly to achieve sustainable development in the UK, price cannot be the sole criterion for awarding each lease. The highest bidder may not be the one who would work with the local population, consider the environmental impact, invest in further education, headquarter their development office in somewhere like Cornwall, which needs it, or grow the supply chain.

The way that leases are awarded needs to be considered in the round, and we have the power to do that. Exemptions to World Trade Organisation rules allow contracts or leases for energy security to factor in socioeconomic and environmental factors in their decision-making criteria, and we should make use of them. Currently, the Crown Estate asks for annual option fees from developers. If the aim of clause 3 is truly to be the priority, surely those option fees should be deployed into building local supply chains and mitigating those environmental and other impacts.

The partnership between the Crown Estate and GB Energy has the potential to be a huge force for good, spearheading the development of offshore renewable energy in a speedy but sustainable way and laying the groundwork for our future energy security, building

[Jayne Kirkham]

local communities, infrastructure and supply chains in some of the most left-behind and deprived areas of the UK. With a unified strategy between all levels of the public sector, including this public corporation, and faithful allegiance to the aim of clause 3, the achievement of sustainable development in the UK could be the key that unlocks the future potential of the Celtic sea and hopefully kick-starts Cornwall's clean energy revolution.

4.13 pm

Mr Angus MacDonald (Inverness, Skye and West Ross-shire) (LD): I will speak about the Crown Estate's borrowing powers and the broadening of its investment scope. These changes are intended to enhance the Crown Estate's capacity to support our ambitious goals for renewable energy, nature recovery and economic growth. The Bill is undoubtedly a significant step forward in enabling the Crown Estate to play a greater role in the transition towards net zero. I fully support its efforts and ambitions.

The partnership between the Crown Estate and Great British Energy to develop offshore wind projects is exciting. Many of us have been trying to get Great British Energy to include community benefits and community ownership within its reach, but we have failed to do so. [Interruption.] It does? Okay—we have tried hard. A measure is to be considered in the other House on 13 January to try to get it to do that, so perhaps Labour Members know something that I do not. Anyway, that is good news.

I want to focus on a critical element that is close to my heart, and perhaps even more familiar to my colleagues, as I bang on about it. That subject is, of course, community benefits. Those of us in remote and rural Britain pay far more for energy than those who can access mains gas, and we also have a much higher level of poverty; especially fuel poverty. Communities hosting renewable energy projects, and particularly those overlooking offshore wind farms, deserve to see tangible benefits from those developments. The Bill presents an opportunity to ensure that offshore wind farm projects—indeed, all renewable energy projects—not only meet our national and global ambitions but provide meaningful real-world advantages to the people most impacted by them.

There are numerous examples from overseas of where community benefits have become significant. One such example is from Germany, where in the North sea archipelago of Heligoland three offshore wind farms generated €22 million in 2016. These are massive amounts of money. While the Bill's focus is on increasing borrowing powers and investment flexibility, there is no mention of how communities will benefit from these developments, although perhaps Labour Members know something that I do not.

Melanie Onn: Is the hon. Member aware of the example of Ørsted, which has just given £1 million to the Horizon Youth Zone to support all young people across the Great Grimsby and Cleethorpes constituency and further afield with new activities and free mentoring and support outside school hours? Not only that; it sponsors local fun runs. RWE, another company operating in my constituency, is supporting education activities. Both those companies are not only employing masses

of people but engaging with schools to support young people to have the skills and talents to come and work for them. That is the reality of community benefit.

Mr MacDonald: Funnily enough, as a Highland councillor, it is a subject that I have spent many years working on. Highland council—I know this does not relate to the Crown Estate in England and Wales—had £9.1 million of community benefits and Scotland as a whole had £23 million. This is an industry worth hundreds of billions of pounds across the whole of Britain, so we should have, say, 5% of that as community benefits, which would be transformational for Cornwall, Devon, Pembrokeshire and indeed Scotland. I encourage the House to consider how the Bill could establish a robust framework for community benefits that could serve as a model for renewable energy projects across the whole of the UK, working closely with the Scottish Crown Estate.

The Bill represents a vital step forward in enabling the UK to meet its net zero targets and enhance energy security. However, it is equally vital that we legislate to include statutory powers for the Crown Estate in England and Wales, and indeed in Scotland, to ensure that these transformative projects see their fair share of community benefits for communities.

4.18 pm

Perran Moon (Camborne and Redruth) (Lab): Meur ras, Madam Deputy Speaker.

I welcome the provisions made in the Bill to improve the governance of the Crown Estate and broaden its investment powers and capacity to borrow. As stated in the Bill, the changes will mean that commissioners can undertake activities such as investing in port infrastructure and in digital technologies to map the seabed. As a Cornish MP, it is the seabed that I will focus on for the next few minutes.

Commissioners will be enabled to assist with investment in public infrastructure for the benefit of the nation. I support those provisions on the basis that the Crown Estate will use its increased power to invest in areas of higher deprivation where there is a clear commercial potential, such as, as has been mentioned, floating offshore wind in the Celtic sea. In that respect, Cornwall is perhaps the best example of where post-industrial deprivation is high, yet—I am sorry to mention this with Welsh Members in the Chamber—it is the closest land mass to much of the Celtic sea floating offshore wind opportunity.

As has been mentioned, Cornwall is also home to the third deepest natural harbour in the world, in Falmouth. The development of the port of Falmouth would support the export potential of critical minerals such as tin from my constituency of Camborne, Redruth and Hayle, and of lithium that will be mined in Cornwall. As mentioned by my hon. Friend the Member for Reading Central (Matt Rodda), Cornwall's economic development is also held back by a lack of grid connectivity. I hope that support for the Bill will result in significant improvements in that area.

The Crown Estate plays a fundamental role as an enabler of infrastructure projects. The Bill inserts a new subsection into the Crown Estate Act 1961 requiring the commissioners to keep under review the impact of their activities on the achievement of sustainable development in the United Kingdom. I sincerely hope

that Ministers agree that deprived communities such mine in Camborne, Redruth and Hayle should be the direct beneficiaries of this development through the work of the Crown Estate. I also hope that the Crown Estate fully understands the expectations of deprived coastal communities in every corner of England, Wales, Northern Ireland and Cornwall.

4.21 pm

Jim Allister (North Antrim) (TUV): I can well understand the need to update the Crown Estate Act, particularly in regard to the financial reach of the Crown Estate and the assistance that it may require. It is perfectly clear in this debate that Members have rightly discerned that the real driving force behind this legislation is to twin the promotion of offshore wind energy with Great British Energy. That seems to be the primary motivation behind much of the Bill. If the Government create circumstances where the Crown Estate is required and facilitated to increase its own financial success and they twin it with the promotion of GB Energy, they inevitably incentivise the development of offshore wind, which has its part to play, but it is not the answer to all our needs.

In Northern Ireland I have seen proposals for offshore energy, particularly in the South Down area, that have provoked great and rightful opposition from the fishing industry, leading to substantial difficulties. Yet it is quite clear that where the Bill talks about sustainable development, it is not in respect of the historic use of our seas as fishing grounds but in respect of our seas as sites for offshore wind energy. As another hon. Member said, there is a tension between offshore wind farms and fishing. It seems from the Bill that the Government have made up their mind about which is the priority. We have heard in this debate that the definition of sustainable development specific to the Bill will be very much orientated to the climate change theology. It will therefore place the need for wind farms above the needs of the fishing industry, which will not serve the interests of our coastal communities well. There is a need to reinstate some balance in that regard.

There is an interesting contrast between clause 3, which focuses on sustainable development, with the obvious meaning I have referenced, and clause 5, which I know the Government have said they will be removing. In clause 5, which relates to salmon farming, one of the matters to be looked at is the environmental impact; however, when it comes to wind farms, there is no requirement to look at the environmental impact—only at sustainable development, which is couched in terms that favour offshore wind development.

I think of my own constituency of North Antrim, where there are already proposals to put huge offshore wind farms not far offshore, just beyond the territory that contains the wonderful Giant's Causeway and Rathlin island—cheek by jowl, coastwise, with areas of outstanding natural beauty. I do not think that would enhance the coastline or the waters in and around North Antrim. There have been similar proposals off Portstewart in County Londonderry.

When I read the Bill, it seems to me that the incentivising—it is much more than a nudge—is towards pushing along offshore wind farms with little regard, and certainly no corresponding regard, to the environmental impacts that they could have on whole communities.

Ms Polly Billington (East Thanet) (Lab): I am struck by the fact that many of the people living in the hon. and learned Gentleman's constituency will be dealing with extremely high energy bills in poorly insulated houses, and will be desperate to see those energy bills go down and to see decent jobs come back to Northern Ireland, and for them and their communities to thrive. I also recognise the value and importance of heritage sites. My constituency in Thanet is surrounded on three sides by sea and has enormous opportunity for offshore wind, but we also want to retain the value and beauty of our surrounding environment. Can the hon. and learned Gentleman not see that these things are reconcilable? This is not a theology, but a science and an economic requirement of this country so that it can serve his constituents, as well as mine.

Jim Allister: The point I am making is that the tension in the Bill between the environmental impacts and sustainable development—the codeword for offshore wind—is out of kilter. It is very much weighted in favour of offshore wind, with little or no regard, it would seem, given to the environmental impacts. I am simply saying to the House that we need to have regard to both. I do not think we serve future generations well if we surrender the beauty and serenity of the coastline that we enjoy, to be blotted for years to come by huge offshore wind farms.

Offshore wind farms have their place, but that is not in every place—that, I think, is the key point. Take the Giant's Causeway, which is a UNESCO world heritage site. Are we saying there should be giant wind farms shortly beyond it? What would that do for the UNESCO setting of the Giant's Causeway, or for other sites around the United Kingdom? I am therefore advocating caution. I am advocating that we remember that it is about not just offshore wind farms, but preserving and protecting our environment and getting the balance right, and I am not sure that the Bill does that.

4.29 pm

Dave Robertson (Lichfield) (Lab): It is a pleasure to take part in this debate alongside so many of my coastal colleagues. It puts me in slightly odd company, because Lichfield, Burntwood and the villages are quite a long way from the edge. We are quite a long way from the coast, but it is important to have some representation from the middle of England. When we look at the desired outcomes of the Bill and what it will mean for constituents across England, Wales and Scotland in coastal and non-coastal communities, it is about growth and jobs. Very few of those jobs in floating offshore wind are likely to be along the River Trent, but this is about building a country that works for everybody across the country for the future.

In my constituency, I am fortunate to have an agricultural Crown Estate holding. A wonderful strength of the Crown Estate is that it supports so much agriculture across the country—that most traditional and important of industries which provides us with the food we eat. It is a real strength of our country that so much of the land in the Crown Estate is leased out to farmers who can go off and do their thing and run their business.

The Bill seeks to update the Crown Estate. No legislation relating to the Crown Estate has been passed since 1961—24 years before there was a Dave Robertson. By

[*Dave Robertson*]

updating the Crown Estate, we make it ready for the 21st century. As of about a week ago, we are now in the second quarter of the 21st century, a fact I am struggling to compute. Making changes to allow the Crown Estate to invest in the industries of the future will bring jobs and investment into the UK. That will grow our economy, which will be felt across the entire country, tackling real pockets of deprivation, particularly around the coast. That will in itself be beneficial, unlocking economic growth and driving wealth creation right across the UK. It will also drive investment everywhere. The simple fact is that we now have another large investor operating in the UK, meaning that other investors will be able to seek other opportunities. If any are listening, please have a chat with me; there are some sites I would like to talk to them about, particularly Burntwood town centre.

Alongside that point, there is another really important issue. There has perhaps not been enough focus on the real value of the Bill in helping us to reach our net zero goals. This week, in large parts of my constituency a large number of farmers have again found their fields replaced by some type of aquatic environment because of flooding. Yet again, King's Bromley has almost been cut off. Climate change is real. Climate change is here. It is having an economic impact and a social impact—a real-world impact. We need to take steps to achieve our goals. Allowing the Crown Estate to partner with Great British Energy in the way the Bill proposes, allowing it to drive down the carbon cost of our energy and help us to move to that just transition, will not only cut energy bills everywhere in the country—Lichfield, Burntwood, the villages and everywhere—but drive up investment and bring economic growth everywhere across the UK. It will also help us to meet our obligations on the climate crisis, which will have a material impact on the lives of our children, our children's children and all generations to come.

On that basis, it is an absolute pleasure to say that I fully support the Bill. I look forward to helping it through its further stages through Parliament.

4.33 pm

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): I welcome the Government's proposed powers to enable the Crown Estate to drive greater investment in the country's future to boost energy security, nature recovery and economic growth. It should be allowed to access private sector funding to expand and get the greatest benefit possible from its access to financing, and not retreat to markets having to survive on their own and not delivering, or recourse to the public sector for critical funding to grow industries.

I want to focus on clause 3, which deals with sustainable development, and to pick up some of the comments that were made in Committee in the House of Lords. My constituency is at the forefront of the delivery of practical skills in the day-to-day operations and continued maintenance of the offshore wind sector, and my constituents benefit from apprenticeships, introductory training, continuous professional development and, critically, long-term, well-paid employment in the sector. The Bill has the potential to open up possibilities for broader community engagement through the promotion of various educational opportunities in numerous workstreams.

Having worked with the Crown Estate in a previous role before returning to this place, I must say that I have had a slightly different experience from my hon. Friend the Member for Mid and South Pembrokeshire (Henry Tufnell). I know that in recent years the Crown Estate has sought to expand the areas of work in which it actively engages, and has provided immense support for the renewables sector. We should bear in mind that there has been a collective understanding—not just within our Government—that for energy security purposes we must, as a minimum, look at renewable energy sources to supplement our other energy sources as we progress, and as we view the global economics and the changing impact of the energy industry and the way in which others are maximising this change to encourage wealth into their countries.

We know that not just the present Government but Governments around the world, and previous Governments in this place, have recognised that we should accept and embrace this move, seeing it not as something divisive or prohibitive to other sectors but as something that will be the mainstay of this country. Simply objecting to it and saying no will not help to move things forward. We should be working together, as I think the renewables sector has been endeavouring to do and has been enabled to do in a much stronger way through the partnership that the Crown Estate has facilitated, to unite the many different relevant parties in seeking appropriate solutions to some of the most testing and challenging issues that the industry faces, including people and skills, environmental impacts and derogations, the unlocking of the UK supply chain, spatial squeeze, offshore asset security—which has not been discussed today—and aviation impact, which has not been referred to either. The Crown Estate has played a critical role in ensuring that the voices are heard in each of the areas where this new industry is having an impact—and it is having an impact, as I think the industry itself recognises—in the knowledge that this must be done in collaboration and co-operation with the other existing organisations, industries and operators in those sectors.

Through the evidence and change programmes, it became clear to everyone involved, including those who might have been less than happy that a new industry was making things different and challenging in certain circumstances, that the earlier these issues were considered as part of the Crown Estate's planning and scoping, the easier it was to fulfil the existing and basic expectations of both the Crown Estate and the renewables sector from a Government perspective. Earlier consultation and partnership working on common difficulties and challenges meant that agreeable solutions were found earlier, and it was then possible to build acceptable frameworks for future use. Some of that is in evidence now, in the context of the Celtic sea developments and the fishing communities in those areas.

The right hon. Member for Orkney and Shetland (Mr Carmichael), who is my co-chair on the all-party parliamentary group on fisheries, rightly raised the issues and concerns that the fishing communities will have. However, in Committee in the Lords, there was a conversation about the regional wealth funds that the Bill will create. It seems to me that there is a prize opportunity for support and training for the fishing industry, to make it work alongside the renewables sector and to look at the opportunities that will come

from the decarbonisation happening in that sector when it comes to offshore vessels and flexibility of service, so that a fishing vessel is not just a fishing vessel. Can it be used for multiple purposes? Can it be used for surveys? It can, because fishing vessels are already being used for surveys. There is an opportunity for the Bill to support those other industries, and we should not lose sight of that.

With these new ways of working, there is a great opportunity to expand the level of knowledge and understanding of the sector, to be able to teach the next generation of young people about how things really work in practice. To date, that has been a bit more experimental, I think it is fair to say, but because the sector is maturing and all the organisations involved have become more experienced, there is much more collective learning, and there are clearer lines of guidance that the Crown Estate has a definitive interest in ensuring a wide and common understanding.

I would like to focus on the people and skills area of work, which the Crown Estate has had some engagement in. There is an acceptance that the workforce will grow and needs to grow substantially. For areas such as mine and other coastal communities, ensuring that we have a skilled workforce ready to go is imperative. It is much more effective to ensure that people have the skills to get the jobs to earn their own way and have some pride in their life, working in an industry they are proud to be working in, than to simply rely on other community benefits that may well be short-lived and do not have the long-term impact that growing a brand-new industry around the country delivers. We know that the workforce will need more than three times its current numbers—I had written in my speech “over the next decade”, but I do not think that is true; actually, it is over the next half a decade, which is hardly anything at all—to meet the needs of the industry, and that is across all the different areas I mentioned such as environmental impact and aviation.

Mr Angus MacDonald: May I come back to the community benefits, which the hon. Member brought up in her intervention on me? The community benefits will be hundreds of millions for 25 years or the life of the project. It will be absolutely transformational to the most rural parts of Britain; it is not just something that will come and go.

Melanie Onn: I thank the hon. Member for that comment. It is about how we view community benefits and how embedded in communities they are. The hon. Member for South Cambridgeshire (Pippa Heylings) talked about things being done with communities, not to them. This is about what will best benefit a community and having that discussion at an early stage, which is what I have been advocating.

The traditional understanding of community benefit is payment for a local football team's shirts or things like that, but that is not what I see this industry or this Bill unlocking. It needs to be about transforming local communities, which, critically, comes through skills, through the supply chain and through delivering industrial benefits that local people have access to. That is the thrust of what I am trying to say—clearly I have not been successful, if the hon. Member for Inverness, Skye

and West Ross-shire (Mr MacDonald) did not see that, but I will persevere, which I am sure he will be delighted to know.

Interestingly, the Crown Estate has recently supported a community project in my constituency called Projekt Renewables—it has a “k”, giving it a slightly Nordic slant on things. It is a box park construction next to the Grimsby Fishing Heritage Centre, bringing together the old and the new, and the past, present and future. It provides community education, and it is a space to bring together schools, businesses and visitors to learn about the renewables sector in Grimsby, including its history, its importance and the possibilities for the future. The community education piece is incredibly important, and we do not talk about it enough.

The Crown Estate recognised that there is a need for wider understanding of activities, some of which are significant or significantly disruptive in local areas, so that residents can better understand what is happening in their place. I keep talking about opportunity, because some Members have not seen this Bill as an opportunity for expansion, investment, growth and long-term change. The Bill actually unlocks quite a lot of that. There is an opportunity not only for greater expansion of public information and education, but to have a single standard of available materials and off-the-shelf information to support local areas. That would help provide a general understanding that would stop individual companies producing their own bespoke education programmes. We should have something that is uniform and that provides the facts, and then companies can build on that if they want. It would be a much stronger offer, and more beneficial to collective understanding because of the uniformity.

However, there are further steps that the Crown Estate could take to provide local people with skills, to guarantee sustainable development. In my area, the freeport is already undertaking some work on skills. Under the new devolution plans, there is provision for skills to be a key strand of mayoral responsibility, but how can the Crown Estate fit into that model? I believe that it really must do so to maximise the benefit of all the organisations, and to have a common theme and common objectives. Arguably, the Crown Estate has a lot more to lose if the skills are not there for offshore deployment and long-term maintenance support.

New projects such as the Able quay, which is just outside my constituency, will make offshore wind ambitions deliverable. It will open up the supply chain investment opportunities that we have been waiting for—frankly, for far too long—and enable the Crown Estate to generate significant revenue and value for the UK. The Crown Estate could do so currently but, under the new proposals in the Bill, has an even greater opportunity to invest in infrastructure such as the Able quay. Port facilities are holding back the sector and the core skills that are currently in shortage in the industry, as well as those that we know will become a critical blockage in the future once the newly consented projects get under way.

If we really want to maximise the value of projects and see the UK get the biggest bang for its buck, it is essential to use every arm of every organisation to actively support them in overcoming the challenges. I know that the Crown Estate is willing—and I have seen it in action, so I know that it is also able—but

[Melanie Onn]

I wonder whether this Bill needs to say explicitly that it has a duty to focus on infrastructure and skills, which are so critical. Not having those prerequisites in place could make projects undeliverable, and no developer or supply chain company can oversupply or invest ahead of decisions, because the Crown Estate makes so many of the final decisions, alongside the Government. No one can invest until those decisions are made.

Devolution and the creation of GB Energy—two great leaps in structural change in this country—give a great opportunity for new public institutions to be created in order to intervene in skills. In the Humber region, I would like to see an arrangement or organisation that brings together the Crown Estate, the new devolved authorities, the freeport and the Humber Energy Board. With support from the likes of GB Energy and central Government, it could back a coherent approach to supporting skills and avoiding their becoming a barrier to project delivery, as well as reduce costs by supplying enough talent for the whole sector, rather than each project chasing the same small pool of people.

We should use the Bill to catalyse substantial and lasting change, providing employment opportunities for generations to come. I understand that Crown Estate Scotland is already carrying out similar efforts, actively promoting skills and job opportunities through initiatives such as community capacity grants, which support social enterprise projects and training courses, and land-based skills education, so I do not think that is beyond the scope of the Bill.

4.50 pm

Mr Luke Charters (York Outer) (Lab): I am pleased to speak in today's debate, because although the Bill is short, it is an incredibly important piece of legislation, not least because it ties together two things that we on the Government Benches care about: unlocking growth and driving clean energy. Perhaps Conservative Members do not care about those things, judging by the Conservative Benches today. The Bill gives us the chance to start delivering the growth that this country desperately needs, without requiring a new fiscal statement or drastic economic reforms. Most importantly, the Bill will benefit my constituents in York Outer and the country as a whole.

For too long, the Crown Estate's ability to act as an engine for growth has been held back by outdated rules. Imagine a business sitting on vast potential—real estate, seabed rights and assets worth billions—but unable to reinvest or leverage those resources to their full extent: the Bill changes that. By freeing up the Crown Estate's balance sheet and allowing it to operate more like a modern, agile business, it creates the conditions for growth, without requiring sweeping fiscal reforms or additional taxpayer contributions.

However, the Bill is not just about numbers on a balance sheet; it is also about impact. Through the Crown Estate's role in renewable energy, the legislation will support the creation of new projects, secure our domestic energy production and unlock up to £60 billion in private sector investment. That is the kind of forward-thinking approach we need to create a secure and prosperous future.

Chris Vince (Harlow) (Lab/Co-op): Does my hon. Friend agree that the Bill is another example of how this Labour Government are rolling up their sleeves, getting the job done, and creating growth and jobs for communities in York Outer and in Harlow?

Mr Charters: I always agree with my hon. Friend. He will recognise the impact the Bill brings not only to the Crown Estate but to GB Energy, which was one of the first initiatives implemented by the new Government. Taken together with the Great British Energy Bill, these are two pieces of thoughtful, complementary legislation that will support our green energy transition and economic growth—what a stark contrast to the previous Government, who not only ran out of ideas but failed to make the few ideas they had work in the first place.

The interaction between the Crown Estate Bill and the Great British Energy Bill is vital. In York Outer, we have a number of exciting projects that are ready to go and exemplify how these changes can drive forward our ambitions for a clean, secure energy future. For example, proposed battery storage facilities in York Outer could become critical national infrastructure for our local energy network, and Hessay solar farm was awarded funding from the contracts for difference scheme a few months ago. I welcome the exploration of wind projects, such as the Harewood Whin green energy park and the North Wigginton onshore wind project. Just today, we discovered that wind power was Britain's largest source of electricity in 2024, topping gas-fired power plants for the first time in history. With the Crown Estate Bill, we can make even more projects like those in York Outer possible, unlocking clean energy for my region and beyond.

That takes me to the issue of energy security. Conservative Members, wherever they are, continue to oppose our publicly owned clean power company. Perhaps they have forgotten why it is so crucial to transfer power back into the hands of the British people. The myopic and naive approach of the last Government left our energy portfolio far too exposed. The Bill supports Britain's flexibility and freedom to secure our own energy supply. It enables British households to be supported by British power—produced, owned and delivered by the British people. That is what Great British Energy is all about. We have all seen the cost of relying on foreign oil and gas. Families and businesses paid the price of our energy supply being dictated by foreign powers. Under this Government, that needs to stop—and it will stop. This Bill is a huge win for our energy independence.

But the benefits of this Bill go beyond energy. The Crown Estate is already a significant contributor to the public purse—last year it generated over £1 billion in net revenue profit, much of which was returned to the Treasury. By giving the Crown Estate the freedom to reinvest and modernise, we can grow that figure even further. That is not just a win for Government revenues; it is a win for taxpayers, as the money can be reinvested in public services and infrastructure in York Outer and across the UK.

I know that some Conservative Members, wherever they are, may worry about fiscal rules. I reassure them that although the Bill is radical in what it achieves, it does so in a sensible manner. By allowing the Crown Estate initially to use its cash reserves for investment, there is no immediate need to trigger new borrowing

powers. This is therefore a measured approach that creates confidence for investors, while keeping fiscal discipline intact. It is not about ripping up the rulebook; it is about using the rulebook more effectively.

Adam Jogee (Newcastle-under-Lyme) (Lab): My hon. Friend is making an excellent speech, which I am sure those on the Front Bench are enjoying. He mentioned sensibleness and moderation—both words I would use to describe my constituents. Will he join me in urging the Crown Estate, as it enjoys its new freedoms and powers in looking to invest for the future, to give a thought to the people, the place and the economy of Newcastle-under-Lyme?

Mr Charters: I was half-expecting my hon. Friend to mention Walleys quarry, although I cannot conceive of how he would link it to the Crown Estate Bill. He will agree that the additional revenue raised by the Bill will benefit his constituents as much as mine.

Over the past decade, the Crown Estate has returned £4.1 billion in net revenue profit to the Treasury. Just imagine how much more it could achieve with the freedom that this Bill provides—not just for the country, but for constituencies such as York Outer. This is what smart, forward-thinking legislation looks like: supporting businesses, securing energy and driving growth. I urge Members on both sides of the House, and particularly Conservative Members, wherever they are, to back this Bill and help us deliver a brighter, greener and more prosperous future.

Madam Deputy Speaker (Caroline Nokes): I call the shadow Minister.

4.57 pm

James Wild: With the leave of the House, it is a pleasure to respond briefly on behalf of His Majesty's loyal Opposition. [*Interruption.*] I do not know whether there is a party going on to which I have not been invited, but I am personally very happy to be here to take part in the debate.

This has been a good debate, with more than 10 Members contributing, and not only from coastal areas such as my Norfolk constituency; we have also heard from the hon. Member for Lichfield (Dave Robertson), which underlines the importance of the Crown Estate to all our constituencies.

The hon. Members for Truro and Falmouth (Jayne Kirkham) and for Camborne and Redruth (Perran Moon) spoke about the potential benefits of investment in their constituencies and their part of the world, including the funding of college courses, which are important, as well as investment in energy production.

The hon. Member for Mid and South Pembrokeshire (Henry Tufnell) may want to get some tips from the hon. Member for Great Grimsby and Cleethorpes (Melanie Onn) about how to get on with the Crown Estate, how to get it to do what he actually wants it to do, and how to secure the benefits for his constituency. Perhaps he can have a reset with the Crown Estate.

A number of Members spoke about community benefits, which are very important to securing public support for new infrastructure, be that energy or other issues. Labour Members spoke quite a bit about cutting energy bills. I distinctly remember the pledge they all made during the election campaign to cut energy bills by £300, but

energy bills are going up and there is no date for when they will come down. Voters and constituents will remember the pledge and, at the moment, all they can see is their costs going up. The concern is that the pace at which the Energy Secretary wants to drive forward will actually drive up costs for all of our constituents.

I began my remarks by emphasising that the Crown Estate is neither the property of the Government nor part of the sovereign's private estate. That is key. Its core purpose is to maintain and enhance the value of the estate and the income derived from it. That is why greater transparency is needed about the partnership with GB Energy. The Minister will have heard and, I am sure, noted down all the questions from my opening speech, so I will not repeat them all, but I will repeat this: will he commit to publishing the partnership agreement before we head into the Committee stage?

I am afraid that some of the contributions we have heard have only fuelled my suspicions of the Government's intention to use the Crown Estate as a vehicle for its energy policy and as a provisional part of the GB Energy body, whatever that may turn out to be. That raises issues about how investments will be determined and the returns that are generated for the taxpayer, as well as the risk surrounding investments, whether crowding in, as hon. Members have referred to, actually happens, whether investment in ports will drive a return, and why commercial providers are not seeking to make similar investments. That conflict and risk was one of the concerns of my right hon. Friend the Member for The Wrekin (Mark Pritchard), who is sadly not in his place. I hope that the Treasury Committee will engage with that point when it examines the nominated new chairman of the Crown Estate commissioners.

That is also why it is important that Parliament has oversight of borrowing limits, rather than that just being in an MOU that can be changed at the Treasury's whim. That is an important protection that we have in place, and I know that the Minister will also respond to that point in his remarks. Will he also get back to the specific point I raised about disposals and the seabed, and the commitment that Lord Livermore made on Report in the other place about protections and whether an amendment is needed and will be forthcoming?

To conclude, there is wide support for the Bill from across the House, but the short-term interests of the Government should not come at the long-term expense of the Crown Estate and the nation. I look forward to continuing the scrutiny of the Bill in Committee.

Madam Deputy Speaker: I call the shadow Minister to wind up.

5.1 pm

The Exchequer Secretary to the Treasury (James Murray): It is a pleasure to close this debate on the Crown Estate. May I wish you, Madam Deputy Speaker, a happy new year?

I am grateful to the shadow Minister for his comments today, as well as for the contributions of all my hon. Friends. I am particularly grateful for the Opposition's support for the Bill in general, which they display by their absence this afternoon. I welcome the questions set out by the shadow Minister and I will go through some of those in my remarks.

[James Murray]

As the Chief Secretary to the Treasury noted in his opening speech, the purpose of the Bill is to bring the legislation governing the Crown Estate into the 21st century by making a targeted and measured enhancement to its powers and governance. Without the Bill, the Crown Estate would continue to be restricted in its ability to compete and invest and would therefore be limited in its ability to deliver returns to the public purse. The Bill therefore broadens the scope of the activities that the Crown Estate can engage in, enabling it to further invest in the energy transition that we know is so crucial. It empowers the Crown Estate to invest in capital-intensive projects more effectively and, critically, the measures will unlock more long-term investment, increasing the contribution that the Crown Estate can make to creating high-quality jobs and driving growth across the UK.

I turn to some of the points raised in the debate. I appreciate the shadow Minister's broad support for the Bill's aim. On his specific question about the Crown Estate's borrowing powers, the Bill is clear that any borrowing undertaken by the Crown Estate can only be from the Treasury or otherwise with Treasury consent. The Treasury will, of course, ensure that any borrowing is consistent with our fiscal rules. There will, as has been noted, be a memorandum of understanding in place between the Treasury and the Crown Estate, and that will govern how borrowing powers will be exercised. As with any public sector borrowing, the Treasury will ensure that that is consistent with managing public money principles to ensure value for money for the taxpayer.

The shadow Minister also asked specific questions about commissioners' pre-appointment scrutiny. I want to set out for him how the appointment of other commissioners is likely to work. The Crown Estate commissioners who manage the Crown Estate are appointed by His Majesty on the recommendation of Ministers. The appointment process is governed by the code for public appointments. The reforms in the Bill will not alter the fundamental statutory basis of the Crown Estate, which is as a commercial business that is independent of government, operates for profit, competes in the marketplace and needs to recruit the highest quality talent to its board of commissioners. Within that context, it would not be appropriate for either the Government or Parliament to place further requirements on the recruitment process.

The shadow Minister also asked about chief executive pay. The details of a chief executive's remuneration are a matter for the Crown Estate board, which is operationally independent of government, as I set out. As the Crown Estate is statutorily an independent, commercial organisation, which returns hundreds of millions of pounds in profit to the Exchequer every year, continuing the success is crucial and it requires the organisation to have the freedom to compete for the top talent in the commercial world.

We know that cheap executive remuneration in this context is set at the lower end of the private sector peer group, which is agreed with the Treasury. The majority of the package is in fact conditional on performance, which ensures that the chief executive rewards are heavily dependent on delivering long-term value to the Exchequer. The shadow Minister also asked about governance when

it comes to the Crown Estate and Great British Energy. I can set out to him the operational matters in regard to the partnership, but they will be determined in their final detail by the passing of the great British Energy Bill, which is currently going through Parliament. Once it completes all its legislative stages, the partnership will be subject to an agreement between the Crown Estate and Great British Energy. Although the partnership agreement itself will not be published, given that it will be commercially sensitive, the Crown Estate has committed to publish information relating to the partnership as part of its existing annual report. This will include a report on the activities of the commissioners under that partnership and any effects or benefits resulting from the activities of the commissioners that entails.

The shadow Minister asked a specific question about the amendment on the seabed, which was debated in the other place by Lord Livermore. As hon. Members may know, on Report of the Crown Estate Bill in the Lords, the Financial Secretary to the Treasury committed to bring forward an amendment, if it were needed, to restrict the ability of the Crown Estate to sell the seabed. That was in response to concerns from peers that the seabed, which is owned by the Crown Estate, is a unique asset and therefore special protections may be warranted. As the Financial Secretary noted at the time, the law on the ownership of the seabed is complex, so officials are working with the Crown Estate to establish the extent to which the Crown Estate can currently sell the seabed. If it is established that further legislation is required to restrict the ability of the Crown Estate to sell the seabed, we will look to bring forward an amendment at Committee stage.

Finally, the shadow Minister mentioned the measures on salmon that were inserted in the Bill in the other place. There is a fundamental question about whether the Bill is an appropriate vehicle for a debate about the rights of salmon and protecting animal rights in that context. In England, Wales and Northern England, to which the Bill applies, there is on Crown Estate-owned land only one relevant area—one relevant salmon farm. The issue really relates more widely to Scotland, which is governed by Crown Estate Scotland and not by the provisions in this Bill. We know that fisheries policy is the responsibility of devolved Government in Scotland. All fish farming in England is regulated with the intention to ensure that it is carried out in a responsible manner. Given that virtually all salmon aquaculture in the UK takes place in Scotland, the matter is really one for a different debate.

As well as the comments from the shadow Minister, we also heard from the Liberal Democrat spokesperson, the hon. Member for South Cambridgeshire (Pippa Heylings). Many points that she raised have been covered in what I have said so far, although she raised an additional point that aligned with comments by the right hon. Member for Orkney and Shetland (Mr Carmichael) about how the Crown Estate will balance the expansion of offshore renewables with the needs of the fishing industry, marine wildlife and so on. I wish to set out briefly the Government's position on that matter. We know that the Crown Estate is committed to sustainable management of the seabed and, where appropriate, it collaborates with industry stakeholders, marine licence bodies and environmental non-governmental organisations to ensure that activities on the seabed are conducted responsibly.

As with any developer, the proposals of the Crown Estate go through a standard planning application process, which includes the relevant environmental assessments. Under the Crown Estate strategy, it has an objective to take a leading role in stewarding the natural environment and biodiversity. Key to delivering that aim is managing the seabed in a way that reduces pressure on, and accelerates the recovery of, our marine environment. The Bill will not directly impact on how much commercial fishing takes place in areas managed by the Crown Estate.

My hon. Friend the Member for Reading Central (Matt Rodda) raised an important point around grid connections and grid connectivity, which are vital to ensuring that our plans to move towards clean energy are effective. His points were important as part of the connection between the Crown Estate and Great British Energy, which we have been talking about during the debate. One benefit of the Crown Estate working with Great British Energy is that they can work together to speed up the process of developing clean energy projects, including co-ordinating planning requirements and grid connections, as well as leasing land to de-risk and speed up projects so that private developers can get on and build them. That will be crucial to unlocking the private investment and speeding up the deployment of clean energy infrastructure. As well as de-risking private sector investments, GB Energy and the Crown Estate will directly co-invest in clean energy infrastructure. That will include floating offshore wind and carbon capture projects.

Several of my hon. Friends made important points around local community benefits and supply chains. I thank in particular my hon. Friends the Members for Mid and South Pembrokeshire (Henry Tufnell), for Truro and Falmouth (Jayne Kirkham) and for Camborne and Redruth (Perran Moon) and the hon. Member for Inverness, Skye and West Ross-shire (Mr MacDonald). They all focused on the importance of community benefits, local supply chains and investment in jobs and skills. My hon. Friend the Member for Great Grimsby and Cleethorpes (Melanie Onn) made a helpful set of points around the importance of long-term community benefit—that is, people who are not just building infrastructure, making a one-off payment and then leaving, but actually making a long-term investment in the area and the people who live there. She referred to Projekt Renewable in her constituency, and it would be interesting to discuss that with her after the debate.

