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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 5 February 2025

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: Before we begin, I wish to make a short statement about the House's sub judice resolution. There is a question on the Order Paper concerning special educational needs and disabilities provision. There are legal proceedings relating to the policy of applying VAT to private schools, and relating in particular to SEND provision. These cases concern a matter that is currently before the House and of national importance. I am therefore exercising my discretion to allow reference to these cases now and in future proceedings.

Oral Answers to Questions

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Domestic Violence Prevention Services

1. **Josh Fenton-Glynn** (Calder Valley) (Lab): What assessment she has made with Cabinet colleagues of the accessibility of domestic violence prevention services for women. [902566]

The Minister for Women and Equalities (Bridget Phillipson): Because this is the first opportunity I have had to do so, may I offer my heartfelt congratulations to the right hon. Member for East Surrey (Claire Coutinho) on welcoming her new son into the world? I wish her and her family every happiness in this wonderful phase of their journey together.

The Government are steadfast in their mission to halve violence against women and girls. Having run a women's refuge before coming to this place, I know how important it is for survivors to receive effective, timely support, and we are investing more in those services.

Josh Fenton-Glynn: In her 2022 report, the Domestic Abuse Commissioner warned of "A Patchwork of Provision" in local services. Just six in 10 victims reported being able to access a helpline, and only four in 10 reported being able to obtain refuge accommodation. Local organisations such as WomenCentre Calderdale and Kirklees do fantastic work for my constituents, but not all victims and survivors have the right support when they need it. Will the Minister ensure that the upcoming violence against women and girls strategy includes a requirement for the Government to engage with the sector so that women across the country receive consistent care and support?

Bridget Phillipson: Let me start by paying tribute to Halifax WomenCentre for its vital work in Calder Valley. I assure my hon. Friend that we will engage across Government, drawing on expertise in the sector through the development of our new violence against women and girls strategy, which will be published later this year. We have provided an increase of £30 million for domestic abuse safe accommodation services, as well as doing wider work to help local commissioners to identify needs and commission appropriate services.

Wera Hobhouse (Bath) (LD): Organisations such as Voices and the Southside project in Bath provide a wonderful and important service for victims of abuse, but they need the long-term certainty of funding. Does the Minister agree that we need to give them that certainty?

Bridget Phillipson: I am grateful to the hon. Lady for mentioning the excellent organisations in her constituency and the work that they do to support survivors. We are investing more in provision, but I understand her point about the need for security of long-term funding, and we will consider that as part of our VAWG strategy.

Mr Speaker: I call the Liberal Democrat spokesperson.

Christine Jardine (Edinburgh West) (LD): We welcome the Government's mission to halve violence against women and girls, but a recent report from the National Audit Office makes grim reading, stating that one in 12 women are victims of violence every year and that there were more than 2 million victims in the year up to June 2024. It also suggests while there is a welcome focus on victims, we are not doing enough in terms of prevention. How will the Minister ensure that this mission will focus on education and prevention in schools as well as seeking to support every survivor, and is she speaking to the Scottish Government about co-ordination?

Bridget Phillipson: The hon. Lady is right to draw attention to the legacy picture painted by the National Audit Office. We are investing in a new national policing centre for VAWG public protection, and ensuring that we have a real focus on tackling high-risk offenders by intervening much earlier and taking further measures involving domestic abuse specialists. However, as the hon. Lady says, this is also about prevention. It is a responsibility for all of us across society, men and women alike, and there is an important role for education. Work is under way in the Department for Education to ensure that young people, from an early point, understand healthy relationships and what consent looks like. Of course, I am always happy to discuss that with colleagues across the UK.

Gender Pay Gap

2. **Gregor Poynton** (Livingston) (Lab): What steps she is taking with Cabinet colleagues to help reduce the gender pay gap. [902567]

The Minister for Women and Equalities (Anneliese Dodds): Women's equality and economic growth go hand in hand. Because the progress on closing the gender pay gap stalled under the last Government, as part of the Employment Rights Bill we are requiring

large employers to publish gender pay gap action plans alongside their figures to show what they are doing to tackle pay disparity.

Gregor Poynton: I thank the Minister for her response. Does she agree that while the Conservatives think that maternity pay has “gone too far” and that the childcare roll-out is a mistake, it is this UK Labour Government who are supporting women in my Livingston constituency and right across the country by bringing in better protections for pregnant women and mums on maternity leave?

Anneliese Dodds: Yes. This Government know that supporting hard-working parents is fundamental for economic growth. Our enhanced dismissal protections for pregnant women and new mums will make it clear to them that the law is on their side. That is the right thing for women, and it is the right thing for our economy.

Jim Shannon (Strangford) (DUP): I thank the Minister for her answers; she is always positive and reassures us Back Benchers. What discussions have taken place with the Department for Education about encouraging young women to consider apprenticeships in mechanics, joinery and a host of other trades that are equally well paid? They can do those jobs every bit as well as men, but they have been historically under-represented.

Anneliese Dodds: I am very grateful to the hon. Gentleman for his kind words and for his passion about apprenticeships, which we on this side of the House absolutely share. I am delighted that next week is National Apprenticeship Week. We are absolutely committed to ensuring that more girls see a future for themselves in science, technology, engineering and mathematics. Again, that will be great for them and great for our economy.

Mr Speaker: I call the shadow Minister.

Ben Obese-Jecty (Huntingdon) (Con): On Monday, a judge in an employment tribunal brought by the GMB union ruled that predominantly female Asda employees on the shop floor and predominantly male employees working in Asda’s warehouses—completely different roles with different conditions—were carrying out work of equal value. The ruling, which is similar to that which bankrupted Birmingham city council, could cost Asda £1.2 billion in back pay and an annual wage bill increase of £400 million—an even bigger blow than the additional £100 million increase in the company’s wage bill as a result of the Chancellor’s Budget. Does the Minister agree that private companies should be free to set different wages for completely different jobs, irrespective of the gender balance in those roles, without being overruled by the courts? [*Interruption.*]

Anneliese Dodds: I think the response of the House is very similar to the response of the general public and, indeed, the response of business. Business knows that having pay that is in line with skills, and equal pay for work of equal value, is incredibly important. Clearly, matters that have been covered in employment tribunals are for those tribunals to determine, and I would not criticise the results of an employment tribunal from within this House if I were the hon. Gentleman.

SEND Provision

3. **Lewis Cocking (Broxbourne) (Con):** What recent discussions she has had with the Secretary of State for Education on SEND provision. [R] [902568]

The Minister for Women and Equalities (Bridget Phillipson): This Government’s ambition is that all children with special educational needs receive the right support to succeed, where possible, in mainstream schools. To further support that vision, in December I announced £740 million of high-needs capital for 2025-26. The Department is working closely with experts on reforms and has recently appointed a strategic adviser for SEND, who will play a key role in engaging with practitioners, children and families as we consider the next steps in SEND reform.

Lewis Cocking: I draw Members’ attention to my entry in the Register of Members’ Financial Interests.

Hertfordshire currently receives the third lowest SEND funding in the country, despite the number of children in the county with education, health and care plans growing by 223% in the last decade. What steps is the Minister taking with her Cabinet colleagues to create a fairer funding system that ensures that all children, wherever they live across the country, can have the funding they need to support their education?

Bridget Phillipson: I recognise the hon. Gentleman’s interest in this area, and the interest of Members from right across the House in the urgent need to reform the SEND system. However, I gently observe that we inherited the funding mechanism from the previous Government, and that the last Conservative Education Secretary said that the SEND system they have left behind is “lose, lose, lose”. We are determined to fix it, to build up parents’ confidence, and to make sure that all children get the education and support that they need.

Natasha Irons (Croydon East) (Lab): I welcome this Government’s commitment to halving violence against women and girls, and their investment in the domestic abuse protection order scheme in Croydon. However, Croydon’s youth engagement team, who focus on helping to prevent young women from being brought into gangs through grooming, abuse and vulnerability, are facing cuts due to the budget constraints facing the council. What more can the Government do to support local communities and local councils to prevent young women from being dragged into gangs through grooming and things like that?

Bridget Phillipson: My hon. Friend mentions a vital area. There is an important role for youth services as part of this, but we also need to do much more around safeguarding. The provisions in the Children’s Wellbeing and Schools Bill on multi-agency child protection measures and much more besides, and the additional investment that we are putting into the system around children’s social care, will make a real difference in tackling the unacceptable exploitation that sadly blights the lives of too many children across our country.

Women’s State Pension Age

4. **Brian Leishman (Alloa and Grangemouth) (Lab):** What steps she is taking with Cabinet colleagues to

implement the findings of the Parliamentary and Health Service Ombudsman report on women's state pension age. [902569]

The Minister for Social Security and Disability (Sir Stephen Timms): The Government have made and published their decision. We accepted the ombudsman's finding of maladministration and apologised for the delay in writing to the women affected. We have started working with the ombudsman to make sure that lessons are learnt, and we will develop a plan for effective and timely state pension communication.

Brian Leishman: It is fair to say that people are disillusioned with politics and politicians because they feel that things do not change—not for the better, anyway. The Tories would not compensate the WASPI women, and it looks like neither will we. The Tories here and the Scottish National party Government in Holyrood abandoned the workers of the Grangemouth refinery, and I have to say that, so far, our Government have not fared any better. My question is a pointed one: do the Secretary of State and the wider Government not realise that if we do not provide the positive change that we promised and improve living standards, the next Government could be a hard-line, far-right effort that looks to impoverish society further?

Sir Stephen Timms: I can reassure my hon. Friend that we have been elected on a manifesto of change, and change is what we will deliver. We have been working hard on Grangemouth. On the question of WASPI, we do not think that compensation is appropriate. The evidence is that 90% of those affected did know that a change was coming, but we cannot work out now who did and who did not know. Among those investigated by the ombudsman, nobody lost out financially from not knowing, so we could not justify paying out up to £10 billion in compensation. Instead, we are going to work to make sure that the problem never happens again.

Carla Lockhart (Upper Bann) (DUP): Women across this United Kingdom feel let down by this Government, and rightly so. What will the Minister do to reassure those women? He needs to put action to his words and support those women who have been wronged for so many years, right across this United Kingdom.

Sir Stephen Timms: We are going to work with the ombudsman to make sure that this never happens again. A detailed report will be published, and we are committed to making sure that in future, sufficient notice is given of any state pension changes. We are also going to develop a communications strategy using the most up-to-date methods for the state pension. For example, the "check your state pension" service gives a forecast including telling people when they can take their state pension.

EHRC: Code of Practice

5. **Mary Glendon (Newcastle upon Tyne East and Wallsend) (Lab):** When she expects the Equality and Human Rights Commission to publish its revised code of practice for services, public functions and associations. [902570]

The Minister for Women and Equalities (Anneliese Dodds): This Government are steadfast in their commitment to protecting single-sex spaces and committed to ensuring that services feel confident in providing them, with better guidance. The EHRC will publish the revised code once it has finalised the draft and it has been approved by Ministers. That follows the EHRC's consultation, which has now closed.

Mary Glendon: The Government have recognised that there was confusion or a lack of awareness about the same-sex exceptions in the Equality Act 2010 and how to apply them practice, so does the Minister agree that the updated EHRC statutory code is needed as soon as possible to make it explicitly clear that the Act provides for single-sex services for biological women?

Anneliese Dodds: It is vital that service providers have clear guidance about the Equality Act. The EHRC has already published non-statutory guidance on the legislation for separate and single-sex service providers, and the new Government have also acted to underline that single-sex refuges, for example, are fully legally compliant, as I emphasised when I visited such a refuge in September.

Tackling Violence Against Women and Girls

6. **Liz Jarvis (Eastleigh) (LD):** What discussions she has had with the Secretary of State for the Home Department on tackling violence against women and girls. [902571]

13. **Sarah Edwards (Tamworth) (Lab):** What steps she is taking with Cabinet colleagues to help tackle violence against women and girls. [902580]

The Parliamentary Under-Secretary of State for the Home Department (Jess Phillips): I am not sure that Mr Speaker would allow me to go into quite that level of detail on the amount of discussions I have with the Home Secretary on this issue. It would take hours, because this happens every single day. This weekend, the Government announced that we will be spending £13.1 million to create a national policing centre for violence against women and girls and public protection, and that is due to launch in April.

Liz Jarvis: According to the National Audit Office's report published on Friday, the epidemic of violence against women and girls is getting worse, and current prevention activities have largely "focused on reducing reoffending rather than avoiding initial offences."

In Hampshire and the Isle of Wight, which includes my Eastleigh constituency, 39,221 domestic abuse incidents and crimes were recorded from April 2023 to March 2024. Following recent tragic events, what measures is the Minister taking to encourage prevention and foster the cultural change necessary to keep women and girls safe?

Jess Phillips: I thank the hon. Lady, and I am sure the entire House agrees with the tone with which she speaks about domestic abuse in her area. The National Audit Office wrote what, frankly, can only be considered to be a damning indictment of the previous Government's violence against women and girls strategy. We will do everything we can to ensure prevention, both through

education and with those who perpetrate, which will be a fundamental part of our strategy. Unlike previous strategies, we will actually do it.

Sarah Edwards: Many women fear violence and assault on nights out, even more so when alcohol is involved and it is dark. In my constituency, the Tamworth street angels do vital work to ensure that people feel safe in the town centre during the evenings, and they offer support when women need it most. Does the Minister agree that we should support such organisations, and will she join me in congratulating the Tamworth street angels on their recent King's award for voluntary service?

Jess Phillips: I join my hon. Friend in saying what amazing and vital work is being done by people like the Tamworth street angels. It is unacceptable that women feel unsafe when they are out and about, and this Government seek not only to change legislation—on spiking, for example—to make sure our laws are right, but to make sure that, on the ground, we are training people in pubs, clubs, bars and across our night-time economy. We can write words on goatskin, but when the rubber hits the road in places like Tamworth, we need people like the street angels to make sure it actually means something.

Mr Speaker: I call the shadow Minister.

Saqib Bhatti (Meriden and Solihull East) (Con): Three weeks ago, the Government announced five local inquiries into rape gangs, which crucially cannot compel witnesses to give evidence. We still do not know where all the inquiries will be, and we do not know how the towns will be chosen.

As Charlie Peters from GB News originally reported, grooming gangs are suspected to have operated in 50 towns. Does the Minister recognise that the failure to announce a meaningful national statutory inquiry means that women and girls from across the country, who are not from the five selected towns, will be denied justice and a fair hearing? If the victims want a national statutory inquiry, why doesn't the Minister?

Jess Phillips: I have spent time with the victims that the shadow Minister speaks about. In fact, I will be going to see more victims from across the country. I speak to these victims every single week—week in, week out—unlike many of those sitting on the Opposition Benches.

Previously, absolutely nothing was done to try to get to the truth in some of these towns. We will do whatever we can to root out this crisis, which is what everybody in this House wants to see, although some Members wish to use it for political ends. We have offered to open up cases, and we have set the taskforce to do exactly that with any victim who wishes to come forward.

Topical Questions

T1. [902581] **Joe Morris** (Hexham) (Lab): If she will make a statement on her departmental responsibilities.

The Minister for Women and Equalities (Bridget Phillipson): This month we celebrate LGBT History Month. LGBT individuals have shaped Britain's history and continue to contribute greatly to our society. We are also celebrating Race Equality Week.

We are committed to raising everyone's living standards by putting more money into people's pockets through measures such as ethnicity pay gap reporting. These initiatives demonstrate our commitment to fostering a more equal and inclusive society in which everyone's dignity and rights are respected.

Joe Morris: The whole House will be aware of the importance of the Tyne Valley railway line to my constituency, and it is essential that our stations are accessible to all. Local campaigners such as Active Travel Tynedale and Rosanna Lovett have expressed their frustration at the inaccessibility of stations across our constituency. Will the Minister join me in commending their work to make travel truly accessible?

Bridget Phillipson: I join my hon. Friend in commending that work. I know the Tyne Valley line very well; it is in a beautiful part of the country. It is important that the rail network is accessible for all passengers, and that is at the heart of our approach. I will ensure Ministers at the Department for Transport look into the case that he raises and provide more information about the actions that are being taken for his constituents.

Mr Speaker: I call the shadow Minister.

Mims Davies (East Grinstead and Uckfield) (Con): The call for evidence started last year by the Leader of the Opposition, when she was Minister for Women and Equalities, asked the public to share examples of bad guidance on single-sex spaces and services. This Labour Government initially shared just 42 responses—just 1% of the responses—with the Equality and Human Rights Commission, which is the body that gives advice to institutions on equality in the law. Why did the Government rule out 99% of the public responses? That is a massive betrayal of Labour's manifesto commitment to protect single-sex spaces. The public rightly deserve to have every single one of over 3,000 submissions considered properly by the EHRC.

Mr Speaker: Order. These are topical questions—they need to be short and punchy, which this answer will be. Come on.

Bridget Phillipson: The previous Government's scope was narrow. We are taking action to give all providers the assurances that they need that single-sex spaces can be provided. I have met representatives from the EHRC to discuss that point and I have written to the EHRC about it. I will take no lectures from the Conservatives on single-sex spaces, when the use of mixed-sex hospital wards increased on their watch.

T2. [902582] **Chi Onwurah** (Newcastle upon Tyne Central and West) (Lab): My living wage intern starts next week, just as a Sutton Trust report shows that internships are critical entry points to careers, but that working-class graduates are 20% less likely to complete an internship than their wealthier peers and most internships are never advertised. What is my right hon. Friend doing to ensure that career success is based on hard work and talent, not parents' social networks?

Bridget Phillipson: I agree with my hon. Friend that no young person should be held back by their background or expected to work for free. We remain committed to banning unpaid internships, so that young people are paid fairly. We will set out further details in due course.

T3. [902583] **Steff Aquarone** (North Norfolk) (LD): In Norfolk and Waveney, 44% of women on the gynaecology waiting list have been waiting for treatment for longer than the 18-week NHS target, and one in 10 have been waiting over a year. They are the worst waiting time statistics in England, so will the Minister set out what conversations she has had with the Secretary of State for Health and Social Care to ensure that women in North Norfolk will no longer be left behind?

The Minister for Women and Equalities (Anneliese Dodds): We have had many conversations with the Health Secretary about this, because it is unacceptable that women were let down because of the lack of action by the previous Government. We are overhauling women's healthcare and placing women's equality at the heart of our agenda, including by investing an extra £26 billion in the health system.

T5. [902585] **Sam Rushworth** (Bishop Auckland) (Lab): Working-class boys in the north-east are being held back by an attainment gap, based on gender and income. The previous Government had no strategy for dealing with such attainment gaps. What will this Government do? Will the Minister commit to a strategy on this issue?

Bridget Phillipson: I agree with my hon. Friend that it is disgraceful that the attainment gap rose under the last Government, and I will not rest until we deliver for kids from communities like ours. I agree that it is not good enough that only one in five disadvantaged white British boys achieve grade 5 or above in maths and English at GCSE. We are determined to turn that around. We are investing more in our schools and in driving up school standards.

T4. [902584] **Helen Maguire** (Epsom and Ewell) (LD): What steps are the Government taking to improve female representation in all areas of sport, not just on the playing field but in the commercial side of sport, including in advertising, management and merchandise?

Bridget Phillipson: The hon. Lady raises an important issue. We need to ensure there is diversity in representation at all levels in sport. I am happy to look further into the issues she has raised.

T7. [902587] **Ms Julie Minns** (Carlisle) (Lab): Too many disabled people reported being unable to vote at last year's general election. Will the Minister ensure that electoral administrators are reminded of their obligations under equality law to ensure that disabled people can exercise their right to vote independently and in secret?

Bridget Phillipson: I agree with my hon. Friend about the importance of the issue she identifies. I will ensure that the relevant Minister picks up on the point and ensures that electoral administrators are aware of their responsibilities.

T6. [902586] **Rebecca Smith** (South West Devon) (Con): The Government have a long-standing position that they do not engage with the Muslim Council of Britain,

so why did the Minister for Social Security and Disability decide to breach collective responsibility to attend a recent dinner hosted by the MCB?

Anneliese Dodds: The Government's position on relations with the MCB has not changed.

Mr Speaker: I call the Chair of the Women and Equalities Committee.

Sarah Owen (Luton North) (Lab): It is the beginning of LGBT History Month. Trans people across the UK are struggling to access healthcare and finding it difficult to go about their lives with dignity. As their identity comes under constant attack from powerful people across the world, progress cannot be taken for granted. Will the Minister reconfirm the Government's commitment to the entire LGBTQ+ community and outline what steps are being taken to engage with LGBT people in the UK? *[Interruption.]*

Mr Speaker: Order. Please do not do that, because I have to get—*[Interruption.]* No, it is no use shrugging your shoulders at me. I have to get all the Members in. If you do not want other colleagues to get in, please tell them. I do.

Bridget Phillipson: We remain steadfast in our support for all LGBT people. It is essential that they are safe, included and protected from discrimination.

Mr Richard Holden (Basildon and Billericay) (Con): Does the Minister consider incredibly high rates of first-cousin marriage in certain communities, which are up to a hundred times that found in the general population, an equalities issue? What discussions has she had with the Ministry of Justice about that?

Bridget Phillipson: We continue to keep these matters under review. We are looking carefully at the Law Commission's report into marriage published in 2022 and we will respond in due course.

PRIME MINISTER

The Prime Minister was asked— **Engagements**

Q1. [902615] **Dr Neil Hudson** (Epping Forest) (Con): If he will list his official engagements for Wednesday 5 February.

The Prime Minister (Keir Starmer): I know the whole House will be appalled by the death of a young boy in Sheffield on Monday. Our hearts go out to his family and his loved ones. Knife crime blights our communities and we redouble every step to ensure that young people are kept safe.

On Monday, I met other European leaders in Brussels to discuss the vitally important focus on security and defence in a volatile world. I am determined to reduce barriers to trade, making it easier for businesses to do business and ensuring that a better relationship with our European partners delivers for the British people.

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

Dr Hudson: Sadly, suicide is the biggest killer of young people under 35. Andy Airey, Tim Owen and Mike Palmer are the 3 Dads Walking. They each tragically lost their precious daughters, Sophie, Emily and Beth, to suicide. They have campaigned tirelessly for suicide prevention to be included in the school curriculum in an age-appropriate way.

We met the previous Prime Minister in Downing Street and suicide prevention was added to the relationships, sex and health education curriculum guidance for consultation last year. I know that the Prime Minister has met the three dads and supports their campaign, but sadly progress has stalled. Will the Prime Minister please meet me and the three dads so that we can finally get this over the line and ultimately save young lives?

The Prime Minister: I thank the hon. Gentleman for steadfastly raising this really important issue, particularly during Children's Mental Health Week. I have met the 3 Dads Walking. They are inspirational and their courage is extraordinary. As the father of young children, I do not know how they are able to campaign in the way that they do. I am not sure I would be able to do so. Of course, I can assure the hon. Gentleman that I will meet them again and push this really important agenda forward.

Q3. [902617] Yasmin Qureshi (Bolton South and Walkden) (Lab): Eighty-six per cent. of trains at Kearsley station in my constituency were delayed or cancelled in the past 12 weeks. That is widespread through Bolton South and Walkden. My constituent Sophie, who commutes from Walden to Manchester, told me that

"almost every day one peak time train is cancelled. And when the train finally turns up it's overcrowded".

Recently, she was stranded for hours after constant cancellations because train crew were unavailable. Can the Prime Minister reassure my constituents that this Government are committed to building reliable railways after 14 years of Tory chaos?

The Prime Minister: My hon. Friend is right to highlight that the Conservative party left our railways in a terrible state. Two years of strikes cost our economy £850 million in lost revenue. You cannot grow the economy if you cannot run the railways. We will launch Great British Railways to focus relentlessly on passengers and to clamp down on delays and cancellations. I am pleased that Northern has announced the largest ever investment in its fleet to deliver 450 new trains, meaning more comfortable and reliable journeys for my hon. Friend's constituents.

Mr Speaker: I call the Leader of the Opposition.

Mrs Kemi Badenoch (North West Essex) (Con): When Labour negotiates, our country loses. Yesterday, we heard that the Government offered £18 billion for Mauritius to take our territory in the Chagos islands. This is money that belongs to our children and their children. This is an immoral surrender, so that north London lawyers can boast at their dinner parties.

When Labour negotiates, we all lose. Sometimes, it does not even bother to negotiate. Why did the Secretary of State for Energy Security and Net Zero withdraw Government lawyers from defending the case against the eco-nutters who want to obstruct the Rosebank oil and gas field?

The Prime Minister: Let me deal with the serious issue that the Leader of the Opposition raises in relation to the Chagos case. This is a military base that is vital to our national security. A number of years ago, the legal certainty of that base was thrown into doubt. Let me be clear, Mr Speaker, and I shall pick my words carefully. Without legal certainty, the base cannot operate in practical terms as it should. That is bad for our national security and a gift to our adversaries. Some within the Conservative party know exactly what I am talking about. That is why the last Government started negotiations about sovereignty and about securing the long-term use of the base. They were right to do so. That is why the last Government conducted 11 of the 13 rounds of those negotiations, and they were right to do so. That is why this Government have completed that process, and we were right to do so.

Mr Speaker, I will set out the details when they are finalised and they will, of course, be presented to Parliament, but if the Leader of the Opposition is properly briefed on the national security implications when she is asking these questions, which she is perfectly entitled to do, then she knows exactly what I am talking about in terms of national security and legal certainty. If, on the other hand, she is not properly briefed on the national security implications, she is not doing her job, she is not concerned about national security and she is not fit to be Prime Minister.

Mrs Badenoch: How can anyone believe that this man is defending UK interests when he bends the knee to anyone who asks him? His answer was so weak and so waffly it is no wonder that he needs a voice coach. But he did not answer the question I asked him—why the Energy Secretary was not defending our country. The Secretaries of State for Energy Security and Net Zero and for Environment, Food and Rural Affairs received nearly £400,000-worth of donations from Lisbet Rausing. It is her money that is behind the court case that will stop an £8 billion investment, threaten thousands of jobs and endanger energy security for all of us. Did the Energy Secretary refuse to defend UK interests because he is funded by billionaire eco-zealots?

The Prime Minister: I shall come to that very issue, but I notice that the Leader of the Opposition did not say that she was briefed about the Chagos issue. This is important. When she became Leader of the Opposition, I said to her that I would give her a briefing on any national security issue if she asked for it. That is very important to the way that we run our democracy. She has not asked for a briefing on the Chagos case. That is because she is more interested in chasing Reform than in national security.

Oil and gas will be part of our energy supply for many years to come. We have been absolutely clear about that, but we are going through a transition. It is important because that transition to renewable energy will give us lower bills and energy security, it will take Putin's foot off our throat and it will be good for the national interest.

Mrs Badenoch: That is a weak answer, because the Prime Minister does not know what is going on. Last week, I asked about the employment Bill; he did not know what was going on. We asked about the education Bill; he did not know what was going on. Let me tell him what is going on. Perhaps he can answer some

questions. Shell has said that a one-year delay to Rosebank will cost £350 million and the loss of 1,000 jobs. Equinor has said that a two-year delay to Jackdaw will cost £800 million. The only benefit that I can see is the £400,000 to Labour Ministers. At a time of war in Europe, threatened energy security and increased competition from the US and elsewhere, we should be getting British oil and gas out of the ground. Does the Prime Minister have the guts to take on Labour donors and his Energy Secretary and approve the licence applications when they are resubmitted?

The Prime Minister: The Leader of the Opposition does not even want to know what is going on; otherwise she would have asked for the relevant briefings. She knows the position on Rosebank. She knows that the court case has meant that the licence has to be reviewed. There is a process that has to be gone through in the proper way. She understands that, but yet again she is proving that all she can do is student politics, and playing party politics.

Mrs Badenoch: I am speaking on behalf of the people of this country. When Labour negotiates, our country loses. The Prime Minister talks about bringing growth and investment. Last week, he lost a £450 million investment from AstraZeneca that we negotiated, which would have delivered growth immediately. That same day, he also lost the £8 billion oilfield investment that would have delivered next year. Business is abandoning the North sea because of his decisions. What signal does he think he is sending to investors?

The Prime Minister: As the Leader of the Opposition knows, AstraZeneca's was a commercial decision. She must understand that. All she does is come here every week carping from the sidelines, talking our country down. We have the highest investment for 19 years. PwC says that we are the second best place to invest in the world. The International Monetary Fund has upgraded growth. Wages are up. Inflation is down. There is more to do: reforming planning and regulation, building new homes, and supporting a third runway at Heathrow. What unites those? Championed by Labour, opposed by the Tories.

Mrs Badenoch: It is so hard to believe anything the Prime Minister says. This is a man who needed "emergency" voice coaching on Christmas eve. This Government are so clueless they are borrowing £8 billion for GB Energy—a vanity project that is not great, not British, and does not produce any energy. Its own chairman admitted that it will take 20 years to create just 1,000 jobs. Meanwhile, 200,000 jobs are at stake in our oil and gas sector right now. Does the Prime Minister think that 1,000 jobs in 20 years' time are worth more than the 200,000 jobs that we have now?

The Prime Minister: Again, the Leader of the Opposition clearly has not been briefed, or does not want to be briefed. GB Energy will be a publicly owned energy company that will drive the move to renewables. It is not about the number of jobs in HQ; it is about the thousands upon thousands of jobs that it will generate to give us energy security, which is something we did not have under the last Government, and take Putin's boot off our throat—something that did not happen under the last Government. They lost control of the economy. We are getting it back.

Mrs Badenoch: The Prime Minister can waffle for as long as he likes, but we know that Labour promised to bring energy bills down by £300. Instead, bills are going up. He is freezing pensioners while shovelling money to Mauritius. The Prime Minister is not just managing decline; he is creating decline. He has the power to grant these licences, open these oil and gas fields, save British jobs and bring down bills. Why does he find it so hard to do the right thing?

The Prime Minister: She really needs to look into how these licences are granted. I appreciate that the Conservatives' reset seems to be having no policies apart from cutting pensions, and having no briefings on relevant issues. Let us just remind ourselves that they presided over the biggest drop in living standards on record. Mortgages went through the roof, and they left a £22 billion black hole. We learned last weekend that, under the last Government, £35 billion was lost on benefit fraud and error. Who was in the Treasury at the time? The shadow Business Secretary, the hon. Member for Arundel and South Downs (Andrew Griffith), and the Leader of the Opposition. They want to give lectures. No thanks!

Q8. [902623] **John Slinger** (Rugby) (Lab): The hon. Member for Clacton (Nigel Farage) says that his party is "open to anything" when it comes to changing our NHS and open to an "insurance-based system". Will my right hon. and learned Friend confirm that under a Labour Government the NHS will be there for everyone when they need it, not having to worry about the bill?

The Prime Minister: The NHS is the lifeblood of our country, and that is why we invested £25 billion at the Budget—a record amount—and are making it fit for the future through our plan for change. What a contrast with Reform, whose leader has said that those who can afford to pay should pay for healthcare. Under Labour, the NHS will always be free at the point of use for anyone who needs it.

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

Ed Davey (Kingston and Surbiton) (LD): Can I associate myself with the Prime Minister's remarks about the terrible murder of the 15-year-old in Sheffield and say that we support any effective action against knife crime that the Government propose?

At his first Prime Minister's questions, I told the Prime Minister about my constituent Andrea. A full-time carer for her mother, Andrea is one of thousands of carers caught up in the carer's allowance scandal, hounded by the Department for Work and Pensions for repayments. The Prime Minister accepted that there was a problem and set up an independent review, and we welcome that. But two months after the announcement of the review, Andrea received a letter summoning her to a tribunal next week. Her mother's health has been deteriorating—she has had to go into a care home—and this is the last thing Andrea needs. Will the Prime Minister step in and do the right thing and cancel Andrea's tribunal and all proceedings against carers like Andrea, at least until the review is concluded?

The Prime Minister: We set up the independent review, and I know the right hon. Gentleman welcomes that, and it was the right thing to do. I do not know the

details of Andrea's case, but if he provides them to me, I will certainly make sure that we have the details and look into what has happened in her particular case.

Ed Davey: I am grateful for that reply. The Secretary of State for Work and Pensions wrote to me and was not interested in engaging, so I hope the Prime Minister will be.

Turning to foreign policy, last night many of us were alarmed to hear President Trump speak about forcibly displacing 1.8 million people from Gaza. The Prime Minister has spoken to the President on several occasions now. Does he personally believe that Trump recognises the dangers of statements like this to the fragile ceasefire in Gaza and, indeed, to the security of both Palestinians and Israelis? I am glad that the Foreign Secretary has confirmed that the Government's position is still a two-state solution—I think that has support on all sides of the House—but will he reassure the House that this position and our concerns on these dangerous statements from the President will be communicated to the White House directly and firmly?

The Prime Minister: The right hon. Gentleman raises a very important issue. The most important issue on the ceasefire is obviously that it is sustained and that we see it through the phases, and that means that the remaining hostages come out and the aid that is desperately needed gets into Gaza at speed and at the volumes that are needed.

I have, from the last few weeks, two images fixed in my mind. The first is the image of Emily Damari reunited with her mother, which I found extremely moving. The second is the image of thousands of Palestinians literally walking through the rubble to try to find their homes and their communities in Gaza. They must be allowed home. They must be allowed to rebuild, and we should be with them in that rebuild on the way to a two-state solution.

Q11. [902626] **Patricia Ferguson** (Glasgow West) (Lab): The announcement of a third runway at Heathrow is obviously a massive boost to growth in the economy. Does my right hon. and learned Friend agree that it is important that the economic boost is spread around the UK, and will he therefore agree to ask the relevant Minister to meet me and other Glasgow MPs with the chamber of commerce to discuss the possibility of a new supply chain hub being created in the city, where the materials for Heathrow's expansion could be reassembled?

The Prime Minister: My hon. Friend is right that the new runway at Heathrow can boost economic growth across the whole country. It would boost the economy by billions and create over 100,000 jobs across the UK, with 60% of the economic benefits outside London and the south-east. It is good for Scottish passengers and Scottish businesses—and particularly for Scottish salmon, which is the No. 1 export passing through Heathrow and has been worth £970 million over the past five years. I will happily ensure that she gets a meeting with the relevant Minister.

Nigel Farage (Clacton) (Reform): I can assure the hon. Member for Rugby (John Slinger) that Reform wants healthcare to be free at the point of delivery—[*Interruption.*] I am sorry, Mr Speaker, but there appears

to be some panic on the Labour Benches—I am not surprised. I would like to ask the Prime Minister for some advice—[*Interruption.*] They really are panicking, aren't they?

Hon. Members: Get on with it!

Mr Speaker: Order. I want to get to get this question over with, don't you? All you are doing is ensuring that it goes on for ever. Quick question, please.

Nigel Farage: I would like to ask the Prime Minister for some advice. What do I say to the 25,000 constituents in Clacton—[*Interruption.*]

Mr Speaker: Order. Either get on with it—[*Interruption.*] Order. We cannot both be standing, Mr Farage. I need a quick question and then I can get you the answer. Come on.

Nigel Farage: What do I say to the 25,000 constituents in Clacton—including 99-year-old Jim O'Dwyer, who flew a full set of missions on Lancaster bombers as tail-end Charlie—who are losing their winter fuel allowance and feeling the pinch, while at the same time we are prepared to give away a military base and pay £18 billion for the privilege of doing so?

The Prime Minister: The hon. Member talks about panic. The only panic is for people who know that his policy would be to charge them for using the NHS. What he should say to the people of Clacton—when he finally finds Clacton—is that they should vote Labour because we are stabilising the economy and boosting their jobs.

Q12. [902627] **Tony Vaughan** (Folkestone and Hythe) (Lab): Many of my constituents are expressing their frustration at the net migration figures, which quadrupled—increasing by nearly 1 million—under the last Tory Government. Unbelievably, the shadow Foreign Secretary, the right hon. Member for Witham (Priti Patel), has admitted that her party is proud of their open borders experiment on Britain. Will the Prime Minister explain what he is doing to bring those numbers back under control?

The Prime Minister: I am grateful to my hon. and learned Friend for raising that point. We know that the Leader of the Opposition lobbied personally to remove annual limits on student and work visas. The shadow Foreign Secretary still thinks that the Conservatives have a great record on immigration, forgetting that they quadrupled it and that it reached almost 1 million a year. Our Border Security, Asylum and Immigration Bill will give stronger powers than ever to tackle people smugglers. We have already removed 16,000 people who have no right to be here. The question for the Opposition is this: will they walk into the Lobby with us next week to secure our borders?