Looking more broadly at what the Crown Estate has been doing and intends to do on investing in local community benefit, it is committed to working with local communities and partners to enable employment and skills opportunities. For example, it has allocated £50 million through the supply chain accelerator to stimulate green jobs. It is also developing a green skills pipeline from a GCSE in engineering skills for offshore wind, seed-funded by the Crown Estate and developed with Cornwall college, to a post-16 destination renewables course with Pembrokeshire college. The Crown Estate is partnering with the employment charity Workwhile to create green construction apprenticeships.

On offshore wind specifically, the Crown Estate has worked on upskilling frontline Department for Work and Pensions work coaches to be well equipped to support job seekers in the offshore wind industry through

the offshore wind learning programme and specifically in relation to offshore leasing round 5, which hon. Members have mentioned. The Crown Estate has designed the leasing process in such a way that developers have to make commitments to deliver social and environmental value as part of the development of new wind farms, including a requirement to provide an apprenticeships plan and a skills development plan.

The Crown Estate is also committed to working with communities to ensure that future generations can make the most of the opportunities that marine energy will bring. It is working closely with local educational institutions, such as Falmouth marine school, where it helped develop a pre-16 engineering programme to build skilled local workforces, alongside other initiatives, including the marine internship programme and a recent partnership with the Sea Ranger Service, which is based in Port Talbot.

We heard from the hon. Member for Ynys Môn (Llinos Medi), who asked questions about the devolution of the Crown Estate and its functions to Wales. Some of the points she raised were addressed by my hon. Friends, but it is important to recognise that the proposed powers in the Bill will be of huge benefit to Wales. Combined with its existing scale, expertise and track record, the Crown Estate is uniquely placed to help drive the activities required, such as de-risking and developing offshore renewable energy and other emerging offshore technologies to realise the potential of the Celtic sea. I would be concerned that further devolution of the Crown Estate in the manner suggested could fragment the renewable energy market and undermine the strong international investor confidence in the UK to the detriment of both Wales and the wider UK. It would risk creating further complexity and delay our drive for energy security and net zero at a time when simplicity and accelerated deployment are essential. That is why the Government believe that the existing provisions are the best way to ensure that the assets of the Crown Estate are managed most effectively to benefit people across Wales, England and Northern Ireland.

The hon. and learned Member for North Antrim (Jim Allister) spoke of his concern about environmental impacts. Offshore wind is essential to meeting our net zero and energy security objectives, which I hope he supports, but to get the wider balance right, the habitat regulations assessment process ensures that we can deliver our offshore wind requirements while maintaining environmental protections. The Government are also consulting on revisions to the national planning policy framework to increase support for renewable energy schemes in order to tackle climate change while safeguarding environmental resources.

I thank my hon. Friends the Member for Lichfield (Dave Robertson) and for York Outer (Mr Charters) for their particularly impassioned support for the principles behind the Bill and what it sets out to achieve. As my hon. Friend the Member for Lichfield said, it is crucial for investment, growth and modernising the Crown Estate for the 21st century. My hon. Friend the Member for York Outer focused on the power of the Bill's measured reforms to modernise the Crown Estate and support growth in a fiscally responsible way while generating revenue that will benefit our constituents across the country.

[James Murray]

I hope that I have managed to address hon. Members' points. As my right hon. Friend the Chief Secretary to the Treasury and I have set out, the Bill delivers a targeted and measured enhancement to the Crown Estate's powers and governance, thereby modernising it for the 21st century. It broadens the scope of activities that the Crown Estate can engage in, enables it to further invest in the energy transition, and empowers it to invest more effectively in capital-intensive projects. Critically, the measures in it will unlock more long-term investment and increase the contribution of the Crown Estate to generating high-quality jobs and driving growth across the UK. Growth is at the heart of our Government's mission. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

CROWN ESTATE BILL [LORDS] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Crown Estate Bill [Lords]:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 11 February.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and Third Reading

(4) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—*(Christian Wakeford.)*

Question agreed to.

CROWN ESTATE BILL [LORDS] (MONEY)

King's recommendation signified.

Resolved,

That, for the purposes of any Act resulting from the Crown Estate Bill [Lords], it is expedient to authorise

(1) the payment out of money provided by Parliament of any expenditure incurred by the Treasury under any other Act that is attributable to the Act;

(2) the payment out of the National Loans Fund of any sums payable out of the fund under any other Act that is attributable to the Act.—*(Christian Wakeford.)*

Road Safety

Motion made, and Question proposed, That this House do now adjourn.—(Christian Wakeford.)

5.17 pm

Andy MacNae (Rossendale and Darwen) (Lab): Happy new year, Madam Deputy Speaker. I am grateful for the chance to have this debate, and I thank the Minister for her attendance and for her work on tackling this issue, including through the upcoming road safety strategy.

I requested the debate because our current approach to road safety is in desperate need of overhaul. Although a few local authorities have robust and innovative approaches to road safety, too many lack the resources or political will to implement proactive safety measures, which is increasingly making road safety a postcode lottery. Too often, safety interventions come as a response to collisions, rather than as proactive measures to prevent them. We do not listen to our communities and have failed to invest and to learn from international best practice. As a result, progress in reducing road deaths has largely plateaued in recent years. The UK has passed a grim and shaming milestone: 500,000 people have died on the roads in Great Britain since records began in 1926. That is more than the number of UK citizens killed as a result of warfare in the same period, including in the second world war.

I am well aware that this is a complex and multi-dimensional issue to which we cannot do justice in such a short debate, so rather than trying to address every aspect of road safety, I will instead focus on a couple of linked aspects that are of particular concern to my Rossendale and Darwen constituents—specifically, speeding and issues related to large commercial vehicles. Rossendale and Darwen is a constituency of A roads running down valleys, with relatively few alternative routes, and most residential and commercial development extends along those lines. I live off Burnley Road in Bacup, and the lived experience of residents along that road serves to highlight most of the issues I want to raise today. Ask anyone who lives on Burnley Road and they will tell you that speeding is endemic. There have been serious injuries and fatalities, but more fundamentally, residents will cite numerous close calls and the fear they generate.

For example, one house on a bend in the road has now been hit by speeding vehicles three times. In one case, a vehicle impacted on a spot where a pedestrian had been standing just seconds before, and when we lived on the main road, a car judged to be speeding at over 100 mph hit my wife's car with such force that it was lifted up and landed on mine—that was in a 30 mph zone. There are many more stories like those; indeed, just this morning, constituents contacted me about a particularly serious close call, which I cannot detail now because it may go to court. To compound this, the road is very heavily used by large commercial vehicles.

Jim Shannon (Strangford) (DUP): Will the hon. Gentleman give way?

Andy MacNae: I will—it would be a pleasure.

Jim Shannon: I commend the hon. Gentleman for bringing this debate forward. I spoke to him beforehand—through two or three different people, but I got to him eventually. I was intrigued by the title of the debate,

“Prevention-based road safety and community involvement”, simply because in my constituency, back in October of last year, we had a double-decker bus taking children from school. It was travelling along the Ballyblack Road outside Carrowdore, going towards Bangor and Newtownards, and it fell over. Thank goodness, nobody was killed, but some children were injured.

The point I wanted to make, which I think is important and fits with the theme of the hon. Gentleman’s debate, is that while we must have ongoing road safety and infrastructure projects in place, we also need community involvement in safety. It was the community who responded to the incident—the nurses and doctors on the road and the farmers who came across the fields. Community involvement is really important; if we want to improve safety, we must have the community tied in.

Andy MacNae: I fully agree with the hon. Gentleman—indeed, that is the main subject that I will try to focus on today. It is hugely important that we listen to our communities, because in the end, not only do our communities know best, but they are the ones who experience the consequences of these decisions.

Burnley Road is very heavily used by large commercial vehicles, and there have been numerous close calls with those vehicles as well. Residents see them speeding or travelling in convoy, too often with their driver on a mobile phone. This is a massive concern around the local primary school, which—like many in Rossendale and Darwen—is sited directly on the main road. Last year, two big wagons managed to crash into each other just outside the school. Narrow pavements and a lack of safe crossing areas further increase the risk, and it is hardly a surprise that many parents are reluctant to let their kids walk even a short distance to school. I cannot think of anyone who rides a bike there.

Samantha Niblett (South Derbyshire) (Lab): In my constituency, we have the busy A444, which runs from Stanton right through to Acresford on the border with North West Leicestershire. That road has varying speed limits along its length. It is a huge concern to the community; we have large articulated lorries travelling very fast on that road, sometimes on very skinny roads. We also have a primary school close to Stanton where there is no close pelican crossing, so there is no safe way for families with young children to cross the road and get them to school. My community feels very much that highways authorities do not listen to sense when it comes to speed limits. Does my hon. Friend agree that it is time for us to work with local communities and reconsider their involvement in how rules are made for the application of speed limits and where we put crossings?

Andy MacNae: I agree 100% with my hon. Friend. She has framed her example tremendously well—the greatest fear that most of us have is that combination of primary schools, unsafe roads and large vehicles. Sadly, that can only end one way.

Several hon. Members *rose*—

Andy MacNae: I will give way to my hon. Friend the Member for Bury St Edmunds and Stowmarket (Peter Prinsley).

Peter Prinsley (Bury St Edmunds and Stowmarket) (Lab): A constituent of mine lost her son, Alan, in a dreadful accident on the A14 in September 2023. He died in a collision with a lorry that was stationary on a live lane. The lorry driver was disqualified from driving, and had no MOT on his trailer and no insurance. Despite the driver committing road safety offences, the Crown Prosecution Service determined that the driver did not cause the death under current legislation, and he was only charged with disqualified driving. Will the Minister commit to examining the Road Traffic Act 1988 with a view to introducing an offence focused on presence, rather than causing? I would suggest this wording: “A person being disqualified from driving—”

Madam Deputy Speaker (Caroline Nokes): Order. I am just going to make the point to Members that interventions are getting very long. We have some hours to conclude this debate, so if Members wish to make a full contribution, they will be able to do so, rather than simply making an intervention.

Andy MacNae: My hon. Friend raises a hugely important issue about the regulation of commercial vehicles, and the level of responsibility that companies and employers take for their drivers is a crucial part of this debate.

To return to the story of Burnley Road in Rossendale, I have described the various instances of close calls, and when we bring all this together, the obvious conclusion that residents reach, including myself, is that without further action further deaths and serious injuries are inevitable. The great fear we have is that everyone can see this coming, and when it comes and there has been no action, I think we will all feel that we have failed.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): I thank my hon. Friend for bringing forward this debate, which is hugely important. I am pleased to see my hon. Friend the Member for Nuneaton (Jodie Gosling) here, as we share on the edge of our constituencies one of the most dangerous road junctions in the country, between the end of Woodford Lane and the A5 in Mancetter. Our communities know that dangerous accidents happen there on a far too regular basis, with fatalities and serious injuries requiring attendance from air ambulances as well as other crews. Does my hon. Friend agree that our communities know best about needing to implement preventive strategies for road safety rather than waiting for yet more lives to be lost before we actually do something about it?

Andy MacNae: Again, I agree 100% with my hon. Friend. The role of communities is absolutely vital.

Matt Rodda (Reading Central) (Lab): In my own area, there is a serious problem with a lack of co-operation between Oxfordshire county council, as the neighbouring local authority, and Reading borough council. Sadly, Oxfordshire, despite requests from Reading, has allowed heavy goods vehicles to go through a Reading suburb called Caversham and into Reading town centre when they could be diverted on to much safer routes. There have been repeated requests for Oxfordshire to work more constructively with Reading. Does my hon. Friend agree with me that there should be greater emphasis on co-operation between neighbouring local authorities as part of this preventive approach, which he is so ably describing, to try to avoid unnecessary injuries and deaths?

Andy MacNae: Absolutely. I will touch on this later, but I feel that devolution and local government reorganisation create a huge opportunity to ensure new levels of co-operation between authorities, and we should have no hard borders when it comes to road safety.

Again, the conclusion we reach is that we need action to prevent deaths and injuries, yet when communities raise their concerns and real-world experience with the county council and the police, they are told that the KSI—killed or seriously injured—data does not meet the threshold for speed cameras and other meaningful interventions.

Peter Swallow (Bracknell) (Lab): Does my hon. Friend agree that, too often, an accident waiting to happen has been forced to become an accident that has happened before action is taken, and that when communities know that a road they live on and live with every day is unsafe, we should listen to those communities much more and act before the accident happens?

Andy MacNae: I agree entirely. Again, it is devastating for communities to raise those issues repeatedly, stridently and sometimes desperately, yet feel that they are not being heard. The message they get back is, in effect, “We have to wait for someone to get killed before we do anything”, which is surely is not the message our communities should be hearing.

As well as Burnley Road in Rossendale, I could tell stories about Todmorden Road, Burnley Road East through Whitewell Bottom, Market Street in Whitworth, Bury Road in Edenfield, Newchurch Road in Waterfoot, Bolton Road, Sunnyhurst Lane, Hollins Grove and Pole Lane in Darwen. In each case, residents see close calls day by day, but are told that the statistics do not merit action, and even when they do, they are simply told there is no money. This approach is nonsensical and out of line with even the county council’s own adopted vision zero strategy and is decades behind those employed internationally. Ultimately it costs lives and money. Beyond this, unsafe roads have far-reaching impacts affecting an area’s sense of place and identity. They take lives, devastate families and shake up communities. Roads felt to be unsafe have a significant impact on the day-to-day lives of people living near them. Residents feel less able to get around, uncomfortable on their own doorstep and cut off from each other.

David Smith (North Northumberland) (Lab): This is an important subject. There seems to be a common denominator in many of the comments: the significance of rural areas. I note that my hon. Friend’s constituency has large rural areas, as does mine. Does he agree that there is a particular challenge—whether with rural B roads or even major national roads or national infrastructure, such as the A1 that runs through my constituency—with the type of vehicles on the roads and the proximity to small local communities, making them particularly unsafe, and that that should therefore be a priority for our national road safety strategy?

Andy MacNae: Absolutely, and those committees feel particularly vulnerable and under threat. The issue is that mixture of rural roads coupled with the speed limits and then compact villages sitting along those roads, with those changes in road conditions.

Julia Buckley (Shrewsbury) (Lab): Rural roads are often winding, unlit and poorly maintained, all of which require additional driving skills. Many young people in my constituency find themselves needing to drive at 17 to access education or other opportunities, and we have a higher prevalence of young drivers being killed. I am thinking particularly of Harvey Owen, one of four boys killed on their way to Wales after only a week after passing their driving test. More than 1,500 young people are killed every year—

Madam Deputy Speaker (Caroline Nokes): Order. The hon. Lady might not have been here to hear my earlier comment. There is plenty of time for Members to make speeches if they so choose—this debate does not need to conclude until 7.30 pm—but we really must not have prepared speeches read out disguised as interventions.

Andy MacNae: My hon. Friend makes that vital point extremely well. I will touch on it again later, but young drivers are an important topic that merits a debate in its own right.

On feeling safe or unsafe on roads and the impact of that, we can take the example of active travel. The biggest reason why people do not walk or cycle to work or school is concern over road safety. This forces people to travel by car, with all the impacts that brings and accentuating all the issues we are talking about.

Dr Scott Arthur (Edinburgh South West) (Lab): I rise at the point when the Deputy Speaker is changing; it feels like something from “Dr Who”—[*Laughter.*] Apologies, I was thinking out loud there.

This debate is on an extremely important subject for my hon. Friend’s constituents. On active travel, good habits start early in life, and that is particularly true of walking and cycling. In Edinburgh South West, parents and residents are keen to work with the council to make it easier and safer for children to walk to Nether Currie primary school, and they are really open to collaboration. Does my hon. Friend agree that if we are serious about tackling road safety issues in rural areas and our towns and cities, we have to work with our school communities to make sure it is absolutely embedded in them?

Andy MacNae: Absolutely. This is a hugely important issue and, as in many other areas, we know the solutions. Fantastic work is done by organisations such as Active Travel England that detail the solutions, yet our current or past funding structures make it incredibly difficult. I am campaigning in our constituency for a safe path to a school, yet I find there are essentially no dedicated funding opportunities to meet that very obvious and stark need. This is an absolutely crucial area.

I mentioned active travel, but there is also the question of older people. Residents in social housing along Newchurch Road in Rossendale feel trapped in their estate because there is literally nowhere safe to cross the road near them to reach the amenities they need.

In 2023, there were 1,624 road deaths in Great Britain and 132,977 casualties in total. Pedestrians, cyclists, and motorcyclists still make up a disproportionate share of those killed or seriously injured on UK roads. Department for Transport estimates suggest that the annual cost of reported road collisions is around £43 billion. We cannot

afford any of these costs, so what do we do about it? We know the basic principles, and we have touched on them in the debate, with many Members raising them brilliantly.

Many local authorities have adopted strategies based around vision zero, which is an approach originally adopted in countries such as Sweden and the Netherlands. It emphasises that no level of death or serious injury is acceptable on the roads, and it is focused on prevention, protection and post-collision response, coupled with evidence-based targets and robust safety performance indicators. We know that such approaches can be effective and save a great deal of money over the long term, but as we have seen and heard, there seems to be a huge gap between strategy and practical implementation.

If we want to be serious about tackling this issue, we must move towards a truly proactive, community-led approach to road safety that is informed by statistics and not led by them. In such a model, rather than claiming that a centrally held database knows better, we trust the instincts, experiences and wishes of those who use the roads every day. Instead of waiting around until enough people have been hurt to merit an intervention, we proactively identify high-risk areas, and we act.

An excellent example of that approach in action can be seen in the Netherlands. Over the past decade, both Rotterdam and the Hague have been using an algorithm to determine the likelihood of crashes on their roads. The model considers a range of factors, including past crashes, traffic flow, the features of the road, and the presence of on-road parking. From that, it creates a risk rating for each road. Crucially, this rating informs, rather than leads, the local authorities' decisions. Community experience and input are a key factor in the decision-making process. The ratings are combined with an analysis of the volumes and severity of complaints the authorities receive regarding specific roads. Out of this community-led, data-informed model, the local authorities choose to proactively intervene to protect their citizens.

Anna Dixon (Shipley) (Lab): I thank my hon. Friend for securing this important debate. It is personal to me, as I lost my grandfather in a road traffic accident before I was even born, and my grandmother was left with disability. Shipley experienced 183 road casualties in 2023, one of which was fatal. My hon. Friend mentions vision zero. West Yorkshire has a vision zero partnership that seeks to eliminate all traffic fatalities and injuries by 2040. It brings together the combined authority with local authorities, emergency services and National Highways, as well as victim support and road safety campaigners—speaking to his point about community. Is there still a place—I suggest that there is—for these vision zero partnerships, alongside the community approaches that he is advocating?

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Before the hon. Member responds, I remind Members that interventions should be short and to the point.

Andy MacNae: I agree fully with my hon. Friend, and there is no conflict between a vision zero approach and the community-led approach I am talking about. The issue is that while vision zero has been adopted by many local authorities, the implementation falls far short of the intent. It is therefore a question of finding the appropriate implementation and delivery mechanisms, rather than just rehashing the strategy.

As well as the Netherlands model I mentioned, similar preventive work has been pioneered by researchers using automatically collected data from car sensors to identify dangerous sections of roads. That is interesting, because it collects data that key success indicator stats do not highlight. They collate real-world data where cars harshly and suddenly brake. These models have proven effective in predicting areas of danger, and such systems could be used to proactively examine hotspots before collisions occur, taking account of near misses and validation experiences with communities such as ours.

Harriet Cross (Gordon and Buchan) (Con): I thank the hon. Member for securing this important debate. In my constituency, the A96, which goes from Aberdeen to Huntly and up to Inverness, and the A90 north of Ellon are known as accident blackspots. On these roads, we know that local residents are not going out, because of the fear of an accident, which has an impact on our local economy, and emergency vehicle response times. Does he agree that emergency response times and local economic impacts should be part of the basis of assessments of where safety improvements should be put in on roads across the country?

Andy MacNae: I thank the hon. Member for making that point. How we value road safety interventions must recognise the full gamut of those impacts. Far too often, we use narrow measures of cost-benefit. Emergency response, impacts on wider infrastructure and the general feeling of being unsafe are hugely important considerations.

I have tried to highlight a few approaches to identifying areas of risk proactively before collisions occur. Again, we know how to do this. With those risks identified, we also have a range of effective, advanced interventions that we can utilise to reduce the risk of incidents. Average speed cameras have been proven to be particularly effective, yet due to fears about cost and a lack of awareness of advanced technology, many authorities have been reluctant to implement them.

Looking at the evidence, a review by the RAC Foundation found a 36.4% reduction in serious or fatal injuries at sites with average speed cameras installed, with a further 16% reduction in incidents of all severities. In some cases, the installation of speed cameras has reduced incidents by up to 86%. With Lancashire county council valuing the cost of a road-related fatality at £2 million—I do not know how it gets to that figure, but none the less that is the figure being used—it is no surprise that effective safety measures like these save the Government money in the long term.

The College of Policing has found that through a reduction in medical treatment and repair fees, the financial benefits of these schemes exceed their costs by 3:1. On the point made by the hon. Member for Gordon and Buchan (Harriet Cross), that is on a narrow basis, perhaps not recognising some of the wider impacts. The figure only increases when we look at the benefits beyond five years. I urge the Minister to use the upcoming strategy to stress the significant long-term benefits of proactively implementing speed reduction schemes with average speed cameras.

Amanda Martin (Portsmouth North) (Lab): My hon. Friend talked about a number of schemes, but has he looked at the 20 mph speed limit in Wales, which came into force in September 2023? Insurance companies

[Amanda Martin]

such as Esure have said that it has reduced risk and that it is also beginning to reduce the premium that people pay in residential areas. We do not just have long and fast roads in our constituencies, but also residential areas, where that 20 mph speed limit has an impact.

Andy MacNae: There is no doubt that speed limits are a crucial part of this work, as long as they are targeted and appropriate. However, I cite the need for effective enforcement, because if people feel that there are no consequences from breaking those speed limits, they will be broken. Enforcement is a crucial part of the consideration.

Returning to average speed cameras, I urge the Minister to consider how sharing best practice between authorities could be improved. As the College of Policing noted, and as I and colleagues have seen all the time, there is a significant variation in the methods used to implement average speed cameras and assess their validity. Many authorities are unaware of the significant cost saving measures that have been pioneered over the last decade and the new technologies that exist.

To take one example, we were told by Lancashire county council that a relatively small average speed system on one key road in Rossendale was unviable as it would cost many millions to implement and maintain, yet when we approached a Home Office-approved supplier recommended by another local authority seen to be a pioneer in the area, we were given a quote of £800,000 for not just that scheme, but three others that together covered all the key risk areas in Rossendale. That huge disparity demonstrates not only how funding might be used inefficiently, but how local authorities are unnecessarily being held back from implementing schemes by an out-of-date view of their costs.

We need to recognise that cost is a genuine factor and that funding models under the previous Government were wholly inadequate, with road safety budgets squeezed alongside other local authority budgets. Under the last Labour Government, we had a system of netting off road fines, which helped to fund road safety enforcement activities. That should be reviewed as a possible funding stream to pay for road safety improvements, increasing policing numbers and making the best use of new and existing technology to reduce road risk. With increased information sharing, clarity over the costs of such schemes and hypothecated funds, there is significant potential to reduce the obstacles to enforcement that local authorities believe they face.

In addition to speed reduction methods, major gains can be made through improving pavements and creating cycle lanes through a genuine safe-system approach. Shockingly, of all road deaths in 2023, 25% were pedestrians, with cyclists accounting for 5%. Despite many local vision zero strategies, our road safety design evidently fails to protect those vulnerable users. I urge the Minister to use the upcoming strategy to encourage councils to meet their ambitions with action, utilising support from Active Travel England and genuinely adopting safe system approaches. That requires proactive interventions, whether through establishing clearer and protected cycle lanes, constructing safe footways or building new traffic lights and crossings where needed.

Another key area that we can tackle is the safety of commercial vehicles, as we have touched on. As I mentioned, there are schools in my constituency that border dangerous roads that are frequently used by large commercial vehicles. Due to the force of impact, HGVs are the second most dangerous vehicles on the road, killing 6.9 people per billion passenger miles—significantly higher than the comparative figure of 1.6 for cars. Considering that, it is completely unacceptable that in 2023, 36% of lorries were seen to exceed the speed limit. Drivers often have minimal oversight and training from companies, which have weak corporate safety standards.

We must proactively recognise and respond to the heightened risk that such vehicles pose. One crucial step could be to incentivise companies to maintain high safety standards in their fleet, be that through offering lower insurance to companies that demonstrate best practice, naming and shaming companies that do not, or even making companies fully liable for work-related collisions.

Alongside that, a variety of other proactive, low-cost methods could be used to improve the safety of our roads—for instance, tightening the regulations on tyre safety. Poor tyres accentuate the impact of speeding or poor driving. Over the past decade, an average of 182 people have been killed or seriously injured per year because of poor tyre conditions. MOTs flag over two million cars with sub-standard tyres each year, 1 million of which are so poor that they are considered actively dangerous. Given the improvements in tyre technology, coupled with the fact that the highest proportion of serious incidents occur in the winter months, there is room for the Minister to consider mandating that all new vehicles be equipped with all-season tyres.

More generally, there are significant opportunities offered by safe vehicle technologies, which can be embedded through advanced vehicle safety regulations. Let me touch on a point raised earlier about driver education, particularly protecting young drivers. This is a complex area, which needs a debate in its own right, but given that 16% of car driver fatalities are younger drivers, there is no doubt that this area really needs attention.

Finally, as we have touched on, increasing devolution is also central to ensuring that communities' voices are heard. In places such as Lancashire, road safety interventions are still determined on a county level. Officials and county councillors are often very far removed from the roads and communities impacted by their decisions. When this responsibility is held on a unitary level, the voices of communities are louder, and decision makers are much closer to the area in question. Given the widespread local government reorganisation coming in this Parliament, the Minister has a significant opportunity to establish best practice in new unitary and combined authorities. I urge her to seize this unique opportunity, and to provide meaningful support and guidance to these emerging authorities.

To wrap up, considering the reactive and inefficient approach to road safety that the Minister inherited from the previous Government, I urge her to utilise her upcoming road safety strategy to move the country towards a preventive, community-led and statistics-informed model of road safety, alongside a sustainable funding approach. Central to that approach, I call for the following measures to be given detailed consideration within the road safety strategy: first, ending the safety postcode

lottery via a robust, mandated national road safety strategy, based on a community-led, data-informed, safe system approach and, within that, prioritising lived experience and perceptions of safety over arms-length data.

Mr Mark Swards (Leeds South West and Morley) (Lab): On data, as a councillor in Farnley and Wortley and now as the MP for Leeds South West and Morley, I found that when I tried to help residents with accident spots on problem roads, I was often told that the average speed on that road was not high enough for action to be warranted. I have been met with that excuse so many times—too many to count—as both a councillor and as an MP. Does my hon. Friend agree that we need to move away from that? Of course we should rely on data, but we should also speak to the people who live next to those accident spots, so that we can deal with them properly.

Andy MacNae: Absolutely. That is the essence of what we are talking about. Given that average speed data is a blunt tool anyway, we should ask ourselves who knows best: the people who live on that road and experience it every single day, or someone sitting looking at an algorithm in county hall far away? As politicians and representatives of our constituents, the answer that we should give is that the community knows best. We should put in systems to support their everyday lived experience, not the other way around.

Secondly—and this point is linked to the first—we have to use the opportunities presented by devolution and local government reorganisation to embed best practice, including improving information sharing between authorities regarding the availability of new and emerging road safety technologies.

Thirdly, we must address the barriers to proactive implementation and enforcement measures, particularly average speed cameras. Fourthly, we have to develop a sustainable funding model based on bringing back netting off. Fifthly, we must make companies fully responsible for the actions of their drivers on public roads. Sixthly, we need a genuine safe system approach to road and pavement design to protect pedestrians and cyclists. Finally, we need to address accentuating factors via advanced safety and vehicle safety regulations and develop approaches to protect young drivers.

Madam Deputy Speaker (Ms Nusrat Ghani): I am looking forward to hearing the Minister's response, as road safety is a big issue in the Sussex Weald. Before I call her, though, I am told there are three very short contributions from Back Benchers. My worry is that there are more people standing than I have been alerted to—they will need to make their way to the Chair quickly, in the appropriate way, and make it clear what they are trying to do. Contributions will be short. First, I call my fellow Brummie, Paulette Hamilton.

5.50 pm

Paulette Hamilton (Birmingham Erdington) (Lab): Thank you, Madam Deputy Speaker. I thank my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) for securing this important debate. The issue of road safety is vital and we need a sustainable funding model. Local councils are a key player in improving prevention-based road safety.

I have heard a lot about rural settings from hon. Members this afternoon, but my constituency is in the middle of a city, and the problems occurring within cities are just as bad. People veer from main roads and go on to side streets. I would like to share an incident that took place this morning in my constituency, where yet another vehicle struck the bridge on Summer Road. This follows a recent incident where a truck collided with the same bridge and overturned. It is the third such occurrence since last November—it is simply unacceptable.

Does the Minister agree that the local council needs to step up and implement measures to address this issue, not only to prevent the severe disruption that is caused by these accidents, but to ensure the safety of other road users and pedestrians? My time as a nurse taught me that prevention is better than cure; it is much better to take measures now than to risk the safety of local residents in areas across this country.

Madam Deputy Speaker: Thank you so much—short and sweet.

5.53 pm

John Slinger (Rugby) (Lab): I will also try to be short and sweet, Madam Deputy Speaker. I congratulate my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) on bringing forth such an important subject. He alluded in his excellent speech to the sheer number of fatalities, and it is perhaps worth reflecting on the fact that there are three times the number of road fatalities than homicides in an average year, which is something we could all bear in mind as we go about driving on the roads.

I want to draw Members' attention to the importance of listening to our constituents who have sadly suffered the trauma of losing someone in a road traffic collision. In my constituency I have Giulietta and George Galli-Atkinson, who for 26 years have run the Livia awards, which recognise the professionalism and service to justice of police officers. I had the honour of speaking at the 26th award ceremony at the Metropolitan police headquarters this year. The awards are in memory of their daughter, who sadly was killed by a dangerous driver. I mention that because I believe it is incumbent on us to listen to the voices of those who have suffered the trauma and devastation of such unnecessary, preventable deaths. We need to hear their words and act on them. Community involvement is critical.

In conclusion, we must get the message across to our constituents that road collisions are, in all but the smallest number of cases, not accidents—they are preventable; they are avoidable. We must all take responsibility, including national Government. My hon. Friend the Minister takes these issues very seriously. We must tighten the law wherever we can and I know she is looking at various ways to do that. We must fund local authorities for their excellent work to help increase road safety and empower police forces to enforce our road traffic laws. We must do everything we can to empower ordinary citizens to engage with this really important issue. We must ensure that ordinary citizens are in control of our roads, not those who would endanger us all through their selfishness and criminality through dangerous and reckless driving.

Finally, we must take responsibility as individuals. Our constituents must take responsibility for driving more safely whenever they can so that we reduce the

[John Slinger]

tragic number of avoidable and terrible deaths on our roads and the tens of thousands of serious injuries. We must reduce that number as much as possible.

I am very grateful to my hon. Friend the Member for Rossendale and Darwen for giving us the opportunity to reflect on these important matters and to encourage the Government to do everything in their power to ensure that the number of road deaths and injuries is reduced significantly.

Madam Deputy Speaker (Ms Nusrat Ghani): To help the Minister prepare, we have three more very short Back-Bench contributions.

5.56 pm

Julia Buckley (Shrewsbury) (Lab): I thank my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) for securing this excellent and pertinent debate. All Members come with horror stories from our own constituencies, after families have been in touch with us. I mentioned that in Shrewsbury it was the family of Harvey Owen, who died with three other young children aged between 17 and 18 on a trip to Wales. The driver had been passed for one week.

That story is not unfamiliar in rural towns and areas like mine, where public services have been decimated. We have lost 5,000 bus routes since 2010, which means that 17-year-olds find themselves with no alternative but to learn to drive in order to access education, sport and social activities. That experience is reflected across the country, but particularly so in rural areas. Young drivers, aged between 17 and 24, are consistently over-represented in the statistics. Very distressingly, globally road traffic injuries are the leading cause of death for young people between the ages of 15 and 29, and one in five drivers will crash within their first year on the road.

A national campaign group called Forget-me-not Families Uniting brings together families who have lost young people. One of those campaigners, Crystal Owen, the mother of Harvey Owen, who is from my constituency, put together a petition with 22,000 signatures, asking Ministers to look at measures to protect young drivers in particular. The Minister very graciously gave her time to meet Harvey's mum and listened carefully to some of those suggestions, such as additional training for young drivers and progressive licensing, and safety measures such as "Harvey's hammer", a device that could smash open a window if a car is trapped. That could save many lives. I know the Minister is working really hard to develop a road safety strategy. I hope she will hear the message that young drivers are three times more likely to die. We must consider them in those safety measures and, in so doing, understand that this has a stronger prevalence in rural areas.

Members may be pleased to hear that today I have been granted a Westminster Hall debate on road safety measures, in particular to protect young drivers. I hope they will join me on Tuesday 29 January at 9.30 am.

In conclusion, I again appeal to the Minister that policies must go hand in hand with the other work we are doing to increase public transport, particularly in rural areas. It must be a viable alternative. I know the Minister will join me in my dream for Shrewsbury to

have evening buses and a Sunday service. That would encourage young people to embrace public transport, rather than risking their lives on the roads.

Madam Deputy Speaker (Ms Nusrat Ghani): As a rural Member of Parliament, I tend to share the hon. Lady's dreams.

5.59 pm

Jodie Gosling (Nuneaton) (Lab): I thank my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) for initiating this important debate.

I have heard many passionate arguments tonight about why our roads should be safer, and about deaths that were waiting to happen and were preventable, but I have been involved in a situation in which a death actually happened. Even after an 11-year-old was killed on one of our roads, we had to fight and campaign with his grieving mother for the road to be improved.

Harley James Jackson was killed during his first half-term at secondary school. His mum had to campaign to persuade the county council to make the improvements to that road, and it took two and a half years. We were told that the mean average speed on the road of 38 mph was within the expected range, although speeds of 5 mph and 80 mph at 8 pm were recorded in the speed data. The data is not consistent. We were also told by the safety officer during our campaign that there were 50 roads with similar speed characteristics but there was funding for only two.

This death could have been prevented. We knew that the road was dangerous; the community had said so, and the community campaigned. I can guarantee that no one knows more about that road than the mother of that child, who has campaigned ever since. We need to listen to these people in order to prevent such things from happening again.

Madam Deputy Speaker: That was a very powerful speech. I call Amanda Martin to make the final Back-Bench contribution.

6.1 pm

Amanda Martin (Portsmouth North) (Lab): I welcome this important debate. A number of causes for concern are being raised with me by my constituents, and all of them are preventable. First, abandoned cars are routinely being left at the side of a road in my constituency, usually near car dealerships, with no MOTs or insurance. They can sit there for weeks, and they cause a hazard, because local schoolchildren are having to walk around them. One constituent contacted the council, only to be told that it was not the council's responsibility and the constituent should go to the police. The police said, "Go to the Driver and Vehicle Licensing Agency", and the DVLA said, "Go back to the council." Someone needs to take responsibility; that is vital.

The second problem is congestion. Cars pull up in bus lanes where there are no double yellow lines, near hospitals, when roads are jam-packed with buses. No one can get in or out, and that causes not only delays but accidents and damage to vehicles. Congestion, and accidents, are also caused by narrow streets and roads that are used as rat runs, with cars running all the way down them. Residents of Oakwood Road have been pushing for a one-way street, although there are speed

bumps, because it would help with the flow of traffic and also with safety; the street in question is very near a school.

Finally, there is the serious issue of zebra crossing safety. A lack of signage means that crossings are ignored. One, in Baffins, is next to a sixth-form college and also near schools, and hundreds of pupils cross the road every day, but that zebra crossing and others are often ignored.

Madam Deputy Speaker: I call the Minister.

6.2 pm

The Parliamentary Under-Secretary of State for Transport (Lilian Greenwood): I congratulate my hon. Friend the Member for Rossendale and Darwen (Andy MacNae) on securing the debate, and thank him for continuing to raise the issue of road safety in his constituency. I am pleased, and somewhat surprised, to see that so many of my hon. Friends have come to the Chamber to contribute to this vital discussion about reducing deaths and injuries on our roads. It is welcome to have had more time than we might have expected for an Adjournment debate.

The Government are committed to road safety, because it contributes to every single one of our national missions. Safer roads enable economic growth and opportunities, support greener journeys through active travel, reduce pressures on our NHS, and help people to travel without fear.

My hon. Friend the Member for Rossendale and Darwen clearly described the impact that road danger has on his local residents, and other Members have made equally valuable points, particularly highlighting the impact on children and their ability to travel safely and make those vital journeys to school and in their local communities.

More than four people lose their lives every single day on our roads, and as a number of Members have said, we know that most of these deaths are avoidable, the result of excess speed, driving under the influence of drink or drugs and frequently both, using a mobile phone behind the wheel or not wearing seatbelts. My hon. Friend is right to raise concerns about those who do not use our roads appropriately and place themselves and others in harm's way.

In my short time as future of roads Minister, I have read too many heartbreaking accounts of loss and serious injury, and we have heard more examples this evening, including from my hon. Friend the Member for Bury St Edmunds and Stowmarket (Peter Prinsley), who is not in his place; I cannot comment on the specifics of that case, but I would be happy to meet him to discuss his concerns.

I have spoken to grieving family members rightfully demanding change. I thank my hon. Friend the Member for Rugby (John Slinger) for speaking on behalf of his constituents this evening and for the work that he and they are doing to campaign on this issue. I also thank my hon. Friend the Member for Nuneaton (Jodie Gosling) for the work she has done in her constituency and with her constituents.

The Transport Secretary and I are determined to make our roads safer for everyone who uses them. The lack of progress on road safety over the past decade has been inexcusable. There has been no direction and no

long-term vision, and that is reflected in the statistics, with drink-driving deaths at their highest levels in 15 years. In 2022, around 300 people were tragically killed where at least one driver was over the drink-drive limit. That represents 18% of all fatalities. In the same year, 203 people were killed in a road collision where at least one deceased driver had an impairment drug detected. That was 13% of all fatalities. We need to tackle these illegal behaviours. As the Secretary of State has stated, tackling reckless behaviour on the roads is a priority for her and for us, because these statistics—more than 1,600 deaths a year and almost 30,000 serious injuries—are not inevitable.

Our THINK! campaign continues to address key priorities around drink-driving, speeding and seatbelts. Our innovative campaigns around positive choices and the power of peer influence are targeted at young men aged 17 to 24—a group that is four times more likely to be killed or seriously injured on our roads. My hon. Friend the Member for Shrewsbury (Julia Buckley) spoke about her constituent Crystal Owen, who lost her son Harvey in heartbreaking circumstances, and I look forward to the debate that she has secured. These life-saving behaviour change campaigns matter, and we will continue to work on them.

I turn to the important points that my hon. Friend the Member for Rossendale and Darwen made on community road safety interventions. Traffic authorities have the responsibility for making decisions about the roads they manage. That includes measures to protect the safety of road users based on their knowledge of the area, taking into account local needs and considerations. That must include listening to local communities. My hon. Friend the Member for Birmingham Erdington (Paulette Hamilton) made an important contribution about a dangerous road in her constituency, and I am sure that her concerns and those of her local constituents will have been heard by the relevant local authority and the Mayor of the West Midlands. Traffic authorities are best placed to make these decisions, but my Department also has a really important role: we need to set the enabling legislation and national policy objectives and provide good practice, guidance and, of course, vital funding.

I agree with my hon. Friend that the risk rating of a road should be a consideration when designing road safety interventions. Since 2017, the safer roads fund has provided £185.8 million to address the dangers on 99 high-risk roads, working with the relevant local authorities to reduce fatalities and serious injuries. The programme has provided vital infrastructure interventions where they are needed the most, taking into account those who are killed or seriously injured but also traffic flow and the potential hazards on a road. It is really important work. A number of hon. Members have rightly highlighted the dangers on rural roads, including you, Madam Deputy Speaker. We need to look to the future and understand how new technologies can help prevent future collisions. My hon. Friend talked about some of the international comparisons and how we might draw on those in the future.

When it comes to speed, local authorities have the power to set speed limits on their roads. It is for local authorities to determine what measures are appropriate in individual cases, because they have local knowledge. They also have a range of traffic management measures available to help them improve safety outside schools,

[Lilian Greenwood]

including 20 mph speed limits, traffic calming and the introduction of school streets where appropriate. Local authorities are able to place advisory part-time 20 mph speed limit signs in the vicinity of schools without the need for Government approval.

I listened with interest to my hon. Friend's suggestion to implement "netting off". The previous trial allowed fixed penalty revenue to be used to reinvest in more camera enforcement, and the national scheme that followed ended on 1 April 2007. The funding of cameras was integrated into the local transport plan process at the same time that the scheme ended. Paying fines and penalty receipts such as speeding fines into the consolidated fund is generally considered preferable to ringfencing or hypothecating specific funding. The risk of appearing to create incentives to collect fines and penalty receipts for the sake of generating revenues, rather than for the purpose of enforcement and road safety, needs very careful consideration if we are to retain public trust in tackling speeding.

I am sure that my hon. Friend is aware that most central Government funding for local government is not ringfenced so that local authorities can make the best decisions relating to their local priorities. Money from the Consolidated Fund supports general expenditure on public services, including those that motorists will benefit from, such as healthcare, policing, local government grants and transport. Nevertheless, he makes an important point, and I will certainly look into it further.

The enforcement of road traffic law is vital, and how available resources are deployed is the responsibility of individual chief officers and police and crime commissioners, taking into account the specific local problems and demands that they face. My hon. Friend made important points that I will consider further, including about people who drive for a living and the important role that we can play in ensuring that employers take their responsibilities seriously.

I turn to my hon. Friend's point about tyres. Tyre labelling regulations require a new tyre's wet grip performance to be displayed at the point of sale, along

with other attributes. The ratings are established following standardised tests, and presented in a consistent manner that helps the consumer to see the relative performance and make an informed choice. The market surveillance unit in the Driver and Vehicle Standards Agency checks new car tyres supplied into the market are accurate with respect to their assigned wet grip, fuel efficiency and external noise ratings. The unit has also worked closely with trading standards relative to part-worn and re-treaded tyre sellers, supporting any sanctions that trading standards may take in respect of non-compliance. The DVSA welcomes intelligence about part-worn and re-treaded tyre compliance.

The last Labour Government halved the number of people killed on our roads each year, but under the Conservatives that progress stalled, with only a 12% reduction between 2010 and 2023. That is a legacy that my Government are determined to put right. That is why we have announced that we are developing a new road safety strategy, the first in over a decade. I can assure my hon. Friends that we will continue to use the "safe system" approach to support our thinking, be evidence based and ensure responsibility for tackling the problem is shared among policy makers, those who enforce our laws, those who design our roads and those who use them. We will be setting out next steps in due course.

My hon. Friend the Member for Rossendale and Darwen made a number of really important points in his contribution, and I will be working with officials to consider them further, as we continue our work in this area. I will be pleased to keep in touch with him, and other hon. Friends here today, as we progress our work on road safety. I once again congratulate him on securing this important debate, and everyone who made a contribution this evening.

Question put and agreed to.

6.15 pm

House adjourned.

Westminster Hall

Tuesday 7 January 2025

[SIR ROGER GALE *in the Chair*]

Workplace Pay Gaps

9.30 am

Sir Roger Gale (in the Chair): May I take this opportunity to wish all colleagues present a happy new year?

Dawn Butler (Brent East) (Lab): I beg to move,
That this House has considered pay gaps in the workplace.

Thank you, Sir Roger. I wish everybody a happy new year, too, and it is a pleasure to serve under your chairmanship.

There are multiple pay gaps in the workplace. I have had emails about the age pay gap, size pay gap and accent pay gaps—as a certified cockney, I know that that is true, and just for the record, some of the most intelligent people I know are cockneys. But today, for Ethnicity Pay Gap Day, I want to focus on gender, ethnicity and disability pay gaps. The key point is that if we measure something, we can fix it, but at the current rate, it will take another 40 years to fix the gender and ethnicity pay gap. Nobody should feel happy about that slow rate of progress; and imagine how long it will take to fix the disability pay gap—it will take even longer.

Last year, the Fawcett Society reported that Equal Pay Day fell on 20 November, two days earlier than the year before, and that essentially meant that from 20 November until the end of the year women were working for free. It is shocking that, on average, women earn £630 less a month than their male counterparts. On social media, people sometimes say, “What is this all about? Are you trying to reduce how much men are paid?” That is not what this is about. It is about fairness and equality and about paying people more, not less. I do not want on social media the manipulation and the misinformation of people saying, when we talk about equal rights and fairness, that that is somehow doing down men, because it absolutely is not. Currently, the ethnicity pay gap is 5.6% and the disability pay gap is 12.7%. That is a whopping pay gap.

The Government are to be applauded for their ambition and plan to make work pay. The Prime Minister said, as part of his new year message:

“The security of working people...is the purpose of this government.”

That is something that we should all applaud: working people should be secure in their job and in their work. Following the King’s Speech, companies of 250-plus employees have to report ethnicity and disability pay gaps, which is welcome. It is also welcome that gender pay gap reporting has been expanded to include equality action plans. That is great, but producing equality action plans is not enough. What will companies do with the action plans? How will they ensure that they use the action plans to close the pay gaps? It is one step, but it does not go far enough.

It has to be acknowledged that what we do now will actually make the workplace better for everybody—not just women, people with disabilities and people of different

ethnicities. Everybody will benefit if the workplace is fairer. Research has found that men want flexibility in the workplace. This is always framed as women wanting flexibility in the workplace, but the reality is that men also want flexibility, so if we make that a standard, everybody will be happy. And no matter who is doing the job, doing the work, they should be paid fairly. That should be the case no matter who they are or what they look like, so there also needs to be a concerted effort whereby we stop stereotyping people into jobs or creating structures that try to normalise inequality.

Kim Johnson (Liverpool Riverside) (Lab): I congratulate my hon. Friend on securing this debate. The Equality Act 2010 states that it is illegal to discriminate on the basis of race, yet in 2024, black people earned an hourly mean rate 19.04% lower than their white counterparts. The Employment Rights Bill provides an opportunity for employers to develop and publish an equality action plan. However, those action plans at the moment cover only gender. Does my hon. Friend agree that the Government need to place more emphasis on ethnicity gap issues, and that that Bill, which is in Committee, needs to make that right by covering them at this stage?

Dawn Butler: My hon. Friend is absolutely right. If our ambition is to make the workplace fairer and secure it for everybody, we should take the opportunities laid before us. That is one opportunity to ensure that we not only close the gap but make workplaces fairer.

There was one case that was easy to identify as a trade union official: men were called chefs and women were called cooks, and chefs were paid a higher rate than cooks. That was an easy one, once we could figure out what was going on. A more difficult case was that of Kay, who said:

“I had been working as a chef with a large catering company for ten years. During a casual conversation, my colleague mentioned he was being paid £22,000 a year. This was £6,000 a year more than me. I thought the right to equal pay would mean I was being paid fairly. For years, I went to work each day without knowing I was being paid less than those I was working alongside. I am not an isolated case. I know there are many women who, like me, don’t realise they are experiencing pay discrimination.”

That picks up on the point made by my hon. Friend the Member for Liverpool Riverside (Kim Johnson). The law is there, but if someone does not know what the person next to them, who is doing the same job, is paid, they could be discriminated against.

Some people will say that some men and women do different jobs, different types of work or different hours. The law says the “same work” or “work of equal value”, but even when men and women work the same hours and in the same roles, nearly two thirds of the gender pay gap remains unexplained. That points to pay discrimination, which we must tackle as a Government. How do we tackle that and move faster towards security, fairness and equality? One way is transparency. It is important for people to know who is being paid what and why. We should introduce the right to know. In Kay’s situation, she should be able to see how much X is being paid and know that there is a £6,000 pay deficit. We also need actionable and enforceable action plans. Again, an organisation may have identified a pay gap, but unless it has committed to closing that gap, that probably will not happen. Another way companies can do that is by assigning it as a key performance indicator.

[Dawn Butler]

We have found that when organisations assign that to somebody as a KPI, real action is taken and pay gaps begin to close.

The Government have a huge role to play not just through legislation, in terms of the Equal Pay Act and so on, but by securing the circular economy. The Government can have an active role in making the workplace fairer by ensuring, as has been done in some areas, that they give contracts only to companies that pay people well and fairly and do not have a pay gap. So the Government's procurement contract processes can ensure that they give contracts only to companies that follow good practices, which will enrich the circular economy. This is not just about doing the right thing. Companies that pay people well and employ the right people for the right jobs generally have a 15% higher profit margin than their nearest counterparts. That also plays out in the fact that a lot of young people are becoming socially informed, so they like to shop with companies that have good ethics and consider climate change. This approach will benefit everybody and is good in itself.

As I come to the end of my speech, some may wonder why I have not mentioned fines. The Minister may correct me, but to my knowledge no company has been fined for its gender pay gap. Unless that part of the law is strengthened, it is meaningless. I am interested to know how we can ensure that we fine companies that are not closing their pay gaps, and what the Government plan to do with any money that is collected.

There is a stark difference across UK regions, with some doing better than others. London has the largest ethnicity pay gap, which currently stands at a whopping 23.8%. That is appalling in one of the most diverse capital cities in the world and the financial capital city of the UK. As chair of the London parliamentary Labour party, I want to accelerate the move towards closing those pay gaps. I commend Dianne Greyson, founder of #EthnicityPayGap, for her work on that.

As chair of the all-party parliamentary group on governance and inclusive leadership—GAIL—I launched a maturity matrix in Parliament. That guide is available online for free for companies to implement in their workplace. It takes them through various stages to recognise and close pay gaps. That has been so successful that companies have asked for it to be expanded for disability and other things, which is currently being done. That is a free resource because, ultimately, we want better and fairer workplaces.

People should be paid fairly on merit. No one should be paid less for their work because of their gender, colour of their skin, ethnicity, background, accent, size, age or class. If we get this right on gender, ethnicity and disability, we will create a better and fairer work environment for all.

Several hon. Members *rose*—

Sir Roger Gale (in the Chair): Order. It appears that at least seven Members wish to take part in the debate, apart from the Front Benchers, who each have 10 minutes. On that basis, I am going to put an immediate seven-minute time limit on speeches. I may have to reduce that, which will depend on whether Members choose to intervene.

If they do, that will shorten the time available for debate. If Members do intervene, I gently ask that they make interventions and not speeches.

9.43 am

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Sir Roger. I thank the hon. Member for Brent East (Dawn Butler) for leading today's debate. She has worked incredibly hard on this issue. It is good that we can discuss its effect across this United Kingdom of Great Britain and Northern Ireland. I wish to add a Northern Ireland perspective to the flavour of the debate, and to give some examples from Northern Ireland of where there has been a shortfall, where it has been addressed and what we can do better.

With regard to geography, ethnicity, gender and so on, the UK has witnessed, in the past and presently, pay gaps in certain industries. This debate is important to get a full perspective on the situation in the United Kingdom of Great Britain and Northern Ireland. For example, there was a large disparity in teachers' pay in Northern Ireland, which coincided with the failure of the Northern Ireland Assembly to meet for some time. There was a clear problem of unfairness to teachers working in Northern Ireland. In April last year, a formal offer on teachers' pay for 2021, 2022 and 2023 was accepted by Northern Ireland's five main teaching unions. The pay settlement agreed by the Teachers' Negotiating Committee included a clause on a starting salary of £30,000 for teachers in Northern Ireland.

That is really important because for too long the teachers in Northern Ireland had lagged behind in pay negotiations and pay awards. That 24.3% increase in starting salary is to be warmly received and it makes that salary equal to England, as it should have been for a long time. The title of this debate is "Workplace Pay Gaps" and those are for both males and females, although I will refer to where women have been disadvantaged in other ways, but there should be absolutely no pay disparity anyway. Equality for teachers in Northern Ireland has eventually been achieved after four years. It is absolutely to be welcomed, but waiting on it for four years is hardly fair.

Additionally, there have historically been issues in Northern Ireland and further afield in the United Kingdom regarding the pay gap between men and women. The Department for the Economy in Northern Ireland has revealed that, as of 2023, the overall gender pay gap in Northern Ireland stood at 7.8% in favour of males. The hon. Member for Brent East referred to that issue, and I thank her for it. It has to be addressed by companies across Northern Ireland.

Mr Gregory Campbell (East Londonderry) (DUP): My hon. Friend and the hon. Member for Brent East (Dawn Butler) have both alluded to the gender pay gap. Whatever the justification or otherwise might have been 30, 40 or 50 years ago, when there were different roles in society for males and females in employment, does my hon. Friend agree that those days have long passed? There must now be no distinction of any kind, whether it is based on gender or on any other differential. There needs to be pay equality right across the spectrum.

Jim Shannon: I wholeheartedly agree. For instance, apprenticeships are available at Thales in the armament and military production line in Belfast, and young girls

and ladies have the same opportunities as young fellas and men. The same applies at the shipyard and at engineering firms across Northern Ireland, especially in my constituency. I have seen the advantage of those apprenticeships. My hon. Friend is right to raise that point.

For every £1 earned by men, women earn only 92p. That has to be addressed: we need wage equality. Where employers are perhaps reluctant to provide it, the Government need to step in legislatively. The gender pay gap favours females when we consider full-time and part-time employees separately—there are gaps of 3.5% and 1.7% respectively—so there are some anomalies to be addressed.

The gender pay gap has narrowed over the years. It has decreased from 22.4% in 1987 to 8.7% in recent analysis: over 27 years, there has been a great drop in the disparity. My hon. Friend the Member for East Londonderry (Mr Campbell) compared the historical position with where we are today. I believe that the trend reflects ongoing efforts towards gender pay equality.

UK-wide, we have witnessed further pay disparities that certain ethnic minority groups experience in comparison with white employees. The hon. Member for Liverpool Riverside (Kim Johnson) was absolutely right to highlight that clear gap, and the clear evidential gap to be addressed. For instance, in the 10-year spell between 2012 and 2022, black, African, Caribbean and black British employees consistently earned less than their white counterparts.

Furthermore, studies by the Northern Ireland Statistics and Research Agency have identified pay disparities between disabled and non-disabled employees in Northern Ireland. I think the hon. Member for Brent East referred to that disparity in her speech. Goodness me! If they are doing the same job to the same ability, they should be getting the same pay. There should be no disparity just because someone happens to be in a wheelchair, have a visual or hearing disability or have a mobility issue. That cannot be ignored. For example, employees reporting fair health, which is a proxy for disability, experienced a gender pay gap—wait until you hear this one—of 16.8%. Those who reported very good or good health experienced narrower gaps of 8.1% and 8.4% respectively. There is a real gender pay gap for disabled people.

Perhaps the Minister can give us some idea whether she has had any discussions with the Minister back home. There is no doubt that much progress has been made in addressing these issues, but there is still a long way to go. There is significant work to be done to ensure full pay equity across all demographics, not just in Northern Ireland but further afield in the United Kingdom. Has the Minister had a chance to raise that issue with the Northern Ireland Assembly?

There is hope that legislation can be introduced to address these issues. I look to the Minister today for a commitment to ensuring that they are resolved. I understand that many of the issues are devolved, but the Government here have a responsibility, centrally, to ensure fairness in pay across all employment sectors.

Several hon. Members *rose—*

Sir Roger Gale (in the Chair): Order. To make it easier for Members, I have asked that the clock count down, rather than up, so it is easier to work out how much time you have left. You can now see that very clearly indeed.

9.50 am

Steve Witherden (Montgomeryshire and Glyndŵr) (Lab): It is a pleasure to serve under your chairship, Sir Roger. I congratulate my hon. Friend the Member for Brent East (Dawn Butler) on securing this important debate.

Research in 2023 revealed that mothers in the UK earned, on average, 31% less than fathers—a gap worse than the one 40 years before. The motherhood pay penalty has been overlooked by previous Governments for far too long, significantly contributing to gender pay gaps. The undervaluation of care work, combined with the fact that caregiving responsibilities fall disproportionately on women, means that women are often the ones who take career breaks or reduce their working hours when raising children. This leads to limited work experience and stunted career progression.

The Institute for Fiscal Studies has found that while men's earnings remain largely unaffected by parenthood, women's earnings drop significantly after having children. In fact, seven years post childbirth, women earn less than half of what men earn. The penalty is even more severe for black and ethnic minority women, who face additional barriers as the impact of motherhood is compounded by existing ethnic pay gaps and gender and race-based inequalities at work.

I welcome the Government's commitment to improving parents' rights in the workplace through the Employment Rights Bill. The Bill's increased protections against dismissal for pregnant women, for those on maternity leave and for those returning within six months build on existing safeguards against redundancy for mothers, taking us a crucial step forward in addressing the penalty. Furthermore, the Bill's removal of restrictions on paternity leave and pay will provide more flexibility and encourage a fairer division of parenting responsibilities between partners.

What plans do the Government have to directly tackle the gap between the earnings of mothers and fathers? What specific measures are being considered for single parents, who will not necessarily benefit from changes to paternity leave and who often bear the responsibility for caregiving? *Diolch yn fawr.*

9.53 am

Iqbal Mohamed (Dewsbury and Batley) (Ind): The happiest of new years to all. It is a pleasure to serve under your chairship, Sir Roger. I congratulate my hon. Friend the Member for Brent East (Dawn Butler) on securing this important debate.

Over 1,400 years ago, Islam placed a strong emphasis on justice and fairness in all aspects of life, including the workplace. The principle of equal pay for equal work aligns with Islamic teachings that advocate for equity, justice and human dignity. Several hadiths and Koranic verses highlight the importance of fair treatment and appropriate remuneration for employees. Islamic principles also stress that wage disparities based on race, gender, colour or nationality are unjust and contradict the core values of Islam and humanity.

In more recent times, it is remarkable that nearly a century after women gained equal rights to vote in this country, and half a century since the introduction of the Equal Pay Act 1970, significant gaps remain in pay

[Iqbal Mohamed]

for women—especially women from minority ethnic backgrounds—and for those with disabilities. I therefore welcome the measures in the Employment Rights Bill as an important step in the right direction to redress this wrong through proposals to extend reporting requirements on employers and for employers to develop and publish equality action plans, including measures to address the pay gap. However, as hon. Members have stated, action plans on their own are not enough; they must be implemented and enforced.

I would like the Government to provide further clarification on two areas. I note the findings in the report by the Chartered Institute of Personnel and Development for 2022-23 that nearly a fifth of large employers with more than 250 employees said that they had not carried out gender pay gap reporting, despite its being a requirement for all businesses with 250 employees or more in England, Scotland and Wales. Enforcement of the reporting regulations is a responsibility of the Equality and Human Rights Commission. What steps are the Government taking to ensure that sufficiently robust measures are in place to ensure that employers meet their reporting requirements, as well as ensuring the enforcement of the implementation of action plans?

I also note the TUC's recommendation that the same reporting requirements be extended to businesses with 50 employees or more. Can the Minister explain why the Bill confines itself to businesses with 250 employees or more? Why does it not seek to cast the net wider? Taking comprehensive steps to address the gender, ethnicity and disability pay gaps is a moral and legal imperative that the Government must address in full, once and for all.

9.57 am

Deirdre Costigan (Ealing Southall) (Lab): It is a pleasure to serve under your chairship, Sir Roger. I thank my hon. Friend the Member for Brent East (Dawn Butler) for securing this important debate. I declare an interest as vice-chair of the Unison group of MPs.

We have had gender pay gap reporting since 2017. Although it was a very welcome first step, it has proved to be too weak on its own to fully level the playing field between men and women at work. Women are still being paid significantly less than men on average. Gender pay gap reporting relies on a name-and-shame approach that means that employers can continue to report paying women less, year after year, without having to take any action at all to change this. It is great news that the new Labour Government have already taken decisive action by bringing forward the new Employment Rights Bill. The new law will mean that employers have to publish an action plan setting out how they will take tangible steps to reduce gender pay gaps and discrimination in the workplace. Finally, employers will be held to account to ensure that they pay women fairly.

Today, I want to focus on disabled people in particular. Disabled workers are paid an average of over £2 an hour less than non-disabled workers. That is thousands of pounds a year that disabled workers are losing out on. Disabled women experience one of the worst pay gaps as a result of double discrimination: not only do they suffer the gender pay gap, but they experience

the disability pay gap, which has barely moved over the past decade. There was no progress at all under the previous Government, and disabled workers are still losing out.

I am delighted that the new Labour Government announced straight away in the King's Speech that we would bring forward a new equality Bill that will ensure a full right to equal pay for both disabled and black and Asian workers. The new law will finally extend pay gap reporting to disabled workers and will mean that employers with more than 250 staff must publicly account for the difference in how much they pay their disabled staff. However, as the gender pay gap has shown, we will still need to do more, and the groundbreaking disability employment charter outlines some of the solutions. The disability employment charter is a list of nine demands of Government that will break down the barriers for disabled people at work. It was put together by organisations such as Scope, Disability Rights UK and Unison. Over 220 employers have already backed the disability employment charter but the previous Government failed to act on any of its recommendations.

One of the charter's key demands is for disability pay gap reporting alongside employment gap reporting, because too many employers just do not employ disabled people in the first place, let alone pay them properly. I hope that the Minister will consider mandatory publication of the level of disabled staff at larger employers so that an employer's commitment to treating disabled people fairly can be properly assessed. Disabled workers are twice as likely to be unemployed than non-disabled workers. That is caused by discrimination in recruitment, but also by workers being hounded out due to bullying and harassment, or a failure to provide reasonable adjustments. Disabled workers are entitled by law to reasonable adjustments—often small changes that can help them do their job—but research by Unison found that a quarter of disabled workers have waited over a year for adjustments to be put in place and many never hear back from their employers at all. They get ignored and the current law is not strong enough for them to do anything about it.

No one can do their job properly if they do not have the tools to do it, so of course those disabled workers lose out on promotion and get stuck on the bottom rung of the pay ladder. That is a key cause of the disability pay gap. Without the right help, many disabled workers are in pain each day at work, or struggle to perform. The next thing they know, they are out of the door: an outcome that could have been avoided with changes to hours, additional breaks, or with, for example, speech-to-text software. That is a massive waste of talent, which has led to a disability employment gap of 30% and nearly 3 million people stuck at home on long-term sick leave when many of them want to work.

The disability employment charter calls for a new right to a two-week deadline to get at least a reply to requests for reasonable adjustments. Currently, there is no deadline for a response—unlike, for example, flexible working requests, to which the employer needs to respond in eight weeks. I gave evidence on that point to the Lords Public Services Committee in my previous role with Unison and I welcome the Committee's recommendation of a four-week deadline for responses to requests for reasonable adjustments. I know the Minister will consider that issue as she works with

colleagues, including the Minister for Social Security and Disability, on proposals to help to reduce the disability employment gap and the pay gap.

Disabled people are full of talent and creativity. For too long they have been pushed out of jobs that they love because of discrimination, bullying and a simple refusal to give them the basic help that they need to thrive at work. The solutions outlined in the disability employment charter, including mandatory publication of the disability pay gap and the employment gap, and a deadline for responses to requests for reasonable adjustments, will help to finally unleash that talent. I look forward to this transformative Labour Government taking forward this vital work.

10.3 am

Ms Stella Creasy (Walthamstow) (Lab/Co-op): It is, as ever, a privilege to serve under your chairmanship, Sir Roger and I wish you a happy new year. I congratulate my hon. Friend the Member for Brent East (Dawn Butler), who has been a consistent champion of equalities for the entire time that we have been in Parliament.

We could forgive ourselves for feeling that we have been here before, not only because it is wonderful to see the hon. Member for Strangford (Jim Shannon) in his place at every Adjournment debate, but because we have been asking for equal pay and for pay gaps to be addressed in this country for the entire time that I have been in this House—15 years. We are latecomers to this debate: women have been asking for equal pay since 1833. The first recorded instance was in Robert Owen's labour exchange and, as a Co-op MP, I am sorry to say that it was not received favourably. I hope that we can address that today. Nor should we ever forget Barbara Castle's contribution as a champion for equal pay. She paid for it with her career because, frankly, people in the Labour movement did not appreciate the argument that she made. Yet her argument was the argument that we always have to make, which is, first and foremost, about our economy.

Pay gaps, whether to do with gender, ethnicity, or disability, represent productivity loss and loss of talent. We have to ask ourselves why this country is languishing in the bottom half of the OECD rankings when it comes to productivity and why we have stagnating living standards. One of the answers is that we do not make the best use of our people. Let us kill the myth that when we talk about equal pay, or the gender pay gap, somehow this is women asking nicely for something as a treat. This is cold, hard economics we are talking about today, which is why it also matters when we do things that may inadvertently increase the gender pay gap. Today, I want to raise some concerns with the Government about that. When we kill the myths, we need to be clear: it is really not us, it is society.

Data from the Fawcett Society shows that even when men and women work in the same occupations, in the same industries, doing the same working hours, and are the same age and ethnicity, two thirds of the difference in their income cannot be accounted for. That is discrimination. Let us be honest about what it is. Women ask just as often for a pay rise; men are four times more likely to receive one. There is segregation within industries and it is increasingly evident that the biggest part of the pay gap is to do with motherhood, which I want to come on to.

I take a very different view to the hon. Member for Montgomeryshire and Glyndŵr (Steve Witherden) on the Employment Rights Bill, which is why I think we need to address this issue. Five years ago, in October 2020, I put forward the Equal Pay (Implementation and Claims) Bill, because of the challenges that we are facing. My hon. Friend the Member for Ealing Southall (Deirdre Costigan) is absolutely right that we have had pay gap reporting for many years now, but it is one thing to know there is a gap and another to have the tools to do something about it. The lack of fines and the previous Government's cavalier attitude towards the gender pay gap and ethnicity reporting—which they promised us, but never delivered—in tackling productivity and highlighting that lack of talent is a real challenge for us.

We need to give people the tools, because there are no fines. One reason why I proposed the Equal Pay (Implementation and Claims) Bill was to give women the right to know the incomes of their male comparators, so they could bring an employment tribunal. We know that this has been one of the few ways that people have actually made progress on this. Last year's figures show that the average award for sex discrimination was £50,000, while for race discrimination it was £10,000, and for disability it was £17,000, but some of the awards went up to nearly £100,000. I pay tribute to women such as Carrie Gracie and Samira Ahmed, who took on major household names who were not paying women equally. This problem is widespread in our society.

I want to return to the issue of the motherhood pay gap, because it is not just that women face a penalty when they have children, it is that men receive a premium. The evidence from workplaces is clear that even when women do return to work after motherhood, they are undervalued, underpaid, and considered to be less committed. The reverse is true for men. What a waste of talent in this country. What on earth are we doing as a nation, if we think that when someone is able to juggle looking after a family, they are somehow less rather than more capable, and when we do not recognise that we are asking men to do something impossible, which is to not be around their children at an early age and be the guy that they want to be, because we are asking women to pick up the slack for men's employers?

I am proud of many aspects of the Employment Rights Bill. I am proud of the equality action statements. They will be part of shining the light of disinfectant on the problem of the pay gap. Yet when we talk about the tools to tackle this, we have to recognise that if we inadvertently reinforce the stereotype that only women look after children, we may make the pay gap worse. There is a lot of evidence that even those women who do not have children experience discrimination in the workplace because employers think they might go and have children.

The concern I raise with the Minister is not only the need to introduce a "right to know"—that 2020 legislation was not written by me, but by a brilliant woman called Daphne Romney, who is a fantastic QC on these issues and who worked with the Fawcett Society. I hope I can encourage the Minister to have a look at it and see if there is anything she might want to pick up. However, I also want to bring to the Minister's attention my concern that if we only strengthen mothers' rights in the workplace, we might reinforce the idea that it is only

[Ms Stella Creasy]

mothers who look after children, and therefore the gender pay gap could get worse and not better, and people will be left out. The answer is, therefore, not to reduce those rights, but to give fathers and second carers in a relationship rights to equally paid and protected leave, so that everybody of a certain age who might be looking after children is equally discriminated against.

PAPa, paid and protected leave for fathers and second carers, is something that we could do through this piece of legislation. I will not tell the Minister how long it should be, but the principle that fathers need protected time in their own right is possibly one of the greatest tools for equality and improving productivity that we could bring into our economy.

Many of us, who are so delighted to see a Government that are prioritising tackling the pay gap, are equally concerned to ensure that we do not miss this opportunity to make the progress we need: to give dads back the time they need to be brilliant dads and employees, and to give mums the opportunities in the workplace denied to them, because too often society thinks that they put themselves out to pasture by having children. Only a Labour Government can understand the challenges that we face, but only a Labour Government can live to the highest standards, which Barbara Castle called us to, because it is her legacy that we are here to fight for and her legacy that will deliver for this country.

10.10 am

Brian Leishman (Alloa and Grangemouth) (Lab): It is a pleasure to serve under your chairship, Sir Roger. I thank my hon. Friend the Member for Brent East (Dawn Butler) for bringing this important issue to the fore. As a declaration of interest, I am a proud member of Unite the union and the Community union.

At the heart of this debate is the ongoing problem of inequality and, ultimately, who actually holds the power in our country, which has been the consistent issue that workers have faced for centuries. The truth is that our country and our economy has always been run for the benefit of the few—historically, those who owned the land and its resources, and the people who worked on it. Whoever controls that will have wealth; therefore, inequality is not a new phenomenon. If I may be permitted a little more history, the creation of the Labour party in 1900 meant that at last the working class and the trade union movement had an effective voice in Parliament. But for women, it took until 1928, when the Representation of the People (Equal Franchise) Act 1928 was passed, to deliver them equal voting rights with men. However, pay discrimination for women is still an issue.

To focus specifically on Scotland, the Scottish Trades Union Congress, using the Office for National Statistics annual survey of hours and earnings, has shown that women in Scotland can expect to earn an incredible £3,000 a year less than men. That gender pay gap rose from 6.4% in 2023 to 8.3% in 2024, up by 30%. While the typical Scottish male has seen their hourly pay increase by £1, a Scottish female has seen it increase in comparison by 74p: yet more inequality built into our society.

That is sadly reflected when we look at local government workers in Scotland, approximately three quarters of whom are female. Local authority workers need and

deserve a wage that genuinely reflects their worth and value to society. After 17 years of the SNP's own brand of austerity, the Scottish Government must now invest in workers and the public services that people so drastically rely on.

An article published yesterday described how a FTSE 100 boss's hourly pay has now hit £1,298. That shows the gross inequality and unfairness that exists in workplaces. The huge disparity between pay for those at the very top of industry and their staff—those who generate that wealth—has grown bigger. We cannot look at pay inequality in isolation because, in the ongoing fight for a fairer society, multiple issues must be linked. In Britain today, as well as pay inequality, millions of people are in the grip of food poverty, living in substandard housing, in a society where, overall, many are victims of tax injustice. We are still a country where wealth and power continues to be concentrated in the hands of corporations and not ordinary working people.

The truth is that the cost of living crisis has not gone away, but it is not a crisis for the banks, supermarkets, utility companies or individual oligarchs who have seen their wealth explode. Austerity and the cost of living crisis have been crises for the poorest, most vulnerable, the most disadvantaged and the working class. Thankfully, over the last two years the British Labour movement has led the fight against insatiable corporate greed and avarice. The collective power of trade unions as an effective fighting force for workers' rights has thankfully been re-established. The fight for equality in the workplace and across society, just like the cost of living crisis, goes on.

Sir Roger Gale (in the Chair): We now come, slightly earlier than anticipated, to the Liberal Democrat spokesperson.

10.15 am

Christine Jardine (Edinburgh West) (LD): It is a pleasure to serve under your chairmanship, Sir Roger. I wish you and everybody else a happy new year, and hope that in 2025 we do again make progress in this area.

I thank the hon. Member for Brent East (Dawn Butler) for securing this debate because, for me and I am sure everybody in this room, closing the gender pay gap—and all the pay gaps—is fundamental to creating a more equal society. We cannot have true freedom and equality of opportunity, quality of life, standard of life or anything in this country if we do not have equality of pay. The hon. Member for Walthamstow (Ms Creasy) mentioned Barbara Castle, which made me think about the fact that the Equal Pay Act was actually passed in 1963. I was a toddler—[*Interruption*]*—yes, I was a toddler—and now here we are, when I can just see retirement appearing on the horizon, and we are still talking about equal pay for women, but also for ethnicity, disability and LGBT issues. It is sad that it has taken us so long.*

We have, of course, made progress, but so many of the statistics are frightening—none of them are encouraging reading. According to the Office for National Statistics, the median hourly pay for full-time employees is 7% less for women. It goes up to 13.1% when taken across all hourly paid employees. As the hon. Member for Brent East mentioned, we have, I fear, even more serious

issues in terms of both ethnicity and disability, because they have not had the attention over the past 61 years that gender has had.