Q2. [902616] **Richard Tice** (Boston and Skegness) (Reform): After she was kidnapped and shot, Emily Damari was held in captivity by Hamas in United Nations Relief and Works Agency facilities, confirming the fears of many of us that UNRWA is riddled with Hamas sympathisers. The British people do not want our aid

stolen by Hamas. Does the Prime Minister agree that we should stop funding Hamas, follow the example of other nations and divert our aid to other, more trustworthy agencies?

The Prime Minister: On Emily Damari, I have spoken with Mandy on many occasions, including when she did not know whether or not her daughter was alive. Just listening to her was to really understand the torture that she went through. I spoke just the other day to Emily herself about the conditions in which she was held, and I will of course continue to do so. To be absolutely clear—and the hon. Gentleman knows this—we are not funding Hamas and never will. We condemn Hamas, and everybody in this House should condemn Hamas.

Q14. [902629] **Mrs Sarah Russell** (Congleton) (Lab): Some 54,000 women a year lose their jobs when they are pregnant or on maternity leave, and one in 10 human resources managers say that they would be reluctant to hire a woman who they even thought might start a family. The law has not solved this, so will the Prime Minister please meet me, The Dad Shift and Pregnant Then Screwed to discuss the ringfenced paid paternity leave that is needed to bring about change?

The Prime Minister: My hon. Friend raises a very important issue in relation to maternity pay and maternity leave. The Leader of the Opposition thinks that maternity pay is excessive. That is the difference—we know that workers' rights are pro-growth, and I am proud that our Employment Rights Bill will introduce parental leave from day one, which means that 1.5 million more employees will be entitled to unpaid parental leave and 30,000 more fathers will be entitled to paternity leave. I am happy to ensure that my hon. Friend gets the meeting with the relevant Minister.

Q4. [902618] **Mr Gagan Mohindra** (South West Hertfordshire) (Con): I know that, like everyone in the House, the Prime Minister is an honourable Member. On that basis, can he repeat his assurances that all rules were followed while the country was in tier 4 lockdown in December 2020, not just by him but by his team, and also by his voice coach, Leonie Mellinger?

The Prime Minister: In December 2020, I was in my office, working on the expected Brexit deal with my team. We had to analyse the deal as it came in at speed and prepare and deliver a live statement at speed on one of the most important issues for our country in recent years. That was what I was doing. What were the Conservatives doing? Bringing suitcases of booze into Downing Street, partying and fighting, vomiting up the walls, leaving the cleaners to remove red wine stains. That is the difference. I was working—they were partying.

Louise Haigh (Sheffield Heeley) (Lab): I know that the whole House will support the Prime Minister's comments and send our thoughts to the family of Harvey Willgoose and all those who loved him after his tragic and senseless death on Monday. I support the Government's actions to tackle the sale of certain knives online, but before the national media attention moves on from yet another tragic death of a young person, I know that the Prime Minister will agree that in order to tackle the scale of the crisis engulfing too many of

our communities, we need a whole-system, cross-Government approach to address the root causes of violence. Will he commit his Government to such a national strategy?

The Prime Minister: This incident was horrific and senseless, and I thank my right hon. Friend for raising it. I think the thoughts of the whole House are with the victim's family and friends, and the school community and wider community who have been impacted by this. We are all grateful to the first responders—the police officers and the medical staff who attended the scene—and it is right that South Yorkshire police are given the time and space to carry out their investigation.

We need to do everything we can to bear down on knife crime. It is too easy to get knives online, and it is too easy to carry knives without proper consequences. That is why we have made it an absolute priority in government to absolutely bear down on knife crime, and I hope that it is a cross-party issue.

Q5. [902619] **James MacCleary** (Lewes) (LD): I know that the Prime Minister will share my deep concern that families in my constituency, particularly those with disabled children, face agonising waits for essential adaptations to council housing. In my inbox, I have cases where delays have left people unable to use the bathroom or even access a kitchen to simply make a cup of tea. Will the Prime Minister meet me to discuss how we can make sure that councils have the funding they urgently need to build and retrofit homes, to ensure that all children have the start in life they deserve?

The Prime Minister: I thank the hon. Gentleman for raising what is a really important issue for his constituents and for so many constituents. I am pleased to confirm that we have put down £69 billion for councils—that is a 6.8% cash-terms increase—including up to £3.7 billion in vital additional funding for social care. We have doubled the funding for the disabled facilities grant, with an additional £86 million to allow 7,800 more disabled and elderly people to make improvements that enable more independent lives, and we will continue to do so, working across the House.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Eighty-three proud pottery workers woke up on Monday morning with no job, following the collapse of the 200-year-old Royal Stafford pottery firm. It is a crisis in our ceramics industry, with escalating prices for energy, and fake and foreign imports causing a real problem. Will the Prime Minister, through his offices, arrange for the energy companies to meet Ceramics UK and the GMB, as the voice of the workforce, so that we can hammer out a new deal? Will he promote, through public procurement, buying British so that proud manufacturing jobs in Stoke can be protected?

The Prime Minister: I am grateful to my hon. Friend for raising this really important issue. It is obviously a question of jobs, but it is also a question of identity and a sense of place. Of course we will work with the energy companies and have the relevant meetings, as he suggests.

Q6. [902620] **Calum Miller** (Bicester and Woodstock) (LD): Agnes lives in my Bicester and Woodstock constituency. In 2019, when she was nine, she was referred by her GP to child and adolescent mental

health services. Agnes has had to wait more than five years for an assessment for the neurodiversity that has caused her crushing mental health problems. Last year, when Agnes's dad, Jim, sought to accelerate her appointment, he was told that CAMHS could not see her or prioritise her appointment

"unless Agnes is actively trying to kill herself."

Jim asked me to raise this case because he wants to ensure that no other child goes through the same experience as his daughter. Will the Prime Minister meet Agnes, Jim and me to hear their story?

The Prime Minister: I thank the hon. Member for raising this issue in that way, and I pass on to Agnes and Jim how impactful what he has said is, and how important it is that he continues to raise this issue. Far too many children and young people are waiting far too long to receive the mental health support that they need, and we are determined to ensure that more children and young people can access high-quality mental health support in a timely manner.

Claire Hughes (Bangor Aberconwy) (Lab): Llandudno is a beautiful seaside town and a wonderful place to visit, but businesses are struggling with a rise in shoplifting. In many cases, thieves are stealing in full view of staff because they just do not fear the consequences. The recent funding boost for neighbourhood policing is very welcome, but will the Prime Minister please tell my constituents what more the Government are doing to tackle retail crime and deter repeat offenders?

The Prime Minister: For far too long, crimes such as shoplifting have been written off as "low level." That is wrong; such crimes are devastating. The Conservative party left us with rising crime and effectively told the police to ignore shoplifting of under £200-worth of goods. We have got rid of that shoplifters' charter, and we are working hard to ensure that we take a grip where they lost control.

Q7. [902621] **Claire Young** (Thornbury and Yate) (LD): Following the earlier question from my right hon. Friend the Member for Kingston and Surbiton (Ed Davey), I want to raise an equally troubling case. My constituent retired from the police force to care for his wife, working a part-time job to help pay the bills. As his earnings were not consistent, there were times when he was above the carer's allowance threshold, causing later payments to be withheld. He is now owed thousands of pounds, and recently he was diagnosed with grade 4 glioblastoma, which has made the situation even more serious. Will the Prime Minister agree to look at the situation and ensure that the Department for Work and Pensions supports rather than penalises carers?

The Prime Minister: Again, we have obviously set up the independent review into exactly what happened in those cases, which was the right thing to do. We will look at individual circumstances, so if the hon. Member is willing to pass the details to me, we will look at them.

Johanna Baxter (Paisley and Renfrewshire South) (Lab): Audit Scotland recently exposed the incredible funding crisis facing our councils in Scotland, with a £759 million funding gap. It also reported that the

12 councils that make up the Strathclyde pension fund are reducing their employer contributions from 19.3% to 6.5%. Does the Prime Minister agree that instead of taking money out of workers' pensions, the Scottish Government should appropriately fund our councils?

The Prime Minister: My hon. Friend is absolutely right to point out the failure of the Government in Scotland. They do not want to talk about that failure. They have got the powers, and they have got the resources; they just have not got any excuses left.

Visit to Scotland

Q9. [902624] **Dave Doogan** (Angus and Perthshire Glens) (SNP): When he next plans to visit Scotland.

The Prime Minister: The hon. Member asks about visiting Scotland. As he knows, my first visit, within days of becoming Prime Minister, was to Scotland, where I met the First Minister. I have also visited Scotland for the meeting of the Councils of the Nations and Regions in October, for the Interpol General Assembly in November and for the British Irish Council in Edinburgh in December. I look forward to going again very soon.

Dave Doogan: Interestingly, the Prime Minister could not tell me when he will next be visiting Scotland, but does he agree with the withering assessment of the eminent politics professor Sir John Curtice, who says that the current UK Prime Minister is

"the worst thing that ever happened to Anas Sarwar"?

If he does not—and he should—does he think that it is stripping Scottish pensioners of their winter fuel payment, abandoning workers in Grangemouth or attacking the national insurance payments of farmers that has catastrophically torpedoed Labour in the polls in Scotland? When he does get a date, he can even bring his Chancellor with him to back him up on the numbers—assuming that she is still Chancellor by then.

The Prime Minister: I remember when that rhetoric used to come from SNP Members sitting down there—

Dave Doogan: That's the same answer you gave the last time.

Mr Speaker: Order. Mr Doogan, I want no more.

The Prime Minister: The hon. Member has to shout because the SNP Members are so far away at the back and there are so few of them that otherwise they would not be heard.

Engagements

James Naish (Rushcliffe) (Lab): My constituent Matthew and his mum Catherine, alongside Emma Murphy and Janet Williams, have campaigned for many years to get compensation for families affected by the epilepsy drug sodium valproate. Twelve months on from the Patient Safety Commissioner's report on this matter, those harmed are still waiting for the recommendations to be implemented. How much longer will the individuals and families impacted by valproate need to wait for the clarity they seek? Will the Prime Minister arrange for a Health Minister to meet valproate campaigners to discuss this important matter?

The Prime Minister: This is obviously a really important matter. I understand that the Minister for patient safety met patient groups before Christmas to hear their stories, their accounts and their experiences at first hand. We will provide an update on the Patient Safety Commissioner's report at the earliest opportunity to the House.

Q10. [902625] **Sorcha Eastwood** (Lagan Valley) (Alliance): We all know how the song goes:

"You've got to know when to hold 'em,
Know when to fold 'em,
Know when to walk away,
And know when to run".

We in Northern Ireland have done all of them, because the system of government that we have is a gamble. Well, I am not prepared to roll the dice on the people of Lagan Valley, who have already been without government 40% of the time. The Secretary of State for Northern Ireland says that he wants to stop the cycles of collapse, and so do I, but do not then turn around and tell us in Northern Ireland that we cannot deliver public service transformation, if no steps are taken to stop the collapse. The people of Northern Ireland who I represent—nationalist, Unionist and unaligned, like myself—are all out of aces. Our public services are on the floor. Will this Government be the one to step up to the plate, reform the institutions, end the veto and stop rolling the dice on the people of Northern Ireland?

The Prime Minister: Since 1998, the Good Friday agreement has delivered a far more peaceful society in Northern Ireland, and that is really important. Restoration of power sharing was a significant milestone, and it allows the institutions to make progress on the most important issues to the people of Northern Ireland. We will continue to work with all parties to that end.

Gill Furniss (Sheffield Brightside and Hillsborough) (Lab): I was delighted recently to visit Chaucer school, a great school in my constituency with fantastic young people and innovative and motivated teaching staff, but 14 years of Tory government did not do enough for more than 300,000 children across the country attending schools that are stuck and kept receiving poor Ofsted judgments. Will the Prime Minister set out how this Government will tackle inequality and tear down barriers to opportunity through our plan for change?

The Prime Minister: The Children's Wellbeing and Schools Bill will ensure that all schools can innovate, that new teachers are qualified and that every child receives a consistent core education to set them up for success in life.

Q13. [902628] **Dr Danny Chambers** (Winchester) (LD): Five months ago, the Care Quality Commission reported that two thirds of maternity units in England were unsafe, and years of unsafe staffing levels have resulted in the NHS paying an astonishing £1.15 billion a year in compensation due to avoidable injuries caused during childbirth and sometimes deaths. The previous Conservative Government allowed maternity services to deteriorate to the point where many consider it to be a public health crisis. Will the Prime Minister commit to improving maternity care and women's health services as a top priority, so that our maternity unit in Winchester and those around the rest of the country are the safest places in the world for women to give birth?

The Prime Minister: I thank the hon. Member for raising this important issue. Women and babies deserve the highest standards of care through pregnancy, birth and the months that follow. We are committed to recruiting thousands of new midwives for the NHS while providing support to trusts that are failing on maternity care. We are working with the NHS as it delivers a three-year maternity plan, which is making good progress in improving services, including for his constituents.

Michael Wheeler (Worsley and Eccles) (Lab): Last week I had the opportunity to visit two of the local jobcentres that serve my constituency. The dedication of the staff I met to helping our local community, supporting people into work and adapting to the area's needs was inspiring. Does the Prime Minister agree that we must listen to their frontline experience as we look to remove the barriers to work that keep people locked out of jobs? Will he visit those teams with me to see the work that they do?

The Prime Minister: Our "Get Britain Working" White Paper sets out the biggest reforms to employment support in a generation, backed by £240 million of investment. Through our plan for change, we will boost living standards and have more secure, rewarding jobs to make work pay.

Chagos Islands

12.41 pm

Nigel Farage (Clacton) (Reform)(*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if he will make a statement on the negotiations of the transfer of sovereignty of the Chagos islands to Mauritius.

The Minister of State, Foreign, Commonwealth and Development Office (Stephen Doughty): As we and Mauritius have repeatedly said, including in joint statements on 20 December and 13 January, both sides remain committed to concluding a deal on the future of the Chagos archipelago that protects the long-term, effective operation of the UK-US base on Diego Garcia. Securing the long-term future of the base has been and remains our primary objective throughout this process.

Following technical talks between the UK and Mauritius last month, we have made very good progress towards this deal. Both sides have agreed that, given the importance of the base to the United States as well as to us, it is right that the new US Administration have the chance to consider the full agreement properly, as I discussed with the hon. Member for Clacton (Nigel Farage) in yesterday's Westminster Hall debate. We are closely engaging with the Administration, including sharing the full details of the agreement. It would not be appropriate or usual for me to give a running commentary on the detail of those discussions or the agreement. As I have said on a number of occasions, Parliament will have the opportunity to scrutinise the deal in the usual way. Following signature, the Government will bring forward a Bill to implement the treaty.

I must reiterate that the Government inherited a situation where the long-term future of the military base, which is vital to UK and US security, was under threat, as opposition Members know. The previous Government recognised that, which is why they began negotiations in 2022 and held 11 rounds of negotiations. This Government have secured a deal that protects the base for at least the next 99 years—a period that can be extended. That means that the UK and the US will be able to operate the base unchanged well into the next century.

There will be clear commitments in the treaty for robust security arrangements, including preventing the presence of foreign security forces on the outer islands and ensuring that the base can continue to operate securely and effectively. We would only agree a deal that we are confident protects our national security and that of our allies.

Nigel Farage: The Mauritian Parliament had the opportunity yesterday to debate this at length, but it seems the Minister was perhaps rather more reluctant to be here today.

Jonathan Powell, our national security adviser, has been doing the rounds in Washington, where he has been telling everybody, including members of the new US Cabinet, that this is necessary—that we have to give away the sovereignty of the Chagos islands—and that in those circumstances a negotiated 99-year lease is the best option. But that is just not true, is it? It is not true at all. It does not stand. There is no legal basis on which we have to give away the sovereignty of the Chagos

islands. An advisory judgment from the International Criminal Court has no force of legal power whatsoever; indeed, America disregards it so much that it is not even a member.

The Americans, by the way, have been pretty busy with foreign policy just lately, so it is perhaps no wonder that Diego Garcia has not been high on their agenda, but when they wake up to the fact that this has been done—wholly unnecessarily—I would not be surprised if we find ourselves, together with the European Union, in their tariff regime.

Can the Minister confirm that there is no binding legal basis for this transfer of sovereignty whatsoever?

Stephen Doughty: The hon. Gentleman goes over ground that he has gone over before, with questions I have answered in this House and, indeed, which were discussed in yesterday's debate. We have been very clear, as indeed were the previous Government, that this base was not on a secure footing. This has been done in full agreement with the US national security apparatus across the piece. He refers to the ICC; it was, of course, the International Court of Justice that made that judgment.

We are very clear that the joint UK-US base on Diego Garcia plays a critical role in countering an array of threats to regional and international security, and we will not scrimp on the security of that base or on the solidity of the agreements around it. We will ensure that it is in operation well into the next century and that we are able to operate unimpeded as we do today. That is exactly why the previous Government recognised there was a problem and engaged in this process, and it is why we have brought that problem to a conclusion, with a deal that protects our interests and the interests of the United States and that ensures the security of the base and its operation.

As I have said, once the treaty is signed, it will be brought before the House for scrutiny before ratification in the usual way. [*Interruption.*] I hear chuntering from the Opposition Benches. I have to say, the Opposition seem to have collective amnesia over this issue. They know full well the reasons behind this; many of them were members of the previous Government. They have heard what the Prime Minister just said on the Leader of the Opposition's attacks. We are very clear that this is about defending the UK's security, putting the base on a secure footing and securing that for the future, for both us and our allies.

Mr Toby Perkins (Chesterfield) (Lab): At the most recent Environmental Audit Committee sitting, we heard about the importance of the Chagos islands for the marine environment. Can my hon. Friend tell us anything more about the specific reassurances we have had on that crucial area for the biodiversity of the marine environment, and how that will be protected after this deal, from the discussions that he has had?

Stephen Doughty: I thank my hon. Friend for his important question. It was a delight to appear before his Committee to discuss other matters just a few weeks ago. This treaty reflects both parties' shared commitment to uphold international environmental law, including high conservation standards across the archipelago. Mauritius has expressed dedication to marine conservation and has aligned its global initiatives to protect 30% of

marine areas by 2030 and its commitments under the sustainable development goals, and establishing a fit-for-purpose marine protected area is a crucial part of that. We will work with Mauritius very closely on this matter. It was a very important part of the discussions, and I am very glad we have been able to make the agreements that we have.

Mr Speaker: I call the shadow Secretary of State.

Priti Patel (Witham) (Con): Let us be clear: Labour's disastrous deal is one of the worst foreign policy failures in modern British history. Labour is surrendering an absolutely critical strategic defence asset that we operate together with our closest security partner—now we are told we will have to pay billions for the privilege of doing so. When Labour negotiates, Britain loses, and loses big time.

While this House has been kept in the dark on the details, our counterparts in Mauritius have not. They had a robust debate in Parliament, which many of us watched on YouTube. It was just extraordinary. The Prime Minister of Mauritius gave his Parliament a detailed account, and even a chronology, of the deal and the negotiations that led to it—details that Labour repeatedly refused to disclose to this House and which the Prime Minister of Mauritius set out in no uncertain terms so that nobody should be in any doubt.

This weak, hapless Government have backed down and the House deserves answers today. Has the Minister given away our ability to unilaterally extend the period over which the UK can exercise sovereign rights on Diego Garcia? The Mauritius Prime Minister says he has. Has the Minister given away our ability to exercise sovereign rights over Diego Garcia entirely? If so, what is the cost? Is it £9 billion? Is it £18 billion? Is it to be inflation-proofed, as the Mauritian Prime Minister stated in Parliament yesterday? If the Minister is frontloading payments, what other services will be cut here in the United Kingdom in the immediate term to make room and pay for the deal? When Labour is imposing taxes on education, family farms and businesses, and has cut winter fuel payments for vulnerable pensioners, how can this eye-watering amount of money be justified to lease back a territory for which—guess what—we already own the freehold?

Will the Minister also say whether he will have to make defence cuts to absorb this enormous cost? Should the Ministry of Defence be shouldering the costs? What budget will it come from? Will the Government count the payments towards the 2.5% defence target?

On the sovereignty of bases, does the deal pose a new precedent for other bases, such as Cyprus? The Mauritius Prime Minister said last month that his Attorney General met the Minister and the UK Attorney General. Will the Minister confirm what was discussed? Importantly, may I ask again: if the Government think this is such a good deal, does he stand by that and will he defend our interests?

Stephen Doughty: I have to say again to the right hon. Lady that it was her Government—a Government that she was part of—who started the negotiations and went through 11 rounds of negotiations. She knows full well the reasons why. Quite frankly, I find it extraordinary for her to talk about defence and the national security

of this country, when we are having to rebuild and clear up the mess that her Government made of our armed forces and our defence. I am very glad to be joined on the Front Bench by the Minister for the Armed Forces, my hon. Friend the Member for Plymouth Sutton and Devonport (Luke Pollard). It is this Government who are rebuilding our defence, increasing our spending, and delivering for our armed forces and national security around the world. Indeed, this agreement is a crucial part of that. A lot of the figures being speculated about in the media should, as I said yesterday, be taken with a pinch of salt. We have been clear: there is no change to the substance or the quantum in relation to this agreement.

The right hon. Lady raises inflation. I am surprised she mentions that, because indexation was there in the public statement made about the negotiations on 3 October. Indeed, it was part of the agreement from her Government, so I am very surprised that she asks that question.

Lastly, I am deeply disappointed, as are our friends in the overseas territories around the world, that constant false comparisons keep being made with our other bases and our other overseas territories. This is not a read-across situation. We are committed to our base on Cyprus. We are committed to Gibraltar. We are committed to the Falklands. We have been absolutely and resolutely clear about that. To continue to suggest that there is some sort of threat to them quite frankly undermines our national security and does not strengthen it in any way.

Emily Darlington (Milton Keynes Central) (Lab): Does the Minister agree that, despite the Member for the Trump Government's misrepresentations, the UK Government must provide their own independent global leadership based on UK values and UK interests to make a safer world, despite or because of the new US Administration's changing foreign policy, including closing the United States Agency for International Development, and on the Chagos islands?

Stephen Doughty: I set out yesterday, in a very important debate on our bilateral relations with the United States, just how much we are co-operating already with the new US Administration on defence, security and our shared priorities around growth and prosperity. We are absolutely committed in our wider international obligations. We have set that out, the Minister for Development, my right hon. Friend the Member for Oxford East (Anneliese Dodds) has set that out, and my colleagues have set that out in relation to climate change. We will continue to work with the United States on all the global challenges we face.

Mr Speaker: I call the Liberal Democrat spokesperson.

Calum Miller (Bicester and Woodstock) (LD): I put on record the deep concern of the Liberal Democrats at the way this deal has progressed.

We accept the ICJ ruling. I thought there was a consensus across the House on the importance of the UK upholding the rule of law, so I am bemused by the confected consternation of those on the Conservative Benches. It was the then Foreign Secretary, the right hon. Member for Braintree (Mr Cleverly), who in 2022 stated:

"it is our intention to secure an agreement on the basis of international law to resolve all outstanding issues"—[*Official Report*, 3 November 2022; Vol. 721, c. 27WS.]

[Calum Miller]

But under this Labour Government, Chagossians have been ignored, Parliament is without a say, and the lack of foresight on how the US presidential election might affect the deal is troubling. After failing to force through an agreement, Ministers have now given Donald Trump a say about the future of sovereign British territory. Can the Minister confirm that before signature, this House will be given a vote on the terms of the final deal, in particular to see how UK security interests have been protected?

Stephen Doughty: I have set out on a number of occasions why the deal is right for our national security interests and those of our allies. I have also set out very clearly the normal process. It will go through Parliament.

Mr Alex Barros-Curtis (Cardiff West) (Lab): I thank the Minister for his response to the urgent question. I listened carefully to the concerns of the hon. Member for Clacton (Nigel Farage) about the deal. If those concerns are about the possible costs, then given that his entry in the Register of Members' Financial Interests states that he has earned nearly £600,000 in the past six months since his election, perhaps the Minister might agree with me that the hon. Gentleman could make a donation to the Government to secure our national security—

Mr Speaker: Order. I am sure you want to ask a serious question.

Mr Barros-Curtis: Thank you, Mr Speaker. Apologies. Will the Minister reassure me, as he has in his response and in countless statements before, that when the treaty comes before the House, securing our national security will be paramount through a process that, as he said, was started under the previous Government?

Stephen Doughty: We will not scrimp on national security, as I have said. There has been no change to the substance of the deal or the overall quantum agreed. We will present the process in the usual way, as I have said multiple occasions.

Mr Andrew Mitchell (Sutton Coldfield) (Con): I want to try to be helpful to the Minister. I was the Deputy Foreign Secretary throughout much of the negotiations and I am in a position to tell the House that neither my right hon. Friend the Member for Braintree (Mr Cleverly) nor the noble Lord Cameron in the other place would ever, as Foreign Secretary, have done the deal that the Government are now intent upon. I think the Minister must be praying every night for a “get out of jail free” card—that, when the American Administration come to look at the deal, they will veto it and get the Government off the hook.

Stephen Doughty: I set out very clearly the reasons for the doing the deal. It is the right deal for our national security and that of our allies. The right hon. Gentleman knows that because his Government started the process. We are engaged in constructive discussions with our US counterparts. It was absolutely right that they had the chance to consider the deal. We will allay any concerns raised, and that have been raised in the House previously, in terms of the security provisions. They have been provided with the full detail of the agreement.

Mr Calvin Bailey (Leyton and Wanstead) (Lab): The hon. Member for Clacton (Nigel Farage) says he wants to help UK relations with the US, but he has a very funny way of going about it. Opposition Members state over and over again that they understand the desires and the psyche of the US military and its people, yet they ignore the fact that, the ICJ rulings aside, the previous and present US Administrations understand the language of business and agreements, and not the gentlemen's agreements that have in the past marred discussions and negotiations about the stability and persistent military presence on the islands. It is for that reason that I ask the Minister if he agrees that the confirmation of the legal status of the base will cement our role in the Indo-Pacific and put us in a strong position to counter Chinese influence in the region.

Stephen Doughty: My hon. Friend is absolutely right about protecting against malign interests. That is exactly at the heart of the deal. He is also exactly right about the history of why the deal was needed. That was, of course, recognised by the previous Government, which was why they started the negotiations. We wanted to put the base on a secure footing well into the next century, which is what I assume they were trying to do previously and spent 11 rounds negotiating. We have come to a deal that is in our national interest. Most crucially, it is our national security and that of our allies that is at the heart of it. There are multiple safeguards in place in the treaty. They will protect our national security and that of our allies.

Sir Desmond Swayne (New Forest West) (Con): Given that what the Minister has told the House today is so at variance with the report from the Prime Minister of Mauritius, surely it rings alarm bells in his mind about the nature of the polity and the individuals with whom he is negotiating—and has he entirely lost his moral compass? The Government are considering taxing death-in-service benefits of our servicemen while at the same time contemplating spending £18 billion on saving a base that we already own.

Stephen Doughty: I am not going to reflect on the appalling record of the right hon. Gentleman's Government on defence and our service people. We are getting around to rebuilding our relationship with our armed forces and rebuilding our defences, in view of the global threats that we face.

The right hon. Gentleman asked about the Mauritian Prime Minister, who is, of course, responsible for his own words. I certainly do not recognise some of the commentary that there has been over the last 48 hours. It is clear that there has been no change in the substance of the deal or in the overall quantum agreed.

Jacob Collier (Burton and Uttoxeter) (Lab): The Minister has described the conversations he has had with American allies, but can he update the House on the conversations he has had with the wider NATO partnership, given the consequences that this could have for them?

Stephen Doughty: Our NATO membership is utterly crucial. We have a “NATO first” strategy. The Prime Minister has met the Secretary-General in the last 48 hours, and I was with NATO colleagues at the North Atlantic Council just before Christmas. We are absolutely clear

in our commitment to our NATO allies and our commitment to the United States. They form a bedrock of our security in a globally uncertain time, and that is also why we need to secure the base into the long-term future.

Dr Al Pinkerton (Surrey Heath) (LD): A few weeks ago I had the privilege of meeting a large group of Chagossians who had come from, in some cases, as far away as France to discuss with Members of Parliament their feelings about this deal. I was one of only three MPs who turned up, and the Chagossians were devastated by that turnout. They told us that they had not been in any way meaningfully consulted about the deal, so the Minister has a challenge on his hands. He told the House that meaningful negotiations and discussions had taken place. He has a choice today: he can either tell us precisely what those consultations and negotiations were, or correct the record.

Stephen Doughty: I am rather confused by that question, because I have been very clear about the engagements that I have had with members of the Chagossian community. There were two, and I have given the dates on which they took place. We continue to engage with members of that community; in fact, my officials will meet some of them next week, and I look forward to meeting them again in due course.

As I have said many times before, I respect the range of differing views within the Chagossian community. For example, the Chagos Refugees Group—one of the largest Chagossian groups—has welcomed the agreement. There are a range of Chagossian groups around the world, as the hon. Gentleman knows, and we will continue to engage with them and listen to all their views. I can assure him that the interests of Chagossians are at the heart of this agreement.

Mr James Cleverly (Braintree) (Con): The Minister, like the Prime Minister before him, keeps implying that if Members of this House were armed with the same information that they were armed with, they would come to the same decision. Well, I was armed with the information that the Minister has at his disposal; I did not come to the same decision, and neither did my direct successor, Lord Cameron of Chipping Norton. Do the Minister, the other Ministers in the Government and the officials who work on their behalf understand that the point of a negotiation is not to get any deal but to get a good deal, and that if you do not get a good deal you should walk away from the table, as we did?

Stephen Doughty: As I said earlier, the right hon. Gentleman recognised that there was a problem, he started the negotiating process, and they went through 11 rounds. This is a good deal, and that is why we have agreed it.

Stephen Gethins (Arbroath and Broughty Ferry) (SNP): For years, an international rules-based system has been the cornerstone of both our economic prosperity—as the hundreds of billions wasted on a pointless Brexit have illustrated—and our security. China does not get that, Russia does not get that, and the current occupant of the White House does not seem to get that. Do the Government get that?

Stephen Doughty: We are absolutely clear about the fact that national security is our top priority. We need to maintain our security in all parts of the world. We are in very dangerous geopolitical circumstances, as I think all Members recognise, and that is exactly why we are investing in our defence, in our NATO partnership, and in our relationships with the United States, our European counterparts and many others. We will always put the national security of our citizens and our country first.

Sir Jeremy Wright (Kenilworth and Southam) (Con): I have asked the Minister this question before, but if he will forgive me for saying so, his answer could have benefited from additional clarity, so, with your permission, Mr Speaker, I am going to ask it again.

The Minister has made it very clear, as have his fellow Ministers, that the urgency and necessity of action in this instance is based on the imminence of an adverse court judgment against the UK. He knows that the International Court of Justice is not the court that we must be thinking of here, because the United Kingdom is not subject to the compulsory jurisdiction of the ICJ when it concerns disputes involving members or former members of the Commonwealth, so it cannot be an ICJ judgment that the Minister is worried about, can it? If it is not that, what is it?

Stephen Doughty: I have explained on a number of occasions, and the last Government knew the reasons, why it was necessary to proceed with a deal to secure the future operation of the base—that was very clear—and why our allies wanted us to secure it.

Let me give the right hon. and learned Gentleman an example. We currently have unrestricted and sole access to the electromagnetic spectrum, which is used to communicate with satellites and which is guaranteed and governed by the International Telecommunication Union, a United Nations body based in Geneva. If we lose it we can still communicate, but so can others. That is one of many examples. There are a series of aspects that are important to the operations and the security of the base, its maintenance into the future, and its ability to operate unimpeded. I can tell the right hon. and learned Gentleman that all those considerations, and the protections that we have secured, have been part of why we have reached this deal. We would not have agreed a deal that did not secure the unimpeded operation of the base into the future and also left it continually at risk, as it is at present.

Sammy Wilson (East Antrim) (DUP): We have not been able to obtain any facts from the Government about the cost. The deal is, of course, inflation-linked, and we do not know what inflation will be in the future. We do, however, know three facts: first, the base is crucial to our national interests; secondly, China is seeking to expand its influence across the Indian Ocean and Africa; and thirdly, the Mauritian Government will have clear, unambiguous sovereignty over the islands. How can the Minister anticipate that our interests are safeguarded if he does not know what relationship future Mauritian Governments will have with China?

Stephen Doughty: I have answered that question on a number of occasions. Mauritius is one of the few African countries not to join the belt and road initiative—its alliance is with India—and we have clear guarantees in the treaty setting out the protections against malign

[*Stephen Doughty*]

interests on the outer islands and, indeed, in the surrounding area. That is why the whole United States security apparatus agreed to this. We would not have agreed a deal that did not protect.

Let me give some examples. The UK has full control over Diego Garcia, including control over the electromagnetic spectrum, and unrestricted access to and from the base; there is a buffer zone around Diego Garcia, in which nothing can be built or put in place without UK consent; and, of course, there are the various different robust mechanisms and review processes to ensure that no activity in the outer islands or the surrounding area can impinge on the operations of the base. The right hon. Gentleman can be assured that we would not have agreed a deal that would allow any malign force, wherever it might be in the world, to use the space around the islands or to interfere with our operations. This is about putting the base on a secure footing into the future, for our national security and that of our allies.

Sir John Whittingdale (Maldon) (Con): The Prime Minister, and the Minister just now, have stressed the strategic importance of the military base at Diego Garcia. Can the Minister make it clear that there will be no restrictions in the lease as to what the base can be used for or what might be stored there, and that the UK will have the right to extend that lease when it expires?

Stephen Doughty: I can absolutely confirm that there will be no change in the operations of the base. That is the basis on which this agreement is founded, along with all the provisions and protections within it. As I explained in earlier answers, the lease is for 99 years, with the possibility of an extension at the end of it.

Jeremy Corbyn (Islington North) (Ind): Can the Minister assure us that he will not be dragged down the road of rebuilding the empire, as he was invited to do by the hon. Member for Clacton (Nigel Farage), and will he also confirm that in international law, the Chagos islands in their entirety have become part of Mauritius? Should we not be concentrating on the right of return of all Chagossians to the islands, for which they have been campaigning ever since the 1980s, when they were so disgracefully removed? This is an issue of decolonisation, and of the Chagossians' right of return. I should be grateful if the Minister confirmed that any agreement with Mauritius will include their automatic right of return to the archipelago and their right at least to visit, and if necessary reside briefly in, Diego Garcia. They have suffered too long and too hard, and they have been treated so brutally that they deserve justice.

Stephen Doughty: The primary purpose here is national security and ensuring the functioning of the base, but the right hon. Gentleman is absolutely right to raise the issue of the Chagossians and their treatment in the past, which we all agree was wrong, and their interests are absolutely at the heart of this agreement. It will mean that, for the first time, we can resume visits to all the islands, including Diego Garcia, with the appropriate protections in place. Hopefully, it will allow settlement on the outer islands, which is part of our discussions with Mauritius on the treaty. Of course, the Chagossians can, subject to the relevant security clearances, work on

Diego Garcia as well. We recognise their lands, graves and history, and our package of measures to support the Chagossian community—both globally through a trust fund and here in the UK—will be very important. Those are some of the issues on which we look forward to engaging with Chagossian representatives over the weeks to come.

Andrew George (St Ives) (LD): The US has the most substantial interest in Diego Garcia, which is the fulcrum of what we are discussing today. Although I understand that the Minister cannot disclose the details of the compensatory package that is being negotiated, is it reasonable to assume that the US will be making a substantial contribution to that compensatory package?

Stephen Doughty: As I have said, I am not going to give a running commentary on the discussions. What I will say is that the full details are being shared with the current US Administration, and it was absolutely right that they had the chance to consider them. We are always being accused of rushing, but this has been going on for more than two years. There have been lengthy rounds of discussions and lengthy rounds of negotiations, mostly under the previous Government, but it is absolutely right that the new US Administration have time to consider the deal and to be provided with the details, particularly around security issues, so that they can be absolutely sure about the security of the base and its operation into the future, which is in their interests and ours.

Dame Harriett Baldwin (West Worcestershire) (Con): It is outrageous that we only know the detailed speculation about this deal because of the briefing from the Mauritian Prime Minister to his Members of Parliament. It is outrageous that the amount of money being talked about now is £18 billion, which is enough to pay for the winter fuel allowance for all our pensioners for the next 12 years. The Minister will not tell this House the actual quantum of money that he is discussing with Mauritius. Can he put it on the record now, and can he tell us out of which departmental budget it needs to be paid?