As I say, we have made progress. In government, the Liberal Democrats were instrumental in pushing for large employers to be required to report on gender pay gaps in their organisations. That has led to some transparency and thrown light on some very serious issues, including high-profile, controversial revelations, particularly in the media sector, where we have seen massive disparities. That underlines how far we still have to go, particularly in tackling inequalities in terms of ethnicity, disability and LGBT, where pay gaps are still not published—we do need publication of those gaps.

Moving forward, this Government must tackle the specific economic barriers facing women, ethnic minorities, the disabled and LGBT by expanding access to flexible, affordable childcare, doubling statutory maternity pay and, critically, expanding shared parental leave, because—I agree with the hon. Member for Walthamstow about this—there is no point in making it about mothers. It has to be about parents, or we simply emphasise the difference, and keep that going.

Flexible, affordable childcare and early years education are critical to our economic infrastructure, and help to close the attainment gap between the wealthy and the poor. They give parents more choice over how to organise their lives and help them to return to work if they want to. Back in 1963, that was not an option that women had. My mother had to give up work when she had me. When she had my sister seven years later, she had gone back to work, and had to give it up again. Then, when she had my youngest sister in 1972, almost 10 years after that equal pay legislation was passed, she still had to give up work—there was no option to go back to work—so it is critical that we address that. It should be a choice.

Lack of access to affordable childcare is a key driver of the gender pay gap. Women lose ground when they do not go back to work after they have had children. I gave up a successful career in journalism not long after my daughter was born because it was simply too expensive, and that was in the 1990s. The progress that we had made by 1997, when I made that decision, was very limited.

We have more to do. As well as improving that specific area, the Government have to look at improving diversity in the workplace and public life. I want to see large employers monitor and publish data on gender, ethnicity, disability and LGBT+ employment levels, pay gaps and progression, and publish five-year aspirational diversity targets. They should extend the use of name-blind recruitment processes in the public sector and encourage their use in the private sector. That is critical, because that is the first step to ensuring that employees are treated fairly. They have to improve diversity in public appointment by setting ambitious targets and requiring progress reports to Parliament, with explanations when targets are not met. As we have heard, we have to start to see heavy fines when that does not happen.

I have been fortunate in my working life, and in those 60 years since the Equal Pay Act, and in the Equality Act 2010, which made a huge difference. I would like to see this Labour Government take this further and ensure that our country manages to achieve the equality that

we have striven for. The hon. Member for Brent East says it is predicted to take another 40 years—I will not be here by then, but I would like to see it.

10.21 am

Ben Obese-Jecty (Huntingdon) (Con): It is a pleasure to see you in the Chair for this debate, Sir Roger. I congratulate the hon. Member for Brent East (Dawn Butler) on securing today's debate, which marks Ethnicity Pay Gap Day.

We have heard from a host of Members this morning on the impact of pay gaps in the workplace. The hon. Members for Brent East and for Dewsbury and Batley (Iqbal Mohamed) both asked what can be done to hold companies that do not address identified pay gaps to account. The hon. Members for Walthamstow (Ms Creasy) and for Montgomeryshire and Glyndŵr (Steve Witherden) addressed the rights of parents and the motherhood pay gap. The hon. Member for Ealing Southall (Deirdre Costigan) spoke about the disability pay gap and improving the working lives of disabled workers. The hon. Members for Strangford (Jim Shannon) and for Alloa and Grangemouth (Brian Leishman) spoke about regional pay gaps in Northern Ireland and Scotland respectively. These are important topics in an area where there is still work to be done, despite the progress made over the last half a century, first by addressing gender pay discrimination and, more recently, by addressing discrimination based on ethnicity and disability. The Labour party's manifesto pledged to address the issue of pay gaps and stated that it intended to build upon the existing legislation.

Paying men and women different pay for the same work has been prohibited in Great Britain since the Equal Pay Act 1970—legislation that has since been superseded by the Equality Act 2010. Gender pay gap reporting was introduced by the Conservative Government in 2017, through world-leading legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Since 2017, the gender pay gap has declined steadily from 18.4% to 13.1% in 2024. I ask the Minister: do the Government anticipate that trend continuing and, to that end, do they believe that the introduction of additional legislation will close the remaining gap more quickly or have no impact on the current trajectory?

Data from the Office for National Statistics on the gender pay gap from 2024 show that it was highest in skilled trades and occupations, and lowest in caring, leisure and other service occupations. Although the Government's new legislation will seek to ensure that gender pay disparities are eradicated within organisations, what plans do the Government have to address the differing pay gaps across industries?

The gender pay gap is much higher for full-time employees aged 40 years or over than it is for employees aged below 40 years. There are a variety of reasons for why that might be the case. Although I do not have a breakdown for the rationale for that observation, one reason might be the impact of motherhood on careers and earning potential. What steps are the Government taking to address the gender pay gap within that demographic? It is notable that, in occupations where pay generally increases with age, the proportion of women decreases. Additionally, the difference in pay between the sexes is largest among higher earners.

[Ben Obese-Jecty]

In May 2021, the Labour party pledged to modernise pay laws to give women the right to know what their male counterparts earn, as alluded to by the hon. Members for Brent East and for Walthamstow. Although that detail did not make it into the manifesto—not that that has stopped the Government from implementing some of their other recent policies—do the Government still intend to introduce that right, and if so, will the Minister outline how such a policy would work in practice? Can the Minister provide assurances that private sector pay will remain confidential and not subject to inquiry by co-workers by law?

Close to home, we see how this presents itself in our political parties. In 2023, the Conservative party had a mean gender pay gap of minus 1.8%. Labour party reporting shows that it has a mean gender pay gap of 2% and that:

“The gender pay gap for men and women therefore shows that on average, men’s hourly earnings are higher than women’s within the Party. There has been a change from the -2% recorded in 2022.”

Can the Minister outline what steps have been taken to address the seemingly worsening gender pay gap within the party of Government since the 2023 report was published?

Ms Creasy: I am pleased to hear that the shadow Minister thinks that gender pay gap reporting is something that should drive change. Does he therefore want to apologise for the fact that the only business reporting that his party’s Government abolished, during the pandemic, was gender pay gap reporting? If he thinks the gender pay gap is such an important metric, does he now recognise that that move sent a terrible message about this data?

Ben Obese-Jecty: Obviously, that was before my time in this House, so I am not completely au fait with the detail the hon. Member is referring to, but I will come back to her with some clarification.

I was unable to find a Labour gender pay gap report for 2024, nor could I find any ethnicity or disability pay gap reporting, so I ask the Minister whether she can provide an update on the 2024 pay gap figures for gender, ethnicity and disability for Labour party employees. It would be reassuring to see the party of Government lead by example, by placing itself in the vanguard of organisations that voluntarily provide such clear data ahead of the introduction of the legal requirement to do so.

On race, Labour’s manifesto pledged to introduce a landmark race equality Act to enshrine in law the full right to equal pay for black, Asian and other ethnic minority people. The Minister for Women and Equalities, the right hon. Member for Houghton and Sunderland South (Bridget Phillipson), pledged 18 months ago that such an Act would form a core part of Labour’s plans in government. The aspect of that Act applicable to this debate is the Government’s commitment to fine companies that do not act on data highlighting a racial pay disparity. The right hon. Lady stated that that was a Labour priority, yet as we approach the six-month point of Labour being in office, I ask the Minister who here today to clarify when that Act will be brought before

the House and when companies can be expected to have to implement ethnicity pay gap reporting. Labour first made the pledge to introduce ethnicity pay gap reporting in 2021, in a document that has now been deleted from the Labour party website, but I ask the Minister to say how such a policy is likely to be implemented.

In March 2022, the previous Government published “Inclusive Britain”, its response to the Commission on Race and Ethnic Disparities. Action 16, which directly addressed ethnicity pay gap reporting and responded to recommendation 9 in the report, was to

“Investigate what causes existing ethnic pay disparities.”

It stated:

“We will address the challenges with ethnicity pay gap reporting to support employers who want to demonstrate and drive greater fairness in the workplace.”

It also said that the Department for Business, Energy and Industrial Strategy would

“publish guidance to employers on voluntary ethnicity pay reporting in summer 2022. This guidance, which will include case studies of those companies who are already reporting, will give employers the tools to understand and tackle pay gaps within their organisations and build trust with employees.”

The previous Government published their guidance to employers in April 2023. I ask the Minister whether this Government will retain the existing guidance and use the measures already in place. Once reporting becomes mandatory, how will the Government ensure that enough workers disclose their ethnicity to make reporting accurate? Can she give assurances that employees will not be forced to disclose their ethnicity on record? How will the legislation improve individual situations if an ethnicity pay gap is identified? Will employees on the wrong side of an identified ethnicity pay gap be informed of their specific circumstances, or will they be left to see the gap identified in the reporting and then have to rely upon the organisation’s action plan to redress any imbalance?

In January 2023, the then Labour party chairman, who is now the Minister for Women and Equalities, addressed the reported 9% ethnicity pay gap within the Labour party between its black and minority staff, and its white staff. She stated:

“Labour is determined to close these pay gaps, not just among our own staff.”

Two years later, and ahead of mandatory ethnicity pay gap reporting being introduced, I ask the Minister to say whether the Labour party has now addressed its own ethnicity pay gap. *The Guardian* reported in November that senior Labour MPs were frustrated that “there were no senior black staff members at the very centre of a Labour Government.”

It would appear that the party of Government still has some work to do.

Lastly, the disability pay gap receives far less scrutiny than either the gender pay gap or the ethnicity pay gap. As someone with a close relative who is a wheelchair user, it is easy for me to see how disabilities, both visible and hidden, can be overlooked. The Government pledged in their manifesto to introduce a full right to equal pay for disabled people, as well as mandatory disability pay gap reporting for large employers.

A TUC report from last November highlighted the current disability pay gap, and we would all benefit if that gap was closed. Can the Minister say when the

Government intend to introduce mandatory disability pay gap reporting and also how the mandatory action plans will be used to address identified gaps?

A proactive step would be to introduce reasonable adjustments passports to ensure that the impact of employees' disabilities is documented. Adjustments can be agreed and any future potential adjustments can be identified. An employer then has a clear record of adjustments that have been agreed upon, which can be easily communicated to new managers. I believe Labour also pledged to improve access in its manifesto, so can the Minister outline what progress has been made in that regard?

ONS data for 2023 showed that the disability pay gap was 12.7%. Unlike the gender pay gap, the disability pay gap has remained constant for around a decade, as highlighted by the hon. Member for Ealing Southall (Deirdre Costigan). That gap is actually wider for men, at 15.5%, than it is for women, at 9.6%. It is also wider for full-time employees than it is for part-time employees. The ONS's disability pay gap analysis showed that disabled men earn a median hourly pay that is similar to that of non-disabled women. The ONS data also showed that the biggest impact is on those with autism, epilepsy or learning difficulties. Disabled employees with autism had one of the widest pay gaps, with a 27.9% difference, and those with epilepsy had a 26.9% difference.

I ask the Minister what steps the Government are taking to reduce those categories of pay gap with the highest difference. Given the increase in instances of autism in children with special educational needs and disabilities, I ask the Minister: what steps are being taken now to ensure that a better structure is in place for what is likely to be an increase in those disabilities in the workforce?

There is still progress to be made on addressing pay gaps in our workforce. I look forward to the Minister's response and await clarity from her on the steps the Government have pledged to take to address those issues.

10.30 am

The Minister for Equalities (Seema Malhotra): It is a pleasure to serve under your chairship, Sir Roger. I congratulate my hon. Friend the Member for Brent East (Dawn Butler) on securing this important debate. I thank her, as other hon. Members have, for her long-standing advocacy and campaigning on the issues, which she demonstrated deeply in her speech today. I am proud to have worked with her on them. I also acknowledge the contributions made by hon. Members on both sides of the House, which were summarised well by the Opposition spokesperson, the hon. Member for Huntingdon (Ben Obese-Jecty). I am pleased to see the support for our direction of travel, and I see that we need to go further and faster.

I hope to comment on as many of the issues as possible that colleagues have raised. I thank the Opposition spokesperson for his comments, but I will say that if there had been as much passion for and commitment to some of these issues over the past 14 years, and such a focus on the Conservative party's record, there would have been greater change than there was. I hope that he will continue to be a strong voice on these issues, not just in Parliament but in his party.

Today's debate is a welcome opportunity to reaffirm and highlight the Government's commitment to workplace fairness. I am incredibly proud that the work we are taking forward in this Parliament comes on the back of a long history of commitment to equalities legislation, whether that is the Equal Pay Act, the Race Relations Act 1965, the Sex Discrimination Act 1975 or the Equality Act.

One of the key ways that we can measure fairness in the pay that workers receive is by looking at pay gaps. Pay gaps look at the differences in the average pay between groups—for example, the average earnings of women compared with men—while equal pay is a direct comparison of the pay of individuals doing the same or similar work. We have had a number of contributions today on the ranges of and differences in pay gaps.

Pay gaps do not necessarily mean that pay discrimination has taken place, but frankly, they often do. They can point to opportunities not provided and processes that lock people out. Those are issues of fairness and workplace security. Pay gaps can also mean that employers are missing out on the talents and skills of a diverse workforce and all the benefits that come with that. Closing pay gaps of all kinds is in everyone's interest, which is why we want to go further and faster in this Parliament to reach that ambition. It makes sense for business, society, employers and our economy.

The timing of this debate is welcome, given that—as my hon. Friend the Member for Brent East said—Ethnicity Pay Gap Day falls tomorrow, on 8 January. I acknowledge the work of Dianne Greyson and other campaigners. Since 2018, the campaign has highlighted the need for decisive action to tackle ethnicity pay gaps. Like Disability Pay Gap Day, which was marked on 7 November, and Equal Pay Day on 20 November, the date serves as a reminder of just how far we have to go. We know that ONS data shows that black, African, Caribbean and black British employees have consistently earned less than white employees, when looking at median gross hourly pay. In 2023, the pay gap between disabled and non-disabled employees was 12.7%, and in 2024, the gender pay gap still stood at 13.1%.

A number of issues have been raised—not just by my hon. Friend—in relation to accountability, enforcement, regional variation, the right to know, and so on. I will make a few remarks before addressing those points, although I recognise that there may be a shortage of time to address all the points that have been raised today, so I will also be happy to pick them up with hon. Members afterwards.

I am proud that in the King's Speech in July, we strengthened our plans to introduce legislation to root out inequalities and strengthen protections against discrimination. As part of the King's Speech, we announced the Equality (Race and Disability) Bill, through which we will introduce mandatory ethnicity and disability pay gap reporting for employers with 250 or more employees, building on the requirement to publish gender pay gap data. That is a major next step in equalities legislation.

The debate on the publication of an ethnicity pay gap report has had the engagement of a range of key stakeholders, including the Runnymede Trust, the Chartered Institute of Personnel and Development, Business in the Community, ShareAction, Unison and many others. We also know that many ethnic minority workers still

[Seema Malhotra]

face barriers to progression in the workplace. For example, in March 2023, over 26% of the workforce across NHS trusts in England, but only 11% of those at senior manager level, were from an ethnic minority background.

Similarly, although there has been growth in employment rates for disabled people in recent years, there are still significant gaps, as my hon. Friend the Member for Ealing Southall (Deirdre Costigan) laid out. As we know, disabled people have, on average, lower incomes than non-disabled people, and I want to make a couple of comments about the disability pay gap and employment issues. I know that my hon. Friend, who has expertise in this area, has met the Minister with responsibility for disabled people, my right hon. Friend the Member for East Ham (Sir Stephen Timms), to discuss the disability employment charter. We are taking those comments into account in our response to the Public Services Committee that I hope will be coming shortly. We also remain committed to publishing the findings of the disability workforce reporting consultation 2021-22.

Jim Shannon: Will the Minister give way?

Seema Malhotra: I am conscious of time.

Sir Roger Gale (in the Chair): Order. This is entirely my fault. I imposed a time limit on speeches earlier, but two Members then dropped out, which has left us, perversely, slightly under-running. I should have indicated to the Front Benchers at the start of the Front-Bench contributions that we had a little more time than we might need. It is probably in the interests of the House that we hear what the Minister has to say, so I am going to allow the Minister to run over very slightly; if she wishes to take the intervention, she may do so.

Seema Malhotra: Thank you, Sir Roger. I will give way.

Jim Shannon: I thank the Minister for her contribution; she will know that my questions to her will never be adversarial. She has referred to disability action. Has she had an opportunity to discuss these matters with the equivalent Minister in the Northern Ireland Assembly? That was the thrust of my contribution, as it is really important that we in Northern Ireland follow the same line of thought as happens here.

Seema Malhotra: I understand that we are engaging with our colleagues in the devolved Governments, and across the country in relation to mayors playing a part, and I am very happy to pick that point up with the Minister for Disability. It is a priority for this Government to engage much more with our devolved Governments and work together to ensure that the voice of the whole UK is heard in the legislation that we are bringing forward.

I want to make a couple of comments about parental and shared leave and employment rights. Our plan to make work pay included a commitment to review the parental leave system alongside our wider plans to boost family friendly rights, so that workers and employers can benefit from improvements in productivity and wellbeing. The Employment Rights Bill will make existing entitlements to paternity leave and unpaid parental leave available from day one of employment, and will

enable parents to take their parental leave and pay after their shared parental leave and pay.

We are improving access to flexible working, which will be extremely important in how we move forward further in this space.

Ms Creasy: I absolutely welcome the commitment to look at these issues, but I want to put on record that many of us believe that shared parental leave has set us back in terms of equality between the genders. It has been a disaster in terms of who has taken it up, because it asks women to give up their maternity leave and men do not pick it up. We need to give men leave that is paid and protected in its own right if we are ever to have equality between the sexes. I put that on the Minister's table as something we need to look at, because shared parental leave is not the answer here.

Seema Malhotra: I thank my hon. Friend for making that point; her views and her voice are very much heard in this place. A number of these issues go across Government Departments, and I encourage her to continue to engage with other Ministers on this.

Hon. Members have raised issues relating to pregnant women and new mothers. Pregnant women and new mothers deserve to know that the law is on their side. We will put in place legislation that makes it unlawful to dismiss pregnant women, mothers on maternity leave and mothers who return to work for a six-month period after they return, except in specific circumstances. Strengthening the legislation in this area is an important part of how we are continuing to take our programmes forward in a way that is good for our economy, society and families.

Returning to ethnicity and disability in relation to employment and pay gaps, introducing mandatory ethnicity and disability pay gap reporting will provide transparency and the vital data to help businesses to identify and address pay gaps within their workforces and identify and remove barriers to progression. It will shine a light on the businesses taking welcome steps to promote the talents of ethnic minority and disabled workers while holding to account those who neglect to do so and make progress. The Equality (Race and Disability) Bill will enshrine in law the full right to equal pay for ethnic minority and disabled people, and we will seek to remove barriers to redress for claimants.

These measures are not just about diversity and inclusion, as hon. Members have commented: they make good economic sense. Evidence shows that the adoption of such policies leads to improved productivity, improved rates of progression and retention, and profitability. Our analysis in opposition indicated that closing the employment gap faced by ethnic minority people could add almost £36 billion to our economy.

Anyone who is familiar with pay gap reporting knows, however, that the changes that we are making are not simple. These are complex matters with numerous challenges, whether it be disclosure rates, for which we will be producing more guidance, or the granularity of reporting. That is why we have listened to stakeholders when it comes to introducing the measures, and we continue to listen about how we will make this work in practice. That will be part of an important set of consultations that we are to undertake this year, including

roundtable discussions over the next few months. I look forward to attending my first one, in collaboration with ShareAction, early in March.

As for when we will introduce legislation, we have committed to publishing the draft legislation in this parliamentary Session. As I said to my hon. Friend the Member for Brent East, we will bring forward the consultation shortly. That will be an opportunity for many of the issues to be raised in wider dialogue as we move forward with our plans.

On closing the employment gap and on best or good practice in workplaces, the “Get Britain Working” White Paper was published by the Department for Work and Pensions in November last year. It was a groundbreaking piece of cross-Government work. It sets out the details of reform to employment support to help tackle rising economic inactivity levels and to support people into good work, creating an inclusive labour market, all of which is part of the backdrop for how we make legislation more impactful in workplaces. That includes a new service to support more people to get into work and to help them get on in work.

Local “Get Britain Working” plans across England will be led by mayors and local areas and will include a youth guarantee—for all people aged 18 to 21 in England—for education, training or help to find work. I encourage Members to engage in such activity as we take it forward.

We are also making changes to existing reporting requirements further to ensure that employers are taking the steps we need to narrow their gender pay gaps. It is absolutely right to say that progress on reducing the UK gender pay gap has stagnated, and we need employers to take action to change that.

Organisations have been reporting data since 2017, but with employers encouraged to publish action plans voluntarily. Analysis in 2019, however, found that only half of employers had produced details of the actions that they had developed or implemented to address their gender pay gap. As part of the Employment Rights Bill introduced to Parliament in October last year, action plans will become a requirement. They will ensure that organisations are taking effective steps to improve gender equality in their workplace, and we continue to engage on how we will make them most effective. This will also focus minds on steps, for example, to support employees during the menopause and will introduce much-needed accountability into reporting.

Finally, the Government are acting in a number of ways to act on the drivers of pay gaps and to secure fairness more broadly in our workplaces. The landmark Employment Rights Bill contains robust measures to safeguard working people, including protections from sexual harassment and enhanced rights for pregnant workers, as well as measures that have the potential to change workplace culture for the better, with the elements I mentioned to do with flexible working and expanded day one rights.

We have an ambitious agenda to ensure that workplace rights are fit for a modern economy, and will empower working people and deliver economic growth. That is

why we are working at pace across Government to make this agenda a reality. Over 50 years after the Equal Pay Act 1970 and almost 15 years after the Equality Act 2010, I am proud that we are now taking action at pace. In closing, I again thank all hon. Members for their contributions this morning.

10.49 am

Dawn Butler: A big thank you to everyone who has participated in this debate; it has shown Parliament at its best, and it is great to see that there is no real opposition to championing equal pay. It has taken a long time, but we now have a Labour Government and we can deliver it. That is the beauty of having a Labour Government who are committed to ensuring that people who are working are fully paid and respected in the workplace. Although the hon. Member for Edinburgh West (Christine Jardine) said that she wants to be alive to see the gap closed completely, I think we will see that with a Labour Government, so she will be alive to see it.

It is interesting that a country where the pay gap is really small is Norway, where anyone can find out how much anybody else is paid. That is taking things further than we would in the UK, but it is interesting to see that because people there have that disinfectant and that light on the problem, as hon. Members have said today, they are able to see the gap and close it. I do not think that we should be scared of having people know what other people earn, especially if they are working side by side. There should not be anything to worry about.

It is also interesting that the Employment Rights Bill will tackle a lot of this issue. We need to ensure that as it goes through Committee, we take on all the suggestions that will accelerate progress. This has taken way too long. We know that the gap exists and that equal pay is a problem, and everyone here today has said, “Why don’t we close it?” We know that it exists, and it should not exist for anybody, whether they are male or female; regardless of someone’s gender, colour, class, age or size, this should be about fairness and equality.

Yes, we have come far, but not far enough. We will know that we have reached true equality when everybody is paid well. We should shine a light on everything. I thank all contributors to the debate. We have shown that the purpose of government and legislation is to make the world fairer for everybody in it, and we can do that via legislation, by winning hearts and minds and by shining a light on the injustices that exist. If we close the equal pay gap, we will be taking a huge step forward towards that aim.

Question put and agreed to.

Resolved,

That this House has considered pay gaps in the workplace.

10.52 am

Sitting suspended.

National Resilience and Preparedness

10.57 am

Sir Roger Gale (in the Chair): Order. I suspended the sitting until 11 o'clock but, with the mover of the motion and the Minister present, I see no reason not to start. I will call Richard Foord to move the motion and then the Minister to respond. As is always the case with 30-minute debates, there is no opportunity for the Member in charge to wind up. Without further ado, I call Richard Foord.

Richard Foord (Honiton and Sidmouth) (LD): I beg to move,

That this House has considered national resilience and preparedness.

It is an honour to serve under your chairship, Sir Roger. I have brought this debate to the House so that the people I represent can hear from the Government what they are doing to make the UK more prepared and resilient.

I was partly inspired by the Hallett inquiry into covid-19, and its module 1 report published in July, but I want to go beyond pandemics to think of the UK's broader resilience and preparedness. At Cabinet Office questions last month, the Chancellor of the Duchy of Lancaster confirmed that the Government would respond to module 1 this month, and we look forward to hearing what the Government have to say. I want to focus on three areas: future pandemics, food security and hybrid threats.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman for bringing this issue forward. It is important to have efficient contingency plans across the United Kingdom for all sorts of national crises and disasters, like those that the hon. Gentleman referred to. Local communities are encouraged to engage in activities, emergency plans and response units. Does the hon. Gentleman agree that there is more the Government can do to engage with the devolved institutions—in particular local councils—to ensure we have a joint strategy across the whole United Kingdom of Great Britain and Northern Ireland?

Sir Roger Gale (in the Chair): Order. The hon. Gentleman is an old friend and has been here a long time. We really must get out of the habit of reading into the record pre-prepared interventions. An intervention is an intervention, not a contribution to the debate.

Richard Foord: I agree with the hon. Gentleman that the civil contingencies legislation in this country puts a lot of the onus on the devolved institutions and a lot of the responsibility on local government. We cannot afford for national Government to therefore shed all their responsibilities and simply rely on local and devolved institutions.

Resilience is the capacity to withstand or to recover quickly; I suggest that the UK Government do not currently offer us that. The covid-19 pandemic exposed critical weaknesses in the planning and preparedness for large-scale emergencies. While the UK has made great strides in terms of our recovery—and we did after the pandemic—we may still lack the capacity to withstand other crises. Our vulnerabilities to emerging climate

change, to food security risks and to hybrid threats from the UK's adversaries leave us unprepared to endure shocks and unable to recover swiftly.

On covid-19, module 1 of the Hallett inquiry was a crucial call to action. The report concluded that the nation was “ill prepared” and that citizens were “failed” by the systems we had in place at the start of 2020. I think of how Boris Johnson, the Prime Minister at the time, was wandering around hospitals shaking hands while the national guidance proposed that we should do something completely different. The report revealed that the UK's emergency planning was too much focused on influenza and failed to account for any other sort of pandemic.

One of the most critical failings identified was the “unduly complex and labyrinthine” nature of the UK's civil emergency planning structures. Responsibility for pandemic preparedness was dispersed across multiple bodies, leading to inefficiencies and a lack of clear leadership. The inquiry also scrutinised the Government's risk assessment processes, finding five major flaws that significantly affected the UK's preparedness, including a lack of focus on prevention and insufficient consideration of interconnected risks, including economic and social vulnerabilities.

The 2016 preparedness exercise Exercise Cygnus, which simulated the impact of a flu pandemic, identified critical gaps in the UK's preparedness, including insufficient capacity in the health system and a lack of essential supplies such as PPE. The recommendations from the 2016 exercise were not acted on, and when covid-19 emerged the same shortcomings persisted, with delays in the provision of PPE, inadequate testing, and healthcare services that became overwhelmed in some places.

Over 200,000 excess deaths have been attributed to covid-19 in the UK, many of which may have been preventable with better planning and better resilience. The pandemic also inflicted severe economic damage, with the UK experiencing one of the deepest recessions among the advanced economies. Businesses closed and jobs were lost. The strain on the public sector and on public services like our NHS is still being felt to this day.

The inquiry's report set out key recommendations to overhaul the UK's approach to civil emergency preparedness. The recommendations included regular pandemic response exercises and enhanced data sharing. Yet just last Thursday, Clare Wenham from the department of health policy at the London School of Economics stated:

“We've had the biggest pandemic of our lifetimes”

yet in 2025 we are

“we're worse prepared than we were when we went in.”

When the Minister responds to the debate, it would be interesting to know where the Government are in relation to the World Health Organisation pandemic preparedness treaty. One of the 10 key recommendations from the covid-19 inquiry's module 1 report emphasised the importance of enhanced data collection and data sharing. The emphasis on domestic resilience—the subject of this debate—has to be balanced with the obligation to co-operate internationally. Pandemics do not respect borders and require global solutions. The Government should act swiftly to implement the inquiry's recommendations, engage with international frameworks

such as the World Health Organisation treaty, and rebuild public trust in the nation's ability to protect its citizens.

Covid-19 also highlighted some of the difficulties in other aspects of our resilience. We need only think about the supermarket shortages we saw and how people reacted: that was a reminder of just how vulnerable Britain is to food supply shocks.

Sarah Dyke (Glastonbury and Somerton) (LD): I thank my hon. Friend for bringing forward this really important debate. The latest food security report from the Department for Environment, Food and Rural Affairs found that fewer households were food secure in 2023 than in 2020. No element of national resilience can be more important than food security, so does my hon. Friend agree that the Government should introduce a comprehensive national food strategy that tackles rising food prices, ends food poverty, ensures food security and improves health and nutrition? Does he further agree that we must give the Groceries Code Adjudicator more powers not only to protect consumers but to address unfair price rises?

Richard Foord: My hon. Friend is absolutely right, and I shall now get into the subject of food security. She draws attention to the Government's food security report. Since the 1980s the UK's self-sufficiency in food production has declined, going from 78% in 1984 to just 60% today. The statistics emphasise what my hon. Friend said. As for the Groceries Code Adjudicator, my hon. Friend is dead right: we need supermarkets to honour their deals and pay on time.

Edward Morello (West Dorset) (LD): I thank my hon. Friend for securing this debate. On the point about the reduction in food security—I think it is actually below 60%, at 58%—he, as my constituency neighbour in the west country, will know the importance of the role that farmers and food producers play in our community, but we have also just seen 18 months of the wettest months on record, following swiftly on from one of the driest summers on record, in 2022, and we know there will be a devastating effect on food production as we see increased extreme weather conditions. Does my hon. Friend agree that climate resilience and action on climate change will also be an important part of the national resilience strategy?

Richard Foord: My hon. Friend is spot on. A report produced last October by the University of Exeter and Chatham House highlighted the fact that climate change and environmental degradation are a real weakness in the UK's national security strategy. Authors Tim Lenton and James Dyke from the University of Exeter contributed to that report, and talked about the national security strategy having a glaring blind spot for climate threats. The report specifically identified risks to the food supply chain as a critical concern, no doubt exacerbated by some of the challenges we have seen lately from Government policy around agricultural property relief and the proposed changes to inheritance tax.

By contrast, Finland is a shining example, not just on food security but in many respects in relation to resilience. Finland has strategic food reserves, whereas the UK

very much depends on real-time logistics, which poses severe risks when we see severe weather events, fuel shortages, or conflict.

Another factor is the UK's departure from the European Union. Until 2021 a significant portion of our imports came from the EU, and trade disruptions following the UK's departure from that bloc have heightened the risks. Between 2018 and 2023, import volumes from the EU decreased by 6%, and it is not yet evident how the UK is compensating for the lost relationships with our European partners in terms of food supply resilience.

The UK's self-sufficiency in fresh vegetables—key in supporting the health of our nation—is at its lowest since records began. We are at just 53% for vegetable self-sufficiency. I have been involved in a campaign to have sections of British supermarkets that illustrate where products are grown in Britain or sourced in the UK, because at the moment it is easy in supermarkets not to know where food comes from. People are able to buy food from all around the globe, all year round. While that may be good in times of peace, we have seen during recent threats to global security that it may not persist.

Threats to food security have reminded us of what we could see in the future for our national security, so let me move finally to the issue of defence and hybrid threats. Defence is no longer just about protecting against armed attacks. Over the Christmas period I read Keir Giles's book "Who Will Defend Europe?" The chapter on hybrid threats is excellent at illustrating how such threats range from cyber-attacks to disinformation. Those forms of aggression from states such as Russia mean that when we think about defence, we must think so much more broadly than just bullets and bombs.

Ben Maguire (North Cornwall) (LD): On the subject of defence, and particularly technology, does my hon. Friend agree that mandating battery back-ups for all mobile phone masts, both existing and newly installed, would provide a simple, robust solution to ensure uninterrupted communication access, particularly in rural areas such as mine in North Cornwall?

Richard Foord: My hon. Friend makes an excellent point. I have not considered battery back-ups for mobile phone masts, but it strikes me as an example of a kind of psychology that we need to get into in this country—a way of thinking about our critical national infrastructure and how we might support it, rather than just supposing that everything is going to be all right on the night.

Just last week, NATO's deputy assistant secretary-general for innovation, hybrid and cyber warned that Russian hybrid attacks are now at a level that would have been absolutely unacceptable five years ago. We must not underestimate the damage that Russia can inflict on the UK without firing a bullet. The UK's relaxed approach to security has left some of our critical national infrastructure vulnerable. A stark example is the Loch Striven oil fuel depot in Scotland, which stores fuel for NATO warships and aircraft but was reported late last year to be now surrounded by land brought into Russian ownership.

The UK's lack of preparedness is evident in many areas. A damning report by the Royal United Services Institute on the NHS's wartime capabilities reveals that it has no capacity to manage either military or civilian

[Richard Foord]

casualties during conflict. I have seen this eroded and undermined in my Honiton and Sidmouth constituency. In east Devon, we have five community hospitals from which beds were stripped out under the last Government. We have seen about 150 beds removed; if that trend is scaled up across the country, it is little wonder that we see shortages of hospital beds during a spike in flu cases, let alone thinking about our preparedness for any sort of national emergency. Hospitals beds are one factor, but we need to think about blood supplies, transport and train personnel, shortages of which would mean the system would be overwhelmed in no time.

A couple of months ago, my researcher Fraser Johnson went to Finland. The Finnish Government showed him that they have taken a long-term approach to resilience and preparedness. They require their people to have a whole-of-society approach to these things. Defence is not solely the responsibility of state authorities: it involves citizens, charities, non-governmental organisations, businesses and schools. The schools teach children how to analyse sources and combat disinformation. Finland has regional security committees that conduct local defence exercises twice a year. The concept of citizens as security actors ensures that resilience is embedded throughout society. Helsinki's emergency preparedness is a model of comprehensive planning. It has underground shelters equipped with oxygen supplies, water reserves and beds for 800,000 people to be used in staggered eight-hour shifts.

Of course, Finland is not the UK; it has some fairly unique challenges, such as being desperately cold and having a very long border with Russia, but we need to take some lessons from our north European neighbours. Finland's broadcaster operates a secondary news desk 30 metres underground with its own energy supply, ensuring uninterrupted communication during emergencies. The Finnish National Emergency Supply Agency maintains a network of 1,000 public and private partners to ensure stockpiles of six months of fuel. We saw during the full-scale invasion of Ukraine in 2022 not only that the UK had become dependent on gas exports from Russia, but that we did not even have sufficient gas reserves in the UK, with the result that the price here spiked considerably.

Despite its proximity to Russia, Finland achieves all that with a defence budget of 2.4% of GDP, so it is partly about how we use the funding that we have. Our geographical distance from Russia should not lull us into complacency. By their nature, hybrid threats are difficult to detect and combat, and their impact will only escalate without decisive action. In January 2024, the Chief of the General Staff called for a shift in mindset to prepare for the possibility of war. The journalist David Parsley broke a story months later about how the Ministry of Defence is sketching out plans for a so-called citizen army of perhaps 200,000 volunteers, trained by reservists.

The UK should adopt a total defence approach focusing on stockpiling, training and central co-ordination to enhance resilience against hybrid threats and other challenges. We must move beyond our piecemeal responses and develop a proactive plan to safeguard our nation and its future. Will the Minister commit to implementing the UK covid-19 inquiry's recommendations to strengthen

our emergency preparedness? Will she prioritise a national food security plan to ensure resilience against climate change and supply chain disruptions? Will she outline the steps the Government will take to develop a comprehensive strategy to counter hybrid threats and protect our national infrastructure?

11.17 am

The Parliamentary Secretary, Cabinet Office (Ms Abena Oppong-Asare): I thank the hon. Member for Honiton and Sidmouth (Richard Foord) for giving us the opportunity to debate this important issue. I also thank you, Sir Roger, for chairing today's debate. Happy new year, everybody. I also thank the hon. Members for Strangford (Jim Shannon), for Glastonbury and Somerton (Sarah Dyke), for West Dorset (Edward Morello) and for North Cornwall (Ben Maguire) for their important interventions.

The Government's first responsibility is to keep this country safe, which is why national resilience has been at the top of the agenda since we came into government. As the hon. Member for Honiton and Sidmouth rightly said, the covid and Grenfell inquiries have shown that we inherited a challenging situation. Let me explain the situation that we face. We are dealing with huge underinvestment, and the impact of covid-19 on our public services has been well documented. We know that there was underinvestment before the pandemic, and our public services are massively stretched. That is particularly true in the NHS, where key workers feel the burden and have been asked to go above and beyond. Society is less resilient than it was before the pandemic and, as the hon. Gentleman pointed out, our resilience has been eroded at a time when wider threats, including those from nation states, are increasing and global trends are making the risk landscape more volatile.