Stephen Doughty: I can tell the hon. Lady that the figure that she pulled out is categorically untrue. She had the answer in her question: she said "speculation". There is a huge amount of speculation, and I would take the vast majority of it with a pinch of salt.

Lincoln Jopp (Spelthorne) (Con): My right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright) spoke incredibly slowly and incredibly clearly—so much so that even I understood his question. However, the Minister did not actually give him an answer. When we joined the ICJ, we did so on the basis of a carve-out that meant that no ruling by the ICJ in respect of Commonwealth or former Commonwealth countries could be binding on His Majesty's Government. Is it the ICJ that he is concerned about, or another court?

Stephen Doughty: As we have said repeatedly, the base was not on a sustainable footing. This deal puts it on a sustainable footing.

Dr Andrew Murrison (South West Wiltshire) (Con): What does it say about this Government's priorities that they will deny pensioners the winter fuel payment, leave

WASPI women with nothing and fail to support jobs on Merseyside by supporting AstraZeneca at Speke, and that they should be contemplating an emergency Budget to raise more taxes on hard-working British people, while spaffing £9 billion on Mauritius?

Stephen Doughty: I am not entirely sure what the right hon. Gentleman's question is. If he is talking about the previous Government's economic legacy to this one, we have a substantial disagreement. The fact is that we are picking up the pieces from the mess in which his Government left the country economically and, crucially, in terms of our national defence. We will not scrimp when it comes to our national security, we will not scrimp when it comes to our armed forces, and we will not scrimp when it comes to our overseas bases and our commitments to our allies. That is exactly why we are getting this deal.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I refer the House to my entry in the Register of Members' Financial Interests.

There has never been a satisfactory explanation as to why this deal was rushed out hours before a very unpopular Government called a general election in Mauritius, which created the impression that this Government were attempting to interfere in Mauritius's democratic process. The outcome was that the Mauritian Government secured only one seat in their Parliament in the general election. Can the Minister finally tell us why it was imperative to rush the deal out in that timeframe, hours before an election was called?

Stephen Doughty: Again, I refer to my previous statements. There has been no rush. We have been engaging with our Mauritian counterparts and the United States Administration, and we believe that we have a deal that meets all the interests of those involved and, crucially, that protects our national security. There is no rush.

Dave Doogan (Angus and Perthshire Glens) (SNP): This matter must be so important if it consumes so much of the Minister's credibility and £18 billion of taxpayers' money. One would think there would be more than four Government Back Benchers here to speak about it. Is it that they do not care, or do they lack the literacy to discuss these issues? The Minister said on the "Today" programme this morning that we have passed the situation on to the White House, that we await its feedback and that, when we receive it, we will know exactly where we stand as a Government. Is that the type of sovereignty he is after?

Stephen Doughty: There are so many different bits of the hon. Gentleman's question that I do not recognise. For a start, I was not on the "Today" programme this morning, so I do not know who he is referring to. I certainly do not recognise the figure of £18 billion, so I do not understand at all what he is getting at.

Ben Obese-Jecty (Huntingdon) (Con): The Minister confirmed to me in a written answer last week that we will not have a unilateral ability to extend the agreement. In December, the Minister for the Armed Forces, the hon. Member for Plymouth Sutton and Devonport (Luke Pollard), said that he was confident that Members

would back it when we saw the detail. This is seemingly a renegotiated deal, and we have not seen the detail of the original deal or this deal. What are the differences between the previous deal and the renegotiated deal, and when will the details be presented to Members of this House?

Stephen Doughty: There has been no change to the substance of the deal, nor to the overall quantum agreed. We will present it in due course so that it goes through the normal process of scrutiny in this House.

Jim Allister (North Antrim) (TUV): I have a simple question: do the Government disagree with anything that the Prime Minister of Mauritius said about this deal yesterday, and if so, what is it?

Stephen Doughty: I refer the hon. and learned Gentleman to the answer I gave a few moments ago. The comments of the Prime Minister of Mauritius are for him to make. As I said, there has been no change to the substance of the deal, nor to the overall quantum agreed. We believe that we have reached a deal that is in the interests of the UK and Mauritius and, indeed, of the United States and our allies.

Mr Joshua Reynolds (Maidenhead) (LD): Parliament has been without a say on the deal, despite numerous efforts to raise concerns. Why should Donald Trump have a say about British sovereign territory when British elected officials do not? When will the Minister ensure that this House is given a final say on the deal?

Stephen Doughty: This House will have a final say on the deal, in the usual way for considering such measures. Legislation will be laid in due course. It is absolutely right that the United States Administration have the chance to consider the deal, to raise concerns and to be briefed on the full details, which is why we have given them time to do so. Of course, our relationship with the United States on these islands is also governed by international law and an exchange of letters between the United States and the United Kingdom, and it is absolutely right that we meet those obligations too. We also have shared commitments to security in the Indo-Pacific, so it is absolutely right that the deal is agreed. It was agreed with the US national security apparatus prior to the election, and it is right that the new Administration get their chance to look at it and ask whatever questions they wish.

David Reed (Exmouth and Exeter East) (Con): Will the FCDO team please confirm who is the lead Minister in these negotiations?

Stephen Doughty: These negotiations are between the two Governments. There are a range of interests at play, and a range of Ministers have been involved in the negotiations. There are equities here for the FCDO, the Ministry of Defence and other parts of Government, so it is a joint HMG negotiation.

Dr Neil Hudson (Epping Forest) (Con): This Labour Government are making choices, claiming that they have no money, from taxing jobs, family businesses and family farms and cutting winter fuel payments for pensioners to delaying much-needed new hospitals such as Whipps Cross and the Princess Alexandra. What does the Minister say to my constituents in Epping

[Dr Neil Hudson]

Forest who are asking how this Government can now find billions of pounds to pay to give away British sovereign territory and, in so doing, compromise national and global security?

Stephen Doughty: I simply do not accept the premise of the hon. Gentleman's question. We will not scrimp on national security. We will invest in our national security, we will secure our bases and we will invest in our armed forces. We will invest in our defence and we will protect the British people. We will invest in it, not scrimp on it as the previous Government did.

Jim Shannon (Strangford) (DUP): Although I might have a different opinion, I always try to be respectful, and I hope that the Minister will receive my question as such. He will be aware of my opposition, and indeed the opposition on this side of the House, to the Chagos deal in terms of the citizenship and the identity of those islanders, as well as the security our base. To this, I have to add a word of caution on funding, as I see farms being attacked by the farming inheritance tax on the one hand and an open-ended cheque being given to Mauritius on the other. Will the Minister not rethink this terrible decision, or better still, given the clear division between this side of the House and his side, let us make that decision?

Stephen Doughty: Of course the House will have the right to make its decision in due course when legislation is put forward. That is only right and there will be ample scrutiny. The hon. Gentleman has always had a keen interest in the interests of the Chagossians, which I deeply respect. As I have said, there is a range of different views within the community, but their interests are very much at the heart of this. He referred citizenship, and of course they will retain their right to British citizenship, which has been in place since 2022. Many Chagossians have chosen to make their home here and to take British citizenship. That is right, and we all agree that what happened historically was wrong.

English Devolution and Local Government

1.21 pm

The Secretary of State for Housing, Communities and Local Government (Angela Rayner): With permission, I would like to update the House on devolution in England and local government reorganisation.

The No. 1 mission of this Government is to unlock growth in our regions and put money back in the pockets of working people. Every one of our proud towns and cities has a vital contribution to make to growth, but for all the promises of levelling up, when the rubber hits the road, Governments' first instincts have been to hoard power and hold our economy back. Since I launched the devolution White Paper in December, I have been overwhelmed by the excitement from communities wanting to join the devolution revolution. With the measures I will announce today, if all goes to plan, over 44 million people will see the benefits of devolution, which is close to 80% of the country. That is more progress in a shorter amount of time than under any Government in Britain's history.

Today, I am delighted to announce six new potential devolution areas that will be part of our devolution priority programme with a view to mayoral elections in May 2026. These places will get a fast-track ticket to drive real change in their area. While devolution can sound techie, the outcome is simple. It is a plan for putting more money in people's pockets, a plan for quicker, better, cheaper transport designed with local people in mind, and a plan for putting politics back in the service of working people. Today, I can confirm to Members across the House that the places on the devolution priority programme are: Cumbria; Cheshire and Warrington; Greater Essex; Hampshire and Solent; Norfolk and Suffolk; and Sussex and Brighton. Mr Speaker, a seventh area that is somewhat familiar to both of us, Lancashire, is already deciding its mayoral devolution options, and we will look at its proposals in the autumn in parallel with the priority programme.

When I became Deputy Prime Minister, I promised that this Government would change the future of the north of England so that northerners would no longer be dictated to from Whitehall. The programme I announce today will see the north of England covered by devolution, but this programme is for all of England, as is shown by the significant progress in the east and the south. Today, legislation comes into force creating mayoral devolution in Greater Lincolnshire and in Hull and East Yorkshire, which are electing their first mayors this May, as well as foundational devolution in Lancashire and in Devon and Torbay.

Every place can see a benefit from devolution, and we want to move quickly to realise these benefits within the first term of our Government. Whether it is more regular bus services, more affordable housing or the simple fact that local people will have a local champion with regional influence, mayors have a proven track record of delivering growth and higher living standards. But we are clear that where a mayor is not using their powers to benefit their residents, the Government will have the tools to ensure delivery. We will create strong accountability measures in the English devolution Bill to ensure that mayors deliver the housing, transport and infrastructure that their residents need.

But devolution is only as strong as the foundations it is built on. Despite the funding injection from this Government, councils of all political stripes are in crisis. A decade of cuts and sticky-plaster politics has left councils in a 14-year doom loop. That is why we are fixing the foundations of local government by reforming funding and focusing on prevention. I know how vital local government is for achieving our Government missions. I also know that reforming local government means tough choices—choices that the Conservatives were simply too unwilling to take.

Councillors of all types, including district councillors, tell me that the two-tier system is not working, so alongside our wider reforms, this Government are committed to making simpler, more efficient and clearer structures so that residents can access good public services without eye-watering price tags. These kinds of reforms will not happen overnight, but we are determined to deliver fairer funding to end the postcode lottery so that everyone gets the support from public services that they deserve. That is why today I will be issuing a legal invitation to all 21 two-tier areas to submit proposals for new unitary councils. Letters and the accompanying written statement will set out the requirements for these proposals.

New unitary structures will be the right size to achieve efficiencies, improve capacity and withstand financial shocks, but I am clear about the need for flexibility when reorganisation goes hand in hand with mayoral devolution and when it is coupled with ambitious plans for housing growth, so these proposals will be developed with effective local engagement and dovetail with devolution arrangements. I want to reassure Members that this process will involve extensive engagement with local communities and Members of this House.

Turning to the timings of the local elections in May, for certain areas a significant amount of work is needed to unlock devolution and deliver reorganisation. For this reason, some areas requested to postpone their elections until May 2026. The Government's starting point is for all elections to go ahead unless there is a strong justification for postponement. The bar is high, and rightly so. I am agreeing to only half of the requests that were made. After careful consideration, I have agreed to postpone elections only in places where this is central to our manifesto promise to deliver devolution.

We are not in the business of holding elections to bodies that will not exist, and where we do not know what will replace them. This would be an expensive and irresponsible waste of taxpayers' money, and any party calling for those elections to go ahead must explain how this waste would be justifiable. To that end, I have agreed to postpone local elections in East Sussex and West Sussex, in Essex and Thurrock, in Hampshire and the Isle of Wight, and in Norfolk and Suffolk. I have also agreed to a postponement in Surrey, given the urgency of creating sustainable new unitary structures, to unlock devolution for this area. I intend to move to elections to the new shadow unitary councils in all these areas, as is the usual arrangement for local government reorganisation.

We are postponing elections for one year, from May 2025 to May 2026. There is a well-established precedent, as the Conservative party knows all too well. North Yorkshire, Cumbria, Somerset, Buckinghamshire and Northamptonshire all had their elections rescheduled

by the previous Government. I will table the relevant secondary legislation when parliamentary time allows, and local elections will take place as scheduled in all other areas. I make it clear that all two-tier areas should be making plans to move to simpler structures, regardless of election delays. The invitation will be sent to all two-tier areas, with a timetable taking into account that their election has been delayed.

I know that the devolution journey may not always be comfortable for politicians in Whitehall, but it is not supposed to be. After all, we are undergoing a generational power shift from Whitehall to the town hall. We have already seen a huge amount of good will from Labour Secretaries of State who are willing to give up newly won powers for the sake of our towns and cities. The Secretaries of State for Energy Security and Net Zero, for Transport, for Work and Pensions for Science, Innovation and Technology have led the devolution charge, and now the Prime Minister and I ask Members to do the same.

I commend this statement to the House.

Mr Speaker: I call the shadow Secretary of State.

1.31 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I thank the Secretary of State for her statement, and for giving me advance sight of it.

Although we support the principle of devolving power to local areas, we are totally against the Secretary of State's plans to abolish every county council and district council in England, and we are against the unprecedented mass postponement of local elections for at least one year. Today is a very worrying day for democracy in this country.

The Secretary of State is making local government less accountable to the people and more accountable to her. Contrary to her statement, she is not doing away with a two-tier system; she is simply creating a new tier of Orwellian-sounding strategic authorities that are closer to her and closer to Whitehall, for her to use as a pawn to implement this Government's deeply unpopular socialist agenda.

The reality is that this is delegation, not devolution—not devolution but a clear centralisation. As Dr Andy Mycock of Leeds University set out in his recent paper on the Secretary of State's plans, there are clear concerns about the potential

“power drain of back-bench local councillors if local government is seen increasingly as a delivery agent.”

Let us be clear that this announcement is a huge upheaval of local government right across the country. This was not a Government manifesto commitment, and the Secretary of State has no mandate for it. These are her choices, and she has put a gun to the head of local councils to force them into a decision with little regard for local people. This is not the invitation she claims in her statement; it is an instruction. No council should be bullied or blackmailed into local government restructuring.

Local government should be local to residents and respect local identities. We have a proud record of supporting devolution and, rather than this top-down approach, we have worked with local people to deliver devolution from the ground up. The Government have tried to claim that they are taking a bottom-up approach—indeed, the Minister for Local Government and English

[Kevin Hollinrake]

Devolution said exactly that on the Floor of the House on 20 January—yet the Secretary of State admits in her statement that

“all two-tier areas should be making plans to move to simpler structures”.

Imposing Whitehall diktat on local people, rather than the locally led approach we followed, is prone to problems, especially when rushed.

How exactly will this restructuring put more money into people's pockets, as the Secretary of State claims? What evidence does she have that it will mean lower bills for taxpayers? How is this consistent with the Prime Minister's claim in March 2023 that council tax would not increase by a “single penny” under a Labour Government?

Does the Secretary of State accept that she has no electoral mandate for this huge upheaval? Does she also accept that these changes, which will mean that every single council employee in two-tier areas has to reapply for their job, will have an impact on local services, including planning delays? How will this impact on her plans to deliver 1.5 million homes in this Parliament—a 50% increase on the 50-year record levels delivered by the previous Government?

Councils in areas of the country included in this announcement are carrying very high levels of debt—Woking and Thurrock, to name but two. What support will the Secretary of State give to authorities facing eye-watering levels of debt, and will this debt be written off? What is she doing to ensure that, as a result of today's announcement, authorities do not embark on reckless asset disposal programmes and spending sprees? Can she confirm that elections will be delayed for a maximum of a year, or is it the case, as we have heard, that elections could be delayed by up to three years?

Angela Rayner: I have been very clear that Labour is embarking on a once-in-a-generation project to unlock growth in our regions, and to shift power out of Westminster and into local communities. From the shadow Secretary of State's response, I cannot quite figure out whether the Conservatives agree or disagree with it.

First, this project will unlock billions of pounds to spend on frontline services, which is why councils have come forward and want to work with us to ensure that we deliver. It will be for local areas to decide whether they apply to the priority programme and respond to the statutory invitation to all two-tier areas. We have made no bones about the fact that we want to see reorganisation so that money and funding go into the public services that need it most.

Secondly, the hon. Gentleman talks about money. We have put £69 billion into local authorities, which is a 6.8% real-terms increase. In contrast, there were 23% cuts in the last decade under the Conservatives. He talks about council debt, but it was his Government who pushed councils to the brink. He talks about the impact on local services, and we are working with councils to inject the money and resources they need so that they can deliver for local people. It was his Government who brought them to the brink.

I cannot believe that the hon. Gentleman wants to talk about housing targets, because his Government

failed to meet their housing targets every single year, leaving us with a housing crisis. He should be apologising for his Government's record on housing.

We are proud of the work we are doing on devolution. We are proud that we are working with councils. We are proud that we are bigging up the work of our local authorities and, unlike the Conservatives, we will continue to support them.

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

Florence Eshalomi (Vauxhall and Camberwell Green) (Lab/Co-op): I thank the Secretary of State for setting out the Government's ambitions for devolution across England. I welcome the commitment to putting power into the hands of local communities, so that people feel decisions are being made with them, not to them. We have seen proposals from areas, including Essex county council, that want and welcome some of these changes, and we should respond to them. Some councils will see elections postponed but, again, 19 council areas were expanded under the last Government. The expansion of the mayoral model is welcome, building on the success of the last few years.

On tackling regional inequality, this statement includes parts of the country that, frankly, have been failed by successive Governments. These are major structural reforms to local government, and there are concerns about disruption to services during their implementation. Councils are already seeing this, and it will have an impact on the most vulnerable. Will the Secretary of State ensure that these transition arrangements do not have an impact on the essential day-to-day services on which so many of our constituents rely?

Angela Rayner: I thank the Chair of the Select Committee for recognising that local councils and areas have come forward, and that this Government are responding to their requests and working with them. When I became Secretary of State, I promised them that this Government would set a different tone. We will work with local authorities and respect them, regardless of their political colours, and we will deliver for local people.

I also welcome my hon. Friend's comments on the mayoral model; we have seen how that model has brought positive change to local areas. I acknowledge the concerns raised about capacity and local services. We are ensuring that we work with local authorities to increase support for them, so that this exercise will deliver better public local services for people and will not be to their detriment.

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

Vikki Slade (Mid Dorset and North Poole) (LD): I thank the Secretary of State for advanced sight of her speech, but I am disappointed that we read the list of cancelled elections on social media, well before it was made available to Parliament. How was that allowed to happen?

A key pillar of our democracy is the right to vote, with people making a mark for the person they want to represent them. The Conservative councils that asked for and have been granted the right to cancel their elections have created crises in special educational needs

and have let their residents down. The Conservatives should have been kicked out of county halls last May, as they were kicked out of government last summer, but now those councils have been given the right to help design the new authorities. The plan, which also signals the end of district councils, is completely undemocratic.

We welcome the move to mayoral authorities—it is in train and, as a former council leader, I know councils were already working on it—but there is no democratic mandate for the cancelling of councils in ancient cities such as Colchester and Winchester, the previous capital of England. That was not in the Labour manifesto. What active role will those districts have in the co-production of the new unitary authorities? When will those district councils cease to exist? For priority areas such as Surrey and Hampshire, what assurance will the Secretary of State give that the elections will not take place after May 2026? For places that have had their own authority for hundreds or even thousands of years, what support will be provided to develop meaningful town councils with statutory powers, so that the identity of places such as Winchester can be maintained forever?

Angela Rayner: I am disappointed when things are on social media first. I respect this House, Madam Deputy Speaker, and I have come here at the earliest opportunity to update the House.

On the cancelled elections, councillors in those areas are elected, and we have delayed for reorganisation only under exceptional circumstances, where councils have come forward. As I have made absolutely clear, the delay is for a year, from May 2025 to May 2026. As I stated earlier, I turned down many more councils because I believe that democracy is crucial. There is an active role for district councils. We are working with districts and local authorities to ensure that the consultation period and reorganisation are being done with them, not being done to them. It is incredibly important to stress that.

Mr Clive Betts (Sheffield South East) (Lab): May I follow up on two issues? First, following the comments made by the Chair of the Levelling Up, Housing and Communities Committee, while devolution arrangements are being put in place, there is still pressure on councils to deliver existing services. Will the Secretary of State look at some additional short-term funding to help council officials with that process? Secondly, in the longer term, we will need a lot of very good councillors to deliver the new authorities. Will she look once again at reinstating the right of councillors to become part of the local government pension scheme, so that people who often give up financially in order to be councillors do not have to do so in the long term, with reduced pensions?

Angela Rayner: We recognise the pressures on councils. We are delivering a real cash increase to councils, with £5 billion more in the settlement. The Minister for Local Government and English Devolution will be leading a debate on that later today. We recognise that councils had it difficult under the previous Administration, which is why we are working with them. We are giving them real-terms increases to their budgets and we want to see reorganisation that focuses on the delivery of service for the people who desperately need it.

Sir Roger Gale (Herne Bay and Sandwich) (Con): Some of us have been around the local government reform circus on a number of occasions in the past, and I fear that the Secretary of State will find that this piecemeal approach will be disastrous. One of the oldest local government unions in the country, the Federation of Cinque Ports, may heave a sigh of relief, but I suspect that the district, city and county councils in Kent will find themselves between a rock and a hard place. We have one unitary authority—Medway—and two that we thought were going to be unitary authorities, which it now seems will not be unitary authorities, so how can the Secretary of State reassure me that we will not be left with a lot of lame duck local authorities for the foreseeable future?

Angela Rayner: First, the right hon. Gentleman cannot be old enough—surely not. I say to him gently that he also cannot have it both ways: he suggests that the reform is piecemeal, but his Front Benchers are suggesting that I am tearing down local democracy, which is just not true. Local areas are coming forward, and we are working with local councils and local areas. I have talked about the real-terms cash injection, which my hon. Friend the Minister for Local Government and English Devolution will set out in detail later this afternoon, and about the collaborative way we want to work with local authorities. I do not see any lame duck local authorities out there; I see local authorities, of all political persuasions, delivering vital public services, that have felt absolutely pillared by the previous Government, and now we see a Government determined to change that.

Clive Lewis (Norwich South) (Lab): I congratulate the Secretary of State and her Ministers on the work they have done on this matter, and on the exhaustive consultations that have taken place between MPs, local councillors and stakeholders—no one is being forced on this journey. We in Norwich and Norfolk are happy to be on the express elevator to devolution. After 14 years of austerity and cuts to adult social care and children's services under the last Government, will the Secretary of State promise us that she will encourage the new local authorities to engage in co-development and co-production of those services, and that they will be taken in-house, so that we can end the privatisation and outsourcing that has ruined those services for so many years?

Angela Rayner: I thank my hon. Friend for recognising the countless rounds of consultation by my hon. Friend the Minister for Local Government and English Devolution. Dare I say it, his door is always open to all hon. Members to discuss devolution—I once called him “devoman” at the Local Government Association conference, and I stand by that. There have been significant pressures on adult and children's services in local government, as Members from across the House have recognised in questions to the Prime Minister and in other debates. I encourage local authorities and local services to see where they can co-design services and support people in their local areas. These measures are not about party politics or what happens here in Westminster, but about the delivery of the vital services that, critically, many people rely on day in, day out.

Sir John Whittingdale (Maldon) (Con): The Secretary of State is proposing to abolish Maldon district council, which covers my constituency, and absorb it within a

[Sir John Whittingdale]

local authority that will be based miles away, where Maldon's councillors will be massively outnumbered by councillors from areas with no connection to the district at all. How does that enhance local decision making?

Angela Rayner: We are working with local areas using a bottom-up approach to delivering better public services. The right hon. Gentleman's party pushed local authorities and local government to the brink. He should be apologising, talking to Members on his Front Bench, and getting on board by supporting devolution and local government reorganisation where it delivers for his constituents.

David Burton-Sampson (Southend West and Leigh) (Lab): I thank the Deputy Prime Minister for her statement. I am excited that Essex, including Southend, will be part of the priority programme. I am keen that local areas should keep their local identity, so will she give us some assurances on that? With regard to opposition to local reorganisation, devolution and postponing the elections, the Tories on Essex county council are fully supportive of our programme. Will she provide assurances that delaying the elections is right for democracy and for the taxpayer, because it will save funds in areas where local authorities will not exist in several months' time?

Angela Rayner: My hon. Friend is absolutely right; there is no point having elections to a body that will not exist in 12 months' time. That would cost huge sums of taxpayers' money, which, quite frankly, is not warranted. He is also absolutely right to recognise that the Conservatives in Essex were the ones to come forward. I commend them for that, and for wanting to reorganise and see better services and power put into their local area. On his point about local identity, that will absolutely be the case. I am a Mancunian, but I am also from Tameside. Having a mayor and being part of the combined authority has not stopped Tamesiders being proud of our local area.

Sarah Dyke (Glastonbury and Somerton) (LD): Disappointingly, the Heart of Wessex devolution deal was not included in the priority programme, despite the region being well placed to support the Government's growth objectives and showing national resilience in clean energy, defence, digital technologies and food security. Can the Secretary of State confirm the options available for regions that are not in the priority programme but wish to move at pace to enable them to deliver and benefit from devolution?

Angela Rayner: I thank the hon. Member for recognising the positivity that devolution can unlock for local areas. The deal she mentions was not included in this round because it was not developed enough. However, I urge Members and those local areas to continue to work with the Government because we want to deliver for them and we will continue to make sure we can deliver devolution across the whole of England.

Imran Hussain (Bradford East) (Lab): As you will know, Madam Deputy Speaker, councils such as Bradford have been cut to the bone. We have lost £350 million—60% of our funding—since 2010, forcing impossible

cuts in social care, in homelessness support, and in special educational needs and disabilities services. The reality is that 14 years of Tory failure have resulted in our communities being devastated and our services decimated. Even though additional council tax flexibility has been granted to places such as Bradford, that is no long-term solution. Frankly, it is not fair on residents to have to pick up the tab for 14 years of Tory failure. Will my right hon. Friend confirm how the Government will deliver a long-term sustainable settlement to put councils on a stable financial footing, which must reflect real need?

Angela Rayner: My hon. Friend is right to categorise what the Conservatives have done to local authorities, and it is not party political to say that; many councils of all different political persuasions will say that the way the previous Government went about local government was not to respect them and not to fund them. We recognise the vital public services that local government delivers and we recognise what it does. The Minister for Local Government and English Devolution will be setting out our plans to give sustainable funding for local government into the future, because we recognise that local government is vitally important and consider its work to be critical to this Government's mission.

Sir Bernard Jenkin (Harwich and North Essex) (Con): May I invite the Secretary of State to publish the evidence that the local government reorganisations will actually, in the long run, save money? There is none, unless she can publish hard evidence. May I also ask her to heed the warnings of the Chair and former Chair of the Housing, Communities and Local Government Committee—the hon. Members for Vauxhall and Camberwell Green (Florence Eshalomi) and for Sheffield South East (Mr Betts) respectively—who warn about the disruption of abolishing two-tier local government; that it will be a mess; and that the Secretary of State will have to fund that mess out of central Government funding, because otherwise there will be more cuts in public services to pay for the reorganisation? Which is it to be?

Angela Rayner: The hon. Gentleman should speak to his colleagues in Dorset, because they have made savings and they understand what local government reorganisation can deliver. We have seen that up and down the country. His party used to believe in devolution, and we have seen how that can deliver for local areas and we can save money. This is not just about saving money, however; this is about creating devolution and pushing power out of Whitehall into the town halls so that mayors and local authorities can deliver public services that are responsive to local areas' needs. That is what we are trying to deliver from the bottom up, working with local authorities. The hon. Gentleman should get on board.

Chris Curtis (Milton Keynes North) (Lab): I will take a moment to thank the many council leaders and staff from across my area who have worked tirelessly to remove barriers and blocks in order to get a deal for Bedford, Luton, Milton Keynes and Central Bedfordshire. Unfortunately—and possibly proving the argument for why we, more than any other, need devolution—those council leaders and staff have come into contact with a Government Department that has not tried to move

barriers out of the way, but has instead put them in the way of achieving the devolution deal that we want and we know is needed for our region.

Let me be perfectly clear. We know that this Government want to build 1.5 million homes. In a place that is building more homes than almost anywhere else in the country, we could have contributed to that, but the situation I mention will put some barriers in the way of doing so. In a place with one of the most incredible economies in the country, we could have made a contribution, but we are unable to do so. Can the Secretary of State therefore let us know whether she will look again at whether the Bedfordshire, Luton and Milton Keynes offer can move forward, so that we can get the deal in place by 2026?

Angela Rayner: I thank my hon. Friend for his contribution. I also welcome and reiterate his thanks to council leaders who have come forward; I thank them for working with us, and we will continue to do so. The proposals needed further development, but we will work to achieve devolution across the whole of England. The Minister for Local Government and English Devolution will happily continue to meet my hon. Friend and council leaders to develop their proposals.

Suella Braverman (Fareham and Waterlooville) (Con): Under the proposals, Hampshire county council will be scrapped, as will Fareham borough council. Of more pressing concern to residents in Fareham, however, is Hampshire county council's worrying proposals to close Henry Cort community college, a valuable and popular secondary school, which would disrupt the education of hundreds of local children and families. Given the significant reorganisation to Hampshire county council, is it not right that the proposals should be stopped so that the views of local communities and parents can properly be fed into the process?

Angela Rayner: The closure of the community college is nothing to do with local government reorganisation or the work that we are setting out today. I kindly remind the right hon. and learned Member that in the previous 14 years her Government took a sledgehammer to local government, which was hit hard by the cuts. Where there was a 23% cut in the last decade, we have given a 6.8% cash terms increase to local authorities, which will hopefully help to turn the tide against the devastation they faced under her Government.

Baggy Shanker (Derby South) (Lab/Co-op): I wholeheartedly welcome the reforms and, importantly, the funding injection, which will help councils to rebuild after 14 years of disastrous Tory austerity. Can the Deputy Prime Minister confirm that her Department will move to longer-term funding settlements for local authorities as soon as possible, giving financial certainty and helping to deliver local services for local people?

Angela Rayner: Yes, absolutely. I am really pleased that my hon. Friend welcomes the cash injection to councils. However, I also recognise, and I will say this in the House today, that councils are facing unprecedented pressures on their services. Demand is up and councils have had 14 years of devastation under the Conservatives. That is why we want to work with councils. We recognise the pressures that they are under, and we want to see

longer-term funding settlements and to put them on a sustainable footing for the future. That is the difference between this Labour Government that will work with councils and the Tories that cut them.

Sir Geoffrey Clifton-Brown (North Cotswolds) (Con): I, too, thank the Deputy Prime Minister for ending the uncertainty around the Gloucestershire county council elections taking place this May. Bearing that in mind, will she set out a clear timetable for those two-tier counties such as Gloucestershire as to when they are expected to provide proposals on any wish to change? Will she also confirm that the county council elected in May this year will serve a full four-year term of office?

Angela Rayner: I thank the hon. Gentleman for his comments. On the certainty that he and local leaders have requested, we will set out a timetable and are writing to all MPs and local areas. As I gently said before, we are trying to work with areas. This is not about us pushing down; it is about us working with local leaders and delivering for local people. We will set out that timetable and work with local areas around that.

Helena Dollimore (Hastings and Rye) (Lab/Co-op): I thank my right hon. Friend for her commitment to ending the farcical situation that we have had for a very long time in Hastings and Rye. We have two tiers of local government, which means that when a resident comes to me to talk about a blocked drain, I have to ask them exactly where the leaves are. If they are the top of the drain, it is the responsibility of the borough council; if they are below the grill, it is that of the county council. I welcome her commitment to ending that farcical situation and making services more efficient for residents, but as we embark on this process in East Sussex, I ask her to hear the voices of our seaside communities and to make sure that, when we are designing a unitary authority footprint, it is of a size that works for our communities and that allows us to tackle the inequalities that they face. Will she comment specifically on what size this Government may consider for unitary authorities?

Angela Rayner: I thank my hon. Friend for her comments and for her contribution about what it is like at local level for people, including in Hastings and Rye, when they have a two-tier system in place. I can reassure her about what we are trying to do in terms of the size of the unitary authority. It is not a hard target. We recognise that certain areas may have different needs. This is a way of progressing, and we will work with local areas to look at what their needs are and then adapt. This is not set in stone—we are not saying, "It must be this." It is about trying to get an idea of a ballpark figure for the size of the authority, but, obviously, this will be with local areas working with us.

Josh Babarinde (Eastbourne) (LD): It is disgraceful that Eastbourne Conservative councillors have voted for the cancellation of local elections in my town and in Sussex this May, with no consultation, no democracy and no mandate from the people of Eastbourne. They have secured themselves an extra year to squat in County Hall, to press ahead with cuts to Linden Court day centre for people with learning disabilities, Milton Grange for people with dementia, and many more. Does the

[Josh Babarinde]

Secretary of State agree that people who rely on those services would consider the protection of them as an exceptional circumstance to justify the continuation of these elections, not their cancellation?

Angela Rayner: I kindly say to the hon. Member that, whether we like it or not, the people of Eastbourne voted for those councillors. We have said that we will facilitate a one-year delay for reorganisation that will deliver for the people of Eastbourne. I do not see this as an opportunity for people to “squat”, or whatever else the hon. Member said. Those councillors were elected and they are doing the job for their local areas, and we will continue to deliver the biggest wave of real-terms cash increase—6.8% or £69 billion—to local authorities to help them deliver services and turn the tide on the years of cuts and failure from the Conservatives.

Amanda Martin (Portsmouth North) (Lab): I thank the Government for the additional moneys to my council, which have gone some way to address the horrendous cuts from the previous Government. I love my city and the people in it, but we have been failed by Governments and councils, leaving us with inadequate housing, job opportunities, transport, education and public services across my city. The council's decision and hard work to apply and now be on the priority list for devolution is a positive and tangible opportunity for the people of Portsmouth, especially in what I believe has been the neglected northern part of my city. I am not denying that hard work, collaboration and co-operation will be needed across councils and parties and that strong leadership, communication and transparency will be vital to ensure success. We know that local government is at its best when decisions are made by local people, and we have seen the positive changes of devolution. I will do what I can to support my city, but can the Minister confirm that Portsmouth, in moving to devolution, will have both financial and government support to enable it to progress and to meet deadlines?

Angela Rayner: I congratulate my hon. Friend on always championing her city of Portsmouth in this place. She has made a valuable contribution since the general election. I can confirm to her that we will be giving financial and logistical support to local authorities as we move towards supporting them in delivering good local services.

Madam Deputy Speaker (Judith Cummins): Before I call the next Member, may I ask people to keep their questions short?

Steff Aquarone (North Norfolk) (LD): I refer Members to my entry in the Register of Members' Financial Interests as a Norfolk county councillor. The Conservatives leading Norfolk county council have nearly bankrupted our county, failed children with special educational needs and disabilities, penalised those with disabilities, blown £50 million on four miles of never-to-be-built road, broken our transport system, taxed and complicated our recycling centres and left our roads pockmarked with potholes. What is it about this glittering record of success that attracted the Secretary of State to allowing them to negotiate the future of Norfolk's devolution?

Angela Rayner: I am not as close to what is happening in the hon. Gentleman's area as he is, but what I will say is that local people have elected their local councillors and it is for them to do that. What we are trying to achieve here is to push power out of Whitehall into local areas and to reform local government so that we can build better public services for local people. I hope the hon. Gentleman will work with us to deliver that for his constituents.

Shaun Davies (Telford) (Lab): Getting power out of Whitehall and into the hands of local people will be a game-changer for many communities who feel very distant from this place, but can we ensure that Whitehall, its vested interests and petty rules do not get in the way of more devolution in the west midlands? Does my right hon. Friend agree that it is sign of how the Conservative party has changed that it now fundamentally disagrees with Lord Heseltine's view of local government set out some time ago?

Angela Rayner: I absolutely agree. My hon. Friend knows local government particularly well because of his contribution for many years before he was elected to this place. We do want to see more devolution across the west midlands. This Government are determined to work with local authorities and local areas to deliver devolution, because we know that people with skin in the game will deliver better public services, which those people rely on.

Pete Wishart (Perth and Kinross-shire) (SNP): I am one of the few Scots who are big fans of English devolution. I sort of believe that England can just about survive without the input of Scots like me. The right hon. Lady calls this reform “ambitious”, but it has all the ambition of a hesitant dormouse. Where is the grand Gordon Brown vision of a senate of the nations and regions and the abolition of the House of Lords? The only thing that seems to be going on down there is her stuffing that place full of even more Labour donors, cronies and failed MPs.