Therefore, since coming into office, we have taken immediate steps to strengthen national resilience by establishing a dedicated sub-committee of the National Security Council on resilience. As the hon. Member will know, the sub-committee is chaired by the Chancellor of the Duchy of Lancaster. We are also looking at how we can improve our approach to national risk assessment, including greater external challenge, and we are designing a national exercising programme with guidance to improve exercising at all levels and help those on the frontline identify people who are vulnerable, which was a common theme from the covid-19 module 1 report. The Government have also adopted the 2023 biological security strategy in full, and we are committed to ensuring that we have the capabilities we need to protect the public from a spectrum of biological threats.

The hon. Member for Honiton and Sidmouth mentioned the particular need to look at the threats we face on a daily basis and ensure that we have a robust strategy, and we are looking at how we can strengthen those capabilities. The new floods resilience taskforce, of which I am a member, is doing vital work to finally speed up and improve the delivery of flooding schemes and stop communities going underwater. I know that that is an important issue to the hon. Member, whose constituents have suffered from flooding and its consequences across Devon.

In the year ahead, we are looking to build on that work, starting with the Government's response to the covid-19 inquiry module 1 report this month—I hope

that that answers the hon. Member's question. We are also continuing our review of resilience announced by the Chancellor of the Duchy of Lancaster in July last year. The review is a focused exercise, designed to rapidly identify what is working well and should be kept, what needs to be changed and what needs to be stopped. We are also considering a wide range of evidence, lessons learned, risk and organisational knowledge.

A particular focus for me has been to ensure that all relevant voices are heard. A common theme from both the covid-19 module 1 inquiry and the Grenfell inquiry is that certain voices were not engaged, so we need to move away from having conversations in echo chambers and group thinking. I am undertaking a programme of engagement with stakeholders across the public, private and voluntary sectors, including the devolved Governments in Scotland, Wales and Northern Ireland. For example, just before Christmas, I held meetings with senior leaders from charities and representative organisations that support people at risk, who are so often disproportionately affected during emergencies. I also chaired a discussion in the autumn with 20 business leaders, where I emphasised the importance of Government and industry partnership.

This month, I will invite Members of both Houses to attend parliamentary drop-in sessions. I will hold two sessions where I will answer questions about the review and discuss its progress. There will also be an opportunity for Members to put on record anything that they think the Government should be looking at, so this debate has been particularly timely given the issues that have been raised. I will also meet members of the National Preparedness Commission to gather views on where our approach to resilience could be bolstered. Finally, I want to assure all hon. Members present that this work will be closely linked to our consideration of the covid

inquiry module 1 report and the Grenfell inquiry final report, which the Government will respond to within the deadlines.

The hon. Member for Honiton and Sidmouth has raised important issues today, particularly on the future pandemic, food security and hybrid threats. The UK Government are aware of the risk around food security. We currently source around 60% of food domestically, so it is important for us to look into that. We are also addressing hybrid threats. I found the information mentioned by the hon. Member, particularly relating to his researcher's findings when he went to Finland, really insightful and useful, so I will look into that.

I also share the hon. Member's view on a whole-society approach. It is important not only to look at resilience at a Government level, but to get to a point where the whole of society plays a role in that. That is why, particularly through the resilience review, we are looking at how we can work collaboratively across Departments, and also why, through the work that I have been doing, particularly at a grassroots level, we are ensuring that we hear people's concerns about what we can do to strengthen resilience and making sure that everyone is part of that conversation.

I hope that the hon. Member feels reassured that we are taking this seriously, particularly as we are conducting a review into national resilience. I look forward to working in partnership with him and other hon. Members here throughout the resilience review and making sure that we feed this properly into Government delivery, so that wider society benefits.

Question put and agreed to.

11.26 am

Sitting suspended.

Budget: Scotland

[VALERIE VAZ in the Chair]

2.30 pm

Gregor Poynton (Livingston) (Lab): I beg to move,

That this House has considered the fiscal impact of the Autumn Budget 2024 on Scotland.

It is a pleasure to serve under your chairmanship, Ms Vaz. I am delighted to begin this important debate on the fiscal impact of the UK 2024 Budget on Scotland. The Chancellor delivered a Budget on 30 October that was the largest settlement for the Scottish Government in the history of devolution. It means an additional £1.5 billion for the Scottish Government to spend in this financial year, and an additional £3.4 billion in the next. That amounts to a total of £47.7 billion for Scotland's budget in 2025-26, the biggest financial settlement in the history of devolution.

The Budget keeps Labour's promises to Scotland and the Scots, who put their faith in a Labour Government. The road ahead is not easy, nor were all the individual decisions made in the Budget, but the appalling economic inheritance left to this Government by the Tories, who gave us austerity, Brexit chaos, Boris Johnson and Liz Truss, needs clearing up.

After 14 years of Tory chaos, division and decline, the Budget turns the page on those lost Tory years, fixing the foundations and rebuilding our country. It supports Scottish businesses to get the Scottish economy motoring again. It provides funding for green freeports, city growth deals, Great British Energy and hydrogen projects to fire up growth and deliver good jobs across Scotland. It will remove connectivity black holes, through Project Gigabit and the shared rural network, boosting 4G coverage in the highlands and islands, and provide £125 million for GB Energy, headquartered in Aberdeen, with hubs in Edinburgh and Glasgow. It will fund two hydrogen projects in Cromarty and Whitelee, and extend the innovation cluster in the Glasgow city region for a further year.

The Budget will implement the 45% and 40% rates of theatre, orchestra, museum and galleries tax relief, to provide certainty to businesses in Scotland's thriving cultural sector. It will provide Scotland's world-renowned whisky industry with up to £5 million for His Majesty's Revenue and Customs to reduce the fees charged by the spirit drinks verification scheme, and end the mandatory duty stamps on spirits from May this year. It will kick-start growth at a local level by investing £1.4 billion in local growth projects across Scotland for the next 10 years, including £26 million for the Forth green freeport.

The list goes on. The Budget supports working people by boosting the national living wage, resulting in a pay rise to around 200,000 of the lowest-paid Scots, and extends the temporary 5p cut in fuel duty, benefiting an estimated 3.2 million people in Scotland by £58 a year. The Budget also supports Scottish pensioners and those on welfare benefits. The Government's commitment to the triple lock will see over 1 million Scottish pensioners benefit from £8.6 million a year more during this Parliament.

Pension credit is up, benefiting 125,000 of the neediest pensioners in Scotland. The Budget uprates working-age benefits by inflation, resulting in 1.7 million families in

Scotland seeing their working-age benefits going up by an average of £150. It also reduces the maximum level of debt repayments that can be deducted from a household's universal credit payment each month, from 25% to 15%. That will benefit the average Scottish family by more than £420 a year. And that is not all: Labour's manifesto commitment to Brand Scotland has been realised. An initial investment of £750,000 this year will fund trade missions, promote Scottish goods and services around the world, and help Scottish businesses export for the first time.

This Budget also marks the end of the era of austerity. It provides billions of investment in public services and prioritises investment in our economy to jump-start growth, while raising money from those with the broadest shoulders. It provides significant increases in investment to ensure that we have the public funding available for Scotland's NHS, schools and public services. In short, this Budget is good for Scotland.

Mr Alistair Carmichael (Orkney and Shetland) (LD): One other thing that the Budget did was to remove the ringfence around agricultural support payments. Surely an intervention as significant as that in the operation of a UK-wide market should be made on a UK-wide basis. I do not understand the rationale for the Treasury decision. Can the hon. Gentleman explain it to me?

Gregor Poynton: As I said at the start, not all the decisions in this Budget were easy. We had been left a horrible economic inheritance by the Tories, and we needed to make decisions to tackle that and clear the mess up that they made.

The decisions in the Budget mean that the Scottish Government are receiving more per person than the equivalent UK Government spending for the rest of the UK. As I said, in 2025-26, we will see the biggest financial settlement to the Scottish Government in the history of devolution. Sadly, however, we know from bitter experience that more money to the Scottish Government does not guarantee success, because the Scottish National party is taking Scotland in the wrong direction and being careless with Scotland's money.

Seamus Logan (Aberdeenshire North and Moray East) (SNP): The hon. Gentleman speaks about the ending of austerity, but how can he say that when we have seen the removal of the winter fuel payment and a refusal by the Labour Government to end the two-child cap?

Gregor Poynton: We have delivered the largest budget settlement in the history of devolution—that is the end of austerity. *[Interruption.]* Well, you have it to spend.

SNP decisions have left a black hole in Scotland's finances. The billions in extra cash delivered in this Budget must not be used simply to cover up the SNP's "buy now and pay later" policies. That money must reach the frontline, to bring down waiting lists and drive up educational standards. The SNP has nowhere to hide now.

Harriet Cross (Gordon and Buchan) (Con): The changes to national insurance contributions mean that Aberdeenshire council has to find an extra £13 million in its budget this year. How will that help with education standards and health in Aberdeenshire?

Gregor Poynton: The largest settlement ever received by the Scottish Government in the history of devolution is driving up additional funding that can be spent in Scotland. The SNP has nowhere to hide; it has no more excuses. It cannot continue to blame others for its economic and financial incompetence, because the problems in Scottish public services are not solved by simply having more money to spend. The Scottish Government need to get much, much better at spending it.

Dave Doogan (Angus and Perthshire Glens) (SNP): I am grateful to the hon. Gentleman for giving way, and I apologise for chuntering from a sedentary position earlier; that was not very polite of me. He says that we need to see an end to the SNP's "buy now and pay later" approach. Of course, he will be familiar with the fact that the SNP Government, or any other Scottish Government, must have a balanced budget every year, so what does he mean by "buy now and pay later"?

Gregor Poynton: You can borrow to invest. Also, the hon. Gentleman's party has announced that it is ending the two-child cap but with no money to pay for it—that, to me, is "buy now and pay later".

Scots can see that the SNP has lost its way and is out of ideas, and that its Ministers are incompetent and wasteful with public money. Scots earning over £29,000 a year pay more in tax in Scotland than people in the rest of the UK, which Scottish Labour will look at if we win the next election. What do Scots get for those higher taxes? They get a Government who waste millions on delayed discharge and agency staff in our NHS, ferries that do not sail and pet projects that do not deliver for Scotland, all while decimating local community funding, which means that vital services are lost.

Where, for example, is the vision for reform of Scotland's NHS, which lurches from crisis to crisis? What was once an annual winter crisis now stretches further and further into other seasons. Our heroic NHS staff do a fantastic job under the most difficult circumstances, but they and the Scottish public are being badly let down by their political leadership, who waste millions on delayed discharge and agency staff.

This week, we have seen the UK Labour Government commit to a plan to get waiting times down from 18 months to 18 weeks, and to put in place the firm foundations to deliver proper social care services. Where is the SNP's ambition on either of those two issues?

Pete Wishart (Perth and Kinross-shire) (SNP): Labour colleagues like nothing more than to talk about the Scottish Government—they do it every time they get the opportunity. But does the hon. Gentleman not understand the depth of anger right across Scotland about this Budget, whether it comes from pensioners who are freezing in their homes right now, child poverty campaigners who are disappointed that it will do nothing about the two-child benefit cap, employers who are paying the cost of the national insurance rise, or farmers?

Valerie Vaz (in the Chair): I call Gregor Poynton—

Pete Wishart: Is this the reason behind the massive fall in Labour support in Scotland?

Gregor Poynton: That was a long intervention. As I said before, they have the powers and the money, and it is up to the Scottish Government to make the decisions

that SNP Members talk about. They complain about every single penny that we have raised in this Budget, but that money is being invested in Scottish public services. They cannot enjoy the money that is being spent on the one hand and complain about every penny piece that has been raised on the other.

A National Care Service Bill that was ill-thought-through has now been binned, and there is no plan to reform or be ambitious for Scotland's NHS to deliver the care our constituents need. The proposed East Calder medical centre in my constituency is a textbook example of how these failings manifest themselves at a local level. Patients, doctors, the local community and the health board all agree that we need a new health centre in East Calder. The one thing holding it back is the Scottish Government's management of NHS resources. With this year's unprecedented Budget settlement, the funding is now there to deliver projects such as this, and there can be no more excuses.

Where is the planning reform to unleash growth and get Scotland building again? There is a terrible shortage of planning officers in Scotland and no plan to tackle it. There is no substantive commitment to build more homes or any sign of the action needed to make that happen. The drift and lack of vision is summed up in the Scottish Government's behaviour around the proposed Berwick bank offshore wind farm. The planning application was submitted in December 2022 but still awaits a decision from Scottish Government Ministers. What are they waiting for? Why are they dithering? Why is it taking so long for Scottish Ministers to get a grip of this important decision? As the Aberdeen & Grampian chamber of commerce has said, all they are achieving is putting potentially billions of pounds of investment and thousands of high-quality green jobs at risk.

And the list goes on. Where is the investment in skills and in the future of our young people, our economy and our country's prosperity? We know what the jobs of the future are. There are many sectors in which Scotland has the potential of competitive advantage if only the Scottish Government would take action and get ahead of the curve. But we have seen the precise opposite of urgency, ideas and energy from them. Why are we not preparing and supporting our workforce, young and old, with a wartime-like effort to train our people to take advantage of these enormous opportunities and grow our economy? There is just more dither, delay and a lack of ambition and vision for Scotland.

What are we doing to arrest the decline in educational attainment and the widening attainment gap? Nicola Sturgeon once said that closing the attainment gap was the "defining mission" of her Government. Instead, it is getting worse. Educational attainment for all children is down. For those children from the poorest homes, it is down most of all. What a shameful record of almost 18 years in power. For John Swinney, just being a bit better than Humza Yousaf is not good enough. This is a Government not holding themselves or Scotland's public sector to anything like the high standards the Scottish people deserve.

I applaud the Chancellor's Budget of 30 October. I applaud, above all, the huge investment in Scotland and the highest ever budget settlement for the Scottish Government, but the ball is now in the Scottish Government's court. They have nowhere to hide. They must halt the drift, the buck-passing and the managed decline.

[Gregor Poynton]

They must seize this opportunity to unleash the enormous potential of Scotland or make way for a Scottish Labour Government who are ready and eager to make that happen.

Several hon. Members *rose*—

Valerie Vaz (in the Chair): A number of hon. Members wish to speak, and we will have to take the wind-ups at about 3.28 pm.

2.43 pm

Dave Doogan (Angus and Perthshire Glens) (SNP): It is a pleasure to serve under your chairmanship, Ms Vaz—we always have to say that, but in this instance, I genuinely mean it. I am grateful to speak on this issue. When I saw this coming up on the agenda for Westminster Hall, I thought, “Goodness me, who has brought this?” It turns out that it is the Government. I thought, “That is all right. Well, let’s see what the facts are because this Budget had precious little in it to be welcomed in Scotland.”

I will start with that which could be welcomed for Scotland. Thankfully, the Chancellor heeded the SNP’s manifesto call to change the fiscal rules to allow more investment in capital infrastructure. That was good and welcome, and it will be helpful. They also heeded the SNP’s pre-Budget call for greater investment in the NHS, which will be very welcome as we try to recover from covid and staffing challenges. But aside from those two things, on which the SNP gave the Government a menu, the Budget has been an unmitigated disaster for Scotland and Scotland’s economy. It has imposed billions of pounds of service cuts and tax rises that will hit working Scots in the pocket and do very little, if anything, to deliver on the promise that the people of the United Kingdom were offered as a prospectus in the run-up to the election.

Torcuil Crichton (Na h-Eileanan an Iar) (Lab): Would the hon. Gentleman describe £50 million for Argyll and the Isles and £20 million for the Western Isles as a “disaster”?

Dave Doogan: I hope that that money will be spent and make a great difference, but it will not compensate the Western Isles and the Northern Isles one bit for the money that they have lost as a consequence of Brexit. The hon. Member for Livingston (Gregor Poynton) and many of his colleagues herald this as the largest Budget settlement for the Scottish Government, as though Budget settlements go up and down. But they continually go up: every latest Budget settlement is the biggest Budget settlement since the last one.

As various Bills have passed through the Chamber, I have not run out of opportunities to point out to the Government how the basics of fiscal policy and economics work, and here we are again. All power to the communities of the hon. Member for Na h-Eileanan an Iar (Torcuil Crichton). I hope they get great benefit from that money but it does not fully compensate them for what they have lost, and no mistake.

The tax rise of £40 billion represents the biggest since Norman Lamont in 1993. Do not forget that when this Government came in, they inherited the highest tax burden in living memory, or certainly since the end of the second world war at least—

Martin McCluskey (Inverclyde and Renfrewshire West) (Lab): The highest!

Dave Doogan: Yes, the highest—so it is not as if there was some kind of low-taxation holiday spree and the Labour Government came in and put taxes up to compensate for it. Taxes were already the highest that anybody can remember and now they have gone up again by the highest amount in 32 years. It is absolutely eye-watering. The Chancellor’s refusal to step back from cutting the winter fuel payment from around 900,000 pensioners is absolutely—[*Interruption.*] They are chuntering that the winter fuel payment is devolved.

Dr Scott Arthur (Edinburgh South West) (Lab): Will the hon. Gentleman give way?

Dave Doogan: No.

Let us get it on the record that the fuel payment did not use to be devolved and that, at the same time as it was devolved, they went and cut the budget. That is the Labour Government at a UK level for you. So yes, I know it is devolved.

Dr Arthur: Will the hon. Gentleman give way?

Dave Doogan: No. If the hon. Gentleman can get one of his colleagues to intervene, I will give way to them.

The Government’s decision to raise national insurance was like them showing that they do not know how the real economy works without showing that they do not know how the real economy works. It is a punitive lowering of the floor and increasing of the rate to try to wring out of employers the money required to recover the economy. It is a drag on employment, investment and wage rises. It is absolutely unforgiveable and totally counter to what the Labour party stated, ahead of the election, was its aim: to create a Budget for growth. There will be absolutely no growth as a consequence of that autumn statement. The Government think they will raise over £20 billion but, by the Treasury’s own measure, that figure is down to around £10 billion after they have made all the compensations. It is a massive swage of pain for very little gain in investment.

In moving the motion, the hon. Member for Livingston said that we in the SNP are keen to spend the extra money we will get but not to say how we would raise it. Actually, I will tell him how we would raise it, and our way would be much more cogent than what the Labour Government in Westminster have said they will do. Over and above that, in a Scotland-specific context the hike in duty on Scotch whisky was, in the words of the industry itself, “an indefensible tax grab”. Yet somehow we are expected to believe that everything will be okay because Anas Sarwar is going to speak to the Chancellor about it. The Chancellor will presumably then do what the UK Government always do when Labour in Scotland ask them to do something: absolutely nothing, if not the exact opposite.

The hon. Member for Livingston also talked about energy. He should go up to the north-east of Scotland to talk about energy: we are six months into this Government and there is no evidence whatever of GB Energy making any impact in Scotland. The last time I checked, it had one employee and was based in Manchester. The hon. Member also talked about the

investment that would be realised. Somehow, the Acorn project in Scotland—the most deliverable carbon capture, usage and storage project across GB—is still not being funded by the Labour Government, despite their funding a further two CCUS projects in England, in addition to the two already there. Sadly, it is England 4, Scotland 0—it is like a football match.

Tracy Gilbert (Edinburgh North and Leith) (Lab): The point about green jobs and giving consent at Berwick Bank was made earlier. I ask the hon. Gentleman: when will that happen, to enable investment to come forward? That is another example of things being held back.

Dave Doogan: Like the hon. Lady, I am very hopeful that we will see Berwick Bank approved and into the construction phase as quickly as possible, to cement Scotland's enviable position as the renewable powerhouse of Europe. She shares that ambition with me, but what we are talking about is due process. It ill behoves elected Members of any stripe or any Parliament to meddle in the statutory process of a consenting major development; that will unwind in the way it unwinds, but I very much hope it is positive and expedient.

I turn to the Women Against State Pension Inequality—the WASPI women. They will absolutely have been left wondering what they have done to deserve such a catastrophic betrayal by the Labour party of their very modest and reasonable ambitions. During the debate on the autumn statement, I said that it was fantastic news that the Government, to be fair, had made sure that the money was there for the infected blood scandal and that the postmasters were properly compensated. Neither of those two scandals was of the UK Government's making—well, not deliberately of their making; certainly not the infected blood scandal—but the WASPI women's situation was. We now know the Government have turned their back on those people in the most reprehensible way possible.

The Chancellor promised a growth Budget and the hon. Member for Livingston says it is a growth Budget, but sadly it will

“leave GDP largely unchanged in five years”.

The inflation forecast will compound that. Inflation is set to rise to 2.6% and interest rates by 0.25% just; mortgage rates, after a brief period of respite, are on course to rise again. For years, people up and down these islands, especially in Scotland, have been hammered by the cost of living crisis. They, alongside small businesses, will be looking at this hatchet job by the Labour party and wondering what on earth will be coming next. The Institute for Fiscal Studies, no less, has pointed out that somebody will pay for these higher taxes; that somebody will be the ordinary working person. The Office for Budget Responsibility estimates that there is only a 54% chance that the Labour Government will meet their own fiscal rules through this Budget, raising the question of why the Chancellor thinks this amount of economic pain is worth such a low level of fiscal gain.

What about investors in the agricultural sector? Scotland's agriculture is a very much larger part of its economy than overall UK agriculture is of the UK economy, but I am sure the Chancellor never bothered to speak to anybody in Scotland about her raid on farms through her farmers' death tax. Labour could have done something

progressive to stop outside investment and farmers disrupting that market, but they did not and they threatened the very existence of Scottish agriculture.

What would the SNP have done? We would certainly not have put this colossal fiscal drag on the economy of Scotland. We would have made sure that what we did was progressive and proportionate and that it would increase economic growth. I am sure Labour Members are not very supportive of an income tax in Scotland—

Torcuil Crichton: Can I ask the hon. Member which taxes the SNP would raise?

Valerie Vaz (in the Chair): Order. I remind the hon. Member for Angus and Perthshire Glens that he has spoken for 10 minutes already. If every other hon. Member takes that amount of time, we will not be able to hear from everybody.

Dave Doogan: That is fine, Ms Vaz; I am just closing now. I do not think Members will be speaking for 10 minutes, but that is not my job.

On the progressive income tax regime implemented by the SNP in Scotland, I should say that Labour criticised us when we had the powers and did not use them, and criticised us when we had the powers and did use them. If the UK Government had mirrored our fiscal policy on income tax, they would have raised about £16.5 billion across the United Kingdom. That would not have been reduced to £10 billion because of compensations that they would have had to make, because there would not have been a raise on employer's national insurance; they would not have had to compensate anybody. They do not want to talk about Brexit, but I do, because it cost the UK £30 billion a year and Scotland £10 billion a year, which would otherwise have been a great increase in the economic output of Scotland and the rest of the UK.

My final point is that the UK Government could scrap nuclear weapons. In four years, the estimated budget has gone up from £44 billion to £100 billion over a 10-year period. An awful lot of investment could be made in Scottish communities with that money, which would boost Scotland even more. We already enjoy the highest number of GPs, nurses, midwives and teachers per head in Scotland; nowhere else in the United Kingdom can touch our level of provision. The Labour party are just going to have to suck that up.

Valerie Vaz (in the Chair): The hon. Member obviously has the title of Mr Scotland. I am afraid I will have to impose a very informal time limit of around four minutes so that everyone is able to get in.

2.55 pm

John Grady (Glasgow East) (Lab): It is a pleasure to serve under your chairship, Ms Vaz. I thank my hon. Friend the Member for Livingston (Gregor Poynton) for securing this debate, and for his excellent survey of the considerable benefits of the Budget for Scotland.

On economic forecasts, I am a somewhat boring Member of Parliament—I like to read the *Financial Times*. It wrote a leader a few days ago that was, in some parts, somewhat critical. However, the article pointed out that

“Britain's economic outlook in fact looks quite robust compared to other advanced economies. According to the *Financial Times*' annual poll, economists reckon that the UK will outgrow France

[John Grady]

and Germany this year... Labour's strong parliamentary majority is another positive for investors as political uncertainty ramps up elsewhere."

I could go on. I simply point out that this Government are pro-growth and pro-industry; people understand that and economists understand that.

The Budget delivered by my right hon. Friend the Chancellor delivers on our commitments to the electorate. It adds VAT to private school fees, providing more funds to state schools, including in Glasgow; it tackles poverty by increasing the national living wage, giving thousands of my constituents a pay rise; it provides pensioners with over £400 this year due to our commitment to the triple lock; and it reduces the level of deductions that can be made for universal credit payments—a boost to struggling families in Glasgow.

If one were to listen to the SNP, one might think that the Budget was terrible news for Scotland and an absolute disaster. In fact, it delivers the largest settlement ever for a Scottish Government, with £4.9 billion of additional funding over the next two years—a UK Labour Government and 37 Scottish Labour MPs delivering for Scotland. That significant boost to Scotland's public finances is critical, with nearly one in six Scots on an NHS waiting list. As we heard just before Christmas, there are many people who have been waiting for more than two years for NHS treatment in Scotland—many more, proportionally, than in England.

One in three Scots children is regularly absent from school, and there are declining police officer numbers on the street at a time when people are petrified about crime. Scotland's public services are in utter crisis after almost 18 years of SNP misrule. This Government have provided the SNP Government with the money. They have no excuses; they must use the funding wisely to clear up their mess.

SNP and Tory colleagues have repeatedly criticised the Government's Budget, but failed to offer a credible alternative. Time and again, they say we should spend more money but fail to explain where the funding should come from. That is not credible. One hears about "magic money tree" economics—here we have a whole forest of magic money trees. Yes, we have made difficult decisions in our Budget, but government is about confronting difficult decisions to manage public finances carefully. Independent experts are clear that the SNP has failed to manage the Scottish public finances. There have been three years of in-year emergency budget cuts due to their mismanagement and £5 billion wasted on failed SNP pet projects, while, for example, ferries do not sail and the islands suffer from appalling connectivity.

Seamus Logan: On that point, will the hon. Member give way?

John Grady: No, I will not. Time is marching on, and many people wish to speak.

The SNP cannot be trusted with public money—remember that this is the public's money. People in Glasgow East face much higher income tax rates than their counterparts in England because of the SNP Government's mistakes. As my friend, the Scottish Labour

leader Anas Sarwar, set out yesterday, after nearly two decades of SNP failure in government, Scotland needs "a new direction". It needs a new Government, with "new hope, new thinking, new solutions",

not more of the same divisive politics of the last two decades.

On 4 July, the people of Glasgow made a choice: that our great city, in its 850th year, shall be represented by a Labour Government. That Labour Government have delivered for Scotland by providing a record funding settlement. Scotland chose a Labour Government, electing 37 Labour MPs. This Budget, with its record increase in funding for Scotland, demonstrates this Labour Government's absolute commitment to Scotland.

3 pm

Harriet Cross (Gordon and Buchan) (Con): I congratulate the hon. Member for Livingston (Gregor Poynton) on securing this debate, although I find it odd that Scottish MPs have been celebrating the Budget, as if it was the best thing ever to come to Scotland, given that it is nothing short of disastrous for so many of the key sectors that underpin Scotland's economy, communities and livelihoods.

The Chancellor spoke, and still does, about protecting working people—and, indeed, about growing the economy in order to help working people—yet her decision to increase employers' national insurance contributions does exactly the opposite. This £25 billion tax grab from businesses impacts on their resilience, growth, investments, hiring decisions and longevity. The scale of this tax rise and the betrayal by Labour, who promised not to raise taxes on working people, including national insurance, is completely unprecedented.

For the avoidance of any doubt, and because I know that Labour seems to struggle with this, business owners are working people, and they employ working people—they are working people who contract working people and supply working people, who then can work elsewhere. This NICs rise is a tax on working people across Scotland and the UK, and there is no credible way that that can be denied. It is also an up-front tax and a tax for having employees. Businesses pay it just for having employees on the books, before they even open their doors. Take weeks like this in Scotland, including in my Gordon and Buchan constituency, where many businesses have not opened because of snow and ice; the bill for this tax is still racking up, despite them not being able to trade.

Of course, the effects of NICs are felt more widely, not just by businesses. Charities, GPs, pharmacies and local authorities are all also impacted. I have met with my local medical practice in Inverurie, and its NICs bill is going up by £75,000. It cannot pass on that cost, and if it reduced services, its funding would be reduced. What do the Labour MPs who are celebrating the Budget suggest that that practice should do? As I have mentioned, Aberdeenshire council now needs to find £13 million to cover the NICs rises, and that is on top of the £40 million black hole it already faced due to north-east councils being so poorly funded by the Scottish Government.

Moving on to other matters, the changes to business property relief and agricultural property relief are cynical, cruel, misguided and absolutely damaging to the key sectors of our economy. Family businesses up and down

the country, including in Scotland, are the backbone of our economy. These changes will decimate family businesses, who have been nurturing for generations, who are the centre of their communities and who employ over 14 million people nationwide. The changes to APR, which I have spoken about a lot, demonstrate the Government's complete disconnect from rural farming and ways of life. We know that the Treasury figures are incomplete. They do not consider farms where only BPR had been claimed. Labour seems to think that all farmers are married, that both spouses will be able to pass on the farm at the same time and that, effectively, it is okay to force farmers into early retirement—for them to have to leave their family home or pay full market rent to stay at the property where they have lived their entire lives.

The Treasury is hiding behind the claim that only 2,000 estates will be affected, but the Country Land and Business Association, the National Farmers Union and the National Farmers Union of Scotland say that the number of farms affected will be more like 70,000. These figures need to be considered. The Chancellor, as we know, is literally making farmers decide between selling their farm, their land, their buildings or their machinery to raise the funds. This will leave farms commercially unavailable or severely damaged, and we are talking about farms in our constituencies across Scotland, including many of those of the Labour Members here.

We have heard others talking about whisky, so I will touch on that just briefly. The Prime Minister stood in a whisky distillery in Scotland and promised to back the Scotch whisky industry to the hilt, but he failed to mention that he was going to increase tax by 3.6%, bringing the tax on a bottle of whisky to over £12 for the first time.

Dr Arthur: The hon. Lady is making heartfelt points, but we are yet again hearing a long list of our money-raising initiatives that the Conservatives opposed while being cheered on by their SNP colleagues. I would be interested to know how the Conservatives would have raised the money needed to get public services in Scotland back on track. An extra £5 billion is going to the Scottish Government to fund services such as the NHS in my constituency and in the hon. Lady's constituency. Where would her party have found that money?

Harriet Cross: As I said, the Government can give with one hand and take with the other, which is what is happening with NICs; they are taking that money out of councils, so the increase is completely irrelevant. The removal of the ringfence from some budgets has meant that there has been no real-terms increase in the rural affairs budget in Scotland, and that has impacted our farmers—it goes round in circles.

On oil and gas, the changes to the energy profits levy and the removal of the investment allowances in the Budget had an instant impact. Apache announced very soon afterwards that it would pull out of the North sea, citing the onerous impact of the EPL. The Aberdeen and Grampian chamber of commerce warned that 100,000 jobs are at risk, and Offshore Energies UK said that 35,000 jobs tied to specific projects are at risk. Those changes in the Budget have real-life consequences across Scotland, but particularly in Gordon and Buchan, Aberdeenshire, Aberdeen and north-east Scotland.

The Budget shows the Labour Government's fundamental misunderstanding and undermining of Scotland's economy and communities. From family farms and businesses to distilleries, our energy sector and the high street, the Government have chosen to burden, rather than support, businesses across Scotland.

Valerie Vaz (in the Chair): We are going to have to go down to an informal three-minute limit to get everyone in.

3.6 pm

Torcuil Crichton (Na h-Eileanan an Iar) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. I pay tribute to my hon. Friend the Member for Livingston (Gregor Poynton) for securing this important debate. I join him in welcoming this record settlement of more than £4 billion for the Scottish Government, but I would not want Members to go away with the impression that the SNP Government are somehow benignly mismanaging the economy, carelessly not controlling the NHS or accidentally running down educational standards in Scotland. They are involved in nothing less than the wilful destruction of the pillars of public life and public services in Scotland, because they are neglecting to make difficult decisions. They are putting off the reckoning that there must be in education; we must leave educationalists to educate and teachers to teach. They are also wilfully neglecting transport in the Western Isles and the west coast, and the health needs of constituents like mine.

My hon. Friend the Member for Livingston said that one in six Scots are on waiting lists. My constituents in the Western Isles are not on waiting lists; they are waiting for the sound of a helicopter to take them to hospital, because the NHS does not properly function in the Western Isles thanks to the Scottish Government's neglect and the lack of resources given to it. In the Western Isles, people do not take an ambulance or a taxi to hospital; they take a bus to an airport, to take a small flight to another airport, to take a flight to a mainland airport, to take a taxi to hospital to get chemotherapy. That is the state of the NHS in Scotland under the SNP.

Dave Doogan: Will the hon. Gentleman give way?

Torcuil Crichton: I will give way. I would love to hear the hon. Gentleman's excuses.

Dave Doogan: The hon. Gentleman mentions the litany of failures, as he sees them, in Scotland's NHS. How then does he explain that spending per head is greater than it is the rest of the UK, that the number of doctors per 100,000 people is higher than it is the rest of the UK, that the number of nurses per 100,000—

Valerie Vaz (in the Chair): Order. I call Torcuil Crichton.

Dave Doogan: His airlifted constituents—

Valerie Vaz (in the Chair): Order. You have had 10 minutes, Mr Doogan. I am really sorry, but this is unfair to other Members.

Torcuil Crichton: I understand the hon. Gentleman's passionate defence of his own position, but the truth is that, despite higher spending per head in Scotland, that money is inefficiently used on a massive management

[*Torcuil Crichton*]

structure—boards upon boards and quangos upon quangos—that does not put patients first, as evidenced in the Western Isles.

There is no better evidence of these issues than the transport decisions made over my constituents. We have three companies—a Bermuda triangle—running ferry services: CalMac, Caledonian Maritime Assets Ltd and Transport Scotland, with hardly an island representative.

Seamus Logan: On that point, will the hon. Gentleman give way?

Torcuil Crichton: Time is short, my friend, so I must press on.

Valerie Vaz (in the Chair): Order. I must ask you to address the Chair, Mr Crichton.

Torcuil Crichton: I am sorry, Ms Vaz.

On ferries, we welcome the very late arrival of the Glen Sannox and soon the Glen Rosa. A minor earthquake welcomed the Glen Sannox through the Sound of Mull as she made her test run. We are glad they are there, but that is only one ferry crisis; there is also the inter-island ferry crisis. The two ferries that connect and hold our Western Isles chain together are limping on, but under the SNP's replacement scheme they will not be replaced for another decade. Those ferries are meant to have four engines but are running on three. Our road between the isles has also been neglected and run down by the SNP.

I know that time is short, so I will not detain the House much longer. I have mentioned the neglect of rural areas. We see that in rural housing, where we are facing a depopulation crisis and where, from a budget of £25 million for rural housing, only 17 homes have been built in rural Scotland. All this happens because the Scottish Government have a bigger budget. We have no transparency on where that budget is going or how the money is spent. The SNP Government have one year to turn that around. They had better shape up or ship out.

3.10 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to serve under your chairmanship, Ms Vaz—and I mean that most genuinely. One of the things Members should never do in this place is bore the House, but I am afraid that I am about to do so, because I am going to sound like a cracked record.

How many times have I mentioned the ongoing scandal of pregnant mothers having to travel a 200-mile round trip from Caithness to Inverness to give birth? In weather like the stuff we are having right now in the north of Scotland, you have to be joking. The A9 was blocked at Helmsdale a view days ago, and thank God no pregnant mum tried to make the journey down to Inverness. I have gone on again and again to the Scottish Government about having a safety audit done on this perilous policy. We had a consultant-led maternity service based in Wick in Caithness.

Torcuil Crichton: I take what the hon. Member says about pregnant mothers having to travel long distances. In my own constituency, pregnant mothers have to travel two weeks before their baby is due to another

island where they are given an overnight allowance of some £50 or £60 in a tourism economy where beds cost £120—so they are having to pay out of their own pocket for their pregnancy.

Jamie Stone: It is a nonsense. Constituents like the hon. Gentleman's and mine are losing out and have lost out for years. We had a consultant-led maternity service in Caithness until, hey presto, this SNP Government took over; very shortly after, it was downgraded and got rid of—as simple as that. I and others have written to John Swinney inviting him to come north to Wick to get in the back of an ambulance in winter and make the journey for himself to see what it is like. I do not believe we have had an answer, and I expect a dusty one when it comes. It is a scandal and a disgrace, and it is on the watch of the SNP Government.

Right now, we have one psychiatrist in the north of Scotland—just one—and we have a huge problem with the mental health of young people. This morning I rang a mother from Caithness, Kirsteen Campbell, who thinks it will be two or three years before her child can be seen by a professional to sort out their problem. During the election, I spoke to a mother in Evanton in Easter Ross, who told me how her child—who I will not name for obvious reasons—had not been to school for a number of years because the school could not deal with the issues that this poor, wretched child had. It is a scandal.

In the short time available, I have given just two examples of failures. Turning to the subject of debate, I sincerely hope and pray that the Scottish Government will use this extra money to address these issues finally, before it is too late and something terrible happens on the youth mental health front or a mother or child loses their life. We had an issue where a mother was pregnant with twins, but one twin was born in Golspie and the other had to be born in Inverness. Imagine how awful that is for a family—it is a shocker.

I close with this: the two issues I have outlined are issues that really, really matter to ordinary people. We can talk about this or that in politics, but these are the big, chunky issues on the doorsteps. People are not stupid out there. I hear my good friends in the SNP sitting to my left, and they are good personal friends, but something happened in July, when the hon. Member for Na h-Eileanan an Iar (Torcuil Crichton) was returned with the bump that he was and when my majority went up from 204 to just 11 votes shy of 10,500. That, I think, is the Scottish people telling us something, and anyone who does not listen to that is simply whistling in the hurricane.

3.14 pm

Martin Rhodes (Glasgow North) (Lab): It is a pleasure to serve under your chairship, Ms Vaz.

The Budget of autumn 2024 marked a significant change—a break from the recent past. For too many years, Scotland and the rest of the UK have suffered from an era of austerity, bouts of ideologically charged fiscal and economic illiteracy, and a failure to invest in the present to deliver for the future. The UK Budget heralded a new era of growth and investment for Scotland. It keeps the promises to Scotland made at the general election: ending the era of austerity, providing billions for public services and prioritising economic growth.

As has been highlighted, the Budget delivered the largest funding settlement for Scotland in the history of devolution. In this Budget, we get an end to the flawed, ideologically driven years of austerity—replaced with investment, sound public finance and redistribution. The Budget delivered a pay rise for 200,000 of the lowest paid in Scotland through increases in the national living wage.

A key test of any Budget is how it balances the cost of expenditure with the raising of revenue to cover that expenditure. The significant test is who gains benefits and who covers costs, and how they are balanced. Inevitably, in most Budgets, costs and benefits are spread, but what is key is how the distribution is stacked up. This Budget shows a very clear pattern of redistribution: those with the most bear the greatest costs, and those with the least gain the greatest benefits.

The Budget, together with the Government's commitment in the new deal for working people and the Employment Rights Bill, indicates a significant and welcome change in direction at the UK level, with direct benefits for Scotland running through it, including investment for economic growth, resources for our public services, an end to austerity and a commitment to redistribution. The Chancellor's approach—this break from the recent past—needs to be built upon by the Scottish Government; sadly, their recent budget proposals fail to show the leadership required. Despite the record level of funding in the UK Budget for the Scottish Government, the SNP Government have failed to use the opportunity to deliver better outcomes for the people of Scotland in their budget proposals.

I thank my hon. Friend the Member for Livingston (Gregor Poynton) for securing the debate. It is important to have such an opportunity to reflect on the scale and ambition in the UK Budget, turning the page on the recent years of economic ineptitude and missed opportunities and, in their place, securing investment for economic growth, public services and the redistribution of resources. It is a Budget for Scotland and for the rest of the UK.

Valerie Vaz (in the Chair): I call Seamus Logan. Oh, do you not want to speak?

3.17 pm

Seamus Logan (Aberdeenshire North and Moray East) (SNP): I was not going to speak, but seeing as you have asked me to, Ms Vaz, I will speak briefly. I am grateful to serve under your chairmanship.

I thank the hon. Member for Livingston (Gregor Poynton) for securing this important debate. I have only one point to make, because we are short of time. Labour Members continually mention to us the ferries—I have heard the ferries mentioned more times than I heard Slade played over Christmas, and that was quite a lot—but they never mention High Speed 2. The people of Scotland are paying for that. They are also paying for Trident and for Hinkley Point.

Torcuil Crichton: Will the hon. Member give way?

Seamus Logan: No, I am not giving away—in retaliation.

Hinkley Point reactor 1 has now been delayed until 2029 or maybe 2031, we have no date for reactor 2, and as for reactor 3—

Torcuil Crichton: Will the hon. Member give way on that point?

Seamus Logan: I will finally give way.

Torcuil Crichton: I hope the hon. Member will forgive me for not giving way to him when I was mid-flow during my own speech. We are waiting until 2031 or 2032 for our ferries. We need ferries this winter, not next decade.

Seamus Logan: The point I am trying to make is that Labour Members continually refer to fiscal mismanagement, when in fact I have described examples of fiscal mismanagement that the people of Scotland are paying for. I will leave it there, Ms Vaz; thank you very much for inviting me to speak.

3.19 pm

Johanna Baxter (Paisley and Renfrewshire South) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. I thank my hon. Friend the Member for Livingston (Gregor Poynton) for securing the debate.

This Labour Government have committed £47.7 billion in funding for Scotland for 2025-26—the largest Budget settlement in the history of devolution. That includes £3.4 billion allocated through the Barnett formula, supporting Scotland's public services to get back on their feet. The settlement prioritises investment in key public services, including significant funding for our NHS. That is an additional £789 million in health-related consequential for 2024-25 and £1.72 billion for Scotland's NHS in 2025-26. Despite that unprecedented financial support, Scotland's NHS remains in crisis. One in six Scots now sits on an NHS waiting list.

Social care remains a significant area of concern under the SNP's leadership. Whereas our UK Government have announced plans for an independent commission on social care and have put in place an interim package of support, the SNP has had to abandon its National Care Service (Scotland) Bill, wasting millions of pounds of taxpayers' money while 9,000 people in Scotland wait for social care assessments and support.

My constituents in Paisley and Renfrewshire South would no doubt question why, given the level of financial support the Scottish Government have, the local SNP-controlled Renfrewshire council has just made the disgraceful decision to approve £19.1 million of cuts to health and social care provision across my constituency. That decision will directly affect the most vulnerable people in the communities in my area. It comes on the back of cuts already made with the closure of the Montrose care home and cuts to vital services such as the Falcon day services, which support people with disabilities. They are further evidence of the SNP's lack of a coherent plan to fix social care in Scotland.

We are running short of time, so to enable others to get in I will leave it here. The Labour Government's investment in Scotland marks a new chapter for Scotland—one that prioritises investment in public services that work for Scottish people and fixes the foundations of our country. The SNP has no excuses now and nowhere to hide. It should use the money it has been given to support the most vulnerable people in our communities.

3.21 pm

Kenneth Stevenson (Airdrie and Shotts) (Lab): It is an honour to serve under your chairship, Ms Vaz. I thank my hon. Friend the Member for Livingston (Gregor Poynton) for securing this debate.

It is right that we recognise the positive impact the Budget will have on Scotland. For too long residents in my Airdrie and Shotts constituency have been let down by Governments who have treated working people as an afterthought. They have been let down by incompetence from Conservative Governments here in Westminster and SNP Governments in Holyrood. They have felt the impacts in their pockets and can see the impacts in their depleted public services. However, this Budget puts us on a positive journey towards changing that.

The Budget delivers the largest settlement for Scotland since devolution. It will allow potential to be unlocked and public services to be invested in. It is a Budget that has ended the era of Tory austerity, puts working people back to the forefront and prioritises economic growth. It is a transformative Budget that has been a long time coming, and it is little surprise that it is a Labour Government delivering it.

I thought the Scottish Government would be pleased with the settlement they have received from the UK Labour Government. It has given them the opportunity to right the wrongs of their almost 20 years of mismanagement and incompetence and deliver a budget that works for Scotland's working people.

Jamie Stone: Does the hon. Gentleman, who is making an excellent contribution, agree that the reason why the SNP Government did not welcome the announcement was that the Labour Government successfully shot the fox?

Kenneth Stevenson: I entirely agree, and we could go on. We could go on about the promised 800 GPs that are missing. We could go on about ferries. We could go on about everything. We could go on about selling off the seabed for well under what was required and not having any manufacturing input in Scotland for wind turbines or solar or any advanced manufacturing.

Pete Wishart (Perth and Kinross-shire) (SNP): Will the hon. Member give way?

Kenneth Stevenson: No, I will not give way.

Only yesterday we heard from the First Minister of Scotland, who ironically warned that not supporting his budget would play into the hands of populists. All the while he leads a party that has spent almost two decades pitting working Scots against one another in the interests of the Scottish National party, rather than the interests of Scotland. People can see through the Scottish Government, just as they saw through the Conservative UK Government. Their attempts to desensitise the electorate to the horror stories that we hear on a daily basis will fall flat, because this Labour Budget ensures that they have the money and the power, and there cannot be any more excuses. They have the votes. The First Minister should end the shadow boxing and focus on using the settlement provided by the Labour Government to deliver for Scotland.

This Labour Budget is promising for the people of Airdrie and Shotts and I look forward to working with the Scotland Office and other Departments to ensure that the impacts are felt. The Airdrie and Shotts

constituency was at the heart of Scotland's old industrial heartlands and it has all the skills and ability to be at the heart of a modern industrial strategy in this new era. I am pleased that this Labour Budget will unlock the potential of my constituency and its people to do so.

3.25 pm

Graeme Downie (Dunfermline and Dollar) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. For years the SNP Scottish Government were able to blame an incompetent Tory Government for their own failures. Tory austerity had huge impacts for Scotland. The Tories crashed the economy, took money out of vital reserved areas such as defence, oversaw the systematic destruction of communities and failed to properly invest in our country. But the SNP has also failed in its 17 years in power.

The Scottish Fiscal Commission, Audit Scotland, the Fraser of Allander Institute and others have all criticised the SNP's failure to respond to the pressures on Scotland's public finances. Just before I came to this debate, I read that the Scottish Fiscal Commission has warned the Scottish Government that their back-of-a-fag-packet commitments could mean a cut of 15% to other areas of public spending. Scottish people deserve better.

Pete Wishart: Will the hon. Gentleman give way?

Graeme Downie: I choose not to give way because I am conscious of the time and the others who still wish to speak.

The SNP has fundamentally failed to use the powers of the Scottish Government to grow Scotland's economy, and has instead presided over low growth and low productivity—areas that this UK Labour Government are now fixing, from which the Scottish Government should be learning lessons. Time and again, they have chosen political division over real progress. The litany of failure is embarrassing and they do not like hearing about it, but here it comes again: millions of pounds of public money wasted on ferries; failed and expensive attempts to fix health and social care; reductions in police numbers; cuts to fire and rescue; longer NHS waiting lists; and higher taxes on working Scots than on people in any other part of the UK. They even robbed Scotland's offshore wind resources to paper over 17 years of failure. All that lies firmly at the door of the SNP Scottish Government.

Most worryingly, they have failed in fully devolved areas, such as education and skills, to give young people the opportunities and support they need and deserve to fulfil their ambitions and meet their aspirations. The long-term impact of the pandemic on young people is often forgotten, with isolation leading to missed opportunities, lost life experiences and still unknown impacts on mental health. Yet the SNP are telling health boards not to even ask for additional funding, despite the increase in the budget.

SNP excuses must now be at an end. This Labour Government have ended austerity in the UK by delivering the largest Budget settlement in the history of devolution, with an extra £4.9 billion available to spend. It delivers a pay rise for 200,000 of the lowest-paid Scots and ends the injustice of the miners' pension scheme, giving more moneys to miners in constituencies like mine, with money that will now boost the economies in those areas.

The question for the SNP is: what will they do now that they have run out of excuses? I would hope that they would use the power and funds they have to take action, like finally making good on a promise to build a new health centre in Kincardine that was promised more than 10 years ago in my constituency, or to invest properly in NHS dental services—it is an outrage that there are currently no dentists in my constituency taking on new NHS patients—or to properly fund our police to help to tackle the antisocial behaviour we have seen recently in Dunfermline city centre.

The 2024 UK Budget has delivered for the whole country, and this UK Labour Government are getting on with the job in health, education, transport and the funding of local services, all while the SNP whinge, complain and deflect. It is time for the SNP to take responsibility or get out of the way for a Scottish Labour Government that will get Scotland heading in the right direction once again.

Valerie Vaz (in the Chair): I can get the last two speakers in if they take a minute each.

3.29 pm

Tracy Gilbert (Edinburgh North and Leith) (Lab): It is a pleasure to serve under your chairship, Ms Vaz. I congratulate my hon. Friend the Member for Livingston (Gregor Poynton) on securing this important debate. Seeing as we are so short of time, I will try to cut my speech down to a minute.

An area of the Budget I welcome is the announcement over the recess from the Ministry of Housing, Communities and Local Government of the allocation of £150 million to community projects across the UK, including £1.7 million to North Edinburgh Arts, part of the new MacMillan Hub in my Edinburgh North and Leith constituency. The new hub is the first of its kind in Scotland, co-locating a community-owned venue and third sector and council services for the benefit of local residents.

The MacMillan hub will provide an accessible and high-quality creative learning, enterprise and meeting space, alongside a social enterprise café, a community garden, a public library and a dedicated skills hub, as well as an early learning and childcare centre for 185 children. The investment will be transformative for Muirhouse and the constituency, and will be a joined-up approach of the sort that I hope to see more of for our communities.

3.30 pm

Richard Baker (Glenrothes and Mid Fife) (Lab): It is a pleasure to serve under your chairship, Ms Vaz. In my one minute, I will talk about a real opportunity for my constituents to boost our renewable sector through the investment that has been outlined in the Budget, and also through the crucial decision made by colleagues in Government—through the hard work of the Secretary of State for Scotland and the Secretary of State for Business and Trade—to secure the future of the Methil yard in my constituency, along with the future of the Arnish yard in the constituency of my hon. Friend the Member for Na h-Eileanan an Iar (Torcuil Crichton). Together, that will save over 350 jobs and skilled apprenticeships. What a fantastic opportunity we have.

I hope there will be collaboration between the Scottish and UK Governments to look at the future of both those yards. We have so much more potential in our energy sector than we are currently realising—particularly our renewable sector—and those yards have a crucial role to play. Their potential to grow the workforce and their economic impact are massive. Through the £125 million investment in GB Energy, based in Aberdeen, the opportunity is there to build for the future.

With almost £5.8 billion allocated in the national wealth fund, we should be working together to look for bids for how those yards can work in the future to ensure economic benefit and growth for Scotland. Those are the priorities that we should look to for the future, and they are being offered because of the actions taken by the Chancellor in this Budget.

3.32 pm

Christine Jardine (Edinburgh West) (LD): It is a pleasure to serve under you as Chair, Ms Vaz. I congratulate the hon. Member for Livingston (Gregor Poynton) on securing this debate on the impact of the UK Budget on Scotland.

I welcome the increase in investment for the NHS and the vital cash boost for Scotland, but with all due respect to the hon. Member for Angus and Perthshire Glens (Dave Doogan), it cannot be underestimated how much we needed it, given the mess and chaos that the SNP Government have created in our public services over the past 17 years. Indeed, they have also created chaos in our ferries, as we heard today that the new Glen Sannox is being removed from service again. I agree with the comments from many Members, particularly my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone), about the problems that we are facing.

While I welcome the money in the Budget, we have heard repeatedly from the Chancellor and other Ministers—no doubt we will hear it again today—that the Government have had to take tough decisions since coming into office. Many of my constituents in Edinburgh West are beginning to say, “Yes, every Government have to make tough decisions, but did this one have to make these decisions?”

Before Christmas I spoke to a number of businesses in Edinburgh West, and many of them were concerned about the negative impact that increases in employer national insurance contributions will have on them. Some are worried that they will have to make cuts to staff; others are trying to avoid putting up prices and passing the tax hikes on to the public. All of them are trying to find ways of making it work, and all of them are struggling. Some 40% of Scots now believe that more small and medium-sized enterprises will close in their communities as a direct result of this Government’s decisions. More than half of Scots believe that prices will have to go up. After the worst cost of living crisis in a decade, that is not what any of them needed.

GPs and many social care providers are saying that they do not know how they are going to cope with the tax changes. Private contractors or operators, who will not be eligible for employment allowance, will have to take on those extra costs directly. Within days of the Budget, several GP practices contacted me and estimated that the changes will cost them more than £10,000 extra in the next year. After 17 years of mismanagement

[Christine Jardine]

under the SNP and 14 years of the Conservatives, our GPs need support and investment, but everywhere we look in Scotland, the impact of this Budget is not positive.

Another tax change that will have direct consequences for my city of Edinburgh is the Government's decision to impose VAT on private school fees. It is not just because I do not support taxing education or reducing the choice of parents that I do not agree with the proposal and see it as negative, but because it will have a real impact on both the state and independent school sectors in Edinburgh. Edinburgh has the highest proportion of independently educated children in Scotland, at between 20% and 30% every year.

According to the local Labour authority, 16 schools are expected to reach capacity before the end of this decade. If the predicted percentage of children dropping out of independent education into the state sector is true, the system will be stretched to breaking point. Sadly, introducing the change halfway through the school year is causing issues for many parents. I have already had representations from parents who cannot find places in local schools for the children they have taken out of the independent sector.

I would have liked to touch on other issues, including the impact on the whisky industry—I refer Members to my entry in the Register of Members' Financial Interests—and the farming industry, which was touched on by the hon. Member for Gordon and Buchan (Harriet Cross). However, it is sufficient to say that Scotland, which is already under pressure from mismanagement by the SNP, is now facing a far-from-positive impact from the new Westminster Government in which it put its faith.

3.36 pm

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): It is a genuine pleasure, again, to serve under your chairship, Ms Vaz. I congratulate the hon. Member for Livingston (Gregor Poynton) on bringing forward this debate, although, rather like the hon. Member for Angus and Perthshire Glens (Dave Doogan), I was a little surprised that it was a Labour MP bringing forward a debate on the impact of the Budget on Scotland.

As much as I would like to spend my time attacking the incompetence of the Scottish Government and their record, this is a debate on the UK Budget brought forward by the UK Government, so that is what I will focus on. I am grateful that the hon. Member for Livingston has given us the opportunity to express the worry and the concern felt across Scotland as a result of the frankly disastrous Budget that the Labour party unveiled at the end of October, which has already seen business confidence plummet, inflation tick up and hard-fought-for growth stall—quite a feat.

Members do not need to take it from me, though; they can take it from Scottish business organisations. The Scottish Hospitality Group called the Budget a “blow to businesses across the country.”

The Scotch Whisky Association called it a “hammer blow” to the industry, Offshore Energies UK called it a “difficult day” for the oil and gas sector, and the National Farmers Union of Scotland said it will cause “huge difficulties” for family farms, all while the OBR forecasts lower

growth for the UK as a whole. With the biggest ever tax increases in one Budget hitting Scotland—already the highest-taxed part of the UK—even harder, Labour's tax-raising Budget is straight out of the SNP playbook, and sadly will hammer hard-working Scots.

Let us take some of the decisions in turn. There was the decision to raise employer national insurance contributions, which, by the way, was a flagrant breach of the manifesto commitment not to do so. NICs have been raised by £25 billion, lowering the point at which contributions start. This Labour Government are hammering the worst off, those in part-time work and those starting out by hampering their ability to get or hold a job. Labour's jobs tax will cost nearly £900 for the average Scottish job.

Tracy Gilbert: Does the hon. Member agree that, actually, 200,000 Scots—some of the lowest-paid, poorest families in our communities—will benefit from the new deal for working people?

Andrew Bowie: There are businesses across Scotland that are now seeking to lay people off, not employ new staff. In Aberdeenshire in the north-east, energy companies are seeking to lay off staff as a direct result of decisions taken by this Government. In fact, the negative impact of the Budget on growth and investment in Scotland will actually have a detrimental effect on all people in the workplace. So no, I do not agree that any of the decisions taken in the Budget will be to the benefit of hard-working Scots. In fact, I believe directly the opposite. This jobs tax—the increase in national insurance contributions—is an attack on our working people, our small businesses and our economy by this economically illiterate, as proven so far, Labour Government.

For family businesses such as Walker's Shortbread, William Grant, Tunnock's or GAP Group, the situation is compounded by the changes to business property relief brought in by the Government. In GAP's case, that will mean that a company that employs 2,100 people and that already pays more than £50 million in taxes annually will have an additional tax bill of between £50 million and £100 million, simply for wanting to move the business to the next generation. As Douglas Anderson of GAP said to *The Times* yesterday, this is “a state penalty on family businesses.”

It is simply unfair.

Dave Doogan: Does the hon. Member agree that money talks? Despite how we might argue here in Parliament, money talks. Is he concerned that the yield on UK Government gilts over 30 years is now 5.22%, which is even higher than when Liz Truss tanked the economy?

Andrew Bowie: I read that a couple of seconds before I stood up to speak, and of course it is extremely worrying. The trajectory of the UK economy under this Labour Government should give us all cause for concern, which is why it is right that we are having this debate today. I am just surprised that it was secured by a Labour MP.

Torcuil Crichton: If the hon. Gentleman does not wish to blame the SNP Government for the economic mismanagement of Scotland, why does he provoke SNP Members with his choice of Union Jack socks?

Andrew Bowie: These socks were a Christmas present from my mother; I promised her that I would wear them at work and that is what I am doing today. They are very good socks, so I thank the hon. Gentleman for drawing the Chamber's attention to them.

As I was saying, that was Labour's workers tax—their state penalty on family businesses—and its first attack on business. Let us turn to its second attack on successful Scottish industries, specifically the Scotch whisky industry. The week after Burns night, which is in a couple of weeks' time, tax on spirits such as whisky will rise, and will continue to rise by a percentage higher than the consumer prices index. The industry is already suffering from a decision to raise duty by 10% last year, which some of us protested about from within Government at the time, and which led to a reduction by £300 million in revenue for Treasury. The move by Labour increases the tax discrimination on spirits and undermines any claim that this Government can make about supporting brand Scotland. If this is how the Government treat Scotland's national export, we really have some big questions to ask.

This Labour Government are taxing entrepreneurship and penalising success. However, they are not content with hammering small businesses, our workers and our most successful food and drink export. They are also intent on destroying one of our most successful industries, one which is integral to the economic success of north-east Scotland and on which so many thousands of jobs and indeed our energy security depend—our oil and gas sector.

The decision to extend and increase the energy profits levy, to remove most of the investment allowances and to ban all further exploration is driving away investment and leaving us far more reliant on foreign imports. The evidence is there. Apache has already said that it is pulling out of the North sea and there were others to follow. Labour's changes to the windfall tax will cost up to 35,000 jobs and £13 billion in economic value, and all so that it could splurge on eye-watering public sector pay rises to buy off its union paymasters, who supported Labour into Government. But I have not finished yet.

Johanna Baxter: Does the hon. Gentleman agree that that is not buying off union paymasters but delivering a pay rise for hard-working Scots?

Andrew Bowie: The hon. Lady should tell that to the hard-working Scots who are being laid off in Aberdeen in north-east Scotland as a direct result of the decisions of this Labour Government, including their decision to extend the energy profits levy, ban new investment in the North sea and preclude new exploration. She should tell that to those hard-working Scots who are worried about what the decisions by this Government will mean for them and their families, and whether they will have a job in Aberdeen in north-east Scotland in the next few years. Those hard-working Scots look with terror at what this Government are bringing down the line.

I have not even turned to farming yet. I am incredibly proud to represent some of the best farms producing the best berries, beef, lamb and crops in Scotland. The vast majority of those farms are family-owned, but due to the changes in the agriculture and business property reliefs that I outlined when I described the situation facing family businesses, their future is incredibly uncertain. Many farmers have already come into my office and

claimed that it is now simply too expensive and too difficult to countenance passing their farm on to the next generation. This Labour Government are overseeing the destruction of our family farms. Even worse than that, however, is that their naivety or their incompetence, or possibly a terrifying combination of both, has seen the Labour Government announce that the agricultural funding to Scotland will no longer be ringfenced, despite the specific and pointed ask of the NFUS during the election and in the run-up to the Budget.

The impact of Budget 2024 on Scotland is, in one word, disastrous. Our small and medium-sized businesses have been hammered by additional taxes; our family firms and family farms fear for their future; our whisky industry is punished yet again for its success; our oil and gas industry, and its workers, have been sacrificed on the altar of the eco-mania, or possibly the egomania, of the Secretary of State for Energy Security and Net Zero; our agricultural sector has been ignored; and our Union, frankly, has been undermined.

Growth is falling, confidence is collapsing, uncertainty is rising and people in business are worse off. That is the impact of Budget 2024 in Scotland. I wish my friends in the Labour party well in trying to sell this Budget to the people of Scotland, who seem mightily unimpressed with the Government's performance thus far.

3.45 pm

The Parliamentary Under-Secretary of State for Scotland (Kirsty McNeill): It is a pleasure to serve under your chairmanship, Ms Vaz. I begin by congratulating my hon. Friend the Member for Livingston (Gregor Poynton) on securing this debate on the impact of the autumn Budget on Scotland, and on his very dogged advocacy on behalf of those in his constituency who need the East Calder medical centre.

The UK Government were handed a challenging inheritance: £22 billion of unfunded in-year spending pressures, debt at its highest level since the 1960s, an unrealistic forecast for departmental spending, and stagnating living standards. This Budget took difficult decisions to restore economic and fiscal stability so that this Labour Government can keep the promises we made to the Scottish people. We promised to put Scotland at the beating heart of this Government; we have. We promised to end austerity; we did. We promised we would invest in Scotland's future; we are.

It is no surprise to me that we have heard the usual carping from Opposition parties. They simply cannot face facts, because the facts are that this was a great Budget for Scotland.

Dave Doogan: Will the Minister give way?

Kirsty McNeill: I will make some progress. The Budget ensured the largest real-terms Budget settlement for the Scottish Government in the whole history of devolution, with an additional £1.5 billion for the Scottish Government to spend this financial year and an additional £3.4 billion next year. It means that the Scottish Government are receiving more than 20% more per person than equivalent UK Government spending in the rest of the UK. It delivered the most for those with the least, because that is what Labour Governments do.

Seamus Logan: Will the Minister give way?

Kirsty McNeill: At the election, Scotland was offered a choice—the politics of protest or the politics of progress. It chose the latter, and the result is a Budget that protects working people in Scotland and delivers more money than ever before for Scottish public services. That is what change looks like. The hon. Member for Edinburgh West (Christine Jardine) asked whether these were the choices that needed to be made, and to that I say an unequivocal yes, because this Government are simply not prepared to write cheques that we cannot afford to cash.

The spectacular recklessness of the last Conservative Government is something for which we await an apology, but in the meantime, it falls as ever to Labour to do the work of repair and renewal. It is our task to make whole what has been broken, and to make the long-term decisions that will ensure Scottish families can get on and not just get by.

Seamus Logan: Will the Minister give way?

Kirsty McNeill: I will in just one minute. The Chancellor has made it clear that, while protecting working people with measures to reduce the cost of living, difficult decisions would be required. Unlike the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie), we are not prepared to shirk them.

Seamus Logan: The Minister speaks of broken promises and Labour keeping their promises, but what about the promise not to attack the whisky industry and the promise not to raise national insurance as a tax?

Kirsty McNeill: We have made responsible tax choices entirely in line with our manifesto. That is why the rates of employers' national insurance will increase by just 1.2 percentage points. The smallest businesses will be protected as the employment allowance will increase from £5,000 to £10,500, allowing Scottish firms to employ four national living wage employees full time without paying any employer national insurance on their wages.

Christine Jardine: Will the Minister give way?

Kirsty McNeill: I will make some progress. This Budget asks businesses and the wealthiest to pay their share while making taxes fairer. Those are Labour choices and they are inspired by Labour values. As my hon. Friend the Member for Glasgow North (Martin Rhodes) has made clear, this is a progressive Budget that values redistribution.

Christine Jardine: Will the Minister give way?

Kirsty McNeill: I will make some progress. And just as our Budget choices reflect our values, the ways in which the Opposition parties choose to oppose them represent their values, whether that is their opposition to our end to the VAT tax break on private schools or opposing, as the hon. Member for Gordon and Buchan (Harriet Cross) does, our attempts to bring agricultural property relief into balance. As she will know, the latest figures from 2021 to 2022 show that 40% of the value of APR went to just 7% of claimants; that is neither sustainable nor fair, which is why I support the Labour Government's changes.

Harriet Cross: That means, therefore, that 60% went to everyone else—that 60% of farms in this country rely on APR to pass their farms down to the next generation. They rely on BPR as well. This is the next generation of farmers who provide our food security and who employ people in local and rural areas. Does the Minister not think that that is a really important thing to maintain?

Kirsty McNeill: As the hon. Member will be aware, each year almost three quarters of estates eligible for APR in the UK are expected to be entirely unaffected by these fair and proportionate changes. Ours was a Budget, just as this is a Government, squarely for working people. The hon. Member for Angus and Perthshire Glens (Dave Doogan) complained of the tax burden. Unlike the SNP Scottish Government, which simply want to clobber teachers and nurses with ever higher taxes, we have delivered on our pledge not to increase national insurance or VAT on working people in Scotland. That means that they will not, thanks to this Budget, see higher taxes in their payslips.

Hundreds of thousands of workers in Scotland will benefit from an increase in the national living wage and a record increase to the national minimum wage. The Chancellor made the decision to protect working people in Scotland from being dragged into higher tax brackets by confirming that the freeze on national insurance contribution thresholds will be lifted from 2028-29 onwards, rising in line with inflation, so that people can keep more of their hard-earned wages.

We have begun the difficult work of restitching our fraying safety net. Thousands of Scottish households will be £420 a year better off on average, as a result of our change to the universal credit fair repayment rate. Around 1.7 million families in Scotland will see their working-age benefits uprated in line with inflation, a £150 gain on average, in 2025-26. Maintaining the triple lock means an increase in the state pension of £470 next year, on top of £900 this year, for 1 million Scottish pensioners.

Let me pay special tribute to the campaigners and fellow trade unionists who fought for changes to the mineworkers' pension scheme. Thanks to their efforts and the decisions of this Labour Government, nearly 7,000 retired mineworkers in Scotland will get an extra £1,500 on average in their pension. Finally, that is justice for those who powered our country.

Christine Jardine: Will the Minister give way?

Kirsty McNeill: I will make some progress. The hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) and my hon. Friend the Member for Na h-Eileanan an Iar (Torcuil Crichton) shared moving testimony about the impact of changes by the Scottish Government on rural communities. My hon. Friend the Member for Paisley and Renfrewshire South (Johanna Baxter) talked about the crisis in NHS and social care. The answer to all those challenges is the same: investment in our public services. That is exactly what this Budget is designed to do.

Dave Doogan: Will the Minister give way?

Kirsty McNeill: I will make some progress. I have been listening very intently to the speeches and chuntering from some hon. Members; I have not been taking any notes on economic credibility. The Fraser of Allander

Institute, Audit Scotland and the Institute for Fiscal Studies have all confirmed that the challenges in Scotland's public finances are a mess of the SNP's making. As for the party that brought us Liz Truss, the verdict of the people of South West Norfolk tells us all we need to know.

I urge everyone instead to listen to my hon. Friends the Members for Dunfermline and Dollar (Graeme Downie), for Airdrie and Shotts (Kenneth Stevenson), for Glasgow East (John Grady), for Edinburgh North and Leith (Tracy Gilbert) and for Glenrothes and Mid Fife (Richard Baker) about how to get Scotland growing. Our objective is not simply to rescue our economy from the havoc wrought by the Conservatives, but to grow it. That is why we support Great British Energy, providing £125 million next year to set up the institution at its new home in Aberdeen. That is a huge boost to the granite city, inexplicably voted against by the right hon. Member for Aberdeen South (Stephen Flynn) and his fellow SNP MPs, all sent here to deliver for their constituents but who instead sought to sabotage investment that would benefit them.

I am also pleased that we have been able to confirm our commitment to invest nearly £1.4 billion into important local projects across Scotland over the next 10 years.

Harriet Cross: Will the Minister give way?

Kirsty McNeill: I will make some progress. We have also confirmed that all 12 regions of Scotland will be covered by a growth deal. Our investments include nearly £890 million of direct investment into freeports and investment zones, the Argyll and Bute growth deal and other important local projects across Scotland.

Wendy Chamberlain: Will the Minister give way?

Kirsty McNeill: I will make some progress. Those are all the choices of a Government resolutely focused on the future. In conclusion, the Budget does exactly what Scottish Labour was elected to do. It secured billions for Scotland; the SNP voted against it.

Dave Doogan: On that point, will the Minister give way with only seven minutes to go?

Kirsty McNeill: I am going to make progress. The Budget secured billions for Scotland; the SNP voted against it. It delivered a pay rise for 200,000 of the lowest-paid Scots; the SNP voted against it. It ended Tory austerity; the SNP voted against it. The simple fact is that they are out of road, out of excuses and out of time. This Budget helps us invest in Scotland and rebuild Britain. I am proud to tell my constituents that I voted for it and I look forward to seeing all the ways that it will change Scotland for the better.

3.54 pm

Gregor Poynton: This has been a valuable, if not always consensual, debate. I thank the hon. Members for Angus and Perthshire Glens (Dave Doogan), for Gordon and Buchan (Harriet Cross) and for Aberdeenshire North and Moray East (Seamus Logan). I did not agree with all or much of what they had to say, but I do believe their views are genuinely and passionately held. To the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone): I for one will not tire of hearing him continue to raise the issues he raised until we have resolution to them, and I know he will do so.

My hon. Friend the Member for Glenrothes and Mid Fife (Richard Baker) is right to raise the opportunities we have in the energy sector that are supported with this Budget; my hon. Friend the Member for Edinburgh North and Leith (Tracy Gilbert) right to raise the new deal for working people; my hon. Friend the Member for Glasgow East (John Grady) right that business confidence is growing; my hon. Friend the Member for Na h-Eileanan an Iar (Torcuil Crichton) right that in his constituency it is an NHS unfortunately in name only due to mismanagement; my hon. Friend the Member for Glasgow North (Martin Rhodes) right to talk about the choices we have had to make in this Budget; my hon. Friend the Member for Paisley and Renfrewshire South (Johanna Baxter) right to talk about the social care problems we are seeing in Renfrewshire; my hon. Friend the Member for Airdrie and Shotts (Kenneth Stevenson) is a champion for manufacturing jobs; and my hon. Friend the Member for Dunfermline and Dollar (Graeme Downie) is an expert on the mineworkers' pension scheme.

The Chancellor's Budget provides the Scottish Government with the largest financial settlement in the history of devolution—an additional £1.5 billion to the Scottish Government to spend in this financial year and an additional £3.4 billion to spend in the next. Let us have no more buck-passing, blaming Westminster and ducking of tough decisions. This Budget provides the SNP Scottish Government with more than adequate resources to deliver real and meaningful change in our economy and our public services. Let there be no question about it: any ongoing failures are those of the Scottish Government. They must own them and take that responsibility. They have nowhere to hide. The ball is in their court. As the Under-Secretary of State for Scotland, my hon. Friend the Member for Midlothian (Kirsty McNeill), said, I was proud to vote for this Budget.

Question put and agreed to.

Resolved,

That this House has considered the fiscal impact of the Autumn Budget 2024 on Scotland.

3.56pm

Sitting suspended.

Town Centres

4 pm

Valerie Vaz (in the Chair): I will call Luke Murphy to move the motion and then the Minister to respond. There will not be an opportunity for the Member in charge to wind up, as is the convention for a 30-minute debate.

Luke Murphy (Basingstoke) (Lab): I beg to move,

That this House has considered Government support for town centres.

Thank you for the opportunity to lead this important Westminster Hall debate on the future of Britain's town centres under your chairship, Ms Vaz. Like so many towns across the UK, my constituency of Basingstoke is grappling with the consequences of years of neglect under successive Conservative Governments and the changing habits and shopping trends of consumers. High streets have suffered from an array of pressures, made worse, not better, by the policies of the previous Administration.

For more than a decade, the Conservatives failed to modernise the business rates system, leaving small businesses disproportionately burdened while allowing major online retailers to shirk paying their fair share. The failure to secure our energy supply and tackle retail crime, and the disastrous mini-Budget, which sent interest rates soaring, stifled the ambitions of our high street businesses, leaving them grappling with higher costs and a lower footfall.

Jim Shannon (Strangford) (DUP): I am sorry, Ms Vaz, but the hon. Gentleman said to me, "Get in early," so I have taken him at his word and done as he asked.

The hon. Gentleman has clearly outlined the issues for his own town centre. In the past, the Government here gave the devolved Administrations and institutions money sensibly. I know the Minister will respond to this when the time comes. They also did that through the levelling-up fund, so money did come through. Does the hon. Gentleman agree that more needs to be done to promote the economic and social regeneration of disadvantaged areas? After all, this is the great United Kingdom of Great Britain and Northern Ireland. We are always better together, so we should be helping each other.