Angela Rayner: It was the last Labour Government who delivered devolution for Scotland, and we are really proud of our history. I think “timid” is an unfair characterisation. I have never been considered timid in the way that I do my politics. As I set out in my statement, 80% of England will be covered by devolution under these plans. That is a fantastic step forward for all parts of England, and I look forward to continuing to work with Scotland—they have got their devolution, which we delivered for them.

Jacob Collier (Burton and Uttoxeter) (Lab): In Burton-on-Trent, we have a magnificent grade 2 listed town hall that was donated to the town by Michael Bass. It now serves as the headquarters for East Staffordshire borough council. What assurances can the Deputy Prime Minister give me that buildings like this, which are key to our local identity, will be protected as local reorganisation takes place?

Angela Rayner: We value local community assets and are bringing forward plans for greater powers, including community right to buy. We will ask all councils to ensure that heritage assets are considered. He will know that the Under-Secretary of State for Housing, Communities

and Local Government, my hon. Friend the Member for Nottingham North and Kimberley (Alex Norris), who is not in his place today, has been doing vital work in this area. If my hon. Friend wants a meeting with him, I will make sure that he gets one.

Mr Mark Francois (Rayleigh and Wickford) (Con): Labour is cancelling the local elections for antidemocratic reasons—it is as simple as that. *[Interruption.]* Labour Members do not want to hear it, but it is as simple as that. If the Secretary of State really believes that there is widespread public support in Essex for this devolution process, let us have a referendum to prove it. And finally, if local government is as skint as she says, why is this Government going to pay 18 billion quid to Mauritius to rent back a base that we already own? How does that help local government?

Madam Deputy Speaker (Judith Cummins): I want short, on-point questions.

Angela Rayner: It is not Labour that is cancelling the local elections; it is those councils that are asking for the opportunity to do reorganisation. I thought the right hon. Gentleman would welcome the idea of not wasting taxpayers' money, but maybe I am wrong, and he has had a change of heart.

Amanda Hack (North West Leicestershire) (Lab): I refer Members to my entry in the Register of Members' Financial Interests as a Leicestershire county councillor. I thank the Secretary of State for her statement on local government reorganisation. As Leicestershire has applied to go forward in the fast-track scheme, but was unsuccessful, can the Deputy Prime Minister confirm the timetable for those other local authorities, so that they can also be included in the devolution revolution and secure long-term benefits for our communities?

Angela Rayner: Again, I encourage local authorities to respond to the consultation. We recognise that some will be disappointed that we have not taken their offer forward this time round. Some of them needed a bit more time and development, but we are absolutely committed to deliver that, because I want to see devolution across the whole of England.

Rebecca Paul (Reigate) (Con): I draw attention to my entry in the Register of Members' Financial Interests. I thank the Deputy Prime Minister for giving my constituents in Reigate and Banstead certainty over the timing of elections; however, many of them will be disappointed. One of my big concerns, which needs to be seriously considered, relates to debt. I am not against unitaries in principle; there are many benefits and advantages to them. However, I have great concerns about debt sitting in other district and borough councils for which my constituents may end up footing the bill. Please can she reassure me that my constituents will not be paying a bill that they did not incur?

Angela Rayner: The hon. Member makes a fair comment, and I welcome her appreciation of the certainty that people need. We will continue to work with local areas. I understand that some areas have more debt than others. The Minister for Local Government and English Devolution will lead a debate later on the local government

settlement. We know the difficulties that local councils have faced, and we will continue to have discussions to ensure that the hon. Member's local area will not suffer detriment because of unitarisation. We want to see positivity for her local constituents.

Andy MacNae (Rossendale and Darwen) (Lab): I enthusiastically welcome the statement, and the great quality of consultation and ambition behind it. I particularly welcome what it means for Lancashire. We have been left behind for far too long, so it is wonderful to see the Government prioritising our great county. Full devolution with a mayor, along with local government reorganisation, can unlock our potential, deliver growth, and ultimately put money in our residents' pockets. Will the Deputy Prime Minister join me in calling on Lancashire leaders to grasp this generational opportunity?

Angela Rayner: Absolutely. I am hopeful that Lancashire will have a mayor by 2026. We will continue to work with local leaders across Lancashire to deliver that, so that my hon. Friend can continue to be proud of his local area and the contribution that it makes to all people of Lancashire, as I am sure Mr Speaker is as well.

Zöe Franklin (Guildford) (LD): When I speak to residents across Guildford, they raise again and again their fear of the impact of debt, and the particular financial problems that we have in Surrey. Local organisations have raised again and again their worries about how those problems will affect their bottom line, and the funds that they need to serve residents when councils no longer provide services. Will the Minister agree to meet all Surrey MPs to discuss how the Government will address the issues of Surrey's finances? So far, we have not been involved in those conversations.

Angela Rayner: We understand the impact of debt on Surrey, which is why it is in the priority programme. I am happy for the Minister for Local Government and English Devolution to meet the hon. Member and others on this issue. We recognise the difficulty in Surrey, and want to make sure that people across the whole of England can benefit from reorganisation, including her constituents.

Adam Thompson (Erewash) (Lab): Special educational needs and disabilities families in Erewash and across Derbyshire have been broadly let down by Conservative-run Derbyshire county council, as was profoundly shown in the recent Ofsted report. While I firmly believe that reorganisation of our local services will improve SEND services, news of the devolution plans has caused families in my area to worry that reorganisation might mean further disruption to services. Can the Secretary of State reassure me and the many SEND families in Erewash that measures will be taken to ensure a smooth handover between the old authorities and the new?

Angela Rayner: I totally understand the concerns that my hon. Friend raises on behalf of his constituents in Erewash, and the situation that Derbyshire county council faces. We put £1 billion into SEND, and we have increased funding for local authorities. We recognise the pressure; I think it is fair to say that SEND comes up significantly in this Chamber. We are working, hopefully on a cross-party basis, to deliver for children with

[Angela Rayner]

special educational needs and disabilities. We heard only this afternoon during Prime Minister's questions about families who are really concerned about the lack of services and support, and we will continue to deliver for them.

David Reed (Exmouth and Exeter East) (Con): I thank the Secretary of State for finally confirming that elections will go ahead in Devon. However, we had been told that, if we were not selected this time round, devolution would be imposed on us. Will the Secretary of State please give an explanation to my constituents in Exmouth and Exeter East of what that imposition will look like?

Angela Rayner: We signed the devolution deal for Devon just this week, and are working to go forward. I welcome the hon. Member's comments on the certainty that we are delivering. This is the start of a process. We will continue to work with local leaders, including Members of Parliament from across the House who have interests in their local area, to deliver better public services and push power down from Westminster into local areas so that they can unleash the opportunities around transport and skills that we are determined to deliver for the people of Devon.

Alex McIntyre (Gloucester) (Lab): Conservative-led Gloucestershire county council has a dreadful record. The Care Quality Commission says that adult social services require improvement, children's services are described as catastrophic, the fire service is in special measures, the health service is failing, local authority schools are crumbling, the SEND system is broken, and do not get me started on the potholes. No wonder the Conservatives on the county council wanted our elections cancelled this May. Will the Deputy Prime Minister agree to meet me and local leaders in Gloucester to ensure that we get the best deal for Gloucester residents from local government reorganisation and devolution?

Angela Rayner: Like the rest of England, Gloucester did not fare well when the Conservatives were in power. Councils have faced significant pressures and increases, at the same time as a 23% cut in the last decade by the previous Government. The Minister for Local Government and English Devolution will happily meet my hon. Friend and other Members on these issues. We are determined to deliver better funding for local authorities, and unlock their potential through the devolution agenda that we have set out.

Dr Kieran Mullan (Bexhill and Battle) (Con): The Deputy Prime Minister has talked a lot about additional resources, but they are not being spread evenly. There are significant additional costs to deliver services in the rural areas that I represent, but as well as abolishing the rural services grant, the provisional settlement will give around 40% less spending power per head to rural areas than to urban areas. Does the Deputy Prime Minister agree that that is not fair, and commit to doing something about it?

Angela Rayner: Rural areas will also receive a cash-terms increase; we have given one of 6.8%. We recognise the challenges that local authorities have faced, particularly in rural areas. That is why we have been working with

local authorities to turn the tide on the cuts under the previous Government, and invest in our local public services to ensure that they are fit for purpose and can deliver for local people.

Mr Bayo Alaba (Southend East and Rochford) (Lab): I wholeheartedly welcome the Government's announcement on devolution in Essex, which both the Conservative leader and the Labour-run unitaries are very supportive of. This announcement is right. It is generation-defining, and will deliver real local democracy. Southend and Rochford, and Essex, will be at their very best when decisions are made by local people who have skin in the game. Does the Secretary of State agree that the benefits of devolution are best achieved where there is strong local leadership and accountability?

Angela Rayner: I agree with my hon. Friend. I am really pleased that Essex devolution is going forward, and that there has been cross-party support and real collaboration to achieve it. That is the culture change that I wanted to see. As the Secretary of State, that is what I envisage going forward, which is why I will work with all local authorities to deliver for people across England.

Adrian Ramsay (Waveney Valley) (Green): I am a strong supporter of genuine devolution of funding and powers, but when the Deputy Prime Minister says that she wants to devolve power from Whitehall to the town hall, my constituents are concerned that it could in practice mean centralising power from local communities to remote county halls. Can she confirm that the Government will not impose huge remote unitary county councils if that is against the wishes of local residents, and how can she justify cancelling local elections when the county councillors last elected in 2021 have no mandate to lead on negotiating changes that are expected to last half a century?

Angela Rayner: Again, I have been clear that where there is cancellation, it is for devolution and reorganisation to go forward. I have made it absolutely clear that it will be from May 2025 to May 2026. I cannot be much clearer than that as this Dispatch Box. On devolution and the support for local areas, we are clear that we want to push powers out of Whitehall down into local communities. I want to unlock the potential of local areas and see reorganisation that delivers for local people, and I hope the hon. Member will engage with that given his comments on strongly supporting devolution. Let's see him get on board and deliver it.

Louise Jones (North East Derbyshire) (Lab): As we have already heard, Derbyshire county council has a terrible record on delivering SEND services, but it also has a terrible record across everything else, including doing a fire sale of our much-loved community assets and care homes, including the Grange in my constituency, and being ranked the worst council for potholes last winter. The opportunity to give the council the treatment it deserves in May is much welcomed. In contrast, North East Derbyshire district council and Chesterfield borough council have been doing a sterling job. Can the Deputy Prime Minister assure me that the best of our councils will be involved in any reorganisation and that we will take the good forward?

Angela Rayner: Absolutely. We will work with councils to deliver better services: that is what it is about for North East Derbyshire, along with all other areas that are coming forward. I have been in North East Derbyshire and understand the issues around potholes; our Government have been investing in delivery to end the pothole scandal that we saw under the previous Government.

Joe Robertson (Isle of Wight East) (Con): The Isle of Wight council is already a unitary authority. Given that the Deputy Prime Minister is postponing our elections, can she confirm that that will mean the future reorganisation of the council is on the negotiating table? Otherwise, why would she be cancelling our elections?

Angela Rayner: The hon. Member will know that the fact that it is an island produces limitations, but nothing has been taken off the table. We want to deliver reorganisation and deliver for the people of the Isle of Wight, and we will continue to work with him, as well as local leaders, to deliver that.

Jodie Gosling (Nuneaton) (Lab): I refer Members to my entry in the Register of Members' Financial Interests. Nuneaton was recently named the town with the best potential growth in the UK. That is truly an opportunity to transform the lives of my constituents, but it also speaks to the immense challenges we face. For far too long, there have been serious questions about the appalling service level, the SEND crisis, stifled growth and low wages after 20 years of an underfunded Conservative county council that tried to push for a rapid resolution to our devolution. Getting this right is vital. For Nuneaton to achieve that amazing potential requires a full appraisal of all possible options and of the best way forward. Can the Secretary of State reassure us that support will be given in the process?

Angela Rayner: Absolutely. I congratulate my hon. Friend on always seeing the potential of Nuneaton, and this Government want to work to release the opportunities there. But we also recognise that the 14 years of Conservative failure have left many councils and local areas without the funding and support they need. That is why we are putting a cash-terms real increase of 6.8% into local government—£69 billion—and we will continue to work with local areas to unleash the full potential of all areas of England.

Rupert Lowe (Great Yarmouth) (Reform): Given the Secretary of State's statement, I remind her that proper functioning democracy costs money. My constituents in Great Yarmouth do not like being represented by unelected councillors, so can she give a copper-bottomed guarantee that the new Norfolk and Suffolk homunculus council will have its elections in May 2026?

Angela Rayner: I have been consistently clear on the elections. Elections do cost money, but how can we justify having an election to then have another election within 12 months, which will cost huge sums of money for taxpayers? I gently say to the hon. Member that councillors were elected and that we are working with local councillors to deliver for local people.

Tom Hayes (Bournemouth East) (Lab): As a councillor for nearly 10 years, I welcome the devolution proposals. As Bournemouth East MP, I backed Bournemouth,

Christchurch and Poole council becoming part of the Hampshire proposal, and so did the BCP Labour group. Frankly, we have closer economic ties and geographic similarities with Hampshire. BCP council voted for a Wessex deal late in the day, and I am disappointed that BCP will not be prioritised for devolution of skills where they could have been under a Hampshire proposal. How can I ensure that my local communities will not be left behind, and will the Deputy Prime Minister secure a meeting for me with the Local Government Minister to put BCP back on the agenda?

Angela Rayner: I am happy to facilitate a meeting and, as I said before, the Minister for Local Government is happy to meet with local leaders. We want to see more devolution. I appreciate my hon. Friend's disappointment on skills. We want to push forward with devolution, unlocking the potential and pushing power down from Whitehall into local areas, and I am sure that his meeting with the Minister will be fruitful.

James MacCleary (Lewes) (LD): I refer Members to my entry in the Register of Members' Financial Interests. As the Member of Parliament for Lewes, I put on record my outrage and the outrage of many local people who have written to me about the cancellation of elections in East Sussex in May. As a county councillor, I was present in the chamber last month when we debated the matter, and every single non-Conservative member, including Labour members, voted against it, so to suggest that this has widespread support in East Sussex is just not true. What is the Secretary of State's justification for giving a Conservative administration that has lost its overall majority and hangs on by the chair's casting vote a mandate to negotiate a generation-defining deal on behalf of the residents of East Sussex against their will?

Angela Rayner: Again, we are working with local areas to deliver devolution. This is about pushing power down to local areas and about reorganisation, and we are working with local authorities to deliver for their local area. I have been clear on the terms to which there was a 12-month delay to those elections to facilitate reorganisation and devolution in those areas. This is not a new phenomenon; it happened under the previous Government. We are turbocharging devolution so that we can deliver for local areas.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): I welcome the statement made by my right hon. Friend. I also draw Members' attention to my entry in the Register of Members' Financial Interests. In North Warwickshire and Bedworth, my constituents can see the benefits of devolution just over the boundary in the West Midlands combined authority, and I am sure that they want to see those benefits for themselves. I ask her why Conservative-run Warwickshire county council asked to have their elections postponed. Was it because they wanted to avoid public scrutiny of their appalling record on SEND education, on fixing our rural roads and on rural transport? Does she agree that it is better that districts and counties work together to come up with the best solution for residents on devolution, and will she set out the timetable for the second stage of that devolution, so that I can tell my constituents when they can feel the benefits of investment, growth and better transport?

Angela Rayner: As I have said, we will work with all local authorities to deliver devolution. I understand that some areas will be disappointed that we did not take it forward in this priority scheme, but we continue to be committed, and the Minister for Local Government is happy to take that forward. As I said, we will write to local authorities and continue to work with them, so that Warwickshire and her constituents can benefit from that. It would be remiss of me to comment other than to say that a lot more areas came forward to ask for delays to their elections. I am not speculating on the reasons. I have been very clear and narrow in setting a high bar for the cancellation of those elections within a short period of time. That is the right thing to do to go forward and deliver for those local areas.

Dr Luke Evans (Hinckley and Bosworth) (Con): What a mess this whole consultation has been. Let's face it: the councils were going to have to jump or be pushed. As she said in her own statement:

"I will be issuing a legal invitation to all 21 two-tier"

authorities. In the spirit of working with local leaders, would she accept my legal invitation to meet all the borough leaders—cross-party—the MPs and the Leicestershire county council leadership to discuss what our shape would look like when it comes to devolution?

Angela Rayner: I have said time and again that we are happy to meet local leaders. We will continue that consultation exercise and we will meet local MPs. The Minister for Local Government and English Devolution, who is sitting next to me, is always open to those conversations. This is not about telling people what to do from the top down; it is about the direction of travel, which we have made absolutely clear and which the hon. Gentleman's party was taking in government. We have seen benefits in parts of England. We want to expand that to other areas, working with local leaders and Members, and we are happy to meet on that basis.

Ms Julie Minns (Carlisle) (Lab): As the MP for England's most northerly city, and one of five MPs representing the most northern area selected for devolution, I warmly welcome today's announcement. I keenly look forward to the elections for the Mayor of Cumbria, but my excitement is eclipsed entirely by the fevered speculation and contest that has been under way among Cumbria Conservative association members for several months now. Given that one rumoured member of that association was formerly a Member of this House and racked up hundreds of hours in a second job during his tenure here, will my right hon. Friend assure us that the democratic accountability that she desires for mayors will include a ban on second jobs?

Angela Rayner: The Government's direction of travel on second jobs is absolutely clear. As my hon. Friend knows, I have visited Cumbria and know what a fantastic place it is, and as a northerner, I can attest to the fact that it is even more northern.

Mr Will Forster (Woking) (LD): In her statement, the Secretary of State said that local elections in Surrey will be cancelled

"given the urgency of creating sustainable new unitary structures". Does she find it perverse that, because of financial mismanagement by Conservatives in Surrey, my constituents

will lose their democratic right to vote and remove from power the Conservatives who caused that mess in the first place?

Angela Rayner: Again, I acknowledge the situation in Surrey. We have said that we want to work with Surrey to deliver. That is why we are bringing this forward. As I say, it is a short-term delay; democracy comes to us all eventually.

Mr Jonathan Brash (Hartlepool) (Lab): Mayors can make a huge difference to local communities. Indeed, we have seen that in Greater Manchester, where public control of bus services has made a massive difference to residents. I want public control of bus services in Hartlepool, where services are not good enough. Does my right hon. Friend share my disappointment that the Conservative Mayor of Tees Valley has ruled out public control of buses? When mayors do not use their powers, what can we do to force them to do so?

Angela Rayner: I welcome what Greater Manchester buses have delivered for my constituents in Tameside—better services all round. We want the same for Hartlepool. I gently encourage all Members from the Teesside area to work with the mayor to unleash all the powers I mentioned in my statement, in order to deliver better transport and connectivity. That is how we will unlock growth in all our regional areas, which is what we want to see across Hartlepool, Teesside and the whole of England.

Mr Andrew Snowden (Fylde) (Con): The Deputy Prime Minister said that this is not a top-down approach, but non-top-down approaches do not start with the issuing of legal invitations. A legal invitation sounds like the kind of invitation my wife gives me to do something around the house—it is not an invitation; it is an instruction that one does not disobey. Many businesses and residents in Fylde are deeply concerned about this. They are represented by Fylde Council and Wyre Council, which have been well run, have kept council tax low and have not racked up debt. Any merger would see them join local authorities that have racked up massive debts and are not running the kinds of services that their local areas want and need. From one proud northerner to another, I ask her to nip up the road, have a pint with me, and meet not the local council leaders, councillors and other MPs, but residents and businesses themselves. They are concerned about this process, and I am sure they would love the opportunity to have a pint with her—or a vodka cocktail, which I believe she enjoys.

Angela Rayner: The hon. Gentleman could not handle my cocktails, but if he wants to buy me a pint, I'm happy to accept. Lancashire has already agreed to come forward with its proposals, and we are working with it. This is not about pushing people. I have made no bones about the fact that I want to see devolution across the whole of England, but we are taking an approach of working with local areas, and I hope that he can see that in the way we have taken these things forward. If his wife is giving him legal notices, I suggest marriage counselling.

Perran Moon (Camborne and Redruth) (Lab): Meur ras, Madam Deputy Speaker. I thank the Secretary of State for her statement. The Cornish people are proudly subject to the Council of Europe framework convention

for the protection of national minorities. I respectfully invite the Secretary of State to guarantee that when the devolution Bill is published, it will in no way contravene the letter or the spirit of that European convention.

Angela Rayner: My hon. Friend knows that I have met MPs for the Cornish area. I recognise the Council of Europe status and the uniqueness of their area, and I hope that that has come across in our conversations. We will continue to have conversations to ensure that we are acutely sensitive to the needs of the Cornish people, and that we take devolution forward in the way that it is intended: to deliver for people across Cornwall, and to do it with them, not to them.

Jess Brown-Fuller (Chichester) (LD): I refer the House to my entry in the Register of Members' Financial Interests. Voters in Chichester will rightly be disappointed that their right to vote has been stripped away in favour of creating what seems like a rushed unitary authority in just 12 months. West Sussex county council failed to fill potholes, find social care contracts and deliver education, health and care plans in 12 months, so the suggestion that it would be able to deliver a unitary authority is for the birds. Does the Secretary of State really believe that my constituents will get to vote in May next year not just for a mayor, but for a unitary authority, and will their taxpayer money still be used to deliver bold regeneration projects locally, rather than to bail out other areas when the unitary is created?

Angela Rayner: This is not a rushed process. Reorganisation is coming because we are working with local areas. The areas in the priority programme were selected for it because they had plans that we felt were credible to achieve within that 12-month programme. We will continue to provide financial and logistical support to ensure that people across the hon. Lady's constituency feel the benefit of reorganisation. After 14 years of local services being hammered by the Conservatives, they have a Labour Government who are delivering for local people.

Alice Macdonald (Norwich North) (Lab/Co-op): This is very good news for Norwich and Norfolk and it will allow us to fulfil our potential. Many of my colleagues from Norfolk have spoken. Whatever they think of the proposals, I urge them to work across parties now to get the best possible outcomes for our residents. On growth, Norwich already contributes £3 billion annually to the economy, but we can contribute so much more. Will my right hon. Friend outline the powers that mayors will have, and will she reassure us that cities such as Norwich, which are key drivers of growth, will have their voices heard in this process?

Angela Rayner: I welcome my hon. Friend's comments, because she talks up what is happening across Norwich and the £3 billion of growth already being delivered there. We want local growth plans to work centrally with Government to deliver opportunities across skills, transport, housing and infrastructure, so that we can deliver for people across Norwich. I welcome the spirit in which she has talked about cross-party working. She puts the people of Norwich first, and that is why she was elected to represent them.

Mr Joshua Reynolds (Maidenhead) (LD): The Deputy Prime Minister said that new unitary authorities need to be the right size to withstand financial shocks, so will she explain how merging councils that are in severe financial difficulty and just hoping that they get on with it will provide the security that we need?

Angela Rayner: As I said, we are working with local areas so that we can deliver local government reorganisation. I have also said that the 500,000 population figure is a guide for efficiency—we recognise that it might vary. We also recognise the financial constraints that councils have faced after 14 years under the Conservatives. That is why we have put a cash-terms increase of 6.8% into councils; it is why we are considering how to give long-term funding settlements, which the Minister for Local Government will outline; and it is why we will continue to support, and the Minister will continue to work on, the devolution agenda.

Noah Law (St Austell and Newquay) (Lab): This Government have unlocked £2 billion in the funding settlement for local services across the country. Despite what we might hear from the Conservatives in Lys Kernow about £5 million here or there, or grumbings about burning the Prime Minister's turkey dinner, that is a very welcome boost to Cornwall. What steps is the Secretary of State taking to ensure that we end the postcode lottery forever and get local people the services they deserve?

Angela Rayner: This is one part of a package, through which we are trying to reverse the decline and decay that we saw under the previous Conservative Government. They made cuts of 23% in a decade, as I say, whereas we have implemented a cash-terms increase for local authorities. Devolution is part of that agenda. We want to see Cornwall continue to thrive; I am glad that my hon. Friend is in his place, and we will continue to work with him to deliver for the people of Cornwall.

Martin Wrigley (Newton Abbot) (LD): I refer the House to my entry in the Register of Members' Financial Interests. I thank the Deputy Prime Minister for allowing the people of my constituency to vote in the Devon county council elections this year, and I congratulate her on seeing through the tired Tory administration, which was seeking to avoid the voters' verdict. May I ask her for an assurance that when she sends out her invitation to the two-tier areas, that will include district councils as well as the county council, so that we get a representative view from across the entire area?

Angela Rayner: I thank the hon. Member for welcoming the clarity we have delivered today. As I set out in my statement, we will be writing out to two-tier areas. We want to engage with all tiers in those areas, and the Minister for Local Government and English Devolution will continue that work. If the hon. Member wants to meet the Minister at a future date, I am sure the Minister will be happy to meet him.

Chris Vince (Harlow) (Lab/Co-op): I thank the Deputy Prime Minister for her statement. Does she agree with me, as Conservative-led Essex county council does, that these plans will make local government in Essex clearer and more efficient, but also more accountable? It will

[Chris Vince]

mean that we can finally take to task the people who are to blame for the dreaded potholes that plague my constituency.

Angela Rayner: I thank my hon. Friend for his question. [Interruption.] The Minister for Local Government and English Devolution chunters that there is more to it than potholes, but there is a serious point here—this is about things like decaying local roads and people seeing that local services have been pulled back over 14 years of the Conservatives taking a sledgehammer to local government. I commend the Conservatives on Essex county council for working with us, because they are putting people first in their local area, which is what we want to deliver. I have tried to say from this Dispatch Box, as I said in opposition, that as a Secretary of State I will always champion local government; I am biased, since I come from a local government background. I know the exceptional work that local government workers have delivered for people in exceptional circumstances, and I commend them for the work they do across local government.

Mr Adnan Hussain (Blackburn) (Ind): Lancashire combined county authority has now been established, and my constituents are keen to unleash its potential, creating new jobs and inviting funding and investment into the county. Can the Secretary of State reassure my constituents that the Government will help progress that combined authority into the next phase of devolution?

Angela Rayner: That legal order was, of course, signed this week. I commend the hon. Gentleman, other Members and the local leaders for working to continue to put Lancashire on the map—of course, Mr Speaker is always part of that as well. We want to see areas such as Lancashire reach their full potential, because that is our growth mission. As the Prime Minister set out, people have to see that growth in their pockets across the whole of England, and that is what our agenda is about. It is about working with local leaders and Members of Parliament to genuinely unleash the growth potential that we have across Lancashire and the whole of England.

Dr Al Pinkerton (Surrey Heath) (LD): I am very grateful to the Secretary of State for her statement. One of the points of detail in the statement is that Surrey, where my constituency of Surrey Heath is located, is excluded from the devolution priority programme, yet elections in Surrey have been cancelled none the less. My residents face the prospect of having none of the advantages of being in the priority programme and all of the disadvantages of losing their elections. Can the Secretary of State explain to me and my residents why Surrey has been added on as a kind of addendum to the list that she has provided, and why did it not qualify for the priority programme in the first place?

Angela Rayner: I thank the hon. Member for raising the important issue of the challenges that Surrey faces. That is why we have put Surrey within the priority programme, but we do need a reorganisation first, because it would be a single council, so we would have a single council mayoral area, which is not what the devolution agenda is about. The reorganisation is about recognising the challenges that Surrey faces and working with local

leaders to deliver services to local areas. At a later date, we can then look at whether we are able to take that forward, but we do recognise the unique situation that Surrey is in, which is why we have put it in the priority programme.

John Milne (Horsham) (LD): I refer Members to my entry in the Register of Members' Financial Interests.

In my constituency, we are lucky enough to have a district council that is very well run and very well funded. For that reason, we have been able to preserve, for example, a theatre that is run and owned by the council, which would surely have been lost if it had been exposed to the bottomless pit of SEN budgets and adult social care. I am concerned that the loss of a two-tier system means that our wonderful institutions will be at risk unless they receive some kind of protection. Can the Secretary of State offer us anything for the future when we become a unitary?

Angela Rayner: As I have said, local government reform is about supporting local areas and making sure they can deliver good public services. I recognise that areas have faced significant cuts and that it has been a challenge for them to keep local heritage and local community assets, as I said in a previous answer. That is why we are bringing forward other legislation and support to protect those things as well, but we will continue to engage with local areas to make sure that local government reform delivers better services for the hon. Member's constituents.

James McMurdock (South Basildon and East Thurrock) (Reform): What does the Secretary of State have to say to the 5 million people who have lost their right to vote in this election, who want to vote before this generational power shift and not after it?

Angela Rayner: I would say to the hon. Member that they have not lost their right to vote. Their right to vote will be there, but voting in an election for something that is not going to be there—an election that would cost taxpayers huge sums of money—is not efficient, and it is not a way forward. We are working with local, democratically elected councillors to deliver better local services after 14 years of decay and destruction under the Conservatives.

Mr Lee Dillon (Newbury) (LD): I refer Members to my entry in the Register of Members' Financial Interests.

I welcome the Deputy Prime Minister's statement today, but I want to pull out a few points of procedural process that we will be going through over the next 12 months. First, senior officers will be spending hundreds of hours focusing on reorganisation, rather than on the challenges of delivering frontline services. In response to a previous question, the Deputy Prime Minister mentioned financial support, so will officers' time be able to be charged back to the Government?

Secondly, we have not heard about local consultation as we go through this process. Boundary changes and boundary reviews will have to be done internally. I have been on a council where I have done those things myself, and that alone took over 12 months to achieve and included statutory provisions for consultation. Also, if we have an election in May 2026, organisations

and political parties will need to know what the wards are at an early stage, so that they can do their selection and their approvals. I am sure that Reform will learn about the importance of approval processes in all-out elections.

If there are delays in the processes, what mechanism does the Deputy Prime Minister have for elections to go ahead even without a body in place to be elected to, if she is good to her word that elections will happen next May? Finally, how will she keep the House updated on progress?

Angela Rayner: I recognise that senior officers and local areas will be working on this issue—they have been working on it to develop their proposals in the first place, so this has come from those areas. We have committed to financial and logistical support for those areas; obviously, they will come forward with what they need as part of that process, and we are determined to deliver that on a case-by-case basis. There will be local consultation in that process, and as I have said, to get to the point we are at today of approving areas for the priority programme, lots of work has already been undertaken, and there will continue to be consultation as part of that process. The details will be outlined in letters that are sent out. I do not envisage delays in the process. I have been clear about why I have refused delays to other elections, but these delays have been put in place specifically because we believe they can help the delivery of reorganisation for areas, and of better services within a tight timescale.

Richard Tice (Boston and Skegness) (Reform): Dictators, not democracies, cancel elections, and 5.5 million voters in southern England are being denied the right to pass judgment on the performance of their councillors over the past four years—interestingly, in areas where Reform UK is expected to do rather well. In cancelling these elections, the Secretary of State has admitted that she does not know what will replace them, and it seems there is a serious risk, as previously mentioned, of areas not being ready in 12 months' time. Can the Secretary of State be crystal clear about what will happen in that case: will those elections be delayed by a further year, or will they go ahead in May 2026?

Angela Rayner: The hon. Member talks about dictators, but the leader of Reform has not faced an election to get to his leadership position—the only leader who has not.

We are not cancelling elections. I have been clear about the rationale, which is not unique or something that has not been done before. This delay is for reorganisation, and for further devolution so that people in local areas will get more powers from this Government. That is what we promised in our manifesto, and we will continue to deliver for people. I have strict and narrow guidance on which I allowed those areas to delay their elections, and I am confident they will be able to deliver. That is why I refused others. I am acutely aware that we want to ensure that people have a say in their local areas. That is what the devolution agenda is all about: giving local people more say and more powers.

Freddie van Mierlo (Henley and Thame) (LD): I refer the House to my entry in the Register of Members' Financial Interests.

It is fair to say that in the streets of Henley and Thame, strategic mayoral authorities were not on the lips of residents during the general election. Health was, however, with the dire situation that the Conservatives left in my constituency. There is still perhaps a crumb of opportunity in this reorganisation regarding realigning authorities with integrated care boards, so that we avoid issues where constituents cannot get services on other borders. Is that being taken into account?

Angela Rayner: Although the exact word “devolution” might not have been on people's lips, change was, which is why we got the mandate we did. The hon. Member talks about health. We put £22 billion of extra investment into our NHS because we recognise the challenges that it faces. ICBs are part of the devolution Bill and White Paper, and we will continue to work to ensure that mayors have a say over what happens.

Alison Bennett (Mid Sussex) (LD): I refer the House to my entry in the Register of Members' Financial Interests.

I thank the Secretary of State for answering so many questions this afternoon—she has been on her feet for some time. I am dismayed by the delay to elections in West Sussex, partly because when the district recently went through a reorganisation of its boundaries, it took nearly two years to complete. Unitary authorities are large entities and this is an enormous task, especially given the scope of what has been announced today for the south and east of England. What assessment has the Secretary of State made of the capacity of the Local Government Boundary Commission for England to deliver the boundary reviews? Will she expand on the financial support that will be given to councils to ensure that they are able to merge vital public services?

Angela Rayner: I hope that my lunch is delayed and not cancelled, Madam Deputy Speaker.

On delaying elections, I have been clear about the high bar that I set. I absolutely understand the enormous task that is faced when looking at reorganisation, which is why we will put extra support in place. I cannot outline exactly what that will be for the hon. Member's area, because it depends on what is needed on a case-by-case basis. The Government are committed to working with authorities to meet that timetable. I have been clear from the Dispatch Box that we want those elections to go ahead in May 2026. We will be working on that basis, and my Department will be working with local leaders to deliver it, on the basis that they knew the delay was happening.

Caroline Voaden (South Devon) (LD): I thank the Secretary of State for her statement, and on behalf of my constituents I thank her for giving people the opportunity to vote and give their verdict on the failing Conservative-run Devon county council, which has been badly failing our most vulnerable children for the past decade.

Devon is a huge rural area, and there are concerns that if it becomes a unitary it could end up devolving power away from people in a sparsely populated area, and moving the centre of power away from local communities, which does not feel like devolution. Will the Secretary of State clarify what size of unitary authority

[Caroline Voaden]

she will be looking for? Part of Torbay is in my constituency—it is one of the smallest unitaries in the country, with 139,000 people. Will it be allowed to continue as a unitary, or will it be required to be part of a greater whole?

Angela Rayner: I recognise that Devon is a huge rural area, and as I have said in previous debates on this issue, we have issued a guide for unitary authorities—it is a guide; I have said that it is not set in stone. I recognise that Torbay is now a unitary, but it also faces challenges and I want to work with local leaders. If they want to expand, we want to facilitate that. We want to deliver—our guiding principle is better public services that are responsive to the needs of local people. I believe that Members across the House want to deliver the same, so hopefully working by working together we can provide the investment that public services have not had for the last 14 years, and deliver it in the right way in the right place so that people feel it is responsive to their local needs.

Southport Attack

2.57 pm

The Minister for Security (Dan Jarvis): With permission, Madam Deputy Speaker, I will make a statement updating the House on the Government's response to the Southport murders.

The attack in Southport in July last year was one of the most appalling and barbaric crimes committed in this country. For young children and adults to be attacked in this way, and three young girls killed, is utterly heartbreaking. The Home Secretary and I would like to thank those people who showed great bravery in attempting to stop the attack. For this foul act of violence to happen while children were enjoying themselves at a dance class at the beginning of the school holidays is beyond comprehension. Our thoughts and prayers are with the families of the three girls, and with all those injured as they continue to live with the trauma of that dark day. No one should have to go through what they have, and we are steadfast in our commitment to ensuring that they get every possible support.

Responsibility for this abhorrent attack lies with the perpetrator. Axel Rudakubana has been sentenced to life imprisonment. He will serve a minimum of 52 years in prison, and Mr Justice Goose said it is highly likely that he will never be released. When the Home Secretary addressed the House on this case last month, she outlined the multiple interactions that the perpetrator had with state bodies in the years before the attack. Those included police, social services and mental health services. There are serious questions about how various agencies failed to identify and collectively act on the warning signs. All those questions must be answered—we owe that to the families who deserve the truth about what went wrong. That is why the Government are committed to understanding and addressing the failings in this tragic case through a comprehensive public inquiry. It will examine the issues raised in this case, but also wider challenges around rising youth violence. We are moving swiftly to set up the inquiry. We will consult the families to ensure that all critical issues are addressed, while remaining sensitive to the needs of those most affected. We expect to announce further details about the inquiry next month.

Although we do not pre-empt the conclusions of the inquiry, there are areas where action can and must be progressed immediately. Prevent is a vital part of our counter-terrorism system. We must endeavour to identify those susceptible to radicalisation early and before they go on to commit terrorist acts. Prevent receives nearly 7,000 referrals every year, and our hard-working frontline staff have supported nearly 5,000 people away from terrorism since 2015. We must get Prevent right. That is why the Home Office and counter-terrorism policing commissioned a rapid Prevent learning review immediately after the attack. These are usually internal technical reviews intended to identify swift learning and improvement for Prevent. However, the importance of the families needing answers has meant that today, following close engagement with them, we are taking the unusual step of publishing the Prevent learning review.

I can update the House that the perpetrator was referred to Prevent three times between December 2019, when he was aged 13, and April 2021, when he was 14.

Those referrals were made by his schools. The first referral reported concerns about him carrying a knife and searching for school shootings on the internet. The second referral was focused on his online activity relating to Libya and Gaddafi. His third referral was for searching for London bombings, the IRA and the Israel-Palestine conflict.

On each of those occasions, the decision at the time was that the perpetrator should not progress to the Channel multi-agency process, but the Prevent learning review found that there was sufficient risk for the perpetrator to have been managed through Prevent. It found that the referral was closed prematurely and that there was sufficient concern to keep the case active while further information was collected.

The review is clear on the concerning behaviours that the perpetrator demonstrated. It highlights his interest in the Manchester Arena attack and that he talked about stabbing people, and it flags that some of the grievances that could have been a motivation were not fully considered. The review also highlights the perpetrator's clear vulnerabilities and complex needs, which may have made him more susceptible to being drawn into terrorism.

The review concluded that too much focus was placed on the absence of a distinct ideology, to the detriment of considering the perpetrator's susceptibility, grievances and complex needs. There was an under-exploration of the significance of his repeat referrals and the cumulative risk, including his history of violence. There were potentially incomplete lines of inquiry. At the time, the perpetrator could have fallen into a mixed, unclear or unstable category for Channel, due to his potential interest in mass violence. Indeed, the overall conclusion of the review is that he should have been case-managed through the Channel multi-agency process, rather than closed to Prevent. That would have enabled co-ordinated multi-agency risk management and support.

The Prevent learning review made 14 recommendations for improvements to Prevent. We have accepted those findings and rapid action has been taken to implement the recommendations. Counter-terrorism policing has conducted in-depth assurance visits to every region to determine whether the issues identified in this case have been resolved by operational improvements made since 2021. Urgent work is underway to address the findings.

The Prevent assessment framework was launched in September and is now in place across all regions. It was developed by experts and is being used to triage and risk-assess all Prevent referrals. It will improve decision making at all stages of the Prevent system. Roll-out of this tool has been accompanied by rigorous mandatory training. We have begun an end-to-end review of Prevent thresholds to ensure that Prevent can deal with the full range of threats we see today, from Islamist extremism, which is the most significant terrorist threat the UK faces, through to the fascination with mass violence we saw in the Southport case. This internal review will complete in April and further strengthen the approach to repeat referrals and ensure that clear policy, guidance and training are in place.

We have completed the first stage of a policy review into how Prevent supports referrals who have mental ill-health or are neurodivergent. Actions for improving the operational approach have been identified and will be implemented swiftly, with oversight from the new

Prevent commissioner. We are also strengthening our approach to the oversight of referrals that do not meet Prevent thresholds to make sure that people receive the right support. Next week, a pilot starts in several local areas to test new approaches to cases that are transferred to other services.

The Government have appointed Lord Anderson as interim Prevent commissioner. This is the first time in its history that Prevent will have dedicated independent oversight. That will help ensure that Prevent is always held to the highest standards. Lord Anderson's first task is to review the perpetrator's Prevent history, drawing on the Prevent learning review. That will identify whether there is further learning, examine improvements made to Prevent since 2021 and identify any remaining gaps that require further improvement. He will complete the review within his term as interim commissioner, which will end with the appointment of a permanent commissioner this summer.

However, it is simply not enough to focus only on this case. We need to take an even more robust approach to identifying learning swiftly and driving that learning through the Prevent system. The Prevent commissioner will be tasked with overseeing a new approach to Prevent learning reviews that enables rapid debriefing and urgent action after incidents, but also that provides a clear framework that binds other agencies into the joint learning process. Transparency and enabling public scrutiny are also fundamental. That is why we will take steps to publish the findings of other independent Prevent learning reviews where there has been an incident of national significance. Next week, we will publish the Prevent learning review into the appalling attack on Sir David Amess, to enable further public scrutiny of this important programme.

The first duty of Government is to ensure the security of our country and the safety of our people, because nothing matters more. While we can never undo the hurt and pain caused by this unthinkable wretched attack, we can, we must and we will do everything in our power to prevent further atrocities. As the Prime Minister said, Southport must be "a line in the sand"

for our country. If that means asking difficult questions about shortcomings or failures, so be it. If it means holding institutions and processes to account, we will do so without fear or favour. If changes are required to protect the public and combat the threats we face, this Government will not hesitate to act. I commend this statement to the House.

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

3.8 pm

Chris Philp (Croydon South) (Con): I thank the Security Minister for providing a copy of the statement so early, and for providing a copy of the rapid learning review. I am grateful to him for his courtesy and consideration.

Let us keep in mind the three young innocent victims of this savage attack: Bebe King, just six years old; Elsie Dot Stancombe, who was seven; and Alice da Silva Aguiar, who was nine. Their lives were cruelly cut short at a Taylor Swift dance class. These young girls had their whole lives in front of them—lives they will now

[Chris Philp]

never lead. Their parents and families will suffer forever from the unimaginable grief caused by their loss. I know that they will be in the thoughts and prayers of every single Member of this House.

As the Minister said, it is vital to learn the lessons. I welcome and support the inquiry announced by the Home Secretary a couple of weeks ago. The Security Minister described it a moment ago as a public inquiry. Will he confirm that it will be a statutory inquiry under the Inquiries Act 2005? It is important that it has powers to compel witnesses to attend, take evidence under oath and obtain documents. It is vital that we get to the truth about the opportunities that may have existed to stop Rudakubana committing these sickening murders.

I am pleased that the Security Minister said that Prevent thresholds are being reviewed. Page 35 of the lessons learned review highlights a number of areas for further investigation. The first of those is mental health interventions, which he referred to. Will he confirm that the inquiry will consider what mental health interventions may have taken place, and whether powers should have been used to section and detain the perpetrator in this case? That is particularly relevant because just today we saw the NHS report into the psychotic triple murderer Valdo Calocane, which raised similar mental health detention issues. Both Rudakubana and Calocane could have been sectioned and detained under the Mental Health Act. If that had happened, perhaps these murders could have been avoided.

The Government announced the new mental health Bill in the King's Speech. Pages 83 to 85 of the accompanying notes state that the Government have plans to increase the threshold for detention under the Mental Health Act—that is to say, make it harder to detain people. It goes on to note concerns about black people being more likely to be detained under mental health powers. Does the Security Minister share my worry, especially following these six murders committed by Rudakubana and Calocane, that making it harder to detain dangerous people under the Mental Health Act because of racial sensitivities is not the right thing to do? Will he raise that point with his colleagues in the Department of Health to ensure that dangerous people such as Calocane and Rudakubana can be sectioned and detained when that is needed to protect the public? I am sure that he would share my view that misplaced political correctness about racial quotas cannot be allowed to endanger the public.

Let me say a word about wider concerns regarding Prevent. Does the Security Minister agree with William Shawcross that we cannot lose focus on the main threats that we face, besides the important threats that he discussed in his statement, with which I generally agree? Since 1999, 94% of terrorist-caused deaths have been caused by Islamists, yet only 13% of referrals to Prevent relate to Islamist extremists. Does the Security Minister share my concern about this disparity? What steps will he take to make sure that those at risk of committing acts of Islamist terrorism are properly identified and handled?

Let me turn to the question of openness and transparency. In the aftermath of the murders, basic information about Rudakubana's identity and the fact that he was found in possession of ricin and an al-Qaeda

terrorist manual were not made public, even though in other cases such information has been made public. Jonathan Hall KC, the independent reviewer of terrorism legislation, has said that it should have been made public. The information about the ricin and the terror manual was made public in October, well before the trial and without risk of prejudice, and Merseyside Police has subsequently said that it wanted to release more information but could not do so. That created an information vacuum that was filled by untrue rumour, which arguably fuelled the subsequent riots.

Will the Minister confirm that the inquiry into the Southport tragedy will cover communications to the public afterwards, and whether more should have been disclosed more quickly? That is a vital aspect of this case and the inquiry must cover it. I would be grateful if the Security Minister confirmed that it will.

Dan Jarvis: I thank the shadow Home Secretary for his questions. He is absolutely right to focus our thoughts on the victims and the unimaginable pain that their families will continue to suffer. I am grateful for his support for the public inquiry. Let me confirm that it will begin on a non-statutory footing. That is deliberate, in order to get it up and moving as quickly as possible, but I can assure him that it will then be moved to a statutory footing.

The right hon. Gentleman made an important point about mental health interventions, which will have been on the minds of hon. Members across the House. The inquiry's precise terms of reference are still being agreed, because we need to agree and discuss that with the family members, but I understand why he has made that point and why he referenced the terrible attacks that took place in Nottingham. He may know that this Government are supporting an inquiry into those attacks. More generally, I assure him that we will always do what is necessary and right to safeguard the security and protection of the public.

The right hon. Gentleman mentioned William Shawcross; as I have said from this Dispatch Box previously, we have now implemented 33 of the 34 recommendations of the Shawcross review. He also asked me about the review of Prevent thresholds, which the Home Secretary has referenced on a number of occasions. We are reviewing the thresholds—in short, because we think that they have been too low in previous times. That is why we are looking very carefully at them again.

I understand why the right hon. Gentleman sought to make the point about transparency. The Home Secretary, myself, and all the Ministers in the Department and across Government, followed very carefully the guidance from the Crown Prosecution Service. I know that he will understand, as a former Minister in the Home Office, that our absolute priority was delivering justice for the victims. We could not have got ourselves into a situation where we put ourselves in contempt of court, which would have undermined the judicial process. Rightly, we would never have been forgiven for that. We were incredibly careful to ensure that we did not do that, while at the same time respecting the obvious requirement for transparency.

The inability to answer certain questions in the aftermath of the attack did give rise to the questions asked at the time, and they require careful consideration. We will shortly confirm arrangements for independent expert

analysis of these particular issues, because I understand why he raises them. I assure him that the one thing that we did not want to do was prejudice ongoing legal proceedings.

Patrick Hurley (Southport) (Lab): I thank the Minister for his statement, and his Department for the sensitive way in which the families were consulted prior to its publication; I have spoken with several of the people most intimately impacted over the last few days, and I know full well how much it is appreciated.

Some of the details in the review beggar belief. I will mention just one. There were spelling mistakes in the Prevent database. Each time Rudakubana was referred to Prevent, his name was recorded with a different spelling. The review states that it is possible that previous referrals did not show up in searches. Can this House have confidence that, where such issues and training needs are identified, the recommendations of the review will be implemented rapidly to make sure that the failures of the Prevent programme between 2019 and 2024 are not repeated?

Dan Jarvis: I thank my hon. Friend for the exceptional job that he has done representing his constituents and constituency through the darkest of days. I can give him the assurances that he seeks. The public inquiry will seek to get to the heart of the issues that he raised, but I can say to him and to the House that we will not hesitate to act in the meantime. It is vital that our response is joined up locally and nationally. The measures that the Home Secretary has announced and that I have reiterated today should ensure that that is the case, but we will not hesitate to act further if that is required.

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

Lisa Smart (Hazel Grove) (LD): I thank the Minister for advance sight of his statement. The events in Southport were horrifying—a brutal, senseless act of violence—and my thoughts, like those of others, remain with the families of Alice, Bebe and Elsie, whose lives were taken. We owe it to these three girls and to their families, friends and communities to ensure that an act of such hideous brutality is not allowed to be repeated.

We should all be deeply troubled that warning signs were missed in the lead-up to the attack. The Liberal Democrats have long raised concerns about the failures of Prevent. We welcome the publishing of the Prevent learning review, and indeed the introduction of a dedicated Prevent commissioner to give an independent view, but would welcome any details from the Minister on the powers the commissioner will have to enforce improvements on the Prevent system—will the role be on a statutory footing, for example?

More broadly, we must ensure that our national security strategy accounts for a wide range of threats. As this case has made clear, perpetrators may be motivated by a fascination with violence, but not a particular ideology, which may allow them to slip through the net. How will the Minister ensure that future strategies, both counter-terrorism and otherwise, are watertight to prevent such awful acts from happening again?

Protecting communities must be at the centre of this approach, so what is being done to reassure the public that they remain safe from these threats? What will be

done to ensure that incidents of this type are not exploited by extremist groups? The Minister is right to say this must be a line in the sand, but it must also be a turning point. We owe it to the victims and their families to ensure that the failures that led to this tragedy are not repeated.

Dan Jarvis: I am grateful to the hon. Lady for the constructive tone of her remarks. She asked about the independent Prevent commissioner. We have appointed Lord Anderson on an interim basis, ahead of a permanent appointment this summer, and we will work closely with him to establish the role. He has unique experience and is hugely respected across this House and in the other place, and I am confident that he will do what needs to be done to provide the assurances that hon. Members are looking for.

The hon. Lady made an interesting point about seeking to ensure that the national security apparatus that keeps the public safe is watertight. The assurance that I can give her—I hope this also provides some reassurance to the public, which was her next point—is that we are fortunate in this country to have extraordinary men and women serving in our national security agencies, operational partners, police and across Government who work tirelessly to keep the public safe. I hope that she, and the whole House, can find some reassurance in the commitment of this Government and all those who work tirelessly to keep the public safe. It is our No. 1 priority, and we will use every tool at our disposal to do so.

Paula Barker (Liverpool Wavertree) (Lab): I thank the Minister for his statement. It makes me deeply angry to listen to the litany of errors by different agencies across the public sector, not just in failing to realise the level of threat that Rudakubana posed in each instance of encountering him, but in failing to join the dots and realise the common pattern they were all seeing—not least because in 2020, my constituents Jan and Gary Furlong lost their wonderful son, James, in the Forbury Gardens attack. As in the Southport attack, there were systematic failings in the system. The perpetrator had four Prevent referrals and was known to mental health services, and nobody joined the dots.

Will the Security Minister ensure that whatever else the inquiry into these tragic and preventable deaths examines, it looks closely at how the agencies talk to each other and assess threats together? Agencies and Departments can no longer be allowed to work in silos. Given the Minister's statement that the Government will take steps to publish the findings of other independent Prevent learning reviews where there has been an incident of national significance, may I ask whether that will be extended to the Forbury Gardens attack?

Dan Jarvis: My hon. Friend has been a tireless champion for her constituents. It was humbling to meet Gary and Jan Furlong recently with her; they are incredible people whose decency is inspiring. As she knows, the terrible Forbury Gardens incident occurred before the formalisation of the learning review process. However, thorough scrutiny was given to the Prevent case management of the perpetrator through the coronial process.

The Government are committed to learning from these previous failings and from the experience of Gary and Jan Furlong. The Home Secretary has written to

[*Dan Jarvis*]

the Furlongs and the other families of the victims of the terrible Forbury Gardens attack, and I know she will want to meet with them soon; I recommend that Lord Anderson does so too, so that collectively, as a Government, we can learn everything possible from that terrible attack.

Madam Deputy Speaker (Judith Cummins): I call the Father of the House.

Sir Edward Leigh (Gainsborough) (Con): May I press the Minister further on the issue of transparency? He says that Ministers did not wish to prejudice the trial, but the murderer's possession of the ricin and the terror manual was revealed before the trial. There is a suspicion that this information was not released within days because there was a feeling in Government that it might inflame racial tensions, but this lack of transparency unfortunately simply fed conspiracy theories. Will the Minister confirm whether Ministers took a conscious decision not to reveal that information, and have they learned the lesson so that in future, should such an outrage occur—which we all hope will never happen again—we can be completely transparent?

Dan Jarvis: I can certainly give the right hon. Gentleman the assurance that Ministers did everything mindful of the absolute need to avoid contempt of court and interfering with ongoing legal proceedings. He specifically mentions the issue of ricin. The Home Secretary and I were close to this investigation throughout, and the Home Secretary was informed of that fact on 2 August. Police investigations are fast moving, and it is important that facts are established as they relate to the prosecution of an individual; it is not for Ministers to provide a running commentary on any or every aspect of an investigation. I can say to the right hon. Gentleman that we take these matters incredibly seriously. We are thinking about how these terrible incidents can be managed in the future with regard to the passage of information, but I can give him the assurance that we acted in the best interests of securing justice for the victims throughout.

Tulip Siddiq (Hampstead and Highgate) (Lab): I thank the Minister for his important update. As an aside, I hope that he will keep the definition of extremism under review.

Turning to the case today, I am sure the Minister will agree that we have a collective responsibility to ensure that young people do not develop a world view that leads them to a life of violent extremism. We know that a lot of the grooming of young people starts online, and that the perpetrator in this case viewed harmful content online, which stayed online for months on end. What conversations has the Minister had with the social media companies, which have to take some responsibility over the content that is generated and then amplified on their platforms?

Dan Jarvis: My hon. Friend makes a very important point. The Government are crystal clear that content which is illegal must be taken down by the tech companies. We have the power to compel companies that fail to co-operate on such content. I think it is not a controversial thing to say that the tech companies have an absolute responsibility, both legal and moral, to keep their users safe, and that particularly applies in the context of

younger people. As I think she will know, from March, under the Online Safety Act 2023, they will be required to identify and remove terrorist content swiftly and prevent users from encountering it. The Government have again been clear: should that not prove to be sufficient, we will consider all mechanisms, including legislative ones, to go further.

Sir Julian Lewis (New Forest East) (Con): Will the Minister consider making available to interested colleagues on both sides of the House a presentation of what actually happens on Prevent and Channel courses? In the absence of that, may I ask him, from his personal knowledge of what happens on those courses, am I right in thinking that they are primarily therapeutic? Would he therefore accept that there are some people, not primarily motivated by ideology but psychotic, extremely narcissist and possibly using or abusing mind-altering drugs, who, no matter how much therapy they had, would still go on to commit atrocities; in which case, what powers exist, in mental health legislation and anti-terrorist legislation, to prevent them from committing such acts?

Dan Jarvis: I am grateful to the right hon. Gentleman, as I always am, for his very sensible and reasonable question. I am very happy to arrange a presentation in the way that he has described, if he and other right hon. and hon. Members think that that would be useful. I think it would be and I think it is a helpful suggestion. The truth of the matter is that, in the context of the Prevent programme, we will be dealing with a wide range of different threats. We have spoken previously about our increasing concern with regard to the number of young people who are presenting for a variety of different reasons, but those reasons do include very significant concerns that relate to mental health, autism and neurodivergence. We are looking at those things incredibly carefully. As I know that he will understand, the public inquiry will of course look at them as well. I referenced earlier on in my remarks some pilot trials that we will be launching next week. They are about looking at how we can manage data in a more effective way and how we can ensure that those people who currently do not meet the thresholds for referral into the Prevent programme can be guaranteed the support that they obviously require in order to mitigate the risks that they are exposed to. I am grateful for the right hon. Gentleman's approach. I will think on it further and come back to him with thoughts about a presentation.

Mike Tapp (Dover and Deal) (Lab): It is right that the Prevent system is reviewed in detail to ensure that any failings can never happen again, and I thank the Security Minister for his important and constructive statement. Our judicial system and the rule of law are at the very heart of British values, yet we have seen repeated attempts by some opposition to demean our values. The Government's insistence on following legal advice has ultimately led to a successful prosecution. Imprisoning murderers and terrorists should never be put at risk, so does the Minister agree that the House should unite on national security issues, as it has done in the past, instead of playing political games?

Dan Jarvis: I am grateful to my hon. Friend for his question. I agree with him. I hope the House knows that the Government will always want to work in a constructive,

co-operative and cross-party way with regard to matters relating to national security. That is, I think, the right approach. I can give him an assurance that in the aftermath of the terrible attack back in July last year, the Home Secretary and I were absolutely determined to ensure that we did nothing and said nothing that would interfere with ongoing proceedings. We would, rightly, never have been forgiven had we interfered with that process in a way that might have undermined a trial. That was our motivation: securing justice for the victims and their families.

Mr Clive Betts (Sheffield South East) (Lab): I thank the Minister for his statement, and particularly for the intention to review and reform Prevent. May I ask him to look at the role of social media, as my hon. Friend the Member for Hampstead and Highgate (Tulip Siddiq) did earlier, but to do so in the context of the tragic killing of Harvey Willgoose at All Saints Catholic high school in Sheffield on Monday? My sympathies go out to Harvey's family, his friends and those at the school, particularly those who witnessed this tragic and awful incident at first hand.

South Yorkshire police have told me that after the incident, many comments and speculations about what had happened appeared online—some downright misleading, while some, as in the Southport case, could have prejudiced a future inquiry and future trial. The social media companies have a responsibility in this regard. Worse still, perhaps, the police told me that immediately after the attack, there was a video on social media of Harvey receiving CPR in the school. I found that absolutely appalling. When South Yorkshire police approached social media—I understand that Meta was the platform—and asked them to take the video down, their answer was that because there was no violence in the video, it was not their policy to take it down. What can the Minister and his colleagues do to get the social media companies to behave responsibly in a situation such as this? Imagine how Harvey's family and friends must feel seeing that video online.

Dan Jarvis: I am grateful to my hon. Friend for raising the circumstances of this awful case, and I join him in sending our condolences for the terrible loss of life in Sheffield earlier in the week. He has made an important point, and has made it in a very powerful way. The tech companies do have a responsibility to keep their users safe, and where there is content such as that which he has described, I do not think any right-minded person thinks it should be available to be viewed. The Government have a working relationship with the tech companies, and I have listened carefully to what my hon. Friend has had to say. I will raise it with colleagues across Government, and we will see what we can do about it.

Richard Tice (Boston and Skegness) (Reform): The Prevent learning review of the Southport horror is shocking. It reveals a series of massive failures, to the point of gross negligence by people in Prevent. However, it also uses some crucial words: it refers to factors that “make him susceptible to being drawn into terrorism.”

That appears to indicate that the review has found that the killer was a terrorist. I therefore think that the Government and the Crown Prosecution Service need

to be crystal clear with the British people. Are they now accepting that the action of this monster was a terror incident?

Dan Jarvis: The hon. Member has asked me to be crystal clear, so I will be. The perpetrator has been found guilty of a terrorism-related offence, and will therefore be considered to be a registered terrorist offender. He will be subject to the associated sentencing procedures, and will be treated as a person convicted of an offence under the Terrorism Act 2000.

Mr Bayo Alaba (Southend East and Rochford) (Lab): I am speaking on behalf of my constituency neighbour, my hon. Friend the Member for Southend West and Leigh (David Burton-Sampson), who has been working closely with the Home Office and, most important, with the family of the late Sir David Amess. It makes me angry to listen to the litany of errors that occurred when agencies were not necessarily talking to each other, but I welcome this announcement nevertheless. The Amess family and the city of Southend deserve it, and more. Can the Minister assure me that the Prevent learning review will provide the much-needed answers and, crucially, the learnings that the family of Sir David Amess deserve?

Dan Jarvis: I thank my hon. Friend for raising this matter. Sir David Amess is a much-missed colleague, and his family continue to be in our thoughts. The Home Secretary met Lady Amess recently, and we are very grateful to the family for the important representations that they have made. Next week, as I have said, we will publish the Prevent learning review of the appalling attack on Sir David. We will never forget him.

Jas Athwal (Ilford South) (Lab): None of us would wish to pre-empt the public inquiry before it has even started, but based on what the Minister has told us, it seems inevitable that we will face the issue of different state agencies failing to speak to each other about an individual who is coming up on their systems. If they had spoken to each other, they might have realised the serious danger that the Southport attacker posed. My constituent Zara Aleena would have been alive today if agencies had talked to each other two years ago. Will the Minister ensure that inter-agency communication is at the heart of any lessons learnt from this inquiry?

Dan Jarvis: I am grateful to my hon. Friend for asking his question in the way that he has, and I am dreadfully sad about what happened to his constituent. He makes a very important point about inter-agency co-operation and working. That is one of the things that we will look very carefully at, and it is certainly one of the things that the public inquiry will focus on. We have to ensure that there is a joined-up response at local, regional and national levels, and we will do so.

With your indulgence, Madam Deputy Speaker, I will clarify one point that I made to the shadow Home Secretary earlier. He made some good points about transparency, and I want to be clear with him that it is the Law Commission that will review the contempt of court rules.

Fred Thomas (Plymouth Moor View) (Lab): The tragic events in Southport were horrific, and I welcome the Government's review of the Prevent policy. The murderer should have been monitored better. We must

[Fred Thomas]

implement steps to ensure that this never happens again. The tragic incident set off civil unrest across the country, and it found its way to Plymouth. In that moment of extreme societal emotion, the community in Plymouth came together as one and, in the end, our streets saw minimal public disorder. Does the Minister agree that we must tackle the root causes of that civil unrest, which include disinformation online?

Dan Jarvis: My hon. Friend makes a very important point, and I can give him the assurance that he seeks about tackling disinformation online. He makes an important point about the response from his constituents in the city of Plymouth. Looking back at the aftermath of the terrible attack in Southport, in those dark days of July last year, we saw the worst of our country in that certain people seemed to think that it was acceptable to throw rocks, bricks and missiles at the police, but we also saw the best of our country, exemplified by decent people who stood against that. In that context, it is also important to remember the members of the police force—those brave men and women—who stood against the threat. We should send them our heartfelt thanks for all their work.

Water Safety

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

3.43 pm

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision about the installation and maintenance of, and access to, safety equipment at reservoirs; to create an offence of damaging or destroying safety equipment near bodies of water; to make provision about the teaching of water safety in schools; and for connected purposes.

My son phoned me last week to share the news that he had passed his driving test at the first time of asking. Personally, I think the best drivers are those who pass it on the second attempt, but there we are. This week, he dropped my talented and beautiful daughter—his sister—at school, and then took me to the station for the first time so that I could return to this place. He carried on to his sixth-form college, and the offers have started to come in from universities. He has the whole world ahead of him.

My children are my world. Seeing their remarkable achievements, and watching them grow into the most amazing, special human beings, is the most wondrous thing that any parent could ever hope and pray for. I am sure that, when the time comes, every parent awaits that call when their child passes their driving test, gets their exam results or goes off to work or study for the first time on their own. No parent should await a call to say that they will never see their beautiful baby again. No parent should outlive their child and have to say goodbye to them, so, in what I bring before the House today, I hope to start the process of preventing that from happening in the awful circumstances I will talk about.

Today, I shall talk about Sam. Sam was a similar age to my son, and he should also have had his whole life ahead of him. Sam, a 16-year-old, went out with his friends one day and never returned after tragically drowning in a South Yorkshire reservoir. I met Sam's father, Simon, for the first time at Thorne fire station last summer. He handed me the sweetest picture of his gorgeous boy and bravely retold the story of what had happened. I knew there and then that, should I be so honoured as to reach this place, I would do something for Sam, for his parents and for every family who has lost a loved one in a similar way.

I begin by acknowledging the work that has already been done on this matter, both here and outside Parliament, to campaign for what has become known as Sam's law. In particular, I want to highlight the work done by my hon. Friend the Member for Rotherham (Sarah Champion), who is a sponsor of this Bill, and by Sam's father, Simon Haycock, who I know is watching today.

In May 2021, Sam had just finished his GCSEs. It was summer, it was hot, and he and his friends did what countless teenagers have done before them: they found a body of water and decided to go swimming. When Sam got into difficulty, his friends tried to help. They found that the safety equipment was locked. They had to ring 999 and, once the operator had verified that it was a genuine emergency, they were given a code to unlock the equipment before they could use it. In an emergency such as that, every second counts. In the wake of Sam's death, his father Simon has become a

champion of water safety, going into schools and communities to talk about the dangers of entering open water and to campaign for Sam's law.

There were 141 deaths in inland open water bodies in 2023, and 1,455 over the last 10 years. That is about 146 people dying every year, most of them children or young adults. Search, rescue and emergency services respond to over 100,000 calls related to water rescues annually. As we continue to have longer, hotter summers, with more people looking for ways to cool off, there is a risk that those numbers will only increase further. Those are worrying figures, but the one that struck home the most for me was the estimate from the Royal Life Saving Society that for every person who dies by drowning, there are more than 10 near misses. That is shocking. It is too many near misses, and too many people just one step away from leaving this world unnecessarily early. That is why I am proposing these measures today.

The first is to create a legal responsibility to provide, maintain and ensure easy and rapid access to safety equipment around reservoirs. Too many reservoirs do not have safety equipment, and where there is equipment, it cannot always be accessed in a timely manner. It is frequently vandalised—an issue I will come to in a moment—and not replaced or repaired. The equipment is often locked away, with a laborious protocol for access. Simon Haycock, Sam's father, has a simple and creative but game-changing plan for this, using state-of-the-art technology. I hope to help him to progress this concept into reality, to save precious seconds and precious lives. I absolutely understand why these protocols are in place. They were introduced to safeguard lifesaving equipment, which is why we need to turn to the second point of the Bill.

I propose to create a specific criminal offence of the vandalism of safety equipment around bodies of water. It has been recognised that some specific instances of crimes, while covered by a broader category, are so abhorrent that they should exist as a crime in themselves. We have recognised, for example, that assaults on emergency workers who are risking their lives to save others are particularly heinous. We have recognised that domestic abuse cannot just be prosecuted as if it were a simple assault, and we have recognised that slavery is more than just kidnapping and forced labour. It is time to recognise that to destroy, damage or remove lifesaving equipment, and therefore endanger lives, is not simple vandalism.

Finally, the Bill seeks to expand the national curriculum's water safety learning outcomes to include a requirement to understand the dangers of swimming in open water. Water safety outcomes are already mandated in the national curriculum, and I acknowledge the work of Lord Storey in pushing for the teaching of those outcomes to be mandatory in all schools. When it becomes law, the Children's Wellbeing and Schools Bill will ensure that all children receive that education, which is a major step forward.

However, the current learning objectives do not go far enough, as they are about being able to swim and self-rescue. I do not suggest for a moment that having those skills is not important, but there is nothing in the curriculum that requires children to be taught about the dangers and risks of swimming in open water, from cold water shock to invisible currents and hidden objects.

If we want to stop children, especially teenagers, putting their lives at risk, saying, "Don't do it," or, "It's dangerous," is not the way forward. The best thing we can do is to empower them by giving them the skills and knowledge to recognise the risks and understand the dangers for themselves. Many schools already do this. They go above and beyond the baseline teaching required, working with groups such as the RLSS, the Royal National Lifeboat Institution and the Canal & River Trust. I take my hat off to every school that has led the way, but now it is our job to lead the way by making sure that this life skill and safety education is not left to chance.

There will be a cost to landowners in adding and maintaining safety measures, but reservoirs are fundamentally different from most other bodies of water. They are not naturally occurring; they are created. They are managed and operated as part of an intentional and usually profit-making enterprise. I therefore do not think it is unreasonable that those who own or operate the asset should play their part in installing and maintaining lifesaving equipment.

Ultimately, we are talking about people's lives—not just the lives that are lost, but the lives of those who lose sons like Sam or who lose daughters, brothers, sisters, friends or partners. There are 146 deaths a year, but how many lives are devastated by those deaths? How many lives are changed forever? And how many more will there be before we do something different?

Simon Haycock, Sam's father, has channelled his grief into doing something positive, but his words still ring in my ears: "It's the absence that gets you. One minute your son is there, looking forward to the summer holidays and the next chapter of his life at college, and the next he is gone." From the moment the first tear fell down my face as he started to retell that story, I knew I had committed to helping him achieve his goal.

I ask all Members to support this Bill today and, more than that, I ask them to take up its proposals and principles by being alive to the need for change and by being aware that there is more that we can and must do.

Question put and agreed to.

Ordered,

That Lee Pitcher, Calum Miller, Sorchá Eastwood, Sally Jameson, Sarah Champion, Dr Roz Savage, Jim Shannon, Ben Coleman and Andy Slaughter present the Bill.

Lee Pitcher accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 June, and to be printed (Bill 178).

Police Grant Report

Madam Deputy Speaker (Judith Cummins): Members will have seen on the Order Paper that the police grant and local government finance reports were due to be considered by the Select Committee on Statutory Instruments this morning. I can confirm that the Select Committee has reported that these reports do not raise any issues within their terms of reference that need to be drawn to the special attention of the House.

3.54 pm

The Minister for Policing, Fire and Crime Prevention (Dame Diana Johnson): I beg to move,

That the Police Grant Report (England and Wales) 2025-26 (HC 621), which was laid before this House on 30 January, be approved.

With your permission, Madam Deputy Speaker, I would like to express my condolences to the family and friends—and to the wider school community at All Saints Catholic high school—of Harvey Willgoose, who was the victim of a stabbing in Sheffield earlier this week and sadly died. I echo the comments made by the Prime Minister that schools must be places of safety and learning, not violence and fear.

It is a privilege to present to the House the final police funding settlement for 2025-26. This is the first opportunity that the Labour Government have had to set out our commitment to and support for funding the police of England and Wales. In year one of this Government, we are starting the hard work of rebuilding neighbourhood policing and giving the police the tools to do the job. In contrast, year one of the previous Tory Government, in 2010, saw the start of massive cuts to frontline policing that cut over 20,000 police officers, baked in the unfairness in funding that many now complain about, and weakened powers to deal with antisocial behaviour and neighbourhood crime, the consequences of which we now see around the country.

I will commence my remarks by expressing my heartfelt thanks to the thousands of dedicated officers and staff, up and down the country, for their unwavering commitment and bravery. In the months since I was appointed to this post, I have met many frontline officers from around the country—from Bedfordshire, Cleveland, the Met, West Midlands, Suffolk, Merseyside and Humberside. I have seen and heard about countless examples of outstanding police work.

In the summer, the police demonstrated exceptional bravery and compassion in the face of unimaginably distressing scenes in Southport. The following day, those same police officers faced the most disgraceful violent attacks from criminals and thugs, with 302 officers injured while working to keep the public safe. We are incredibly fortunate to have so many courageous men and women devoted to keeping us all safe and pursuing criminals without fear or favour. This Government will never take their service and sacrifice for granted. The police deserve our respect and support, and the investment we are making through the settlement underlines our commitment to working with the police to deliver the safer streets all our constituents deserve.

Chris Vince (Harlow) (Lab/Co-op): I join the Minister in thanking the hard-working police officers and police community support officers in Essex. Last week, the

Conservative police, fire and crime commissioner threatened to get rid of all 99 Essex PCSOs, who do incredibly hard work supporting my community of Harlow. Does the Minister welcome the fact that the PFCC has U-turned on that, and will she recognise the £27 million in extra funding for Essex police?

Dame Diana Johnson: I am grateful to my hon. Friend for raising the issue of Essex. I will come on to talk more about the funding that is going into all police forces, including Essex. I am delighted that the threats that were being made about the reduction in the number of PCSOs will not come to pass. All police forces will benefit from the settlement, as I will go on to talk about.

James Wild (North West Norfolk) (Con): The right hon. Lady referred to neighbourhood policing. In Norfolk, the new settlement will mean four officers on duty at any one time over an area of 2,000 square miles. Norfolk's chief constable, who is also the national lead, has warned that there is a £4 million funding gap for Norfolk, and that he will have to lose experienced police staff as a result. Why is the Minister not giving Norfolk and other rural areas the settlement they need?

Dame Diana Johnson: I will go on to talk about neighbourhood policing, but all police forces are getting additional money in the police settlement. On the neighbourhood policing money that is being made available, we are working with all police forces so that they come up with plans for how they can best deliver the neighbourhood policing guarantee in their area. I will talk about that in a moment.

Sir Oliver Dowden (Hertsmere) (Con): Will the Minister give way on that point?

Dame Diana Johnson: I just want to get my next point on to the record, and then I will certainly give way. In 2025-26, overall funding for policing will total up to £19.6 billion. Of that amount, the funding available to police and crime commissioners for their local police forces will be up to £17.5 billion. That is an increase of an additional £1.1 billion for next year, and a 6.6% cash increase. Just so we are all clear, that is £1.1 billion in addition.