Luke Murphy: I think it was the hon. Gentleman who suggested that he might come in early, but I thank him for his intervention. I agree, but I will leave it to the Minister to respond more fully. I will take interventions from a number of Members. I am grateful to those who made it clear in advance that they wish to speak. I will try to get to them first, and I will do my best if others want to come in, but I am conscious that we do not have a huge amount of time.

Because of the issues and trends that I have highlighted, Basingstoke's Festival Place shopping centre now contends with long-term vacancies. Some of the largest storefronts, such as the old Debenhams building, have sat empty for years. All too often, new businesses open their doors with optimism in the Top of the Town, but they find themselves shuttered within a matter of months.

After 14 years of Conservative Government, Britain's high streets and town centres have been hollowed out. According to the Centre for Retail Research, more than 10,000 shops closed in 2023 alone. The high turnover of shopfronts leaves not just holes in the high street but a sense of instability that undermines confidence in the local economy, yet amid the challenges there is undeniably an opportunity to breathe new life into our high streets.

Sarah Dyke (Glastonbury and Somerton) (LD): I thank the hon. Gentleman for giving way and for securing this really important debate.

Rural market towns are really important. In my constituency of Glastonbury and Somerton, Wincanton would benefit massively from regeneration. In fact, it was due to receive a considerable amount of funding—£10 million. The council put together a strong bid, but the former Member was unable to support it. Does the hon. Gentleman agree that encouraging regeneration in our town centres and boosting footfall is the best way to bring prosperity back to our rural market towns?

Luke Murphy: I fully agree, but I will leave it there—for the sake of time, I will be short in agreeing with interventions.

None the less, like many towns and villages across the country, Basingstoke's town centre is a hub of remarkable independent businesses that continue to thrive, despite years of neglect, from the unique offerings of Afrizi and the cherished Willows to the flavours of the Chennai Express and the ever-popular Festival Street Kitchen. These diverse ventures highlight the incredible entrepreneurial spirit in our town. The wealth of talent and creativity showcases the untapped potential of small business owners in our town, who deserve greater support and investment.

Jo Platt (Leigh and Atherton) (Lab/Co-op): My hon. Friend is making some excellent points about our high streets. The Government's recent move to introduce high street rental auctions is a game changer for places such as Leigh and Atherton. Local businesses such as local construction firm WJ Structures are eager to regenerate, but are often held back by obstructive landlords. Does my hon. Friend agree that empowering businesses with a genuine stake in the area will only boost the local economy? It will create jobs and foster skills and training for industry in communities such as mine.

Luke Murphy: I fully agree with my hon. Friend and look forward to seeing auctions playing a role in rejuvenating high streets such as those in Basingstoke and in her constituency. I also welcome the Government's action on small business access loans in the Budget, with £250 million for the British Business Bank's small business loan programmes.

We know that the high streets of tomorrow will not look like those of the past. The modern consumer is looking for more than a place to shop. They are looking for an experience, and a reason to visit that goes beyond everyday retail. Independent, forward-facing business owners such as those running the Dice Tower and the Post Box in Basingstoke, which provide engaging experiences alongside the food and drink offerings, show that they already understand the habits of their customers. Events and experiences are clearly the future of the high street.

Innovation is the way forward for our town centres. A shift towards more diverse, mixed-use developments, integrating housing, leisure, culture, banking hubs, centres of education and public services, will help to create more vibrant high streets where people want to spend time and money. Alongside innovation, we must also address the factors that deter footfall.

Alistair Strathern (Hitchin) (Lab): My hon. Friend is making a powerful case for the importance of regenerating our high streets with a new modern vision for their success. Does he agree that, for them to be successful, they must be seen to be safe? That is why it is so important that this Government do not tolerate, as the last Government did, a rise in antisocial behaviour and retail crime. A strong neighbourhood policing presence is required to assure residents that our high streets really are there for them, safely, when they need them.

Luke Murphy: I totally agree with my hon. Friend—I was just about to come on to that point. Antisocial behaviour and retail crime remain significant barriers to a thriving town centre. I am sure that businesses in his constituency have shared with him, as those in mine have shared with me, their frustrations over theft, vandalism, drug use, knife crime and things like illegal car meets. These are not merely nuisances; they are economic threats that drive shoppers away and force businesses to close. Labour's plan to tackle these challenges head on—with robust action to tackle antisocial behaviour, stronger powers for local police and more town-centre policing, as well as support for businesses to invest in safety measures—is critical to restoring confidence in our town centres.

Since 2014, our police force has been diminished and retailers have been left to fend for themselves against the so-called low-level crime of shoplifting, which we know is absolutely nothing of the sort. It wrecks the bottom line and puts staff and shoppers in harm's way.

I am glad to see the Government tackling shoplifting by reversing the rule under the previous Government that meant that the police would not usually investigate shoplifting of goods worth less than £200. Only by putting more police on the streets and empowering them to tackle shoplifting and antisocial behaviour can this Labour Government truly bring consumer and business confidence back to town centres like ours in Basingstoke. I would welcome an update from the Minister on the recent work in his Department to support high street businesses that continue to be victims of antisocial behaviour and retail crime.

The recent Budget provided £1.9 billion of support to small businesses and the high street in the next financial year by freezing small business multipliers and providing 40% relief on bills for retail, hospitality and leisure properties, up to a £110,000 cash cap. I welcome those measures, but would also be grateful if the Minister updated us on the progress of the Government's plans to deliver the promised permanent reform of business rates. This is an absolute key issue that is raised with me time and again whenever I am in the Top of the Town.

Sorcha Eastwood (Lagan Valley) (Alliance): I agree with the point that the hon. Member has just made. Does he agree that businesses are facing not just a cost of living crisis, but a cost of doing business crisis? In my constituency, a restaurant called Huxo, which only opened a year ago, has unfortunately had to close—he referenced

that issue in his own constituency. Does he agree that it would be useful to hear from the Minister what the Government intend to do to help our local businesses with the cost of doing business crisis?

Luke Murphy: Absolutely, and this is something that we have seen businesses plagued with over the last 10 to 14 years. It is really important that, as well as improving footfall and stabilising the economy, we tackle those costs facing businesses.

During the election campaign, the Prime Minister and the businessman Theo Paphitis visited Gabardine Bar together—a fantastic independent business in my constituency. It is great to see Kevin and Fran, who run Gabardine, here with us today. They represent exactly the kind of small business owners we have to support—ambitious for their own business, but also for the Top of the Town and Basingstoke as a whole. I rarely have a chat with Kevin that does not include a new idea, not just for his own business, but for rejuvenating the town centre.

John Slinger (Rugby) (Lab): Hearing about my hon. Friend's constituents and the great work they are doing reminds me of the excellent work happening in my own constituency of Rugby around the night-time economy and live music, particularly in places such as Inside the 22, which provides live music, and The Squirrel Inn. Does he agree that this shows that small businesses are very entrepreneurial? They have the ideas about how to regenerate their own towns; what they need is an empowering ecosystem, which I believe is what the Government are seeking to create.

Luke Murphy: I completely agree with my hon. Friend. It is just those kinds of entrepreneurial businesses that are seeking a better future not just for themselves, but for the town as a whole. We must create a supportive environment for them. Like many local businesses, they are community minded at The Gabardine—they put on food and refreshments for the recent local remembrance activities—but they need to operate in a stable economic environment, which is why I welcome the recent Budget to protect the smallest businesses and shore up our economy.

It is also important that the Government deliver on securing our energy supply, with a credible plan to increase the availability of cheap, clean, home-grown sources of power through Great British Energy. I would value knowing what more the Government can do, and are planning to do, to support high street businesses in Basingstoke and elsewhere, which have been crippled by the weight of soaring energy costs.

One of the other issues raised with me by local businesses is about reliable bus routes and public transport. These are essential for driving footfall in towns such as Basingstoke. The Government's plans to allow public transport to be put into local hands is a welcome step towards ensuring that every town and village has the bus services and public transport access that it needs.

Mr Bayo Alaba (Southend East and Rochford) (Lab): I thank my hon. Friend for securing this debate. One in seven shops are empty—I have noticed that in my constituency, and the situation is similar in many constituencies across the country. Many owner-operators,

[Mr Bayo Alaba]

like some of my hon. Friend's constituents here today, want to get their town centre going again. They know what is best. The communities that bounced back the quickest after lockdown had owner-operators at the front and centre. Does my hon. Friend agree that the Government should be trying to provide infrastructure such as buses and routes to enable entrepreneurs and community stakeholders to get their communities back and vibrant again?

Luke Murphy: I completely agree with my hon. Friend. Public transport plays a role in making town centres accessible, but we must think about the wider need for infrastructure that supports all modes of travel, to ensure that additional footfall to support entrepreneurs such as Kevin and Fran.

Central to this debate is the recognition that town centres are not just about bricks and mortar, but ultimately about people. When my neighbours visit the Saturday market at the Top of the Town, I want them to see a bustling town centre with plenty to offer—somewhere they want to keep coming back to.

Tom Hayes (Bournemouth East) (Lab): I thank my hon. Friend for securing a debate on this issue. Bournemouth town centre has just had a very busy Christmas period. We had fantastic Christmas lights funded by the Bournemouth town centre business improvement district. We have also had the successful opening of The Ivy, which is fantastic. Otherwise, the town feels like a ghost town. Does he agree that the roll-out of the high street rental auctions, for which Bournemouth is a pilot area, could be critical to restoring confidence in our high streets, increasing footfall and making our town centres safer? Ultimately, that will help more businesses to grow and help our local economy.

Luke Murphy: I completely agree. I look forward to seeing the role that those auctions can play in Bournemouth and elsewhere, and to seeing them rolled out in places like Basingstoke as well; they are a really exciting innovation.

I want our town centre to be a vibrant place that people keep coming back to. The opportunity is there, but it will take the Government, local authorities, and our communities and businesses to work together to realise that potential. Last year I stood on a Labour manifesto pledging to breathe new life into our high streets, and in February I committed to hosting the first Top of Town summit in my constituency of Basingstoke as a step towards achieving this collaboration. I hope the Department will support efforts in constituencies like mine to break down the barriers that stand in the way of local economic growth.

I hope the Minister will agree that delivering a boost to town centres like Basingstoke's through tackling antisocial behaviour, retail crime, the scourge of empty shop fronts and soaring energy prices, and reforming outdated business rates, must be a priority for the Government if we are serious about reaching our milestone on growth in a way that improves local economies, builds up small businesses and puts more money in people's pockets.

I would welcome—as would Basingstoke business owners like Kevin and Fran, who are here today and

who met the Prime Minister during the election campaign—any updates that the Minister can provide on the work that the Government are doing on these issues.

4.16 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Alex Norris): It is a pleasure to serve under your chairship, Ms Vaz. I thank my hon. Friend the Member for Basingstoke (Luke Murphy) for securing this important debate and for the spirit in which he has led it. Despite this being a half-hour debate—one of the shorter ones—the interest from colleagues, shown through interventions and through being here to listen, demonstrates the importance of town centres and their health to all our communities, wherever we are across the UK.

My hon. Friend's diagnosis of the challenge was really well put, because although no two town centres are the same, all our town centres face the same problems: lower occupancy rates and footfall due to economic headwinds and changing consumer habits; the legacy of austerity on public amenities; and hollowed-out high streets becoming a breeding ground for crime and antisocial behaviour, which then feeds a vicious cycle that affects the confidence of consumers and investors alike. That is true in Basingstoke, it is true in Bulwell in my constituency and it is true in the constituencies of colleagues across the room. This is an important debate for us all—it is a significant debate for the Government of the day and for Parliament.

I was struck by what my hon. Friend the Member for Basingstoke said about the entrepreneurial spirit in his community, which was echoed by my hon. Friend the Member for Rugby (John Slinger). As we see across the country, there are brilliant business owners who are taking risks, bringing their ideas forward and making them real under very difficult circumstances. Quite rightly, they are not looking for the Government to operate their enterprises, but they are looking for the Government to make their life easier, which is entirely reasonable.

Today I will cover the points made by my hon. Friend the Member for Basingstoke and talk about some of the support that will be coming from the new Government. I will also reference that critical underpinning—that whatever we do, whatever support we give to business, and however good the trading environment, we have to have safe communities. If we do not have those, even if we have all the other pieces, people will still not feel safe and will not be able to visit their town centres, and businesses will not be able to thrive.

I will start with the high street itself. My hon. Friends the Members for Leigh and Atherton (Jo Platt) and for Bournemouth East (Tom Hayes) referenced high street rental auctions, so I will start there. In December we brought forward new powers for local authorities to require landlords who have persistently vacant properties to bring those properties back into use. The new regulations will make the tenancies more accessible and affordable for tenants, and give local businesses and community enterprise a right to rent valuable space on their high street. We are calling time on those persistent vacancies, and this will be a significant development in reducing vacancies and improving footfall along the way.

We have heard about the work going on in Bournemouth. We are also working with Bassetlaw, Darlington and Mansfield as early adopters, and I want as many areas

to come forward as possible. I encourage colleagues to talk to their local authorities about getting the best out of these powers. There is also a lot of insight that we can support them with centrally. If they lean into this, it could be a really good way of addressing vacancy rates and of giving business and local community enterprises their first steps.

We will continue to invest in the high street accelerator model and from that learn what else we can do to improve communities across the country. As my hon. Friend the Member for Basingstoke mentioned, that model is telling us a lot about partnership between local communities, businesses, and property owners, who want to see their communities thrive. We also heard about business improvement districts convening that family of interested parties to drive forward a shared vision for an area.

At the moment, the overheads are really challenging—the hon. Member for Lagan Valley (Sorcha Eastwood) put it very elegantly as the “cost of doing business crisis”. As the Government of the day, we want to help and to ameliorate that situation. Retail, hospitality and leisure form the backbones of our high streets, and support our local economies and communities, providing jobs and attracting visitors, but they cannot do that with a chokehold on them, as my hon. Friend the Member for Basingstoke said. He asked for more specifics on permanently lowering tax rates for such ventures. From 2026-2027, we intend to introduce permanent tax cuts for those with rateable values of less than £500,000. Those businesses will have certainty going forwards, not having to wait from Budget to Budget to see if cuts have been maintained; they will be baked in. Indeed, I believe that legislation has been making its way today. It means that businesses will have certainty around costs, so that they can plan and can operate their businesses in a profitable way.

There are other ways in which we can make life easier, including by tackling the scourge of late payments and long payment terms. That is a theme we hear constantly when we talk to small business and self-employed people. We are therefore introducing a new fair payment code, and we want people to engage with it to make sure that it works for real—for the way in which they do their business—and they are not caught in the ripple effects of bigger organisations that do not pay on time. That is an important point on support.

We heard from my hon. Friend the Member for Basingstoke about the importance of energy costs, which we know have been a problem domestically and for businesses. There are businesses now that were in a cycle of contracting when markets were at their most challenging and which are now locked into longer deals. We encourage businesses or non-domestic organisations to engage with suppliers about moving away from contracts agreed at higher prices and instead move towards approaches such as blend and extend contract to try to reduce costs. That would give short-term relief.

What we have to do in the medium and long term—as my hon. Friend the Member for Basingstoke said—is transition away from fossil fuels and towards home-grown, clean energy through the establishment of Great British Energy. In December, we took steps with our 2030 action plan, outlining our efforts in this regard. That will mean there will be access to clean, green energy, and that there will be domestic jobs and more money in people’s pockets—the single biggest problem

affecting my town is that people simply do not have enough money in their pockets to shop. We will be winning each way: keeping bills down with better energy, and putting support and vitality back into our communities with jobs too.

My hon. Friend the Member for Basingstoke mentioned transport, as did my hon. Friend the Member for Southend East and Rochford (Mr Alaba). Reliable bus and public transport services are vital to the economic success of our high streets. At the back end of last year, we made announcements about the £5.7 billion long-term transport settlement to transform the local transport networks of our largest city regions, helping to drive growth and productivity, and perhaps bringing back into use those routes that have been lost. There is also a further £650 million for local transport outside city regions in the forthcoming year, to make sure that we can improve connections between our towns, villages and rural areas as well as our major cities. On 17 December, we introduced the Bus Services (No. 2) Bill, which will put power over local bus services back into the hands of local leaders, so that those decisions reflect the nature of the local community and public transport gets to the right places.

On driving footfall and making sure that the high street has the amenities that our constituents want and need, we are also pushing hard on the roll-out of banking hubs. I know, having talked to colleagues, that that is of significant interest across the country. We have plans to roll out 350 such hubs, and there is plenty of work to do on that. Again, this is about having anchors on the high street that mean that people routinely come in and out of their town centre and, while they are there, perhaps go for a cup of tea or whatnot. We need those staples come what may, and that is an important way of making sure that we protect banking.

The hon. Members for Strangford (Jim Shannon) and for Glastonbury and Somerton (Sarah Dyke) talked about some of the ways in which Government have funded projects previously. To be clear—I could speak for another hour on this—we want to move away from the competitive, beauty parade-style bidding process that has pitted communities against each other, created a lot of disappointment and, frankly, been less than the sum of its parts. Our approach to local growth funding will be more integrated settlements over the longer term, with less central direction and more local choice. We think that will get the money to the areas that need it. In the meantime, we have the UK shared prosperity fund and the transition year there. I know that that is important for Northern Ireland—I have had the chance to see some of the services it pays for there—and across the country. Colleagues can look for more information about that when we get to the multi-year spending review later this year.

In the time remaining, I will move on to a couple of points about safety in town centres, raised by my hon. Friend the Member for Hitchin (Alistair Strathern). As the Chancellor’s Parliamentary Private Secretary, he is surely our man with a direct line on the spending review and other things. The point about safety is so important. My hon. Friend the Member for Basingstoke has, like me, raised the issue of car meets. This has, at times, really dogged my town, making me want to tear my hair out. In order to push these kinds of behaviours out of our town, we have had to chase them and really be on top of it. The issue has caused misery and anxiety, and

[Alex Norris]

people do not want to leave their houses because they do not think they are safe. That is also true for crime in town centres more generally.

My hon. Friend the Member for Basingstoke mentioned that terrible phrase, which I absolutely hate: “low-level crime”. The previous Government ceded ground around theft below £200, which has led to an explosion of stealing and other types of antisocial behaviour in our towns. That has made working in a retail environment a misery for people at times. We see staggering levels of violence, which we have to address. That is at the core of our safer streets mission, and we are committed to restoring neighbourhood policing through our neighbourhood policing guarantee—13,000 more police and police community support officers as a visible deterrent.

My hon. Friend also asked about timelines and where we are in the process. On 5 December, the Prime Minister announced our Plan for Change, which committed to a zero tolerance approach to ASB. That means a dedicated lead officer in every force, working with communities to work up a local antisocial behaviour plan. There are also our recently announced respect orders, which will give police and local council stronger enforcement powers, so that proper action is taken to change the behaviours of people who are persistently disruptive—others in our towns could name those people, and retail workers certainly could. This means banning them from the amenity they are disrupting, but also tackling the root cause of their behaviour through, for example, mandated alcohol and drug treatment. If people break respect orders, there are significant penalties, with offenders facing up to two years imprisonment—a real deterrent.

We want to tackle the root cause. For time out of mind, the behaviour of young people around town

centres has been a challenge, whether they are on bicycles or causing shopkeepers challenges. Through our young futures programme, we want to give young people a positive thing to do, but it is also a chance to tackle and reduce offending where it happens. Together, all these things will make our communities safer for people to live, work and visit.

I am coming to the end of my speech, so I will probably leave it there. There are important points to be made about housing and our role in ensuring that, as more housing is created in town centres, it is done in a sensible and planned way with local communities. I think most people would accept the value of that—but if there is not proper planning and co-ordination, we end up with units in different places, as well as the weird and desperately sad situation where people move next door to a pub that may have been there for many years and then put in public order and nuisance complaints, leading to the pub closing down. We have to plan these things, so that residents can live alongside business in a way that promotes all of their interests.

To conclude, the interest that my colleagues have shown means that we could have gone on for a very long time. I thank my hon. Friend the Member for Basingstoke for securing the debate; it is a really brilliant way to start the new year. Our town centres are the beating hearts of our communities, and the Government are committed to giving that support. We will continue to engage with business to make sure the things we are doing are reaching the places they need to, and we will also work on that with our parliamentary colleagues. There is an awful lot to consider in terms of business support and public safety, so now is the time to grab this for our town centres—for my community, and for all of our communities. I think we can make a real difference.

Question put and agreed to.

Employer National Insurance Contributions: Charities

4.30 pm

Joe Robertson (Isle of Wight East) (Con): I beg to move,

That this House has considered the impact of changes to employers' National Insurance contributions on the charity sector.

The background to this debate is the October Budget presented by the Government, and in particular the rise in national insurance contributions for employers. The rate was raised to 15% and the threshold at which national insurance contributions apply was brought down from £9,100 to £5,000, bringing in some part-time workers who previously had not caused their employers to be subject to national insurance contributions. Much has been said about the impact of the rise on the economy, but less has been said about the impact on charities.

Charities deliver almost £17 billion-worth of public services a year. Public services and civil society could not operate without charities. There is a tendency to overlook the important work they do. Particularly at the level of local government, charities are responsible through contracting for the delivery of a lot of the services that local governments are required to deliver.

Sarah Dyke (Glastonbury and Somerton) (LD): I thank the hon. Member for securing this important debate. The Balsam Centre is a charity in Wincanton in my constituency that delivers some of the vital services that the hon. Member talks about, including maternal mental health support and youth counselling. The NI changes mean that it will have to find an extra £40,000 for its salary costs next year, cancel any pay increases and operate at a reduced capacity from April. Its work relieves pressure on the NHS and on local government, so does the hon. Member agree that the Government must rethink the national insurance changes?

Joe Robertson: I of course agree with the hon. Member that the Government must rethink the changes. I will go on to use examples from my own constituency, and I thank her for doing so with hers.

Jim Shannon (Strangford) (DUP): Will the hon. Member give way?

Joe Robertson: I will make a little progress and then I will be happy to give way.

The National Council for Voluntary Organisations estimates that the overall cost of the money taken from charities and transferred into the Treasury will be £1.4 billion. That is money being taken from charitable sources and transferred into the Treasury. Sarah Elliott, the chief executive of the National Council for Voluntary Organisations, said:

"This is the biggest shock to the sector since pandemic. Charities already juggling rising demand, escalating costs, and the falling funding cannot absorb an additional £1.4 billion in costs without drastic service cuts...This additional cost, for which there is no headroom in budgets to cover, will be devastating."

Jim Shannon: I commend the hon. Member for securing this debate. In Northern Ireland, the effect on charities will range from £5,000 per year to £200,000 per year.

The costs are extreme and incredibly worrying. Does the hon. Member agree that charities are the backbone of many local communities across the UK, as he said earlier in his speech, and that as such they deserve even more support? Does he feel, as I feel on behalf of charities in my constituency, that the change could ultimately be the straw that breaks the camel's back, and that charities could well disappear?

Joe Robertson: I agree with both those points. Charities tell us that the change will be the straw that breaks the camel's back for many. I know that because, immediately before entering Parliament, I worked for a nursing charity supporting dementia carers.

The Government know the pressure created by the national insurance contribution rise. They exempted the NHS because they knew the impact it would have on healthcare, but they ignored or failed to understand the contribution that charities make to health and social care.

Wendy Morton (Aldridge-Brownhills) (Con): I commend my hon. Friend for securing this debate. The Midlands Air Ambulance Charity, which serves my constituents, receives no Government funding whatsoever for its daily missions. It does not burden the NHS financially, yet it adds immense value to the healthcare sector. Does my hon. Friend agree that it is time the Treasury considered giving organisations and charities such as air ambulances the same exemption they are giving to NHS trusts, hospital trusts and NHS bodies?

Joe Robertson: I agree. Ultimately, the Government should exempt all charities from national insurance contribution rises. Another possibility, which would be much less beneficial, would be to target the exemption at health and social care provider charities, without which the NHS could not function, but I ask the Minister to expand the exemption to all charities, not just those in health and social care.

Sir Roger Gale (Herne Bay and Sandwich) (Con): Shooting Star and Demelza House are two children's cancer hospice charities that make a significant contribution to the national health service. Is it not absolutely ludicrous that money given for charitable purposes should effectively be siphoned off to the Treasury instead of being used to provide the support to children and their families for which it is intended?

Joe Robertson: I agree: of course it is ludicrous. This is charitable money—most of it is charitable donations—that is given to charities to provide valuable work, and the Treasury is taking it and putting it into the Government's coffers. Some of these charities, such as those in my right hon. Friend's constituency, are small charities doing valuable work and are the least able to afford to give money over to the national Government. It is therefore unsurprising that 7,000 charities have signed an open letter to the Chancellor. This is about not just the increase in national insurance contributions but the timing of it and the combination of factors.

John Milne (Horsham) (LD) *rose—*

Joe Robertson: I will make a little progress and then come back to the hon. Gentleman.

[Joe Robertson]

Most charities are suffering as they try to raise charitable funds, yet the Government have decided to take some of those charitable funds for themselves. For charities that support older people, such as Age UK, the simultaneous impact of the withdrawal of winter fuel payments has meant that more people are using their services, and at the same time the Government are taking money off them.

Several hon. Members *rose*—

Joe Robertson: I give way to my right hon. Friend the Member for Beverley and Holderness (Graham Stuart).

Graham Stuart (Beverley and Holderness) (Con): I congratulate my hon. Friend on securing this important debate. We can see from the attendance on one side of the Chamber how important charities are to Opposition parties of all sorts. We are united in opposing the change, not least because those who are the most vulnerable, such as users of Citizens Advice, are likely to see services cut. There is an £88,000 impact just on the Citizens Advice service in Hull and East Riding. Does my hon. Friend agree that the Minister needs to go back to her colleagues and change direction? No one voted for a Labour Government to attack charities and the most vulnerable.

Joe Robertson: I agree that the Minister needs to go back and do that. That is why I secured the debate.

The chief executive of Crisis said:

“Increasing employers’ National Insurance contributions will have a dreadful impact on charities at a time when we are seeing unprecedented demand for our services.”

Some 75% of charities are reducing or considering withdrawing from public service delivery. Who will pick up that shortfall? In the worst case, no one will pick up where charities withdraw, or the Government and the public sector will have to, and I am fairly sure it will cost them more than £1.4 billion to do so. I prefer to put my trust in charities with experience in what they do, rather than the Government having to put emergency measures in place because charities are forced to withdraw. Some 61% of them are likely to cut staff.

The Government’s stated aim is not backed by their tax policy in three areas in particular: in health and social care, which we have already spoken much about; in poverty and homelessness; and for vulnerable groups.

John Milne: On the hon. Member’s earlier point about Age UK, it estimates that just in my Horsham constituency it will cost £150,000 per year to cope with the changes and the extra charge. Age UK is not a business and cannot raise its prices; it can only cut its service. Does the hon. Member agree that when one in five pensioners are adjudged to be living in poverty, this is the wrong time for such a measure?

Joe Robertson: I agree with the hon. Member. Broadly speaking, Age UK operates as small charities in individual communities. Age UK in the Isle of Wight, where my constituency is, also faces paying tens of thousands of pounds. On a national scale, that might not seem like much money, but it makes a huge difference at the local level and leads inevitably either to service cuts or to staff cuts. I agree with the hon. Member that no good can come of it.

Alison Bennett (Mid Sussex) (LD): I thank the hon. Member for securing this debate. On the point made by my hon. Friend the Member for Horsham (John Milne) about the additional costs hitting Age UK, in West Sussex and Brighton and Hove the change has had an astonishing impact which, combined with the increase in the real living wage, is going to double Age UK’s fundraising target for this year, which it cannot bear. Combined with the cost of the cuts to the winter fuel payment, that goes against the very sentiment of the Budget, which was to try to prioritise the NHS. More elderly people will be, and are presenting, in A&E. Does the hon. Member agree that the Government need to rethink?

Joe Robertson: I do agree. It looks like the Government do not understand that healthcare is delivered not only by the NHS, so when they chose to exempt the NHS from the damaging rises, they either did not understand or had disregard for all the other healthcare providers, without which the NHS could not function properly.

Helen Grant (Maidstone and Malling) (Con) *rose*—

Joe Robertson: I will give some examples before I give way to my hon. Friend.

The change will cost Marie Curie almost £3 million a year, and it says that without further support critical services for the terminally ill may be scaled back. Hospices throughout the country will pay between £30 million and £50 million a year. For the Mountbatten hospice in my constituency it will cost £338,000—just for one hospice. Just before Christmas, the Government announced £100 million of investment in hospices over two years—so £50 million a year—which is merely giving back, broadly, what they have already taken. That money is targeted at capital spending, when hospices tell me their main pressure is revenue. Are the Government taking revenue from them and giving it back provided they spend it on capital? Clearly, they are not going to give money to all hospices, but they are going to take money from all hospices—that seems inevitable.

Helen Grant: I congratulate my hon. Friend on securing this important debate. The Heart of Kent hospice in my constituency does amazing work caring for families at a time of crisis, but the Government changes to NICs and the national living wage will cost the charity more than £200,000 per annum. Does my hon. Friend agree that the Government’s approach is undermining many hospices, damaging the vital services they provide, and ultimately putting more pressure on the NHS?

Joe Robertson: I agree. Putting pressure on other health providers and social care providers inevitably leads to pressure on the NHS. My hon. Friend hits the nail on the head in her comments and I thank her for them.

For Carers Trust the cost of this rise is £3 million—that is not its tax bill; that is just the bill from this rise in the Budget. For Stroke Association it is £2.1 million over two years, and for Teenage Cancer Trust it is £300,000. It is not just about health and social care charities, but charities tackling poverty and homelessness. The Labour

Government say it is their aim, and it was in their manifesto that they would develop a new cross-party strategy

“to put Britain back on track to ending homelessness”.

What good is a strategy when it is stripping £60 million from charities trying to do what the Government want them to do? The homelessness charity Crisis says the rise will cost an additional £750,000 and—here is the point—with little or no time to prepare. That announcement was made just a few months before the effects will kick in, and Crisis says it is likely to lead to a reduction in frontline services.

I will mention a few other charities. The changes will cost Single Homeless Project £650,000. Rick Henderson, the CEO of Homeless Link, says—his words, not mine—that they are “desperately worried” about closures of homelessness services, leaving thousands without support, and that this NI increase

“could be the final nail in the coffin.”

Those are not my words, or the words of politicians, but the words of charity leaders up and down the United Kingdom.

The change affects charities supporting other vulnerable people, as well as charities supporting women and girls. Labour pledged in its manifesto to halve violence against women and girls, but chief executives of seven charities, including Victim Support and Rape Crisis, have warned the rise could result in their losing staff, closing waiting lists and ultimately closing the doors to some vulnerable victims of crime. That is the result of this Budget national insurance rise.

Sorcha Eastwood (Lagan Valley) (Alliance): I thank the hon. Member for bringing forward this issue. I agree with him completely in so far as violence against women and girls in Northern Ireland is at crisis levels. It is one of the most dangerous places in Europe to be a woman, and we have women and girls who have lost their lives already this year to violence. Would the hon. Member agree that if the Government are serious—as I believe they are—about tackling violence against women and girls, surely this increase flies in the face of everything we are trying to achieve in terms of ending violence against women and girls?

Joe Robertson: I agree, and would like to share the hon. Member’s optimism that the Government do intend to make improvements in this area. This debate is a second chance for them to go away, then come back and provide relief to all charities, but particularly those that are operating in what might be called emergency services, because nobody else is doing what those charities are doing. Earlier today I spoke to a journalist who was involved in reporting the criminality and repulsive scandal in Rotherham. He said that when he went there, it was charities that were providing those emergency services—no one else was doing it—yet those are the groups that are having money taken off them in order to fund the Government.

Women’s Aid is a conglomerate representing 175 member organisations across England. It says that the national insurance contribution rises will effectively negate gift aid. The Government are giving a tax relief through gift aid and then taking it back through the Budget NIC rises.

Wendy Chamberlain (North East Fife) (LD): I am grateful to the hon. Member for securing the debate. I think we can all suggest what the Government are going to say today, and they are not going to change their mind, so surely we should ensure that they do other things to support charities. Does the hon. Member agree that one thing the Government could do is to support my private Member’s Bill, the Gambling Act 2005 (Monetary Limits for Lotteries) Bill, which would remove the charity lotteries cap and allow charities to raise more money at no cost to the taxpayer?

Joe Robertson: I agree, although I am perhaps a little more optimistic than the hon. Member. The Government might not make the promise today, but they have an opportunity to go away and provide financial relief to all charities, even if they might not want to admit that in black and white. I congratulate the hon. Member on her Bill.

I am grateful to Members who have come to this debate to talk about their constituencies. In my constituency, the local charity Aspire is currently building, for the first time on the Isle of Wight, accommodation specifically for vulnerable women—and now the Government want £27,000 from it. Community Action does amazing things on the Isle of Wight, and provides a lot of contracted services for the Isle of Wight council; the Government want £45,000 from it. The employment allowance will offset £5,000 of that. The Government will tell us that is what they are giving back, but those are very small returns on the money they are taking.

I could say much more about other charities that operate in sports, the arts, live music and culture, but clearly there are time constraints. This debate is not just about charities in the sectors that I have talked about, although broadly speaking they are the ones doing things at the coalface that the public sector tends not to be able to do itself directly—otherwise, frankly, these charities would not exist.

Richard Foord (Honiton and Sidmouth) (LD): The hon. Member was exactly right to draw particular attention to hospices, given that the House will shortly be debating the Terminally Ill Adults (End of Life) Bill. I have heard from constituents that if we are to introduce that Bill, they would like to see also proper investment in palliative care. Does he agree that that is another reason why national insurance needs to be prioritised for hospices?

Joe Robertson: I agree, and the hon. Member perfectly illustrates the point that the Government’s stated aims are not backed up by their tax decisions. If the Government want better palliative care—I hope that they do—they should not be taking money away from hospices, or from charities, such as Marie Curie, that operate end-of-life care. He makes that point well; I thank him for it.

Before finishing, I will again quote the interim CEO of Refuge. She has said that the violence against women and girls sector

“is already under immense financial pressure”,
and that not only did the Budget

“fail to include detail about how much funding has been set aside to tackle violence against women and girls, the Government’s plans to increase National Insurance contributions for employers could have dire repercussions for charities.”

[Joe Robertson]

My ask of the Government is to extend to charities the exemption that they have given the NHS and public bodies. It is not difficult; there is no lack of clarity about what a charity is. Nobody will wish to beat the Government for making a sensible decision for charities. There are some alternative options, but that is plainly the only ask that will really deal with the problem. The alternative options are to provide some other form of relief, but that relief should be felt by all charities. If the Government cannot go as far as to relieve all charities, they should target relief to specific sectors. We have heard in this debate about those sectors, such as those operating in poverty and homelessness, and in health and social care, and those tackling violence against women and girls. At the very least, they should do an impact assessment. No impact assessment has been carried out of the impact of this tax increase on the charity sector. That must be the most basic ask: there can be no good reason not to have an impact assessment. Finally, the Government must go back and rethink their whole approach to taxation on charities, to help to deliver—not hinder—their stated aims.

Valerie Vaz (in the Chair): Hon. Members can see the time now and we have to take wind-ups from about 5.8 pm. A number of people have put their names down to speak, so could Members stand if they want to speak and then we can work out timings?

Several hon. Members *rose*—

Valerie Vaz (in the Chair): I am reliably informed that each person will have one minute in which to speak; I am afraid that I will have to stop people after one minute. Obviously, this is the debate of the Member in charge and therefore he could take as long as he liked; he also took quite a few interventions.

4.55 pm

Blake Stephenson (Mid Bedfordshire) (Con): I will be really quick, Madam Chair.

I thank my hon. Friend the Member for Isle of Wight East (Joe Robertson) for securing such an important debate. I am absolutely astonished that so few Government Members have attended. It was not so long ago that they were community champions seeking election.

In Mid Bedfordshire, our charities do absolutely fantastic work to help keep our area the special place that it is. In particular, I will talk about The Greensand Trust. I was pleased to visit the trust recently. It does some absolutely fantastic work in the community and in supporting environmental improvements within Mid Bedfordshire. However, I was deeply concerned to hear about the impact that this Government's job tax will have on the trust. There will be £100,000 extra on its staffing costs next year. With no efficiencies that it can find and no extra income that it can raise, that means that next year the trust will have to cut staff to make ends meet, which means a reduced service for everyone, and a huge loss to our local environment and our green spaces—

Valerie Vaz (in the Chair): Order. I am really sorry, but I have to stop you. Could Members bob each time, in between speeches, so that we can get a clearer idea of how many Members wish to speak?