Several hon. Members rose—

Dame Diana Johnson: I am happy to give way to the right hon. Member for Hertsmere (Sir Oliver Dowden).

Sir Oliver Dowden: Can the Minister, for the benefit of the House, clarify how much of that uplift will be taken up by the increased national insurance contributions that have to be made by police forces as a result of Labour's policy?

Dame Diana Johnson: The national insurance increases that were announced in the Budget are fully funded in the settlement.

I think I saw the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) rise.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The Minister talks of increasing the draft settlement—[HON. MEMBERS: "Answer the question!"]

Dame Diana Johnson rose—

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

Dame Diana Johnson: If hon. Members want the exact figure given to police forces to cover national insurance contributions, it is £230 million.

I will now give way to the right hon. Lady.

Liz Saville Roberts: The Minister talks of increasing the draft settlement, but extra funding for Welsh police forces only plugs the gaps left by the Labour Welsh Government reducing police community support officer funding in recent years. Plaid Cymru PCC Dafydd Llywelyn tells us that 56% of Dyfed-Powys police funding now has to come from local residents. Surely the time has come to review police funding in Wales and have devolution of policing on the table.

Dame Diana Johnson: Issues such as the precept in Wales are obviously a matter for the Welsh Government. There is general agreement that a number of Members are concerned about the police settlement. It is historical; it is what we inherited from the previous Government. I know that the previous Government had two attempts to reform the formula and did not do so. I will come on to talk about that in a moment. However, I just want to go through some of the figures so we are all clear about what is being announced today.

I have just set out the £1.1 billion extra being made available to policing in the next financial year. That funding is based on the assumption that PCCs make use of the full precept flexibility of £14 for English forces—I know that is different in Wales. That measure provides important flexibility that could result in an additional £329.8 million in funding should all forces choose to fully utilise it. It is important to make clear, however, that those decisions are ultimately made at the local level.

I will now come on to the neighbourhood policing commitment. Neighbourhood policing is the bedrock of our policing model. Every community deserves visible, proactive and accessible neighbourhood policing, with officers tackling the issues that matter most to those areas. Under previous Conservative Governments, neighbourhood policing was slashed in communities across the country and more than half of the public now say they never see a bobby on the beat. Shockingly, that number has doubled since 2010, eroding community confidence and leaving people feeling less safe. Sadly, over the 14 years of those Governments, as I have said, neighbourhood policing was decimated, with the number of PCSOs halved and the number of special constables reduced by two thirds. That has dire consequences for public safety and public confidence.

Over the 14 years of the Conservative Governments, too many town centres and high streets across the country were gripped by an epidemic of antisocial behaviour. We are at the highest levels of shop theft for a generation, and that is corroding our communities and cannot be allowed to continue.

Becky Gittins (Clwyd East) (Lab): Retail crime is one of the biggest issues that businesses across Clwyd East raise with me. It is fair to say that the way in which the last Conservative Government characterised and deprioritised dealing with so-called low-value theft is the reason why we are in such a mess and there has been such a rise in shoplifting, which is now at a 20-year high. Will the Minister share my thanks to the Union of

Shop, Distributive and Allied Workers and the Co-operative party for what they have done in that area? Will she also tell us a little more about how the extra funding will help bolster our neighbourhood policing teams so that they can do the real tireless work to make sure both our shops and shopworkers are kept safe?

Dame Diana Johnson: My hon. Friend raises an important matter. That neighbourhood policing presence that we are talking about in our high streets and our town centres will be so important in getting to grips not only with antisocial behaviour, but with the rise in shop theft and assaults on retail workers.

This Labour Government want to turn the page and put neighbourhood policing back into our communities, in every corner of the country. Our neighbourhood policing guarantee will see the recruitment of thousands of additional police officers, PCSOs and special constables, who will be equipped with the tougher powers they need to crack down on the crimes blighting our high streets and town centres. That is why we are doubling the funding for neighbourhood policing compared with the provisional settlement that was published in December, to a total of £200 million, to kick-start the work on neighbourhood policing in 2025-26. The impact of good neighbourhood policing on local community confidence and crime prevention can never be overstated. That is why it is integral to our safer streets mission, which is in turn a core strand of the Government's plan for change.

I expect policing to make use of this funding to increase neighbourhood teams across every force next year. That increase in neighbourhood policing, alongside the neighbourhood policing guarantee, will strengthen the connections between the police and the communities that they serve, and clearly demonstrate to the public that the police are responding to local concerns and priorities.

I turn to the subject of police officer numbers. We are committing £376.8 million to support forces in maintaining officer numbers for 2025-26. Of this, £270.1 million will be allocated to forces on the condition that they meet their officer targets. An additional £106.7 million will be provided as a top-up grant to support recruitment efforts in 2024-25 and 2025-26. This funding will be unconditional and distributed based on the extra recruitment that each force achieves.

This settlement represents a significant increase in funding for police forces, but in return the Government will expect all police forces to raise their ambition on efficiencies, drive forward improvements to productivity and ensure that every penny invested in our mission to create safer streets counts. That means that forces will be required to participate in the recently launched commercial efficiencies and collaboration programme to unlock immediate cashable savings and develop additional opportunities for increased income generation. Our first focus will be on forces signing up to national approaches to buying energy, vehicles, fuel, temporary staff and software licences.

We are also increasing firearms licensing fees that have not changed since 2015 and are now significantly less than the cost of the service provided by police forces. The additional revenue raised will be retained by police forces to support the important improvements that are needed in firearms licensing.

[*Dame Diana Johnson*]

Those are our initial priority areas, but we will be going further, ensuring that the foundations are in place to deliver hundreds of millions of pounds of efficiency savings by the end of this Parliament. We will also reduce burdens, tackle bureaucracy and free up resources within policing, whether that is through better utilisation of AI to rapidly triage and disseminate thousands of digital forensics records and eliminate any wasteful and unnecessary redaction of files passing between the police and the CPS, or supporting the roll-out of enhanced and rapid video responses to improve response times and victim outcomes. Improved productivity has the potential to unlock millions of hours within policing, free up vital officer time for redeployment on to the frontline, unlock further savings for police forces and improve outcomes. We will ensure that we provide support to forces to measure the benefits of these improvements and ensure that time saved is reinvested into our priority areas, such as the delivery of the neighbourhood policing guarantee.

I wish to say a few words about counter-terrorism. The preservation of our national security is the first duty of any Government. This settlement provides essential support for counter-terrorism policing, the funding for which will increase by 14% to £1.1 billion to ensure that it has the resources that it needs to deal with the threats that we face.

Despite a very challenging fiscal inheritance—a black hole of £22 billion—we have prioritised investment in the police because we recognise that people cannot thrive unless they feel safe, and that our country cannot realise its potential unless the foundations are strong. No doubt there is much more to do. I have heard the feedback, and I know that some police forces are facing tough decisions to balance budgets. I will continue to work in partnership with the police in our quest to restore neighbourhood policing and deliver safer streets. I think this is a shared mission to improve the lives of the people we all serve; to reduce harm and restore confidence; to equip and empower our police for the challenges of today and tomorrow; and to build a fairer and safer country for all. The settlement that we are debating will aid us in those endeavours, which is why I commend it to the House.

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

4.10 pm

Matt Vickers (Stockton West) (Con): Before engaging in the substance of the debate, I thank the brave, hard-working police officers, PCSOs, police staff and volunteers who work tirelessly to protect the public. They work day and night to make our communities safer, and run towards danger while others run away. We recognise the huge sacrifices that they make, giving their time, their health, and in the most tragic cases, their life.

I know that MPs across the House recognise our responsibility to support the police in their work. I am therefore pleased that Members have expressed their concerns to the Minister about this settlement. The reality is that the funding settlement put forward by the Government is inadequate. Everyone in this Chamber

who has spoken with their local police force knows that the settlement will not provide the necessary resources, particularly given the inflationary pressures.

Last week, when questioned by Nick Ferrari about the absurd tax raid on our police forces and the fact that her settlement will cut the number of police on our streets, the Minister said that she was

“not pretending that it isn’t...challenging for police forces”.

Today, however, she and her colleagues are attempting to present a different picture, understating the settlement’s impact on reducing police numbers, and the financial challenge that it poses to our police forces. Last week, she stated that PCCs and chief constables must make local decisions about the composition of their forces. Will she now acknowledge that her Government’s decisions have created that impossible position for police leaders? At first glance, the settlement may appear generous in cash terms; however, there is a sleight of hand. The cash increase is not enough to cover new financial pressures, the biggest of which have been created by the Government. The funding will not be sufficient to sustain police forces. Without further action, it will ultimately lead to reductions in officer numbers.

Since the funding settlement was announced, numerous PCCs, chief constables and representative bodies have warned the Government about the challenges that it will create. Why are police forces so concerned? The impact of this year’s funding must be assessed in the context of two key factors. The first is the Government’s increase in national insurance contributions. Some £230 million of this apparently generous settlement will go straight back to the Treasury to pay the Government’s own tax raid on our own police forces. The Government are literally taxing the police off our streets. Economic data has already shown the harm that the national insurance raid has inflicted on businesses and jobs, but it has also reduced the financial benefit that the police will receive from the settlement.

Since the Government chose to impose this tax nationwide, it is only right that the Home Office should fully cover the cost of the tax increase for police forces, but the Government now claim that the £230 million that covers their own tax hike somehow counts as a funding increase. It is not a funding increase; it just covers an extra cost that the Government have imposed on our hard-working police forces. Would that money not have been better spent on more police officers, investments in technology to improve efficiency—something that the Government claim to prioritise—or targeted interventions?

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The shadow Minister, like so many Conservative Members, was supportive of the health and social care levy, which was a larger and more wide-ranging increase in national insurance than anything proposed by this Government. I have just checked *Hansard* for the entire time that he has been a Member of this place, and not once did he speak out against that tax hike and not once has he referenced police funding, until today. What is it about being in opposition that makes him think he now has the moral high ground?

Matt Vickers: That is a false statement, actually—it is misleading. I have definitely mentioned police funding in the House before.

Jessica Toale (Bournemouth West) (Lab): When?

Matt Vickers: Have a play with *Hansard* and let us see.

In fact, the sum of £230 million alone could have funded the recruitment, or at the least the retention, of thousands of officers who could have been out there protecting our neighbourhoods. Instead, it will be funnelled back into the Treasury to cover a host of other public sector pay demands from Labour's union paymasters.

Andy McDonald (Middlesbrough and Thornaby East) (Lab): Would the shadow Minister like to explain how he could sit on the Government Benches for several years but not say a word about the 20,000 officers who were lost, including the 500 lost in Cleveland?

Matt Vickers: After the last Labour Government's spending and borrowing splurge caused the economic crisis of 2008, cuts were made, but the hon. Gentleman should be happy because thereafter we increased the number of police officers on the streets of the UK to record numbers: 149,679. That is the highest number of police officers ever on our streets.

Several hon. Members *rose—*

Matt Vickers: No, I am going to make some progress, thank you very much.

Some might say that the Minister is giving with one hand and taking with the other. However, given the tax rises, it is clear that she is giving with the left hand and taking back with the far-left hand—[*Interruption.*] Does the Minister want to intervene?

The Parliamentary Under-Secretary of State for the Home Department (Jess Phillips): I wonder whether the shadow Minister knows what pays for policing. The money comes from the Treasury, and when there is nothing left—for example, because the Home Office in which the shadow Home Secretary was a Minister did not put any money towards many of the schemes set out in their Budget—where does he think the money has to come from?

Matt Vickers: Taxpayers—the people who go out day and night, work hard and cough up for the national insurance rise. It is those small businesses battered by the Government's slashing of rates relief on leisure, hospitality and retail businesses—absolutely horrendous. Those hard-working men and women out there paying their taxes fund these police officers.

The second big issue with the funding formula is that previous Conservative Governments provided in-year funding for PCCs to cover the police pay award, which was then added to the baseline, so any increase was on top of that already elevated baseline. By contrast, the in-year adjustment for this year's pay settlement was not added to the baseline, so about £200 million of this apparently generous increase simply makes up for that omission. Around £430 million of that apparently generous increase actually makes up for the Government's own choices. Adjusting for that, the increase in funding for policing next year is not £1.9 billion at all, but more like £660 million—nearly £300 million less than the last increase under the previous Government. That actual increase of £660 million is not enough to meet pay and inflationary pressures.

Freedom of information requests from police forces highlight the financial strain, with some forces not receiving the full amount required from the Home Office. That shortfall must then be covered, either by local taxpayers or through cuts elsewhere. I would be interested to hear the Minister for Policing's view on this, given that her party was a strong proponent of freezing council tax in 2023—a principle that, like so many others, seems to have been abandoned now that Labour is in government. All that means is that police budgets are overstretched and the forces will inevitably have to make tough decisions.

Although estimates vary, the National Police Chiefs' Council projected in December a £1.3 billion funding gap over the next two years, which the council's finance lead said would inevitably result in job losses. Other estimates suggest that the funding shortfall is closer to £118 million per year, even when accounting for the additional funding announced last week.

Regardless of which estimate we use, either should be of serious concern to the Home Office and the Government. Given current staffing costs, the lower figure of £118 million could mean job losses for over 1,800 officers, which is unacceptable. Yes, a Labour Government who are borrowing like no one is watching and spending like there is no tomorrow could still leave us with 1,800 fewer officers on our streets.

Mr Jonathan Brash (Hartlepool) (Lab): I would like to explore a little further the shadow Minister's understanding of how taxes pay for things. He says that taxation pays for police officers and he believes that he has identified a funding gap. Will he explain to the House how he would fill that gap?

Matt Vickers: Last year there was funding of £900 million-plus; this year it is only £660 million. The hon. Gentleman is completely overstating what the Government are giving police officers. [*Interruption.*] He is wrong. We managed the finances to put the largest ever number of police officers on the streets of the UK. The Minister has given no guarantees that she will maintain that.

Chris Vince: Will the shadow Minister give way?

Matt Vickers: I will carry on; I am sure that there will be plenty of opportunities for everybody to contribute to the debate.

Thanks to measures introduced by the then Conservative Government, the total number of officers stood at 149,769 in March 2024—the highest headcount since comparable records began.

Chris Vince: Will the shadow Minister give way?

Matt Vickers: The hon. Gentleman will have plenty of opportunities to contribute.

I know that Labour Members do not like this fact, but the Conservatives left office with record numbers of police and thousands more officers on our streets than ever before. All we are doing is calling on the Government to try at the very least to maintain that number, not reduce it. In reality, the Government are placing police forces in an impossible position. How do they expect forces to meet their financial obligations without cutting officer numbers?

[*Matt Vickers*]

The Government will point to their intention to recruit new neighbourhood officers, but we all know that includes only a relatively small number of new officers—just 3,000. Most of the claimed 13,000 officers are either being reassigned, are part time, are volunteers or are PCSOs with no power of arrest. Given the existing budget shortfalls, I am concerned that that level of recruitment will not be enough. The £200 million allocated in that inadequate settlement appears insufficient to meet the Government's stated objectives.

Dame Diana Johnson *rose*—

Matt Vickers: Will the Minister be honest and acknowledge that in order to achieve what has been outlined, officers will need to be reassigned? If so, will she assure us that those officers will be assigned appropriately? Can she assure MPs—

Jess Phillips: Let her intervene!

Matt Vickers: I am sure that the Minister will have opportunities to come back to me. Can she assure MPs that when their constituents ring 999, they will not have to wait long for an emergency response, because response officers have been redeployed to neighbourhoods?

Dame Diana Johnson *rose*—

Matt Vickers: Go on—you are welcome.

Dame Diana Johnson: I just thought it might be helpful if I gave the shadow Minister a reminder. He is right that there were 149,769 police officers in March 2024, but in June—when the Conservative Government were still in power—that figure had been reduced by 1,232 to 148,536 officers. The numbers went down on the previous Government's watch.

Matt Vickers: By the measurements in September, that is not the case. By the time September came—[*Interruption.*] Is the Minister going to give us the guarantee that the numbers will not go down any further as a result of the funding?

The Government have undeniably set well-intentioned goals. Halving knife crime and tackling violence against women and girls are ambitions that will be celebrated across Parliament and across the country, but what are the actual measures for halving violence against women and girls? Without enough police officers available to prioritise those issues, progress will be far more difficult.

Moving forward, will the Government commit to fully funding pay increases and ensuring that additional tax burdens are not placed on police forces in the years ahead? What has been put forward today does not do enough to provide the resources that the police need to tackle criminals in our society, meaning that the only winners will be those who thrive on criminality.

Several hon. Members *rose*—

Gareth Snell: On a point of order, Madam Deputy Speaker. The shadow Minister suggested that I had misled the House, by suggesting that what I said was not true. I would like to be absolutely clear that the shadow Minister mentioned police funding on three occasions prior to the election, and each of them was an

obsequious pleasantry about how wonderful the last Government were. That is not what I suggested he could have said.

Madam Deputy Speaker (Judith Cummins): That is a point of debate, not a point of order.

Before we move on to the first Back-Bench contribution, I remind Members, including Front Benchers, not to use the word “you.”

4.25 pm

Rachel Hopkins (Luton South and South Bedfordshire) (Lab): I begin by putting on record my congratulations to Trevor Rodenhurst, the chief constable of Bedfordshire police, on being awarded the King's Police Medal for distinguished service. It is well deserved. Like others, I thank the police officers, PCSOs and all police staff at Bedfordshire police for their service.

After years of campaigning for better funding for Bedfordshire police, I am very pleased that this Labour Government have demonstrated our commitment to safer streets and more police in our communities by bringing forward this core funding settlement. Bedfordshire police has been awarded £67.8 million, an increase of 6.6%, as well as £1.8 million in neighbourhood policing guarantee funding for 2025-26. This increase comes after 14 years of Tory cuts and underfunding.

Matt Vickers: Will the hon. Lady give way on that point?

Rachel Hopkins: I will not give way.

Those cuts and that underfunding have required Bedfordshire police to cut spending by over £50 million. I thank our Labour police and crime commissioner for Bedfordshire, John Tizard, for his commitment to ensuring that we make the best use of our funds to increase policing capacity, and for his dedication to tackling violent crime across our county. I particularly thank him for his ongoing desire to work in partnership with other public services and the voluntary sector, with a focus on prevention.

Bedfordshire has a diverse landscape, and our police cover urban, densely populated towns including Bedford and Luton, which suffer from crime associated with metropolitan areas. Our county has significant transportation links—road, rail and air—making Bedfordshire a particular hotspot for organised crime, including firearms and drug supply offences. Unfortunately, our police force is also tackling the impact of knife crime; in the period from January 2023 to March 2024, there were 449 knife crime-related incidents in Luton alone, and in recent weeks we have seen more violent crime in Luton. Two stabbings have taken place, one of which tragically resulted in a fatality.

Despite those factors, Bedfordshire police is still currently funded as a rural police force, due to failures by the previous Government to fix the archaic funding formula. Special grants have been provided each year since 2019-20 to tackle the disproportionately high gun and gang crime in Bedfordshire, with a further grant awarded since 2021-22 to combat organised crime.

I cannot comment on the contributions made by the shadow Minister, the hon. Member for Stockton West (Matt Vickers), but I and many other Members from across the House who represent constituencies in

Bedfordshire have spoken many times about the funding formula for our police force. It is currently awaiting confirmation of the continuation of those special grants, which equate to 5% of its total budget. Announcements are expected later this month, so I urge the Minister to consider the specific circumstances of our police force when taking those decisions, as the impact of those grants cannot be overestimated.

I will close by saying how pleased I am to see multi-year settlements for local government coming in, because that provides local government with more stability in its partnerships with our police forces, working to ensure community safety.

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

4.28 pm

Lisa Smart (Hazel Grove) (LD): I rise today to address some of the urgent issues affecting communities across the country. Everyone deserves to feel safe in their home and while walking through their own neighbourhood, but for many people in the UK today, that is simply not the reality. The previous Conservative Government failed to keep our communities safe from crime by decimating neighbourhood policing, taking officers off our streets and leaving our communities far less safe. Our communities look to the Government to step up and fix this by properly funding the officers our communities need, not simply passing the buck to local police chiefs to put up people's council tax instead.

My constituency of Hazel Grove, while undoubtedly the finest in the country, sees crime rates higher than any of us would want to see, and a force that is straining to give our community the policing it needs. In towns and villages like Marple or Romiley, shop workers are facing a surge in shop theft, with little expectation that the police will be able to respond effectively. For them it has become simply part of the job; that is unacceptable. In recent weeks in Romiley, a string of burglaries has hit small businesses, including a pet shop, a nail salon and even a charity shop. Small businesses are already struggling with rising costs, and many cannot afford to keep taking losses in this way.

The reality is that neighbourhood policing has been gutted. It is no wonder that 6,000 cases are closed daily in England and Wales without a suspect being identified, and that just 6% of crimes reported to the police result in a suspect being charged. The previous Conservative Government slashed over 4,500 police community support officers since 2015, leaving fewer officers to prevent and respond to these crimes. It is exactly those PCSOs who called on the small business in my patch to check in on them after they had been burgled, and exactly that sort of community policing that victims value.

One of the most persistent issues raised on doorsteps in my constituency is the scourge of illegal offroad bikes. Whether in Offerton, Heaviley or High Lane, residents are intimidated by this antisocial and often dangerous behaviour. Bike theft is yet another example, with local gangs targeting cyclists, especially teenagers. A resident from Hazel Grove recently shared their fears after two violent bike thefts occurred within just one week near Aquinas college and on Chester Road. In Marple, residents have reported bike muggings occurring in broad daylight; children have been threatened with

knives, pushed off their bikes, and had their bikes and phones stolen. These are exactly the kinds of issues that community policing should be addressing, but after years of cuts, neighbourhood policing teams lack the officers they need to do their jobs effectively. If we are serious about tackling antisocial behaviour, we must invest in more visible policing, ensuring that officers have the time and resources to act on these concerns.

The Lib Dems have long championed the local approach, and we would ensure that more police are on our streets by scrapping the expensive police and crime commissioner experiment, and investing the savings in frontline policing instead. We have also been calling for a new national online crime agency that would take over on issues like online fraud and abuse in an increasingly complex online world, leaving more time for local forces to tackle neighbourhood crime.

In her opening remarks, the Minister rightly thanked our police officers and talked about the phenomenally difficult and valuable job they do. The mental health situation in our police force needs attention. Like so many—too many—in our society, too many police officers are struggling to access the mental health support they need. One of my constituents, Louise from Hazel Grove, got in touch with me about her son, who is just 21 years old. As a new police officer, in only one week he had to respond to multiple suicides and, in one particularly harrowing case, a man who had been hit by a train. The emotional toll of such traumatic incidents is immense, yet in his station, Louise reports there are no mental health first aiders, no formal support is offered, and there is no access to psychological assistance. When her son raised his concerns with his sergeant—at the time the only person available to listen—he was simply placed on restricted duties with no promise of further help. That cannot be the standard response to officers who are struggling with the mental health issues associated with their work. If we fail to support our officers' mental wellbeing, we will see brilliant, well-trained professionals leaving the force, further weakening our ability to keep communities safe.

The Lib Dems have also been clear about our support for tackling rural crime. NFU Mutual's latest figures estimate that the cost of rural crime increased by 4.3% year on year to £52.8 million in 2023, as criminal gangs targeted farmyards and fields, looking to cash in on continuing high inflation and ready resale markets domestically and overseas.

Dr Danny Chambers (Winchester) (LD): As a vet I spend a lot of time driving around rural areas, working with families and livery yard owners in the Meon valley in Hampshire, and in Madam Deputy Speaker's beautiful constituency of Romsey. Rural crime is a huge issue. It is common, expensive and difficult to tackle. Does my hon. Friend share my concern that the provisional police grant report does not specifically mention rural crime once?

Lisa Smart: I am sure that my hon. Friend accurately represented your constituency, Madam Deputy Speaker; if we are creeping, let's all get in on that!

I share my hon. Friend's concerns about the lack of specificity on rural crime. The Minister and I have discussed questions about rural crime before over the Dispatch Box. She is right that neighbourhoods are different and that neighbourhood policing can approach

[Lisa Smart]

rural areas, urban areas and suburban areas differently, but all forces should have a rural focus and specificity. My area of Mellor is much more rural than, for example, Offerton, and the crime profile of those areas will be different, so I agree with my hon. Friend the Member for Winchester (Dr Chambers) strongly on that.

I urge the new Labour Government to set up an independent taskforce to produce a strategy on tackling rural crime and then to implement that strategy. My hon. Friend the Member for North Cornwall (Ben Maguire) has pushed for that with a Bill he has presented to this House. The Government should also extend the Equipment Theft (Prevention) Act 2023 to include GPS theft—that crime contributed to a loss of £4.2 million in 2023 alone—and to enforce stricter penalties for livestock-related offences.

The issues I have raised today are not isolated concerns; they are the direct result of a decade of Government cuts and neglect. When our police forces are underfunded and overstretched, criminals feel they can act with impunity and law-abiding citizens are left to suffer the consequences. We cannot and we should not continue to accept a police system where shop theft becomes routine, where young people fear for their safety just going about living their lives, where rural crime goes unpunished and where our police do not get the support they desperately need. Our officers deserve better support and our communities deserve the reassurance of visible, effective policing. I urge the Government to take these concerns seriously and to commit to real investment in neighbourhood policing, mental health support for officers, and stronger enforcement to keep our streets safe. Our communities across the country deserve nothing less.

4.36 pm

Jas Athwal (Ilford South) (Lab): I thank the Minister for her speech and for the money that we are going to see. I also associate myself with some of the remarks made by the hon. Member for Hazel Grove (Lisa Smart) about community policing and neighbourhood policing being decimated over the last 14 years. With that decimation comes insurance, including motor vehicle insurance, rising through the roof, shoplifters marauding our streets without fear and low-level crime going out of control.

The last time Labour was in government, we were tough on crime and tough on the causes of crime. Following 14 years of the Conservatives' mismanagement, crime and policing have fallen into crisis. Crime has increased, and despite what has been said in this place, police numbers have declined. Prisons have crumbled and victims have been denied justice.

Locally, the borough I led was home to five police stations in 2014. Following a decade of Conservative cuts, only a single police station remained standing. Everyone deserves to feel safe—safe from burglary in our homes, safe from assault on our streets and safe from violence in our daily lives. In Ilford South, we have all felt the consequences of rising crime. Knife crime, in particular, has plagued our streets, claiming the lives of so many young people just starting out—people with their whole futures ahead of them, who are caught up in gangs or victimised. We have seen high-profile cases of domestic abuse where women are murdered and families shattered. Only recently, Jorge Ortega lost his

life while working at Ilford train station. He was a victim of violent assault, which deprived his family of a beloved father, grandfather and husband.

It is vital that the police are adequately resourced to act as both deterrent and enforcer. Without fair police funding, we ultimately accept the decriminalisation of low-level crime and the exponential increase of serious crime. We all know that crime can destroy communities, devastate families and degrade the bonds of our society. After 14 years of Conservative cuts to policing, closing police stations and empowering criminals, it is beyond time for a change. I welcome the Home Secretary's funding report, which addresses the significant issues of police funding cuts and acknowledges the vital importance of having officers back on our streets.

The announcement of a 6.6% cash increase in police funding will mean more uniformed officers patrolling our streets, protecting our communities and responding when we need them most. The funding for the Metropolitan police will support policing across the capital, ultimately making our streets safer. Labour is bringing back community policing, increasing police numbers and beginning the hard work of restoring public trust.

Funding is one part of the solution. To deliver safer streets and improve community confidence, we need a holistic approach, focusing on prevention as well as cure. We need spaces for young people to go to socialise and to be inspired. In Ilford South, I have had the great pleasure of working with Stephen Addison of Box Up Crime—a local organisation that runs boxing clubs, offering young people an escape, an education and a safe space away from crime, antisocial behaviour and gang violence. As council leader, I led investment in youth centres in Loxford, a leisure centre in Goodmayes and libraries across Redbridge, giving young people places to exercise, learn and make friends.

We also brought back community policing locally, as the Labour Government will now do nationally. We delivered enforcement and engagement hubs—bases for police and council enforcement officers to engage with the public and conduct patrols, as an affordable replacement for the police stations that the Conservative Government defunded. The latest one opened last week. I was honoured to invite my right hon. Friend the Home Secretary, when she was the shadow Home Secretary, to launch our very first enforcement hub. I am now delighted to support her in government to deliver community policing across the country.

Today's report on police grants gives us the opportunity and resources to prevent crime, improve community safety and build confidence in the police. Under this Labour Government, the public can rest assured that, once again, we will be tough on crime and tough on the causes of crime, delivering community policing, fair funding and the innovation needed to prevent crime before it happens.

4.42 pm

Sarah Olney (Richmond Park) (LD): I welcome the Government's increased funding for the Metropolitan police, but this commitment does not go anywhere near far enough to deliver what is required for safe policing on the streets of London. The Labour party was elected into office on the mandate to restore community policing, which was gutted by the last Conservative Government. The shadow Policing Minister, the hon. Member for

Stockton West (Matt Vickers), may profess his own interest in police funding, but a more eloquent story is told by the empty Benches behind him when it comes to their commitment on this issue, which was demonstrated throughout their Administration.

We need to see real action and a real commitment to neighbourhood policing in order to address the ongoing issues of crime and antisocial behaviour that we are seeing across London, and to give the police the tools that they need to restore trust and confidence in our police service. I am concerned that this grant is not enough to protect current services provided by the Metropolitan police from further cuts, let alone enough to restore policing numbers and infrastructure to their previous levels. The force is experiencing real challenges in the recruitment and retention of police officers, which is affecting its ability to fill vacancies.

I receive regular correspondence from my constituents, who have passed on their experiences of being victims of burglaries and other criminal activities. The recurring theme in this correspondence is the difficulty that victims experience in ensuring that their cases are investigated in detail and at length by the Met. That is a direct consequence of cuts to our forces because our neighbourhood teams are severely stretched, meaning that the time they can spend on each case is limited.

My constituency of Richmond Park used to be home to three police stations, but after years of cuts they have all been closed. Richmond police station acted as a hub for our community, and provided reassurance to residents that they could quickly report a crime or a development in a case to an officer in person. The lack of these police stations in my constituency is causing that connection between the public and the police to be lost, due to the reduced visibility of police officers on our streets.

Chris Vince: Does the hon. Lady recognise, as I do, that the previous Government's cuts to policing have led to a void of experience in community policing? We need to get that experience back, but that, sadly, will take time.

Sarah Olney: The hon. Gentleman is precisely right. Having had conversations with local police teams, what I find frequently is that there is a large turnover of police officers in neighbourhood policing, which really affects the ability of police officers to develop a relationship with their local communities. That lack of experience can be so telling when it comes to responding to issues such as antisocial behaviour.

Alison Bennett (Mid Sussex) (LD): Although I represent a Sussex constituency, when I knock on doors in towns across my constituency I often discover that I have Met police officers living in my patch. I vividly remember a conversation last year with an officer in Burgess Hill, who told me the only reason he was still in the police was out of loyalty to his colleagues. Does my hon. Friend agree that more needs to be done to boost morale in the police?

Sarah Olney: My hon. Friend is absolutely right. When I speak to my local police officers—the officers patrolling the streets of my constituency—I find very often that they actually live quite some distance from the communities they serve. That is obviously a direct result of the cost of living in London, but it creates a

real problem for Londoners in that they are not served by Londoners in the police force. My hon. Friend is also exactly right about morale—that really has to be urgently addressed.

This story is common across London. More than 100 police stations have been closed by the Met, while there has been a 64% reduction in community policing since 2015. However, the Met is now in a position where it cannot sell off any more of its estate to balance its budget, and it is clear that it requires a significant influx of funding.

The Metropolitan police is responsible for policing regular and well-attended protests in central London, which require a greater intensity of resource to police. In Richmond Park, we regularly see our local officers abstracted away from their neighbourhood responsibilities to provide additional support at these events, which has resulted in a lack of cover on our streets, which adds to people's anxieties about the lack of policing.

Recently, the Metropolitan Police Commissioner, Sir Mark Rowley, has warned about the deeply concerning shortfall faced by the Met. In December, referencing a £450 million funding shortfall, the commissioner warned that if substantial funding is not provided, the Met would be forced to cut 2,300 officers and 400 members of staff in the next financial year. The funding proposed by the Government today is, therefore, a drop in the ocean compared with what is required to prevent cuts to our London officers, and this provision of funding is certainly not in keeping with the Government's promise to restore neighbourhood policing numbers to our communities.

While I cannot match the speeches on rural crime from my hon. Friends the Members for Winchester (Dr Chambers) and for Hazel Grove (Lisa Smart), my constituency does have a significant police force, the Parks police, which specifically patrols the Royal Parks. The Parks police plays a crucial role in keeping crime and antisocial behaviour in the Royal Parks across London to a minimum, while its expertise in its domain enables the force to quickly address emergency situations. In response to a survey I recently conducted, nearly 1,000 of my constituents voiced their strong opposition to any proposed cuts to the Parks police, as well as providing first-hand accounts of times the Parks police helped to provide a quick resolution to what could otherwise have developed into a crisis situation.

With all that in mind, will the Minister provide us with assurances that the new grant funding for our police forces will mean that cuts to such important and valued police departments are not on the table? I urge the Minister to go further, and to really consider the specific demands of the Metropolitan police and the valuable work it does right across our city in keeping our community safe.

4.58 pm

Michael Payne (Gedling) (Lab): I associate myself with the remarks of my right hon. Friend the Minister on the tragic loss of Harvey Willgoose, and extend my deepest condolences to his family. I also thank Chief Constable Kate Meynell and all her police officers and staff at Nottinghamshire police for the important and heroic work they do for the communities I represent in Gedling.

[Michael Payne]

I would like to begin by paying tribute to a constituent, PC Chris Duffy, and his police dog, Reno. When attending an incident in March 2023, PC Duffy was struck on the back of the head by an attacker in an alleyway, leaving him with a seven-inch wound as he fell to the ground. Despite what had happened, he got himself back on his feet and 15 minutes later arrested his attacker. I was delighted, as his Member of Parliament and as a lifelong school friend, to see him recognised and nominated for a prestigious Pride of Gedling award last year. I pay tribute to PC Duffy and Reno for their heroic service.

Thanks to this Labour Government, residents in Gedling will be the beneficiaries of a much-needed funding increase for Nottinghamshire police. I welcome the Government's announcement of a total £7.2 million boost in funding for Nottinghamshire police—a 6.1% increase—meaning more police on our streets in communities across Gedling and more resources for our brave police officers to clamp down on crime and antisocial behaviour.

The Government are working constructively and closely with our Labour police and crime commissioner, Gary Godden, who has been a tireless champion for Nottinghamshire police and our hard-working police officers across the county of Nottinghamshire. Himself an ex-copper, he understands first-hand the devastating impacts of crime and antisocial behaviour on communities like the ones I represent in Gedling. That is in stark contrast to the previous Conservative police and crime commissioner of Nottinghamshire, who spent more time defending her own speeding offences than tackling people offending by speeding on our roads.

As we saw under the last Conservative Government, when the number of police officers is cut, it is always the hard-working, law-abiding-majority who pay the price. I have seen that first-hand in Arnold, Carlton and Netherfield town centres, where lawless thugs have tried getting away with mindless antisocial behaviour.

My constituent John has been playing darts on a Wednesday evening in Arnold town centre for over 20 years. He recently told me about the gangs of young people smashing up bicycles outside a local supermarket at night. John said to me that it was getting worse “week by week” and that it was putting people off visiting the area in the town centre. In Carlton, my constituent Louise recently visited a local church to donate school uniforms. She was confronted with offensive graffiti daubed across the church walls, leading her children to ask her uncomfortable questions about what the vile vandalism meant—graffiti on the walls of one of our most beautiful churches.

And last week I met Sarah, who is a governor at Warren primary academy, a fantastic school in a wonderful community. Sarah and the headteacher at Warren primary told me how parents are afraid to let their kids play in Muirfield park due to weekly incidents of vandalism of public property, including the burning of park equipment, people carrying knives and

“off-road bikers ripping up the park, wearing full balaclavas”.

Think about that: parents afraid of letting their children play in parks because of some lawless thugs and vandals. That is totally unacceptable and must change. Local

councillors, the community and I have been raising these issues with the police and crime commissioner in Nottinghamshire, as well as the Government. I hope that the new uplift in funding from the Labour Government for our local police is put to good use to increase neighbourhood policing and ensure that this kind of antisocial behaviour is stamped out.

On the Labour Benches, we believe that all crime should be prosecuted. We believe in the need to take tough action on criminals and those who are intent on attempting to intimidate the law-abiding majority. We believe in a zero-tolerance approach to the perpetrators of antisocial behaviour in places like Arnold, Netherfield, Carlton and Warren Hill; unlike the Conservatives, who effectively legalised shoplifting under the value of £200, slashed the number of police by 45,000 in their first four years in office and then expected us to thank them for promising the return of only 20,000. Police force numbers—to be clear to the shadow policing Minister—at the end of the last Conservative Government were still 2,000 lower than when Labour left office in 2010. At the same time, what did we see? We saw a rise in fraud, a rise in knife crime and the continued presence of antisocial behaviour.

It is this Labour Government who will increase the number of neighbourhood bobbies on the beat by 13,000, introduce a named police officer for every community and invest in youth hubs across our country so that we can tackle the root causes of antisocial behaviour. I will never, ever apologise for a zero-tolerance approach to antisocial behaviour: it is what my constituents in Gedling expect, and I am delighted that this Labour Government are working with our police and crime commissioner, Nottinghamshire police, MPs and local councillors to stamp this out.

4.55 pm

Edward Morello (West Dorset) (LD): While I am grateful for the additional funding outlined in the Police Grant Report, it is clear that it does not go far enough. Police forces in rural constituencies such as mine continue to struggle with historic underfunding, and once again the funding settlement falls short of what is needed. Dorset police will see an increase from £180.1 million to £191.8 million, a 6.5% rise, but the national average increase is 6.6%, which means that yet again Dorset will receive less than most areas despite being one of the most underfunded forces in the country. It receives just £246 per head, well below the national average. Ours is the eighth lowest-funded police force in the country, and that is unacceptable.

The current police funding formula is fundamentally flawed. It fails to recognise the importance of rurality, which means that rural forces such as Dorset, which has to police an area of more than 1,000 square miles but with a low population density, loses out in comparison with urban forces. It fails to account for the very real challenges that rural policing presents, including the difficulty of maintaining a visible police presence over vast geographical areas. In West Dorset, residents already struggle to see a police officer around their communities, and this funding report does little to address that issue.

The formula also fails to take account of seasonality and the impact of tourism. In West Dorset we see a 42% population increase during peak holidays seasons, stretching police resources even further, and the financial

strain is already dire. Dorset police faced a funding deficit of £3.6 million last year, and that is projected to rise to £7.3 million this year, even before rising costs and increased employer national insurance contributions are taken into account. The fact is that much of the additional funding announced will simply go towards covering those increased costs, rather than addressing the deep-rooted financial difficulties faced by the police force. Despite evidence-backed requests, submitted last August, for an additional £12.2 million in annual funding, the Government have failed to provide that essential support. As a result, Dorset police is forced to make severe cuts including a 43% reduction in the number of community support officers, a freeze on staff recruitment, the sale of vehicles and buildings, restrictions on overtime, and a halt to all non-essential spending. This will only weaken the ability of our hard-working police officers to keep our communities safe.

I urge the Government to revise the police funding formula as a matter of urgency to ensure that rural forces such as Dorset's receive a fair and sustainable settlement that reflects the true demands placed upon them. I recognise and appreciate the additional amount that has been provided, small though it is, and I want to work with the Government to secure the support that police officers so desperately need. This is not just about fairness; it is about ensuring that every community, no matter how rural, has the security and protection that it deserves.

4.58 pm

Andy McDonald (Middlesbrough and Thornaby East) (Lab): I thank my right hon. Friend the Minister for her opening speech, and I welcome the almost £20 billion of total funding for policing in England and Wales in today's settlement, an increase of up to £1.1 billion when compared with the previous deal under the Conservative Government. This is a real-terms funding increase of 4.1%, and a cash increase of 6.6%. The announcement of the doubling of funding to kick-start the recruitment of 13,000 more neighbourhood police officers is vital.

Policing on Teesside continues to be impacted by the legacy of Conservative cuts. In March 2010, we had over 1,700 officers. After an initial loss of 500, we still have around 200 fewer officers than we did in 2010, so I welcome the new recruitment funding announced this week and the Minister's recent visit to my constituency. I trust that she was as impressed as I was by the incredible engagement from not just police officers across Cleveland—particularly those from Hartlepool and Middlesbrough—but other agencies and stakeholders, which demonstrated the complete rejection of the terrible events that we saw on our streets in the summer.

Mr Brash: I join my hon. Friend in thanking the Minister for her unwavering support during the troubles last summer, which was appreciated by me and other Members of Parliament whose constituencies were affected. Will he join me in congratulating Cleveland police on their exemplary work in dealing with what happened last summer, particularly as we recognise that some police officers in Hartlepool ended the night in hospital as a result? Will he also join me in reminding all Members that having temperance in the way that we speak about crime is incredibly important? Not doing so makes the job of our police harder, not easier.

Andy McDonald: My hon. Friend is absolutely right: it is critical that when discussing crime and social tensions, we express ourselves in this place and outside with the greatest care. It falls to everybody on both sides of the House to ensure that people do not rush to social media to try to exploit an already inflammatory and delicate situation. We all have that obligation, and I share his celebration of the response from the community and the police in working together. That was truly remarkable, and it was only as successful as it was because the community and the police worked together in that way.

The Minister will no doubt remember a very impressive officer from my hon. Friend's constituency of Hartlepool, who I know only as Coggy. He is the most impressive individual, and he took it upon himself—his colleagues did the same across the Cleveland force area—to engage with young people who had lost their way and were not engaged. He told me that on one occasion, he had to remonstrate with a young man by saying, "I went to school with your dad, and he would be embarrassed." The young man said, "No, that's not true. You didn't go to school with my dad. You went to school with my grandad." Coggy is a remarkable man.

I want to talk about some of the impacts on my local force, Cleveland Police, and to put on record my thanks to our police and crime commissioner, Matt Storey. A big positive for Cleveland is the doubling of the neighbourhood policing grant, which will help us to deliver on our commitments locally and to drive the Government's pledges nationally. It is clear that this Government's commitment to funding community policing is like night and day by comparison with 14 years of Tory austerity, but there are some comments that I would like to make.

The funding formula still hurts us in Cleveland. We have the budget of a small rural force, with metropolitan levels of crime. We need a formula based on need and deprivation, just as local government has had. Cleveland's grant is slightly below the national average, which means that we have to make up the gap somewhere else. The chief constable's analogy is that we have a king-size bed with a single duvet: we are constantly moving it around, but we cannot cover everything. For example, a neighbouring force, with far less need than Cleveland, received £10 million more than we did in 2010. Today, the gap is £30 million.

We need the funding for our historical investigations unit to continue at its current level and not taper off, as had been planned. The unit is doing critical work and has been given excellent inspection reports. The work it is doing is essential to ensuring justice on some very complex issues. I will raise those issues directly with the Minister outside the Chamber.

It is clear that under the Tories, neighbourhood policing was slashed in communities across the country, but this Labour Government are now recruiting the neighbourhood police officers that we need to help and protect the public and keep our streets safe, and the constituents that I serve in Middlesbrough and Thornaby East will very much welcome that.

I want to finish with a comment about the loss of 20,000 police officers since 2010. This has been remarked on by the hon. Member for Richmond Park (Sarah Olney), prompted by an intervention about the loss of experienced officers. I cannot think of anything more reckless and cavalier, and I shudder to think of the consequences

[*Andy McDonald*]

that have flowed from the loss of that level of experience across our country. It was the most reckless thing to do, bordering on negligent, as would be seen if we were to monetise it in terms of the demand placed on other public services by the lack of police officers' presence where they were needed. Frankly, the Conservatives should reflect very carefully on their record in office and hang their heads in shame.

5.6 pm

Mr Paul Kohler (Wimbledon) (LD): When it comes to the police, politicians are all too eager to demand more and more while giving less and less. Years of failure and ineffective resourcing from the previous Conservative Government have left police forces across the country overstretched, understaffed and unable to focus on the crimes that impact our communities the most. While the shadow Police Minister, the hon. Member for Stockton West (Matt Vickers), spoke about the 20,000 officers his Government finally restored, he did not mention the fact that they were funded by getting rid of 30,000 backroom staff, with officers required to do their jobs. It was no more than a disingenuous conjuring trick in search of headlines.

This funding settlement represents a welcome increase, but it is ultimately a missed opportunity. The National Police Chiefs' Council estimates that the settlement still leaves a £1.3 billion funding gap over the next two years, so rather than improving police provision, it will in fact do no such thing. The situation facing the Met, which serves my Wimbledon constituency, is stark. I met the commissioner, Sir Mark Rowley, recently. He told me that he still faces a £130 million shortfall, and is determined to take a strategic approach to the inevitable cuts, rather than salami-slicing the entire service. What impact this will have on particular areas is currently unclear, but in Wimbledon we fear that our police station is again under threat. When I was attacked in my home, my life was saved by two brave officers from that station who arrived within eight minutes of my eldest daughter dialling 999. If Wimbledon police station had not been there, I would not be here. That is why, when the Mayor of London sought to close it in 2017, I took him to court and won.

Despite Baroness Casey's review noting that the closure of 126 police stations had contributed to the reduction of frontline policing, the current basic command unit commander for south-west London, at a recent Merton council scrutiny session, was equivocal about whether Wimbledon police station's long-term future could be guaranteed. I consequently raised its future with Sir Mark when we met, and while he recognised its importance, he was unable to offer any guarantees. It is clear, however, that if we are serious about community policing in my constituency, Wimbledon police station must be retained.

The settlement also fails to address a critical systemic issue. The police funding mechanism is not fit for purpose, as the Home Office acknowledged a decade ago when the previous Government announced plans to reform it but then—surprise, surprise—did nothing. The National Police Chiefs' Council has described the current model as “outdated”, as it leads to large regional disparities in how particular police forces are funded, as we have heard. The Home Secretary should have seized this

moment to reform how the mechanism works. Sadly, she looked the other way, just as her predecessors have done for the last 10 years.

Yesterday, when he appeared before the Home Affairs Committee, I asked the Home Office's permanent secretary, Sir Matthew Rycroft, whether he had had any discussions with the Home Secretary about reforming the police funding mechanism. “Yes,” he said, but he then talked about picking the right moment, as there is clearly a lot of politics involved, before finally admitting that he is not sure when it will happen. Perhaps the Minister can tell us today.

To be clear, I welcome the settlement but remain concerned that the Home Secretary is not using the opportunity to address systemic issues, while continuing to fund follies such as the expensive and ineffective police and crime commissioner model. Politics is all about making hard choices, and I acknowledge that the Home Secretary has more than her fair share to make, but I remain unconvinced that she has made all the right choices on this occasion.

5.10 pm

Amanda Hack (North West Leicestershire) (Lab): I thank the Minister for her update on the settlement.

I start by thanking Leicestershire police's chief constable, Rob Nixon, and all his officers and staff for their dedicated service locally. Despite the Conservative party's protests, we all know that the significant cuts to the policing budget resulted in a significant loss of officers. In Leicestershire between 2010 and 2016, we saw 550 officers lose their jobs—about 20% of the force. Police forces across the country, including Leicestershire, saw experienced officers, PCSOs and police staff leave their posts.

The Conservatives recognised their mistake, promising to recruit 20,000 more officers, as though we had not lost that many already. Under the Conservative plan, we barely got back to where we were in 2010. The Conservatives have a proven track record of making mistakes, promising to fix those mistakes, then failing miserably and looking for somebody else to blame. It is easy to talk about statistics, but this has real-life impacts on our communities.

In my recent conversations with officers in North West Leicestershire, I was shocked to discover that Leicestershire police have only three teams of three road traffic investigators—those who investigate serious traffic collisions—for the whole county of about 1 million people. This means that justice for victims of dangerous driving takes much time to resolve, causing more trauma along the way. This makes my constituents' ears prick up, as there are limited public transport options and currently no passenger rail. Roads are the only way to get around.

Our local beat teams are working hard, and it is a pleasure to meet them regularly to discuss the local policing issues facing residents in North West Leicestershire. However, like so many of my colleagues here today, my communities have been suffering from an increase in antisocial behaviour.

I welcome this announcement, which is a huge step forward and will lead the way out of the Tories' mismanagement. We need to ensure that our communities have visible neighbourhood policing, which is so important, particularly because our rural towns and villages experience the same levels of crime as our cities. Visible policing not only makes people feel safer but acts as a deterrent.

I am sure every Member will raise their local funding challenges. The last 14 years have devastated our public services, and Leicestershire is no different. I understand that the Minister and the Department use a complex funding formula to decide the police grants, and Leicestershire has historically had a low base. As a Leicestershire MP, I will always advocate for more resources for my communities and my key services, including our police. I will work with colleagues to ensure that the settlement for Leicestershire works for North West Leicestershire and beyond.

5.13 pm

Luke Taylor (Sutton and Cheam) (LD): There is much talk lately of a crisis of trust in our institutions. Well, there is no greater way to tackle that crisis head-on than by delivering on the basic function of the state itself, which is to keep people safe.

Everyone deserves to feel safe in their own home and walking down their own street, but that is simply not the reality for far too many people in the UK today. Knife crime continues to plague our cities; scammers, fraudsters and burglars are too often allowed to act with impunity; and rural crime, which the provisional police grant report fails to mention even once, continues to fly under the radar. The net result is that trust is shaken and victims are left picking up the pieces of their lives, devastated by crimes that should have been prevented in the first place. I, along with my Liberal Democrat colleagues, recognise that the situation that the Government have inherited is awful. Years of failure by the previous Conservative Government decimated neighbourhood policing. Real-terms cuts were made at precisely the time when greater investment was needed.

In the context of policing, it should be abundantly clear to Members across the House that failing to keep pace with inflation is akin to failing to keep pace with crime itself. If that is not clear, then allow me to highlight the following: 6,000 cases are closed each day in England and Wales without a suspect being identified; 75% of car thefts and burglaries are going unsolved; and PCSO numbers are down by nearly 5,000 compared with nine years ago. There is a sense on the doorsteps of my constituency, and across London, that crime is being allowed to pay, and that the days of effective community policing have been consigned to the past. It is vital that the House now gives police forces the resources they need to do their job properly.

The measures the Government have outlined are noble in ambition, but flawed in execution. As the London spokesperson for the Liberal Democrats, it would be remiss of me not to highlight three things. First, hiring more PCSOs in the capital will not in itself address the frustrating situation whereby far too often the officers doing the nitty-gritty of neighbourhood policing—the safer neighbourhoods teams—are pulled away from their local beats to assist with major events in central London. That issue would not be immediately solved with the greater capacity the new support officers would provide. It requires a structural shift within the Metropolitan police towards keeping those operations separate, as far as possible, so that local policing and national security policing are no longer put in tension.

The Met itself has sounded the alarm and said that despite the Government's proposals, it will still be facing a budget shortfall of between £130 million and £450 million. Instead of benefiting from new blood, the Met will have

to decimate the force, cutting one in every 10 officers. When I met my borough detective superintendent a few weeks ago, as we went through his staff list, he regularly mentioned positions that will soon be subject to “tough decisions”. That is the brutal reality that the figures announced today will not fix: officers working in preventive community roles, who stop kids turning to crime or being sucked into gangs and antisocial behaviour, will be lost to “tough decisions”.

Secondly, the ambitious number of 13,000 new PCSOs nationally will seem foolish if in urban areas, like London, the thinning out of trust in the police and uncompetitive salaries mean that those recruitment drives flounder. It is vital that the Government support the Met commissioner in his attempts to reform the police and win back the trust of London's diverse communities.

Finally, the Government must recognise that the funding mechanism built into their proposals is deeply unfair, and amounts to passing the buck on to local taxpayers through the fatally flawed and regressive council tax system. Increasing policing precepts simply drives council tax up. We are under no illusions: the police need that money, but it should be funded through Government investment, not increasing the burden on working people. Indeed, the £230 million in this package simply to offset the rise in national insurance contributions is unfortunate. The Government could have reduced the cost of the package by not introducing that foolish tax hike in the first place.

I hope the Government listen to the concerns outlined in the House today and work across parties to improve their plan. No expense should be spared in keeping our constituents safe, and the Government ought to reconsider and find more sensible ways to make the investments our forces need. Big banks ought to contribute to the safer high streets we need, not cut and run from them. Social media companies profit from the sharing of graphic, violent videos of crime. Only today, while preparing my speech, I saw on my news feed a video of a violent stabbing in Carshalton that occurred last week, flanked above and below by adverts for local companies. That website was not promoting the crime, but it was profiting from the sharing and viewing of those videos. Those companies, which have failed to do enough to remove such content and to prevent online crime, ought to contribute to a safer, more reliable online space. The Government must focus the burden of taxation on them, rather than passing the buck on to the council tax payer to fund greater policing, because those companies have a stake in a safer society too.

If the Government are so committed to fixing the foundations, they must understand that such half measures will mean crime will continue to undercut the very notion of Britain as a safe place to raise a family and do business. It disheartens the shopkeepers across London who feel powerless in the face of shoplifting, and the tradesmen I met on Monday who were robbed of their tools and, with them, their livelihood. It unsettles new parents looking for homes and schools or pensioners fearing ever more sophisticated scammers. It encourages and even vindicates those who would seek to undermine Britain's stability.

5.20 pm

Mr Calvin Bailey (Leyton and Wanstead) (Lab): I want to thank the police officers and PCSOs of the Metropolitan police, who bravely serve the communities

[Mr Calvin Bailey]

of Leyton and Wanstead. I also want to thank the Minister for her leadership in this area. Her attentiveness to these issues was manifest in her visit to Leyton and Wanstead, where she saw at first hand the problems the additional funding will address. The visit was valued by our police force, council and constituents alike.

More broadly, we welcome the Government's significant investment in our police services, which is much needed after a decade in which real-terms funding for the Metropolitan police was cut by £1.2 billion. In combination with the actions being taken by the Mayor of London, who has doubled the mayoral funding for policing, the investment needs to enable better policing for our communities of Leyton and Wanstead. I particularly welcome the largest increase in the national and international capital city grant in a decade, which responds to concerns I have been raising about the impact of police officer abstractions on our communities. At some points last year, a number of our wards had no community response officers at all because of the number of abstractions taking place. In total, we lost more than 26,000 hours of officer time from Waltham Forest alone, and in Redbridge, we have areas that have no identifiable community support officers at all.

Last Friday, I again met a group of constituents from Leytonstone who are being blighted by persistent antisocial behaviour and criminality, including allegations of drug dealing, fencing of stolen goods and other organised criminal activity being run out of premises in the local area. I have been working closely with the community support officer locally and the council's ASB team, both of whom are actively engaged but struggling to make a difference with the resources they have. I want to thank Councillor Limbajee and Sergeant Mubasher for their efforts. When it comes to tackling crime and antisocial behaviour, Labour's commitment to putting 13,000 additional bobbies on the beat in our neighbourhoods is essential for laying the foundations for change. It will give the reforms and better leadership we require the space they need to work.

Last week, on the Redbridge side of my constituency, we saw the opening of a community police hub in Woodford, from which officers will cover South Woodford and Wanstead. As we know, Boris Johnson as Mayor of London downgraded the neighbourhood policing presence, as mentioned by my hon. Friend the Member for Ilford South (Jas Athwal), and closed Wanstead police station and the front counter in Woodford in 2013. That failed to recognise the value of bricks and mortar in connecting policing with our communities. Thankfully, that is being redressed due to the hard work of the outstanding Labour council in Redbridge under the leadership of Councillor Kam Rai.

A neighbourhood policing presence is seriously needed in the area. The Co-op on George Lane in South Woodford has had at least 30 shoplifting incidents in the last 12 months alone. Increased police numbers and the improved police presence will be essential to addressing that tyranny. There is also good, responsive policing being done across our communities. Yesterday, for example, I bumped into the territorial support group officers in Langthorne Park—I think they were rather shocked to see me. It is a known hotspot, and that is why I and they were there. They told me that they were acting on

information from local people and proactively targeting criminal activity that had been identified. It is that kind of visible policing, backed by strong community engagement, that helps to restore trust in our police and their ability to protect us. There are, I hope, some early signs of this co-ordinated work paying off, with a significant reduction in ASB reports in one of our most affected wards during the final months of last year. That was due to a reduction in the number of abstractions.

Sadly, too often, when our neighbourhood police engage with serious antisocial behaviour issues locally, all it does is move the criminality to a different location, or suppress it only temporarily. To resolve these problems, we need better joined-up work as well as the resources to make policing more effective. Today's announcement of funding for our councils as well as for our police is doubly helpful.

I would like to see our council licensing departments working more closely with the police to shut down premises that are being used for organised crime, even where the evidence is not yet strong enough for the police to make arrests and secure prosecutions. Alongside the Government's action on respect orders and on wider work to strengthen prevention, there is more that we can do to ensure that these additional resources deliver a sense of greater safety and peace for our communities.

Finally, I want to amplify a point made by the hon. Member for Richmond Park (Sarah Olney). The police must be of the people, for the people. However, in London, there are many structural challenges that prevent this from being so, including pay, which this Government have chosen to tackle with their significant uplift in the Budget. Housing is another issue. When I was a child, I recall Mr Abbott, our local bobby, living in police housing. Although this might not be appropriate today, similar housing support is necessary to encourage more Londoners to contribute to the peace and security that they hope to enjoy. This grant must be the start of such a journey.

5.27 pm

Pam Cox (Colchester) (Lab): I very much welcome this police settlement, and I shall focus my remarks specifically on Essex. From 2010 onwards, the Conservatives cut 350 PCSOs in Essex. Last week, the Conservative police, fire and crime commissioner announced that he was cutting the remaining 99, despite receiving increased funding from this Government. I am very pleased to say that, today, he has suggested that he will reverse that decision following a public outcry and, indeed, a bail-out from the increased police grant. That is a huge relief not only to those PCSOs and their families, but to our residents whom they so brilliantly support. It is also a huge relief to Unison, which represents many employees in our policing services. When she winds up, will the Minister confirm that she continues to engage with Unison on this and other policing workforce issues?

I also need to raise an extremely sad matter in the House today: the loss of six young lives on Essex roads at the weekend, including four in Colchester, my constituency. All four of those were much loved students at the University of Essex. I wish to put on record a tribute to the police and first responders at that terrible scene, and to ask the Minister whether she would meet me to discuss road safety in my area.

5.28 pm

Mr Bayo Alaba (Southend East and Rochford) (Lab): As I am sure Members know, Southend and Rochford is an area of immense cultural heritage, vibrant businesses and a picturesque coastline. Last summer, we faced high-profile incidents of antisocial behaviour and crime. I would like to thank the Minister for her support during that time. As a new MP, it was a very traumatic time for both me and the community. That is why I was shocked when, last week, the Conservative police and crime commissioner for Essex announced the sacking of all 99 PCSOs across Essex. I am pleased that our Labour Government have saved the Essex PCSOs from Tory cuts. In fact, this year the Labour Government are investing a record amount of funding in Essex policing.

I hope the Minister agrees that we need police officers back on the beat in local communities, equipped with tougher powers to crack down on the crimes blighting our high streets and to restore confidence among businesses, consumers and local communities that the city centre is a place that people can enjoy.

5.30 pm

Oliver Ryan (Burnley) (Lab/Co-op): I hugely welcome this police funding settlement on behalf of all my constituents in Burnley, Padiham and Brierfield. They know that policing in this country has been underfunded, overstretched and undervalued for far too long. I thank the Home Secretary and the Home Office for bringing forward this vital funding package—an essential investment in keeping our streets safe and ensuring that our brave and hard-working police officers have the resources they need to do their jobs effectively.

The report commits up to £19.5 billion to policing in England and Wales, an increase of over £1 billion compared with the previous year. For too long—for 14 years, in fact—our police were hollowed out and stretched, with officers having to do more with less, people feeling like the police were just not there for them, and crimes going unpunished. This increase is not a silver bullet, but it marks a step in the right direction, ensuring that police forces can meet the growing demands of modern crime and public safety.

As crime evolves, so too must our approach to tackling it. Officers today face challenges that go beyond traditional policing. We are seeing increases in violent crime, organised criminal networks and the damaging effects of anti-social behaviour on our communities, especially in Burnley, Padiham and Brierfield town centres. At the same time, police forces must modernise to tackle cyber-crime, fraud and online exploitation, which are rapidly becoming some of the most common yet complex threats that we face. Increasing neighbourhood policing and funding was in our manifesto. We said it; we mean it. Tough on crime; tough on the causes of crime. You have, whatever your age, a responsibility to your community. Disrespect that, and we will come down hard on you. This funding will strengthen local forces, put officers back on the rounds and go some way towards restoring public confidence in policing.

This funding increase will benefit forces across the country, and Lancashire is no exception. Our local force is set to receive £284 million in Government grants, and approximately another £130 million from the precept—in total, around £414 million, a £23.4 million increase. We are not just talking the talk on crime on our streets,

but walking the walk and putting our money where our mouth is. In Burnley, Padiham and Brierfield, residents are calling for a greater police presence, quicker response times and much tougher action on repeat offenders. They want to feel safer in their communities, and see the difference that this police funding will make. With this increase, Lancashire constabulary will be able to invest in officer recruitment, improve resources and deliver the kind of policing that local people expect and deserve.

Jess Brown-Fuller (Chichester) (LD): I thank the hon. Member for everything he is saying about improved policing on our streets. Something that would massively help my constituents is the reopening of the Chichester custody centre. At the moment, the police have to drive people they arrest all the way over to Worthing, which is a two-hour round trip that takes officers off our streets. Instead, they are stuck in traffic on the A27—something I would not wish on anybody. Does he agree that opening that custody centre would make a huge difference to my constituents?

Oliver Ryan: My powers as a Back Bencher are somewhat limited, but I am sure that Members on the Treasury Bench have heard the hon. Lady. I have some sympathy, because there is currently a petition to reopen the Burnley custody centre—it is opportune to be able to mention it. Currently, police officers have to drive to Blackburn, which feels like a universe away. I am currently lobbying my police and crime commissioner, as are local councillors, and I encourage the hon. Lady to do the same. We are having some success and I am hopeful, but we will see.

The funding is not just about more money; it is also about better policing. We need police forces that are modern, efficient and equipped to tackle today's challenges. I welcome the Government's neighbourhood policing guarantee, which will put more police officers on the streets doing the rounds, ensuring that every community has a named, contactable officer who understands local issues and priorities. This is not just about visibility; it is about building trust, improving engagement, getting local intel and making policing more accountable to the communities it serves. As promised, we will deliver 13,000 new officers, PCSOs and special constables, and that will make a real difference to towns and cities across our country. Those officers will play a crucial role in tackling antisocial behaviour, shoplifting and street crime, helping to make our high streets and town centres safer for everyone.

I should be able—anybody should be able—to walk into Burnley, Padiham, and Brierfield town centres and feel safe at any time. I should be able to know that if I call 999, I will get a good response time for an emergency service. I should be able—anybody should be able—to know that repeat offenders will not be dealt with lightly and that the kids throwing rocks at buses in Padiham or Burnley town centre will get a clip round the ear and so will their parents. [HON. MEMBERS: "Hear, hear!"] I am not sure if that is policy, but we will go with that.

We seem to be in the middle of a crisis of respect in our young people, in part because of long-term police underfunding. At the end of the day, the funding is about making people safer. It is about ensuring that when someone calls for help, officers are there. It is about ensuring that criminals face consequences for their actions and that our communities feel protected and supported.

[*Oliver Ryan*]

In recent years we have seen rising rates of shoplifting, which the previous Government all but decriminalised in small towns such as mine. We have seen a surge in violent crime and an increase in vehicle thefts. Those are not abstract statistics but real issues affecting real local people. A well-funded, well-equipped police force means safer streets, faster response times and greater public confidence in policing. For those reasons, I of course support this funding settlement and encourage all colleagues in the House to do the same.

5.36 pm

Matt Vickers: We have heard a great deal from Members across the House about the grant and the impact it will have on various communities. I reiterate my earlier point that we are deeply concerned about the effect that will have on policing. Members do not need to take my word for it; they can listen to the words of police leadership. Mark Rowley, the Metropolitan Police Commissioner, previously said that the force would be

“scaling back our ability to tackle serious violence and organised crime”.

Norfolk’s chief constable, Paul Sanford, who is the National Police Chiefs’ Council’s lead for finance, described the funding package as challenging and said that cuts were inevitable. One of Labour’s own police and crime commissioners, Joy Allen, PCC for Durham, also said the money

“may not go as far as we would all hope”

and that

“We will have to wait and see what this additional funding covers and how long it lasts”.

Does the Minister think the £100 million announced will be enough to stop those cuts?

Unfortunately, we have seen that sentiment reflected not only in words, but in the actions of police forces. Lincolnshire Police says there is a budget gap of £14 million. To manage that, it plans to reduce the number of police officers by around 200, bringing the total down to 1,000 officers by 2028-29, alongside cancelling the upcoming police officer intake for March. Lincolnshire is unfortunately not alone. In Essex the shortfall in the Government’s police funding settlement led the police force to announce plans to eliminate all 99 of its police community support officers—[*Interruption.*] I am coming to it; worry not!—and reduce staff numbers by around 65 people. While I acknowledge that that was prior to last week’s announcement, Essex will still receive £2.2 million. However, Essex Police had identified a £5.3 million budget shortfall, so it is still over £3 million short. While the additional funding is welcome, it will not be sufficient to bridge the gap. That is a direct result of the funding shortfall.

Derbyshire’s chief constable stated that its budget shortfall of £1.5 million by the end of the financial year had increased to £5.5 million after the Budget. However, it did not stop there. She said that it was compounded further by the Home Office grant settlement in December, which increased the amount that the force needed to balance the books to more than £8.5 million.

In that context, last week’s announcement appears to be only 18% of the previously announced shortfall. Meanwhile, PCCs across the country—from Norfolk Constabulary to Thames Valley Police, and even in

my home force of Cleveland Police—have repeatedly highlighted the challenges they face while having to increase the precept. Those decisions expose the hollowness of Labour’s so-called neighbourhood policing guarantee. How can the Government claim to be delivering that if forces must cut staff simply to maintain officer numbers at their current level?

Another aspect of this debate is the decision to increase funding through precept rises. During last year’s debate, Labour’s then shadow policing Minister, the hon. Member for Nottingham North and Kimberley (Alex Norris), said from the Opposition Benches that

“the Government have lifted the cap on the precept so that PCCs can raise it by £13 next year for band D properties. That in itself is a challenge for people’s finances, but it also creates differential challenges across the country... That failure of leadership has consequences for less well-off areas”.—[*Official Report*, 7 February 2024; Vol. 745, c. 286.]

Yet now that the Labour party is in government, its stance appears to have changed. This year’s precept increase is even more significant than the one announced last year. Like so much about this Government, they promise one thing to win an election and do completely the opposite when they are in charge. Given their actions now, will they acknowledge that they underestimated police funding needs when in opposition, and seem to be continuing to underestimate them now that they are in government?

Of course, we will not do anything to stop the police from getting the resources they need, so we will not vote against the motion, but I hope the Government recognise that their actions will not only make their job more challenging but risk undermining communities across the country. They have used a sleight of hand to pretend that the extra money for policing is more than it really is. As a result, police forces will not have enough funding to meet cost pressures, and cuts to police numbers are inevitable. If the Minister for Policing disagrees, will she guarantee that total police numbers will not fall from the record level at the previous Government’s last national workforce count of 31 March 2024?

I know that my colleagues want to work with the Government to empower police forces in their constituencies by giving them all the resources they need. However, we remain concerned that this settlement is a sign that the challenges that the Minister for Policing refers to will only grow over the course of this Parliament. Instead of a tax raid, we should give our police forces the resources they need and show our brave frontline officers the respect and support that they deserve.

5.42 pm

The Parliamentary Under-Secretary of State for the Home Department (Jess Phillips): First, I express my gratitude to all Members who have contributed to the debate. Before I respond to their points—and I will respond—I take this opportunity to say a massive thank you to the police officers, staff and volunteers who work tirelessly to keep us all safe. The contribution they make to our society is simply extraordinary, and we are fortunate to have them. I shamelessly take this opportunity to give a shout-out to Orla Jenkins and Jim Carroll, my sergeant and inspector, who almost live in my office—which is not a particularly good thing. They are absolutely amazing, responsive and well-known neighbourhood coppers. It is so important that people know the names of their neighbourhood officers and can contact them.

I do not plan to repeat the top headlines of the settlements that we are debating, as they were covered at length by my right hon. Friend the Minister for Policing, Fire and Crime Prevention, but I reiterate that the settlement represents a significant investment in policing that will kick-start the delivery of the safer streets mission. Neighbourhood policing is the bedrock of British policing. That is why we have injected an additional £100 million into neighbourhood policing compared with the provisional settlement, which means that we are doubling the funding available to forces to a total of £200 million so that they can carry on the fight against crime and keep communities safe.

Let me turn to some of the points raised during the debate. I welcome the comments from the shadow Minister, the hon. Member for Stockton West (Matt Vickers). It seems that he lives in wonderland. He has talked today as if we have come from some amazing nirvana with regard to policing, not from a situation where every single part of our system—whether it is our courts, our police, our mental health services or our housing—has been so utterly degraded that all of that work landed on the hard-working police forces that he sought to praise.

Matt Vickers: Will the Minister give way?

Jess Phillips: Go on.

Matt Vickers: I was just wondering whether the Minister knew how much this national insurance tax raid was going to cost her local police force and those hard-working police officers in her part of the world.

Jess Phillips: I am not exactly sure how much it will cost West Midlands police, but what I do know is that the Home Office is going to give it to them. The shadow Minister has talked as if taxes do not pay for our public services—that is an absolute madness; money has to be raised to pay for our public services. The Home Office is funding the national insurance rise for West Midlands police and every other—*[Interruption.]* I cannot believe that it is being argued that our police forces were not completely and utterly decimated, and there seems to have been a tiny bit of whitewashing from some Members on the Liberal Democrat Benches about the role that their party also played in taking 20,000 police officers off our streets.

The shadow Minister specifically questioned the Policing Minister on 999 calls and response officers, and on how we will halve violence against women and girls with the help of this settlement. I want to bring him back from wonderland into the real world and tell him a story about Raneem Oudeh, who called 999 13 times on the night she was murdered by her husband. She called out to West Midlands police 13 times, and there was no immediate response—the immediate response that I am being told has always existed, along with, “Oh, something is going to change.”

Oh my gosh—I do not know what system the shadow Minister thinks has existed for the past 14 years, but I will tell him what we are going to do. We are going to put specialist domestic abuse workers in every single one of our police force response rooms, because of the failures of response under police forces decimated by the years of Conservative Governments. Frankly, I am flabbergasted by the shadow Minister’s gall. My husband often says, “I don’t know why you continue to be surprised.”

My hon. Friend the Member for Luton South and South Bedfordshire (Rachel Hopkins) raised the issue of the funding formula, as have many other Members in the Chamber today. I know that the Policing Minister has visited Bedfordshire and very much heard the particular challenges they face.

The hon. Member for Hazel Grove (Lisa Smart) talked about the mental health and morale of police. I went out to Hertfordshire police recently to see some police officers who were dog handlers; the dogs were there to sniff out the hard drives of sex offenders and child sex abusers. One of the officers had this amazing dog, Micky, and I noticed that it was the first time I had seen a police officer look genuinely happy for quite a long time. Morale in policing and the health of our police officers have been dreadfully tested over recent years, and I noted how chuffed this bloke was to be doing his job with this dog—the dog was lovely. We need to make sure we are looking after our police officers, and the Policing Minister informs me that as part of our reform programme, we are having a very close look at how occupational health is handed out to police officers.

The hon. Members for Richmond Park (Sarah Olney), for Wimbledon (Mr Kohler) and for Sutton and Cheam (Luke Taylor) all raised the issue of the Met. The Met is large and complex, and my hon. Friend the Member for Leyton and Wanstead (Mr Bailey) mentioned—as did many others—the issue of police officers being taken away from the frontlines in their neighbourhoods in order to undertake not just policing of the capital, but sometimes national policing in other areas. I reassure Members that the funding formula for neighbourhood policing means that it has to be spent on neighbourhood policing and cannot really be pulled away to other areas.

Matt Vickers: Does the Minister think that reducing the number of people working in response policing to make up the numbers in neighbourhood policing will improve or reduce response times?