4.56 pm

Abtissam Mohamed (Sheffield Central) (Lab): It is a pleasure to serve under you, Chair, and I congratulate the hon. Member for Isle of Wight East (Joe Robertson) on securing today's debate.

As the former chief executive of a community regeneration organisation, I speak from direct experience of working with charities on the ground. Although it is nice that today the Conservatives care about charities, that was not the case previously. The cuts started right at the beginning of the Conservatives' time in office, with their "big society" policy, which in my experience was just an underhand means of implementing cuts. I know that because, like many organisations, the charity that I worked for spent year after year managing cuts after cuts. Vital local community services were forced to close or to reduce in size.

I welcome the Government's commitment to resetting the relationship with the third sector and to rebuilding a new partnership through the civil society covenant. I am also pleased that the Government's policy statement on local government finances will provide a multi-year financial settlement and adjust the funding formula to local Government to rebalance funding where it is most needed. These measures will be welcomed by charities.

However, I am concerned about the impact of the national insurance increase on organisations—

Valerie Vaz (in the Chair): Order. I am really sorry; we are done.

4.57 pm

Marie Goldman (Chelmsford) (LD): I thank the hon. Member for Isle of Wight East (Joe Robertson) for bringing this really important topic to this place. It is a pleasure to serve under you today, Ms Vaz.

We are very short of time, so I will just highlight a couple of facts about charities that serve my constituency of Chelmsford. We have Farleigh hospice, which does what its name suggests. It does incredible work, but it has to fundraise most of its money, and it will need to cover an extra £250,000 in addition to the current deficit budget that it is operating under. That equates to the cost of five registered nurses or the direct running costs of its children's bereavement service. I wonder which one the Government would prefer it to cut.

I could go on about loads of different charities. However, I have just 20 seconds left, so I will just say that I am so incredibly disappointed by the Government about this policy, because they must have known the impact that it was going to have on the charity sector, and to choose to ignore the sector and to implement the policy without any compensation and without talking to the sector first is just disgraceful. And I really want to know what the Government are going to do to—

Valerie Vaz (in the Chair): Order. I call Patrick Hurley to speak.

4.59 pm

Patrick Hurley (Southport) (Lab): It is a pleasure to serve under your chairship, Ms Vaz, and I thank the hon. Member for Isle of Wight East (Joe Robertson) for securing this debate.

Prior to the election, the Labour party made a promise to the British people not to put up taxes on working people and I am proud that they have not put up taxes on working people. However, everybody in this country has known for years that the state was failing on its own terms. Prior to the election, I spent a year as my party's candidate and I canvassed every single street in my Southport constituency; I know pretty much every dodgy garden gate and letterbox in the whole town. The one complaint I heard over and over and over again was that nothing works properly in this country any more. The reason why nothing works properly in this country any more is the economic legacy of the Conservative party. GP appointments, train journeys, street lights, social care—none of it works. We had to do something to put this country's economic policy on an even keel, and this is what we had to do. *[Interruption.]* I will take no lectures from anybody over there who opposes it.

5 pm

Shokat Adam (Leicester South) (Ind): It is a pleasure to serve under your chairmanship, Ms Vaz. I thank the hon. Member for Isle of Wight East (Joe Robertson) for bringing this important debate to Westminster Hall. I will be a little more generous and say that this situation was an unintended consequence of the Budget, because it is unravelling very quickly. However, as the hon. Member for Strangford (Jim Shannon) said, the charity sector could cease to exist.

Jasmine House, which provides support for women who have been victims of sexual violence and are having to wait five to six years for a court appearance, has a two-year waiting list. Last year, when I spoke to the charity, it was intending to expand. Now it is going to more or less shut down because it just does not have the money. It will cost too much to continue operating.

Another charity, which is close to my professional career, is Vista. It is 170 years old and provides support for partially sighted and blind individuals in the city of Leicester. The changes will cost Vista an extra £25,000 a year. It is calling for an exemption for social care providers and charitable organisations, or for ringfenced funds to be provided to local governments to cover the cost in full.

5.1 pm

Jack Rankin (Windsor) (Con): Now, as we are debating here, senior members of the Thames Valley Air Ambulance are working out how to cover the £130,000 extra bill for the jobs tax next year. The charity, an outstanding resource for Berkshire, Oxfordshire and Buckinghamshire, works exclusively for the NHS and saves it many times over what the jobs tax will raise. Thames hospice in my constituency will have an extra £300,000 bill; once we add in the effect of the minimum wage and matching the nursing settlement, it will have to find well over £0.5 million next year just to stand still.

The Government say that they want to help the NHS, but their Budget is doing the opposite. Why are they doing this? Is it an accidental oversight or a misunderstanding of how the sector works? I call on them to rethink their approach and fix this.

5.2 pm

Mr Lee Dillon (Newbury) (LD): It is a pleasure to serve under your chairship, Ms Vaz. I thank the hon. Member for Isle of Wight East (Joe Robertson) for securing

the debate. A reference was made to the unintended consequences of the Government's decision, but actually they are not unintended consequences; there was a dereliction of duty because the Government did not do the impact assessments that they should have done to understand what they would do to our charity sector.

I recently visited West Berkshire Mencap in my constituency of Newbury. As a result of the financial pressures, the organisation will need to find an additional £163,000 to cover national insurance contributions, and its agency costs are projected to rise by approximately 12%. I also recently met Rachel Peters, the chief executive of Volunteer Centre West Berkshire, which last year provided advice and support to 403 individuals on volunteering. She expressed grave concern about the impact that the changes will have in Newbury, with staffing costs alone projected to rise by 18%. Overall within the charities that she represents, an additional £387,000 will need to be found in the next financial year, with hardly any time to plan.

5.3 pm

Peter Fortune (Bromley and Biggin Hill) (Con): I thank my hon. Friend the Member for Isle of Wight East (Joe Robertson) for bringing forward the debate.

I want to speak about the impact that the jobs tax will have on my community. One excellent charity working in my constituency of Bromley and Biggin Hill is South East London Mind. It faces a £190,000 increase in its tax bill, which is the equivalent of hiring five mental health advisers who could support 1,000 people a year. However, instead of working hard fundraising or reworking NHS contracts to expand, staff will be working to pay tax, and in all likelihood to do less. That is not a unique case. Another fantastic charity working in Bromley and Biggin Hill is Aurora Nexus, which employs 240 people right across London, supporting people with autism and learning disabilities. It faces a £194,000 tax grab.

Every Member present will know of a local charity that Labour's jobs tax will hit hard. This is a poor policy, and quite frankly an attack on the most vulnerable in our society.

5.4 pm

Seamus Logan (Aberdeenshire North and Moray East) (SNP): It is a pleasure to serve under your chairmanship again, Ms Vaz. I thank the hon. Member for Isle of Wight East (Joe Robertson) for securing this important debate and for his excellent contribution.

If the Labour Government thought that the national insurance controversy would die away as we moved into 2025, I am afraid they will be very disappointed. They have offered Scotland an additional £300 million to meet the additional costs, but the Scottish Government estimate that the actual cost is in the region of £750 million. This past week, 48 organisations from across civic Scotland have joined with First Minister John Swinney and president of the Convention of Scottish Local Authorities Shona Morrison to call on the Chancellor to cover the additional costs and to ensure that that is extended to the full range of organisations delivering public services. They are all facing a huge rise in their costs. According to the Scottish Government, the UK Government did not even bother to consult with them on this change. How is this change contributing to growth? It is reducing services for vital support at a dark time in people's lives.

5.5 pm

Vikki Slade (Mid Dorset and North Poole) (LD): It is a pleasure to serve under your chairmanship, Ms Vaz. There are 328 charities in my constituency of Mid Dorset and North Poole, including Safe Partnership, which is run out of Wareham. It installs safe rooms and secures properties for people who have been victims of domestic abuse. Not one of those people has to pay for that service; it is paid for by councils that of course are not going to be funding the additional cost of those commissioned services. In Bournemouth, Christchurch and Poole alone, the cost of the additional employers NICs for the commissioned services in children's and adult care is £5.5 million. Becky, who runs Windward Day Services in my constituency, said:

"The feeling in adult social care is bleak. The people we support do not deserve to...be the ones who receive lower quality...services through...no fault of their own."

Mark Powell is chief executive of Diverse Abilities Plus, and the charity is to celebrate its 70th birthday this year. Phyllis Edwards, who founded it, wanted to protect children with disabilities, but Mark is concerned that it will not make its 70th birthday.

5.6 pm

Victoria Collins (Harpenden and Berkhamsted) (LD): It is a pleasure to serve under your chairmanship, Ms Vaz, and I congratulate the hon. Member for Isle of Wight East (Joe Robertson) on securing this debate. The Government's proposed changes pose a severe threat to vital charities at the heart of our communities. Again and again, we have heard that. Age UK in Hertfordshire has calculated that the rises will impose an additional cost of £85,000 per annum and, when combined with unexpected increases in operational costs, they have pushed its total cost increases close to £250,000.

Higher national insurance contributions mean increased costs, reduced capacity to hire and retain staff, and ultimately fewer resources to deliver the services our communities rely on. The wonderful team at the Hospice of Saint Francis in Berkhamsted shared with me the heartbreaking experience of having to turn away people from their health and wellbeing service, their nursing support and their at-home support.

The situation will only get worse. Time and again, charities have spoken to me about how the Government's snap decision undervalues their essential work, such as supporting covid-19 vaccine roll-out, picking up the pieces after the winter fuel allowance was cut and filling the gaps left by the last Conservative Government. With our NHS and public service in crisis, I urge the Government to reconsider these national insurance rises for charities.

5.7 pm

Edward Morello (West Dorset) (LD): I congratulate the hon. Member for Isle of Wight East (Joe Robertson) on securing this debate. I want to highlight the impact of the national insurance rise on just two West Dorset charities. Weldmar Hospicecare already subsidises 60% of its NHS-commissioned care through fundraising. It will have to raise an additional £600,000 next year. Julia's House, which provides end-of-life care to sick children, gets just 8% of its income from state funding. It will have to raise nearly £250,000 next year as a result of these changes. Charities such as Weldmar and Julia's House play a critical role in alleviating pressure on the

NHS. They provide care in the community, reduce avoidable hospital admissions and support families in their darkest hours. Their work aligns with the Government's priorities of shifting care out of hospitals into community settings, yet this policy actively undermines their abilities to do so. Weldmar and Julia embody selflessness and service. By exempting hospices from national insurance rises, we can protect their critical work and ensure they continue to provide comfort.

Valerie Vaz (in the Chair): Last but not least, I call Tom Gordon.

5.8 pm

Tom Gordon (Harrogate and Knaresborough) (LD): I thank the hon. Member for Isle of Wight East (Joe Robertson) for bringing this debate forward. I want to mention two charities that I have interacted with in my constituency of Harrogate and Knaresborough. The first provides support to unpaid carers, who are now facing £90,000 in additional employer national insurance contributions. That will completely pull the rug out from underneath them and have a massive impact on people providing those services to their loved ones.

Secondly, Harrogate is home to one of the two police treatment centres in the UK. They help to rehabilitate police who have been injured in the course of their duties, and we know that every pound spent saves the taxpayer £3.80 in rehabilitation and mental health and wellbeing provision. Obviously, the impact of NICs on them is going to be huge—£160,000 of employer NICs will be passed on to them. It is really clear that, although the Government are hoping to raise some tax in the process, the additional costs are going to end up costing them a lot more in the long run. They need to rethink this.

Valerie Vaz (in the Chair): I think we can squeeze one more Back-Bench speaker in. I call Clive Jones.

5.9 pm

Clive Jones (Wokingham) (LD): It is a pleasure to serve under your chairmanship, Ms Vaz. I thank the hon. Member for Isle of Wight East (Joe Robertson) for securing the debate. A number of charities in my constituency of Wokingham, including The Cowshed, First Days and Citizens Advice, have been really disadvantaged by these national insurance charges, one of them by up to £16,000 a year. The Government could have been bold by taxing banks, online gambling and social media giants to raise more money.

Can the Minister answer this simple question? Is she content with putting bankers' bonuses first instead of debt advisers and support for people facing evictions, homelessness and genuine need?

Valerie Vaz (in the Chair): I thank hon. Members. Everyone who wanted to speak has done. I now call the Liberal Democrat spokesperson, Daisy Cooper.

5.10 pm

Daisy Cooper (St Albans) (LD): It is a pleasure to serve under your chairship, Ms Vaz. I congratulate the hon. Member for Isle of Wight East (Joe Robertson) on securing this important debate. I believe I have up to

five minutes to make some remarks, which feels positively luxurious in the context of the canter we have just had. I will kick back as I think about what to say.

I have been struck by the examples colleagues have given. We have heard a number of charities named from different constituencies: Age UK branches, charities that support survivors of domestic violence, those supporting women and children, ambulances, Mencap, Mind, physical rehabilitation and various volunteer and advice centres. But the one type of charity that has been mentioned more than any other has been hospices. Almost every hon. Member who spoke or made an intervention referred to a hospice in their area. That should surely send a strong message to the Government about the amount of cross-party support in this House for the hospice sector, and why we want to see more from the Government in that regard.

As the MP for St Albans, I have heard, as others have, about charities in my area. One hospice, Rennie Grove, says that the changes will potentially increase costs by around £250,000. A doctor working in palliative care in another hospice that serves my constituents says that the decision not to exempt hospices is “nothing short of devastating.” A trustee from a local mental health charity says that the cuts that need to be made may result in an increase in demand for NHS services. National Age UK has also said that this will put an intolerable strain on its organisation.

We know the Government have a terrible inheritance from the previous Government, but different choices could have been made. The Government say that the national insurance hike will result in additional tax revenue of around £25 billion per year, but the Office for Budget Responsibility clearly states that, after allowing for behaviour changes in response to the tax, such as reducing pay, and once public sector employers are compensated, it will only raise revenue closer to £10 billion.

Instead of raising national insurance contributions on small businesses, health and care providers and charities, the Government could have raised that same amount of money through much fairer tax changes. For example, the Liberal Democrats have proposed reversing the Conservative cuts handed to the big banks; increasing the digital services tax to 6%; doubling the rate of remote gaming duty paid by online gambling companies; and introducing a fairer reform of capital gains tax, so that the 0.1% of ultra-wealthy individuals would pay their fair share, while keeping things the same or cutting tax for other capital gains tax payers. Those other choices could have been made.

Like other hon. Members in this debate, I urge the Government to think again about what they can do to restrict the impact on our charity sector. The national insurance contribution rise is unnecessary when alternative tax-raising avenues are available, as I have just set out. It is self-defeating, because in many cases it will put more pressure on the NHS, and it is fundamentally unfair. It will hit charities that are supporting some of the most vulnerable in our society. Those charities are the glue that hold our societies together and, unfortunately, we are going to see their services slashed.

Valerie Vaz (in the Chair): Order. We are expecting a vote but I will call the Opposition spokesperson, Saqib Bhatti.

5.14 pm

Saqib Bhatti (Meriden and Solihull East) (Con): It is a pleasure to serve under your chairmanship, Ms Vaz. I congratulate my hon. Friend the Member for Isle of Wight East (Joe Robertson) on securing this important debate. He made an impassioned speech, and may I be the first to say on record that I think he will have a long and fruitful career in this House? I hope I have not just given him the kiss of death. As my right hon. Friend the Member for Beverley and Holderness (Graham Stuart) said, the strength of feeling on this issue is demonstrated by the turnout for this debate. I thank every Member who has contributed.

Charities play a huge part in our lives, providing critical support to individuals who face poverty, illness and injustice. One of my many privileges as the Member of Parliament for Meriden and Solihull East is to have many fantastic charities in the local area. It is always inspiring to meet the volunteers who do so much to support people, year in, year out, wherever those volunteers come from.

In my constituency, I have the Colebridge Trust, which strives to get more people into work, improve health and tackle the effects of loneliness. I have the Lily Mae Foundation, which was set up to help support parents who suffer the unimaginable trauma of baby loss—I had the privilege of jumping out of a plane for it not so long ago. I also have the fantastic Lily’s Tea Parlour in Chelmsley Wood, which helps struggling people by offering warm food, drink and a safe space.

Alongside the great local charities in my constituency, like many Members, I also have Age UK and Marie Curie. My hon. Friend the Member for Isle of Wight East made the case for the challenges that they face and will be facing as a result of this Budget. Supported by an army of volunteers, these organisations are enormously important features of our high streets, towns and our society.

On a national level, the UK is one of the most generous nations for charitable giving. Our charities are a huge source of pride for people in this country, and Members across the House must always continue to come to Parliament to do all they can to stand up for the UK’s charitable sector.

The country’s charitable spirit can be seen by the fact that the British public donated an estimated £13.9 billion to charity in the last year. In our communities, local people gather regularly to take part in charity bake sales and sports fixtures and watch performances where ticket costs are donated to local charities. In some respects, some of the nation’s favourite cultural pastimes are deeply intertwined with supporting our charities, and there is no doubt that these charities bring all of us together.

But in spite of that, our charities are under threat. I have been contacted by a number of charities about the impact of this Budget. Local mental health charity Birmingham Mind told me that

“the rise, combined with current financial pressures, presents serious challenges for charities like ours”.

The brain injury charity Headway contacted me estimating that the proposed changes will push up its costs by tens of thousands of pounds, forcing it to “reduce services” and potentially putting employees at

“risk of redundancy or reduced days”.

[Saqib Bhatti]

Birmingham-based Services for Education, run by its formidable chief executive, Sharon Bell, wrote to me to say that

“the impact of national insurance changes will hit”

it “hardest—unfairly so.” She paints a very concerning picture about how the charity will be forced to limit the fantastic services it offers because of this unprecedented cost.

When the Chancellor delivered her Budget of broken promises, she did exactly what she promised during the election that she would not do: she significantly raised employer national insurance. What is even more concerning is the devastating effect that this has had on the charity sector. Just a day after the Budget, more than 7,000 charities came together to sign an open letter co-ordinated by the National Council for Voluntary Organisations, warning that the sector’s increased national insurance costs would amount to £1.4 billion a year. They all called on the Chancellor to either exempt or reimburse charities for these additional costs.

Let me tell the Minister that the impact is already being felt, and it is dire. Over Christmas, the chief executives of five domestic abuse charities made it clear that increased national insurance would force them to cut services, run down reserves and even make redundancies. This will have a catastrophic impact on the safety of vulnerable women and girls. Has the Minister had discussions with the Minister for Women and Equalities about the possible impact on women in this country? Has she spoken to the Chancellor? And where is the impact assessment?

More than 110 chief executives of homelessness charities in England have warned that these changes could cost the sector between £50 million and £60 million. Can the Minister give cast-iron assurances that homeless people will not lose vital support, especially over this cold and wet winter, because of the unprecedented rise in NI contributions?

The Opposition voted to exempt charities from the additional costs of NI increases. I regret that a staggering 348 Labour Members voted against that amendment, which will have a far-reaching impact on charities that provide essential services. Will the Minister give certainty that the Chancellor’s job tax will not have a negative impact on charities? And can she be certain that the Chancellor will not be coming back for more?

5.19 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): It is a pleasure to serve under your chairship, Ms Vaz. I congratulate the hon. Member for Isle of Wight East (Joe Robertson) on securing this debate, and I thank Members from across the House for their contributions. As the Minister for Civil Society, I have seen at first hand the huge contribution that charities and voluntary groups make to our country; and as the MP for Barnsley South, by working directly with local groups, I have seen the impact that they have in my area.

As part of the autumn Budget, the Government took a number of difficult decisions on tax, welfare and spending to fix the public finances, fund public services and restore economic stability. In an open letter to the voluntary sector on this issue, the Chancellor stated that raising the rate of employer national insurance

contributions was one of the most difficult decisions in the Budget. I will address the specific point around the change to national insurance alongside some of the questions and issues raised in the debate, before discussing the wider support that the Government provide to the sector.

The Government recognise the need to protect the smallest businesses and charities, which is why we have more than doubled the employment allowance, from £5,000 to £10,500. That means that more than half of employers, including charities with NI liabilities, will either gain or see no change next year. In addition, we are expanding the eligibility of the employment allowance by removing the £100,000 eligibility threshold to simplify and reform employer NI, so that all eligible employers now benefit. Almost all charities are eligible for the employment allowance, as outlined in the HMT guidance. The changes will mean that a small to medium-sized charity could employ up to four full-time workers on the national living wage and pay no employer NI, to give one example.

Graham Stuart: Does the Minister agree that if it turns out that it will cost the NHS more to bring in the changes than it will gain, as colleagues from across the House fear, then it would be worth reviewing them? I know that she is not personally responsible for the initiative.

Stephanie Peacock: As the right hon. Gentleman makes clear, I am not personally responsible for the specific policy, but I will reflect his point to the Treasury.

Employers, including charities, will still continue to benefit from employer NI reliefs, including for hiring those under 21 and apprentices under 25 where eligible. I am aware, however, of the concerns of the voluntary, community and social enterprise sector about the impact that the changes will have on their organisations. I acknowledge that the last few years have been difficult for voluntary and community sector organisations, many of which have seen a rise in demand for their services while dealing with increased financial pressures. After the last 14 years, where the state at every level has been cut back, more demand has been placed on charities. Indeed, my local authority saw some of the worst cuts in the country, despite being one of the areas of greatest need, so I completely appreciate the role that charities have played during that time.

The simple reality is that the situation cannot be reversed overnight. To grow our economy and our country, tough decisions have to be taken, and I appreciate that that is difficult.

Seamus Logan: The Minister mentioned a number of mitigations for charities, and she said that she thinks that virtually all charities will benefit from those, so where are the Government actually obtaining the resources to fill the hole in the public finances?

Stephanie Peacock: I did not catch all of that intervention, but I said that half of charities would either stay the same or gain from the changes. I am happy to discuss that with the hon. Member after the debate, or write to him if I have misunderstood his point.¹

I have met representatives from the sector to specifically discuss the NI changes on more than one occasion. They have put forward many of the same arguments and questions that hon. Members have today, and I have shared those in turn with the Treasury.

1.[Official Report, 13 January 2025; Vol. 760, c. 2WC.](Correction)

A number of specific causes and sectors have been raised during the debate, and I would like to address some of those in the time available. Individual Departments will continue to provide direct funding and support for specific causes and areas. As has been mentioned a number of times, most hospices are charitable, independent organisations. As announced by the Department of Health and Social Care, the sector is set to receive a £100 million boost, alongside a further £26 million for children and young people's hospices. Clearly, that will help with financial pressures. That sits alongside some of the other actions taken by the Government, including an £880 million increase in the social care grant and an additional £233 million of funding on homelessness, to help prevent rises in the number of families in temporary accommodation and to prevent rough sleeping.

The Home Office is working to agree decisions on its wider budget in support of the ambition to halve violence against women and girls, and it will communicate that as soon as possible. To answer the point made by the Opposition spokesperson, the hon. Member for Meriden and Solihull East (Saqib Bhatti), I have a cross-Government meeting on violence against women tomorrow morning.

Sir Roger Gale: I am sorry to intrude on the Minister's time. As I understand it, the extension of the children's hospices grant will not meet the costs of national insurance for children's hospices. Will she ask the Treasury to clarify that, and if necessary, discuss it with the executives of the children's hospice movement?

Stephanie Peacock: I know the huge amount of work that children's hospices do, and I have done a lot of work with Bluebell Wood children's hospice in South Yorkshire. I will take away and reflect the right hon. Member's points, and the relevant Department will write to him after the debate.

Patrick Hurley: The Conservative party has been very clear that it wants tax cuts, but less clear on what public services it would cut to pay for them. Perhaps the Minister might wish to reflect on that.

Stephanie Peacock: I appreciate that point. The bottom line is that we have been very clear that we want economic stability, and the money does have to come from somewhere—it is tax, borrowing or cuts. That is a very clear choice. Members will appreciate that many of the issues raised in this debate fall outside of my Department, but I will reflect the points made from across the House to the relevant Departments after the debate.

The Government will continue to support the sector in a number of other ways. Through the tax system, the Government also provide support to charities through a range of reliefs and exemptions, including reliefs for charitable giving. The tax reliefs available to charities are a vital element in supporting charitable causes across the UK, with more than £6 billion in charitable reliefs provided to charities, community sports clubs and their donors in 2023-24.

Vikki Slade: Will the Minister give way?

Stephanie Peacock: I have taken a number of interventions, so in the interests of time, I will make some progress.

The biggest individual reliefs provided are gift aid, at £1.6 billion, and business rates relief, at nearly £2.4 billion. My Department also supports the voluntary and community sector, particularly through the delivery of

direct grant funding—delivering, among other things, the £26 million voluntary, community and social enterprise energy efficiency scheme, which helps organisations with capital energy efficiency measures. That is still under way, as is the social enterprise boost fund, which delivers grants and peer support for emerging social enterprises, and the Know Your Neighbourhood fund, which is focused on increasing volunteering and tackling loneliness.

Alongside that, the Department for Culture, Media and Sport sponsors the National Lottery Community Fund, which is the largest non-Government funder of voluntary and community organisations across the UK. During 2023-24, the National Lottery Community Fund made grant awards totalling over £900 million, 84% of which were under £10,000, with the majority supporting grassroots organisations.

My Department is also focused on developing other sources of funding support for the sector. That includes establishing a stronger, more ambitious partnership with the impact economy, such as by unlocking the multimillion-pound potential of the dormant assets scheme. This includes making charitable giving as easy and compelling as possible, building on the estimated £13.9 billion that the UK public donated to charity last year. My officials are also working to deliver the VCSE contract readiness programme to help to improve the capability of VCSE organisations when bidding for public contracts.

As we have heard from Members across the House, the voluntary and community sector plays an important role across all areas of public life, up and down the country. As the Minister for Civil Society, I have seen at first hand the work that charities and social enterprises do. Since being appointed, I have held a number of visits, meetings and roundtables with charities and voluntary organisations across the UK—from Leeds to Stoke, from Huntingdon to Brent. I am committed to continuing that engagement with charities and voluntary groups up and down the country, especially as we continue to develop a framework for the new civil society covenant, which will reset the relationship between civil society and Government.

We have heard a number of examples today of the brilliant work that charities and volunteers do. I thank them for their work and I thank hon. Members for their contributions today.

5.28 pm

Joe Robertson: I thank the Minister for coming here to address the arguments that have been made, particularly as they were about a set of decisions that were not made by her personally or by her Department. I thank her for assuring Members in this debate that she will go back and make strong representations to her colleagues. There is probably no option other than to do so, given the strength of feeling she has heard today, particularly from Opposition Members. This is not her fault, but there is no compelling argument that money had to be taken from charities to deliver the Government's objectives. I urge her to say to the Chancellor, "Please give charities their money back. This is their money—give it back."

Question put and agreed to.

Resolved,

That this House has considered the impact of changes to employers' National Insurance contributions on the charity sector.

5.30 pm

Sitting adjourned.

Written Statements

Tuesday 7 January 2025

BUSINESS AND TRADE

Steel Strategy: Next Steps

The Minister for Industry (Sarah Jones): Today the Secretary of State for Business and Trade and I will convene the first meeting of the renewed Steel Council. This forum brings together leaders from across the sector to provide strategic guidance and external expertise in the development and implementation of our steel strategy.

Steel has for too long been a neglected industry in this country. Staggeringly, steel production has declined by more than 50% in the last 10 years. Internationally, unfair actions by some overseas nations have undermined free trade, meaning our steel companies are not able to compete on a level playing field.

I believe steel should and could become a positive story. We are not naive to the scale of the challenge, or the situation we inherited. We know these are tough circumstances and it will take time to make things better. This Government will not let the UK lose our steel industry.

In Victorian times, we were the country which invented the modern way of steel production. Now is the time to find our next approach which enables steel growth and innovation. We are the Government determined to make the hard-headed decisions to make that happen. This is why we have committed to publishing a steel strategy in spring 2025.

Such a strategy will need to set a strong vision for the future, combat those factors which undermine competitiveness, and highlight the opportunities and future demand for green steel made in the UK.

As part of this steel strategy, this Government will look seriously at options to improve steel capabilities across the supply chain, including in primary steelmaking. As such, I am also announcing today that the Materials Processing Institute, a not-for-profit research and innovation centre based in Teesside, will lead an independent review into the viability of technologies for primary steel production, including direct reduced iron. The MPI will produce a recommendation to the Government on the viability of iron making and primary steel production technologies in the UK with a view to the current and potential future market.

Our new Steel Council will help us develop the strategy together. It will put the expertise of its members at the heart of our policy making process. It will provide a vital link between the Government, industry, workers, and our innovative thinkers.

Following the publication of the primary steel review and the steel strategy, we will continue to convene the council throughout this Parliament so we can make sure we drive implementation of the strategy and we make great use of the up to £2.5 billion of funding that we have committed to help rebuild the sector.

The council will be chaired by the Secretary of State for Business and Trade and co-chaired by Jon Bolton, who has extensive experience of working in the sector both at home and abroad. Its membership includes representative from steel producers, the supply chain, research and development, trade unions and the devolved Governments.

We have published the full membership on gov.uk at the following link: <https://www.gov.uk/government/news/government-sets-out-plan-to-secure-the-long-term-future-of-steelmaking-and-safeguard-steel-communities>. We will be uploading the terms of reference for the Steel Council and the primary production review to this page in due course.

[HCWS355]

JUSTICE

Intimate Image Abuse and Sexually Explicit Deepfakes

The Parliamentary Under-Secretary of State for Justice (Alex Davies-Jones): Advances in technology have meant that intimate images can now easily be taken or shared without consent. The technology to create realistic deepfake sexually explicit images of any person, without their consent, is also readily available. These behaviours cause untold harm to victims' lives, particularly the women and girls who are so often targeted. We must ensure our criminal law is adequately equipped to protect victims and punish those responsible.

Today I can confirm that we will, in the crime and policing Bill which will be introduced later this year, introduce new offences for the taking of intimate images without consent and the installation of equipment with intent to enable the taking of intimate images without consent. These are crucial steps in delivering on our ambition to halve violence against women and girls within a decade. We must ensure our criminal law enables us to tackle perpetrators, better protect victims and survivors, and deliver effective justice.

To that end, we will repeal two existing voyeurism offences that relate to the recording of a person doing a private act, and recording an image beneath a person's clothing—the so-called “upskirting” offence—in sections 67(3) and 67A(2) of the Sexual Offences Act 2003 respectively and replace them with three new offences that will cover a broader range of behaviour, improving the protection for victims.

First, the legislation will create a “base” offence of taking or recording an intimate photograph or film without consent or reasonable belief in consent. Secondly, there will be an offence of taking or recording an intimate photograph or film without consent and with intent to cause alarm, distress or humiliation. Thirdly, there will be an offence of taking or recording an intimate photograph or film without consent or reasonable belief in it, and for the purpose of the sexual gratification of oneself or another. Offenders who commit the latter offence may be subject to notification requirements, commonly known as being on the “sex offenders register”. These new offences for taking an intimate photograph or film without consent cover a broader range of behaviours than current offences, providing greater protection for victims. For example, is it not currently an offence for

an abusive person to take an intimate photo of their partner, without their consent, to shock and upset them or humiliate them by taking the photo of them in that intimate state. Under our new legislation, this will be criminal.

We will also introduce new offences that criminalise someone if they install or adapt, prepare or maintain equipment, and do so with the intent of enabling themselves or another to commit one of the three offences of taking or recording an intimate photograph or film without consent. Victims of any of these new offences may qualify, where applicable, for anonymity and special measures. We will also amend the sentencing code to ensure courts have the power to order, upon conviction, that the offender be deprived of any images in respect of which they were convicted of a taking or recording offence, as well as anything on which the images were stored, such as a computer or hard drive. The courts already have this power in relation to offenders convicted of sharing intimate images without consent.

These offences are designed to complement, and in some respects mirror, the offences of sharing or threatening to share, intimate images in the Sexual Offences Act 2003, as inserted by the Online Safety Act 2023. Taken together, these measures give law enforcement a holistic package of offences to effectively tackle this abhorrent behaviour. They will offer victims whose images have been taken or shared without consent the clear and comprehensive protection they deserve.

It is already a criminal offence to share, or threaten to share, a sexually explicit deepfake without consent, but not an offence to make one. The Government made a clear manifesto commitment to ban the creation of sexually explicit deepfake images, a central aspect of our commitment to halve the prevalence of violence against women and girls within the decade. We are bringing forward legislation to honour that commitment in the crime and policing Bill which will be introduced later this year, making this behaviour criminal so that perpetrators can be brought to justice.

[HCWS354]

Petition

Tuesday 7 January 2025

OBSERVATIONS

EDUCATION

School transport in North Yorkshire

The petition of residents of the United Kingdom,

Declares that North Yorkshire Council's recent decision to limit free school transport to the nearest school only is detrimental to rural families; further that it will divide communities, harm local schools and risk children's safety by requiring travel on remote, often impassable routes; notes that there is no guarantee of significant financial savings; and further declares that councillors should rethink and reverse this damaging policy in the light of the negative impact it will have on the safety and education of children across rural North Yorkshire.

The petitioners therefore request that the House of Commons urges the Government to work with North Yorkshire Council to reallocate funds to reverse the Council's decision to limit free school transport for pupils to the nearest school to their home address.

And the petitioners remain, etc.—[Presented by Tom Gordon, *Official Report*, 13 November 2024; Vol. 756, c. 871.]

[P003019]

Observations from the Minister for School Standards (Catherine McKinnell):

Home to school travel is an integral part of the school system, and the Government know how valuable it is for many families. The Department for Education's home to school travel policy aims to make sure that no child is prevented from accessing education by a lack of transport.

The law requires local authorities to provide free home to school travel for eligible children of compulsory school age, five to 16, who attend their nearest school and cannot walk there due to the distance, route safety, or as a result of their special educational needs, disability

or mobility problems. There are additional rights to free travel targeted at low-income families aimed at helping them exercise school choice. In particular, children of secondary school age who are eligible for free school meals may have free travel to one of their three nearest secondary schools, provided it is between two and six miles from their home, or to a school that their parents have chosen on the grounds of their religion or belief that is between two and 15 miles from their home. More information about home to school travel is available in our statutory guidance: <https://www.gov.uk/government/publications/home-to-school-travel-and-transport-guidance>

Local authorities also have a discretionary power to provide free or subsidised home to school travel for other children, but cannot be required to do so. It is for each local authority to decide whether and how to exercise their discretionary power. The Department for Education cannot seek to influence this, but we know that budget pressures often mean that local authorities have to make difficult decisions to balance the benefits of discretionary travel with other priorities.

The Government appreciate that North Yorkshire Council's decision to withdraw discretionary travel to a school other than the nearest school is unsettling for many families. However, provided a local authority is complying with their statutory duties, we are unable to become involved in local school transport matters.

The Government are committed to creating opportunities for all children so that they can achieve and thrive and is working with Department officials to understand how well home to school transport supports all children to access educational opportunity.

Most central Government funding for home to school travel is provided through the local government finance settlement administered by the Ministry of Housing, Communities and Local Government. The Government recognise the financial challenges that local authorities are facing and have listened to voices across the sector, prioritising local government at the autumn Budget. The Government announced £1.3 billion of new grant funding in financial year 2025-26 for local government to deliver core services, including home to school travel. Together with local income from council tax and business rates, this will provide a real-terms increase in core spending power of around 3.2%.

Written Correction

Tuesday 7 January 2025

Ministerial Correction

DEFENCE

Topical Questions

The following extract is from Defence Questions on 6 January 2025.

James Cartlidge (South Suffolk) (Con): At every turn, Ministers have refused point blank to tell us how much their Chagos deal will cost British taxpayers. Now we know why: the Mauritians want £800 million a year. Whatever the figure is, will the Secretary of State tell us what percentage of the cost of leasing back a base that we currently own will come from the Ministry of Defence budget?

John Healey: I regret the Conservative carping over the Diego Garcia deal. The negotiations were started by Conservative Ministers, who conducted 11 rounds of negotiations. The agreement safeguards the effective operation of the joint UK-US base for at least 99 years. It is supported by US agencies and is welcomed by India, the African Union and the UN Security Council—almost everyone, it seems, except the Conservatives.

[*Official Report*, 6 January 2025; Vol. 759, c. 588.]

Written correction submitted by the Secretary of State for Defence, the right hon. Member for Rawmarsh and Conisbrough (John Healey):

John Healey: I regret the Conservative carping over the Diego Garcia deal. The negotiations were started by Conservative Ministers, who conducted 11 rounds of negotiations. The agreement safeguards the effective operation of the joint UK-US base for at least 99 years. It is supported by US agencies and is welcomed by India, the African Union and the UN **Secretary-General**—almost everyone, it seems, except the Conservatives.

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**not later than
Tuesday 14 January 2025**

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