Jess Phillips: What I think is that we have put £1.1 billion extra into policing, and what I expect to happen across police forces is that we will work with them. As we have seen today from Members in Essex—*[Interruption.]* Would the shadow Minister like to intervene? What are you shaking your head about, sir?

Matt Vickers *rose*—

Jess Phillips: Go on.

Matt Vickers: As we have heard, once you take out your national insurance tax raid and the pay rise that you took from the base, it is more like £660 million, which is £300 million less than last year’s settlement from the Conservative Government.

Jess Phillips: Earlier, I heard everybody groan on your Benches—

Madam Deputy Speaker (Caroline Nokes): Order. They are not my Benches.

Jess Phillips: I apologise, Madam Deputy Speaker—they are definitely not your Benches. I heard groaning earlier about the black hole that was left. The shadow Minister makes a point about the uplift in pay, but in this year’s

[*Jess Phillips*]

settlement nothing had been put in that budget by his Government to increase the pay of police officers. Nothing was put into the budget, because that was the way that they operated.

Kevin Hollinrake (Thirsk and Malton) (Con): Utter rubbish.

Jess Phillips: It isn't utter rubbish—it's a fact. Anyway, I shall go back to the people who are engaging with the debate. I say to my hon. Friend the Member for Gedling (Michael Payne) that I send a massive thanks to Chris Duffy, who sounds like an amazing officer. I imagine that he is happy in his work because he works with a dog. Maybe giving every police officer a dog is the answer—that is not Government policy, and neither is clipping people round the ear, however much we might want to.

I say to the hon. Member for West Dorset (Edward Morello) and to my hon. Friend the Member for Middlesbrough and Thornaby East (Andy McDonald)—I will repeatedly say this—that I am from the West Midlands police force, and there has not been a year since I was elected to Parliament when the problems with the funding formula have not been raised with me. The west midlands is one of the areas that the issue affects deeply, so I massively hear that point. Two attempts that the previous Government made to look at the funding formula were abandoned, so we felt very much that this year we had to create a stable system. I remind hon. Members that this is our seventh month in government, but we absolutely hear the arguments about the funding formula, which was not reformed in the last 14 years. We have inherited this.

Wendy Morton (Aldridge-Brownhills) (Con): May I press the Minister on the specific point about the west midlands? She is talking about funding in the west midlands and I am also a west midlands MP. How does she think that the whopping bill that the west midlands force will face from employer national insurance contributions will impact on its budget? When it comes to money, if she is so passionate about neighbourhood policing, as indeed am I, what assurances can she give that funding from the abhorrent sale of Aldridge police station will come back into services for residents of Aldridge-Brownhills?

Jess Phillips: The first thing I would say is that it will cost West Midlands police nothing because the Home Office is going to fund it. Apart from the amazing world we have apparently lived in with policing for the past 14 years, Aldridge police station was shut down under the budgets that the right hon. Lady's Government gave to local areas. I am led to believe today that those were like milk and honey.

Wendy Morton *rose*—

Jess Phillips: I imagine the point that the right hon. Lady is going to make is that we have a Labour police and crime commissioner, but they can only work with what they are given. I was not going to give way to her, but go on.

Wendy Morton: I think that the hon. Lady is agreeing with me that the closure of Aldridge police station has come on the watch of the Labour police and crime commissioner, who delayed and delayed making that decision for years.

Jess Phillips: I do not disagree that that is how the budgets are given out, but the number of police stations that were closed under the last 14 years of Tory Governments is phenomenal. I believe that a Member mentioned earlier the ones closed by Boris Johnson when he was the Mayor of London. Maybe the right hon. Lady would have heard me already talking about the west midlands, had she been in the debate. I note that a previous Home Secretary, the right hon. Member for Witham (Priti Patel), is coming into the Chamber, but for most of the time there have been no Conservative Members in here for any of this debate.

Will my hon. Friend the Member for Middlesbrough and Thornaby East please pass on my massive respect to Coggy? The Policing Minister wanted me to confirm to my hon. Friend the Member for Colchester (Pam Cox) that she met Unison last week, and she is absolutely happy to meet my hon. Friend to discuss the terrible and tragic losses of life in her constituency and in the wider area of Essex.

We are all looking forward to my hon. Friend the Member for Burnley (Oliver Ryan) reopening the Chichester custody suite, which he has now become responsible for. Many Members, including him and my hon. Friend the Member for Ilford South (Jas Athwal), have talked with great passion about the importance of neighbourhood policing and the problems of antisocial behaviour in our areas. We face few things more often as Members of Parliament than complaints about failures on antisocial behaviour in our neighbourhoods. I will not do what the previous Government did, and pretend that everything is world-beating and the best it could ever be and that nothing will ever be better than anything that they could ever do. I am not going to do that.

Kevin Hollinrake: Rubbish.

Jess Phillips: The hon. Member says from a sedentary position that that is rubbish, but the Conservatives literally used to claim things were world-beating all the time.

Steve Barclay (North East Cambridgeshire) (Con): Will the Minister give way?

Jess Phillips: Conservative interventions have not been that world-beating, so no, I will not. Things are not perfect. We all think that there should be more police officers. We all want greater resource on every single street. Every single constituency MP who spoke, spoke up with passion because they want their neighbourhoods to feel safer.

Jessica Toale: I thank the Minister for her explanation of the funding formula, which is something I have raised with the Policing Minister, too. Seasonality is an issue in my constituency of Bournemouth West. I put on record my thanks to Dorset police for doing so much with the little that they do have, including on things like antisocial behaviour, which blights our town. I invite the Minister to come and see some of the remarkable work that the police are doing with businesses and the council to tackle some of these challenges.

Jess Phillips: I would absolutely love to come to Dorset. What my hon. Friend says is right. I think somebody mentioned the idea of a double bed with a single duvet moving round it, and although huge efficiencies could still be made across forces, some of our police forces do amazing things. I absolutely praise Dorset police for that work.

Steve Barclay *rose—*

Jess Phillips: Go on then.

Steve Barclay: I am trying to make a constructive point about the Minister's remarks on efficiencies. She said that there are huge opportunities for efficiencies to be made. Much of the debate has been on funding, but she is signalling that things can be done better. What is opaque to me, not least from the conversation that I had with my own police and crime commissioner before coming here, is what productivity targets the Government have set and what variation they expect to close across the 43 police forces. How many police hours does she expect to be freed up from working more efficiently on productivity gains? Or are the Government's actions adding bureaucracy and red tape and making it harder for police forces to deliver?

Jess Phillips: I do not know yet how many hours. I went out to Thames Valley police and saw exactly how many officer hours were saved by the police having direct video contact. A statement was taken from a victim of domestic abuse in eight minutes, rather than police officers having to go out to their house three days later. That will be rolled out to every police force and will lead to huge time efficiencies in statement-taking. As someone who has given a huge number of police statements—every month—I know how inefficient it is. I would be lying if I stood here and said, "It will be 16,000 hours for each police force." We will look at exactly what works and how we can make those efficiencies.

Steve Barclay: Will the Minister give way?

Jess Phillips: It is a bit galling when people who have not sat through the debate come in and want to speak. There was no one on the Conservative Benches for the vast majority of the debate. Members who have taken part in the debate deserve a bit more respect.

This Government back the police 100%. We are grateful for the tireless work that police officers, PCSOs and staff do every single day. We have heard today about some of the crimes that they suffer. This investment

is a significant step towards meeting our shared ambition to boost neighbourhood policing and to restore confidence in the police that has been so badly lost, as was mentioned by many Members. This Government have prioritised investment in policing in a time of fiscal constraint, but we know that there is more to do. We will work in partnership with the police to deliver our shared ambition to boost visible neighbourhood policing, tackle knife crime and violence against women and girls and reform the police, and to deliver efficiencies to make their jobs easier. This Government will always give the police the resources, powers, tools and support that they need to get the job done.

Question put and agreed to.

Resolved,

That the Police Grant Report (England and Wales) 2025–26 (HC 621), which was laid before this House on 30 January, be approved.

Gareth Snell: On a point of order, Madam Deputy Speaker. In today's Prime Minister's questions, the Leader of the Opposition alleged that a donor to my party was funding a court case challenging the consent to develop the Rosebank and Jackdaw oil and gas fields. That is entirely untrue. She went on to suggest that the Government's decision to accept the court ruling was swayed somehow by a previous relationship with Dr Rausing. This is a very serious allegation for which no evidence has been provided. I seek your advice and guidance, Madam Deputy Speaker, on the recourse available to me and other Members to ask the Leader of the Opposition to come back to this House and present the evidence, and if she cannot, to apologise, withdraw the comment and correct the record.

Madam Deputy Speaker (Caroline Nokes): I thank the hon. Member for giving notice of his point of order, which perhaps went further than I had expected. In this House we need to be very careful with language. I am sure that he was not accusing the Leader of the Opposition of deliberately saying something that was untrue.

Gareth Snell: Not deliberately.

Madam Deputy Speaker: I thank the hon. Member for clarifying that. He will be aware that comments made in this House are not the responsibility of the Chair, but he has put his point on the record, and I am sure that the official Opposition Front-Bench team will have heard it.

Local Government Finance

Madam Deputy Speaker (Caroline Nokes): We now come to the motions relating to local government finance, which will be debated together.

6.5 pm

The Minister for Local Government and English Devolution (Jim McMahon): I beg to move,

That the Local Government Finance Report (England) 2025–26 (HC 623), which was laid before this House on 3 February, be approved.

Madam Deputy Speaker: With this it will be convenient to discuss the following motion on council tax increases:

That the Referendums Relating to Council Tax Increases (Principles) (England) Report 2025–26 (HC 624), which was laid before this House on 3 February, be approved.

Jim McMahon: The Deputy Prime Minister and I, like many others in this House, have local government in our blood—we are proud public servants. We know what a difference the sector makes every day to millions of people across this country, and how much stronger local government, working in genuine partnership with central Government, can achieve to change lives. I thank the millions of dedicated public servants who work in and for the sector for all their efforts to deliver more than 800 services that local people rely on.

We know it has been a difficult few years, but this statement is an important step towards rebuilding the foundations of local government, ready to meet the scale of the challenge ahead so that we can rebuild our country together as part of our plan for change. That is why I take the responsibility of leading the Government's work to rebuild the sector with the seriousness and urgency that is, quite frankly, long overdue.

Today, I will set out funding for local authorities in England for the coming year through the final local government finance settlement. Before I do, I want to say that the Government are grateful to all those who contributed to the consultation on the provisional settlement, which attracted 227 responses, including more than 45 from Members of this House.

Sir John Hayes (South Holland and The Deepings) (Con): I am extremely grateful to the Minister for giving way, and I appreciate much of what he has already said on the difficulties and challenges local government faces, and the Government's recognition of that. Part of the consultation feedback he will have had is on the local authorities that have to fund drainage, such as South Holland, in my constituency, and many others. There is a real problem here, because drainage is not adequately funded through the system; it does require an extra grant, in my judgment, to those local authorities. Will he look at this issue, and will he meet me and others to discuss it further, should that be helpful?

Jim McMahon: I thank the right hon. Gentleman for his question, and assure him that it is an issue we are acutely aware of. The disproportionate burden that drainage places on small district councils is quite a challenge. We met representatives from a number of district councils to talk about the internal drainage board levy system, and, as an interim measure—in the

end, I think we do need a more fundamental review of how it is paid for—we have increased the levy grant by £2 million to £5 million, so we are beginning to get there. However, I agree with the right hon. Gentleman entirely: we do need a long-term solution to that. He has my commitment that we will find a way through that as we begin the wider reforms later on.

As the Chancellor said last week, this plan will be achieved first and foremost through growth, which will be driven by empowered local leaders working in partnership with local communities and local businesses; those who have skin in the game are now on the playing field, not confined to the terraces as spectators. This new approach has to start with strong and empowered local government, because whether we are talking about raising living standards, delivering 1.5 million new homes and vital infrastructure, getting our NHS and social care system back on its feet or creating good jobs and strong communities, it all comes back to local councils delivering for local communities.

Indeed, we cannot deliver on the national renewal that working people deserve without grassroots government leading the charge, which means resetting our relationship with local leaders and rebuilding the foundations from scratch. It means ditching the slogans and gimmicks in favour of a determination to get the basics right, delivering decent local services that people can begin to rely on once more.

After 14 years of neglect and decline, that will be easier said than done, and, because of the scale of the challenge, it will take more than six months to fix. But be clear: we have changed course. The work has begun with determination and with pace. Councils of all political stripes are feeling the strain, and it will be a long, hard road to get them back to full fitness. This final settlement marks an important milestone on that journey, as we finally turn the page on chaos, austerity and 14 long years of managed decline.

In that spirit, the settlement addresses the financial crisis facing councils head on, moving away from bidding wars for wasteful competitive funding pots and towards core, stable multi-year financial settlements.

Rebecca Long Bailey (Salford) (Lab): The statement is extremely welcome. In Salford, our core spending for 2025–26 will increase by 8.7%. That is above the national average, but it is still less than the 14% we have had to increase our adult social care budget by to meet higher costs. Does my hon. Friend agree that the Government must move quickly on multi-year settlements and up-to-date assessments of councils' funding needs?

Jim McMahon: I thank my hon. Friend for that question and pay tribute to Salford for its leadership in the work it is doing in many areas of public sector reform in Salford and across Greater Manchester. In the end, if all we do is pay at the back end for a system that, frankly, is broken, we will be paying more and more every single year for a system that is delivering worse outcomes for service users. That is bad for service users and bad for taxpayers, so we must have a more fundamental response and we fully intend to do that.

The multi-year settlements are essential to ensure local leaders have the time and space to plan their budgets. But we will not stop there. We are introducing a fairer system to give councils the certainty and stability

they need to go from costly crisis management to long-term prevention and the root-and-branch reform of local public services. Crucially, I can now confirm that core spending power for the sector will be more than £69 billion for 2025-26, a 6.8% cash terms increase on this year. I can confirm that, despite some very difficult choices—there have been choices and trade-offs to make, as there always are—this settlement will mean that no local authority will see a reduction in its core spending power.

Mr Jonathan Brash (Hartlepool) (Lab): I welcome the settlement, which sees a reversal of the past 14 years for Hartlepool, where cumulatively we lost £235 million in a decade. This year, additional grant funding is going up by £10 million, which is hugely welcome. However, there remains the problem of the council tax system itself. In Hartlepool, if you are in a band H property you pay more than £3,000 more than you do if you are here in Westminster. Surely the Minister can agree with me that that is inherently unfair? Will he engage with me and the all-party parliamentary group on council tax reform, which I lead, to bring fairness to towns such as Hartlepool?

Jim McMahon: There are, understandably, many criticisms of council tax. It is accepted that it is a fairly regressive tax in terms of the relationship between the ability of a household to pay versus a property's value, but in the end it is a reliable tax that is understood by the taxpaying public. The framework of council tax will be maintained, in the same way as business rates, but that does not mean that we cannot do more to make it fairer. The best way to make it fairer in this settlement is for the Government to play their part. What we have seen over the past 14 years is that, despite an acceleration in council tax increases, councils have still found themselves impoverished: they cannot raise enough money locally, whatever they do, to fund the demand for local public services. We clearly see the role of the Government as an equaliser to the system. Taking into account the ability to raise tax at a local level, by providing a top-up the Government can ensure that every area gets decent local public services, and we can begin to get some fairness into the system. I take my hon. Friend's point entirely, however, and I look forward to the work of the all-party parliamentary group.

Luke Taylor (Sutton and Cheam) (LD): I echo the call for a replacement for the council tax system. We on the Liberal Democrat Benches have called for that for years. Please will the Minister and the Government consider bringing forward plans that retain the power for local councils to decide levels of taxation, but make it a much more progressive model of taxation?

Jim McMahon: I cannot commit to that today. What I can do is to commit, from a political point of view, that the Government are willing to work cross-party and through APPGs to understand the weight of the issue and the potential solutions. I will be honest, though: we need to manage expectations on whether we can get consensus in this place on a new form of council tax or local property tax, but that does not mean we are not willing to listen to arguments.

Steve Barclay (North East Cambridgeshire) (Con): We saw one area of consensus when the Minister responded to the point made by my right hon. Friend the Member

for South Holland and The Deepings (Sir John Hayes) about internal drainage boards, and I welcome his recognition of the problem in areas such as Fenland in the Cambridgeshire fens. That was a pertinent point, and I thank him for his comments.

Will the Minister take this opportunity to tell us whether any council will be worse off when this settlement is netted against the additional costs of employer national insurance contributions and those of their suppliers? According to reports that we have been given, a number of councils will be worse off. Can he rule that out?

Jim McMahon: The £515 million of investment from the Treasury to help councils with the increase in employer national insurance contributions has been distributed on the basis of their net service expenditure costs. We thought that that was the fairest way of establishing an evidence base that could be scrutinised. There have been legitimate representations about third-party provider costs in some critical areas, such as social care. We accept the figures from the Local Government Association because we have no reason to dispute them, but our difficulty is that that in itself does not mean that the cost will be passed on directly to the local authority in question. Some parties are bound by contracts that mean that they cannot pass it on even if they wanted to. There will be negotiations about the ability of a provider to absorb that cost, but we do not underestimate the problem. No one is going to pretend that this settlement fixes the system. What we want to try to do is stabilise the system through a multi-year settlement with bigger reforms.

Steve Barclay: I commend the Minister for the constructive way in which he addressed my question, but I think it important to be clear. He seems to be saying that as a result of this settlement, a number of councils will be worse off. We understand the context, but I think he has just confirmed expressly that councils will be worse off as a result of the tax rises that the Chancellor has imposed and which this settlement does not fully meet.

Jim McMahon: I think that that is true up to a point, but we need to take a couple of factors into account. First, the payment relating to employer national insurance contributions goes straight to the council. Secondly, this needs to be taken in the round. For the right hon. Gentleman's own council, the social care grant is £48 million, the social care change grant is £6.7 million, and when it comes to third-party providers, the market sustainability and improvement fund is £10 million. We are trying to meet the demand in a very complex environment, but, as I have said, there is no pretending that this will fix a broken system in one fell swoop. The reform will take time.

Mr Clive Betts (Sheffield South East) (Lab): My hon. Friend has done an excellent job on behalf of local government with this settlement, in very difficult circumstances, and I think the sector recognises that. However, I have one caveat. In response to the questions about council tax, he said that there would not be unanimity, but I think there will be a great deal of consensus that if the former Secretary of State, Michael Gove, thinks the system is regressive, it is probably very regressive. I hope my hon. Friend is keeping his mind open—I think he did leave the door a little ajar—about

[Mr Clive Betts]

the fact that at some point we will have to have a review of a system that is based on valuations that are more than 30 years old. This is simply not sustainable for the long term.

Jim McMahon: I take my hon. Friend's points entirely. I credit him for much of the work that was done when he chaired the Select Committee, which he did for a long time, and I attribute to his intervention the credibility that it is due. We are focusing today on our immediate fiscal response to support councils over the current financial year, but we accept that to bring about long-term structural reform, such matters as addressing a council's ability to raise local tax through business rates and council tax must be taken into account, alongside, of course, the cost of delivering public services, including the cost of rural service delivery. We are absolutely committed to taking all those factors into account.

Andrew Rosindell (Romford) (Con) *rose—*

Wendy Morton (Aldridge-Brownhills) (Con) *rose—*

Jim McMahon: I am going to make a bit of progress. I am mindful of time, and I believe we are guillotined at 7 pm.

The Budget will deliver more than £5 billion of new funding for local services over and above council tax income. There are no slogans and no gimmicks. This is real action—£5 billion-worth of real action—and I can confirm that £20 million more will be made available for the children's social care prevention grant, putting prevention and reform at the heart of the recovery. After hearing representations from the councils affected, we can also announce an additional £2 million of support for councils with internal drainage board levy pressures. That is on top of what was announced in December's provisional settlement, so the grant is now worth £5 million in total.

We will set aside almost £60 million for the coming financial year to ensure that local leaders have the vital capacity to get their financial house in order, so that councils can be effectively supported to better understand their spending and, equally, so that they can be held to account for it by their electorate, which is a vital part of the democratic process. The funding that we are providing includes £515 million to help local government with the increase in employer national insurance contributions.

Wendy Morton: My understanding is that employer national insurance contributions are not being fully funded by the Government. I would be delighted to hear that I am wrong, because that is really worrying me, having spoken to my local council. On that basis, does the Minister not accept that by imposing this extra burden on local authorities, ultimately it is working people who will be affected? There will be fewer public services, less money going into social care, and pressure on council tax.

Jim McMahon: This is not a perfect settlement, but it is my honest belief that it is a good settlement. We are keen to make sure that the money goes to local authorities in a way that is transparent, with an evidence base that can be scrutinised. Councils are sick and tired of the system being manipulated by Governments of different types over different periods in a way that is not fair.

Wendy Morton: Will the Minister give way?

Jim McMahon: I will make some progress, but to answer the right hon. Lady's question on employer national insurance contributions directly, the funding is based on service expenditure costs. The reason is that that allows councils to make a decision about whether the money will cover in-house provision, or whether they will have contractual pressures further along in the system that show up in their service expenditure budgets. That is the approach that we have taken, and the Institute for Fiscal Studies has come out and said that it is a fair way of doing things. As I say, there is no perfect way to deal with this issue in the time that we have, but we have arrived at a good way to do it that gets the money out of the door to the places that need it.

Matt Rodda (Reading Central) (Lab): Will the Minister give way on that point?

Jim McMahon: I will give way for a final time before making some progress.

Matt Rodda: I commend the Minister's approach, because it is excellent that we have certainty. The Government are supporting local councils to make wise budgeting decisions and to invest in all the crucial things that we all want to see in our communities, including more help for vulnerable people, the important work on children, and infrastructure improvements such as new cycle lanes and better parks. Those are all valuable contributions to our communities, so I thank him for that.

Jim McMahon: That is the point. When it comes to fairness in the council tax system, we have to be honest and say that there has increasingly been an imbalance, whereby people are paying more and more but often receiving fewer and fewer universal neighbourhood services. There is a real danger to the democratic process if there is not a link between the tax that people are paying and the quality of public services that they are getting in return. In the end, councils are wrestling with adult social care, children's services and temporary accommodation, and what else can they do but meet the demand? It is not a good position for the taxpayer or for local authorities, and we acknowledge that.

Our new £600 million recovery grant targets areas with both the greatest need and the greatest demand for services. The recovery grant is the first meaningful step towards long-overdue funding reform, but it is only the first step. A longer-term and more fundamental overhaul of the way that councils are funded is needed to ensure that all councils can deliver for local residents. The Tories committed to improving and updating the way that councils are funded through the fair funding review, but in the end they failed to take the tough decisions needed to deliver it, just like they failed to give councils certainty and security so that they could plan ahead, with a decade marked by year-by-year, hand-to-mouth settlements. That is why the 2026-27 settlement, which will be the first multi-year settlement in a decade, will introduce an up-to-date assessment of councils' needs and resources.

We are acting where the previous Government failed. We will get on with the job of allocating funding fairly, based on the evidence of need, because councils know that every pound counts, and they also know that the current system—

Andrew Rosindell: Will the Minister give way?

Jim McMahon: I will make some progress, but I will take more interventions later.

Councils know that the current system is riddled with inefficiency and is poorly targeted at meeting need. It is vital that we get this right, and we want to hear from all parts of the sector to better understand the drivers of need, including deprivation, the ability to raise tax locally and the impact on service delivery in rural areas. The consultation on these reforms runs until 12 February, and we welcome representations from all who have a stake in this agenda. We are listening to the sector and, through this settlement, responding to the real drivers of cost, especially the spiralling demand in areas such as social care. Importantly, we are taking into account the ability of councils to raise funding locally.

Andrew Rosindell: What does the Minister say to residents of the London borough of Havering, who have had a very poor settlement over many decades under all Governments? We have one of the oldest populations in London and also one of the youngest populations in London, so the settlements never take into account the factors that I have outlined. Will he please look at the outer London boroughs? It seems to me that all the money goes to inner London, and we do not get very much in places such as Romford.

Jim McMahon: Where we can agree is that we accept that the old perspective that there are inner-London pressures that do not feature in the outer-London boroughs might have held in the past but it does not address the complexity that there is today, because a number of pressures have moved outwards into those outer boroughs. I think that that is accepted and appreciated. I said that this might not be a perfect settlement, but it is a good settlement. The hon. Gentleman's council has a 6.5% increase in its core spending power. So there is room there—this is not a flat cash settlement—and we hope that the local authority will make the necessary decisions.

We are not interested in scoring party political points or pitting one council against another. We know that councils of all political stripes are struggling, and we want to work together, through the later reforms that we are looking at as part of the more structural review we are undertaking, to make sure that we genuinely address that. We hope that when Members across the House look at the rationale and the evidence base—whether they agree with the quantum is a separate issue—they can at least say that it holds. That is the work that we are undertaking today, and we encourage Members to contribute to the process.

Jas Athwal (Ilford South) (Lab): On the point about inner and outer London, the problem is that outer-London boroughs are now seeing inner-London problems, the funding system is archaic and the formula is based on outdated deprivation statistics, using household numbers rather than population. This unfairly impacts boroughs such as Redbridge, which covers my constituency. It is home to many multi-generational families living under one roof—

Madam Deputy Speaker (Caroline Nokes): Order. We simply cannot have interventions like this. They need to be spontaneous; they should not be read out from pre-prepared scripts.

Jas Athwal: Can I just make this point?

Madam Deputy Speaker: I think the hon. Member has already had long enough.

Jim McMahon: In a way, there is commonality across the House in recognising that particular problems really ought to be taken into account when it comes to local government funding, and if it is got right—our intention is to get it right—it will take into account up-to-date population and deprivation statistics. It should take into account the ability of a local authority to raise tax locally through council tax, or through business rates or fees and charges. It should take into account the cost of delivering services, whether that is about the rental costs of acquiring a space to operate from or even the cost of delivering services in areas such as rural or coastal communities, where there are particular issues. The formula should take that into account, so let's work through that.

We are responding to the pressures, which is why we are making £3.7 billion of extra funding available for social care authorities. That includes an uplift of £880 million in the social care grant, which includes an additional £20 million that I have confirmed today for the new children's social care prevention grant, taking the total for that grant to £270 million. That paves the way for the national roll-out of transformed family help and child protection services. We have doubled settlement investment in preventive children's social care to £500 million next year. If we do not reform the system and focus on prevention, we will continue to pay more and more, too often for worsening outcomes.

This is happening alongside the Education Secretary's work to take forward the Children's Wellbeing and Schools Bill, which will crack down on profiteering and improve child protection—something that the Tories failed to do, at a very dear cost to taxpayers, who were left to pick up the bill. Again, the severe pressures on SEND services came across loud and clear during the consultation. As we have announced, we are boosting SEND provision and alternative provision by an extra £1 billion to start to return the system to financial sustainability and to improve outcomes for young people. We are aware of the impact that dedicated schools grant deficits are having on council finances, which is why we are committed to working with councils, parents, teachers and schools to transform SEND provision and the life chances of the children who need it.

Ben Maguire (North Cornwall) (LD): Cornwall council is now £1.3 billion in debt. What is the Minister's plan to address future settlements, which will obviously be affected by very high interest rates on that enormous debt? The human cost is that the adult education centre in Camelford is now closing.

Jim McMahon: Very real pressures have built up, and I will not criticise any council from the Dispatch Box—the days of doing that have long gone. That is not to say that I agree with every decision made by individual councils, or that I would not have chosen a different course. In some cases, the decisions were plainly not in the interests of local taxpayers.

However, we are where we are, and we need to stabilise the sector this year and reform the funding system over the multi-year settlement, so that we begin to build

[*Jim McMahon*]

back the foundation of sustainability and long-term security. We need to invest in prevention and reform, so that we get ahead of the problem instead of paying at the back end for worse outcomes. In the end, we need a funding system that really holds.

By doing that, we will ensure that most councils in most parts of the country find themselves in a much better position than they were before the work was undertaken. Because of the types of decisions that have been taken, there will always be outliers. Whatever system we design, we can accommodate most councils in most circumstances, but because of the decisions that have sometimes been taken, we cannot accommodate all councils in all circumstances. The Government have committed to working alongside councils to work through this. Of course, local government reorganisation will accelerate the need to do that in some areas, because we will have to reconcile the creation of unitaries with the inherited debt liabilities. We are fully sighted on that.

Natasha Irons (Croydon East) (Lab): I thank the Minister for meeting me and other Croydon MPs to talk about our council's legacy of debt.

The Minister talks about early help and prevention. Will the funding formula take account of things such as youth services, where early help and prevention can have a massive impact on what councils have to spend over a longer period?

Jim McMahon: Absolutely. Deprivation is a key part of the funding settlement. This is the first settlement in a long time, and probably the first since the area-based grant in 2010-11, in which deprivation is a measure by which the Government allocate money to the sector.

If we see this as only a local government problem, we will miss the prevention and reform agenda that we need. My hon. Friend and I often talk about this, but the Home Office is working on diversionary activities for young people. In many communities, gang activity, child criminal exploitation and knife crime are very real issues that draw too many young people into crime. We need those diversionary activities in the places where people live.

We need to address that, and it should be a whole of Government agenda. That is why we are marshalling our work around the Government's missions, and our approach is anchored to the plan for change.

Luke Myer (Middlesbrough South and East Cleveland) (Lab): I welcome the focus on deprivation. The Minister says he does not want to criticise the leadership of particular councils, but will he praise the leadership of Middlesbrough council? Mayor Chris Cooke has led the council out of a best value notice and produced the first growth budget in years, with increases in area care and much else. Will the Minister commend that work?

Jim McMahon: That work is demonstrated by the Department being able to remove the best value notice. We know that Middlesbrough is not at the end of the improvement journey, and the council itself would say that, but the characteristics of strong civic leadership are clearly on display. I appreciate that it is a lot easier to praise a council from the Dispatch Box.

When we consider funding for councils to deliver vital services, we must also consider the taxpayer. We are committed to keeping taxes on working people as low as possible. At the same time, we understand the immense pressure that councils are under, which is why we will strike a balance in maintaining the previous Government's policy of a 5% referendum principle threshold, which includes a 3% core principle and a 2% principle for the adult social care precept. We all know that councillors, mayors, police and crime commissioners and councils will take into account the impact of increases on households, and it is right that they do so. For the vast majority of councils, those principles and the additional £5 billion in funding that we have announced will be sufficient to support them in setting their budgets. However, we know that some councils are in difficult positions, as we have heard today. For some, unique local decisions have had an impact on their financial stability. For others, over a decade of mounting pressures has finally caught up with them, and whatever they do, that is the reality. We are determined to work together to find a way through that, including by considering requests for additional council tax flexibility and requests from councils seeking exceptional financial support.

Mr Lee Dillon (Newbury) (LD): My own council, West Berkshire, a small unitary authority, now has only 2% of its net revenue budget in reserves, and has written to the Government seeking £16 million of exceptional financial support. I urge the Minister to stand with West Berkshire council and to grant that support, so it can continue to deliver those important services.

Jim McMahon: The hon. Gentleman has my commitment that we will review the submission that we have had in good faith and in the spirit of partnership. We recognise that the councils that have made exceptional financial support applications have done so at the end of a process, not at the start, and that they need the Government to work with them. We will confirm exact allocations later, local authority by local authority, but I take on board what the hon. Gentleman says.

The financial legacy left by the last Government has led to a record number of councils asking for additional council tax increases. The ability to request additional increases already existed, but there is a need to balance them with the impact on local taxpayers. On that basis, we have taken a stricter approach than the previous Government. That means avoiding excessively high increases and agreeing to rises only where councils have comparatively low levels of existing council tax.

Having carefully considered requests, we have agreed to modest increases in six local authorities: Windsor and Maidenhead, Birmingham, Bradford, Newham, Somerset and Trafford councils. However, our strict approach means that we have not been able to agree to all the requests that we have had and that not all requests have been met in full. Taxpayers in those areas are still expected to pay less than the average amount of council tax, compared with similar councils, because of the approach that we have taken. We have been clear that all councils should take whatever steps are necessary to protect their most vulnerable residents from the impact of additional increases.

At national level, even with those increases, the overall increase in council tax is not expected to exceed that of last year. Without the additional £5 billion provided in

the Budget and the settlement, there is no doubt that that would not have been possible. In a way, that displays the new relationship, because, unlike the previous Government, we will not impoverish councils or parade them around to be shamed. Instead, we will work with them to put them back on their feet financially. We will fix the broken local audit system and the unacceptable backlog that we inherited; move from a failing, dispersed approach towards a focused, proportionate local audit office that offers value for money; and improve transparency, accountability and confidence in how hard-earned taxpayer money is being spent.

However, we all know that there is no quick fix. The legacy that we have been left is nothing short of scandalous, but this settlement marks a turning point. It will back local government with the long-term funding and certainty that it needs to fix the foundations, based on a new partnership with central Government. Through reform, fairer funding and better stewardship, we will ensure that the sector is fit, legal and decent, so it can stand on its feet as a strong, functioning arm of the state. The settlement will provide more money for local government, especially in areas of greatest need, such as social care, and more investment in the things that matter to local communities, from support for our high streets and town centres to mending potholes and boosting local planning departments, adding up to public services that we can all begin to rely on once again.

Stronger communities will support a stronger economy, with higher growth, delivering higher living standards for working people that will be felt in every part of the country. Driven by a devolution revolution, we will deliver the greatest transfer of power from Whitehall to our communities in a generation. Finally, we will put politics back into the service of working people. Our plan for change has local government at its heart and I commend it to the House.

6.39 pm

Kevin Hollinrake (Thirsk and Malton) (Con): May I first put on record my admiration for the fine work of councils, councillors and officers right across the country? That work is often carried out at the most challenging times against a backdrop of real financial pressures on those local authorities, not least the rising demand for adult social care, special educational needs, temporary accommodation and others. I do not think there was ever a time when we appreciated councils more than during the covid crisis—as well as during the cost of living crisis—when we saw the fine work they did and how important it is to have those councils and councillors helping local people.

I welcome the extra money provided in the spending review—a 6.8% increase in core spending power. I welcome the approach that the Minister intends to take with the multi-year settlement. That is a sensible way forward. I also put on record my respect and admiration for the Minister. He always takes a considered and responsible approach and has huge knowledge of the sector. I promise him that we will work across parties wherever we can on the things we agree on to try and make it easier for local councils to do the fine work that they do.

Andy McDonald (Middlesbrough and Thornaby East) (Lab): The shadow Minister is generous in giving way. He quite correctly praises councillors. Does he think,

as we move forward with the changes, that it would not be a bad idea to start thinking about how we compensate councillors for their efforts? Many of them give up so many hours of their week and do vital work for very little by way of recompense. Does he agree that we should look at that?

Kevin Hollinrake: I can only reiterate what the hon. Gentleman has said and what I said earlier: they do fine work and most do not do it for money but because they have the interests of their local communities at heart. That should always be the case, and those are the kind of councillors that we want. Where people have expenses to do their jobs, that needs to be properly compensated for.

Will the Minister accept that the majority of the extra money provided through the settlement is raised through council tax increases, which are effectively taxes on local taxpayers—that is, working people? As he is sensible and considered, does he regret the fact that the Prime Minister stood on a stage in Swindon on 30 March 2023 with the Deputy Prime Minister, who is also the Secretary of State for Housing, Communities and Local Government, stating that he would freeze council tax for the first year they were in Government? That has not been the case. The Prime Minister quite clearly promised

“a tax cut for the 99 per cent of working people who are facing a rise in their council tax”.

His words were also that there would be

“not one penny on your council tax”.

We said then that those promises were not worth the paper they were written on. How right we were.

Under Labour, typical council tax bills are to rise by 5% in April 2025, in another increased tax on working people. That means that the average household faces an above-inflation increase of around £100 in their council tax bills in that year. All that will do in many cases is fill the black hole in council finances that Labour is creating due to an increase in national insurance contributions. Furthermore, it is quite clear that Labour is deliberately funding largely Labour-led urban areas at the expense of rural areas.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I thank the hon. Gentleman for giving way. He is one of the more reasonable of his party's Front Benchers—not that he needs my praise.

Between 2010 and 2024, Stoke-on-Trent city council had a cumulative loss of £411 million. In cash terms, if the budget had been frozen and there had been no increases, we would have had that much more in spend. Does the shadow Minister accept that the damage that his party did in local government cannot simply be fixed in one settlement after seven months of a Labour Government?

Kevin Hollinrake: I have spoken before about the financial pressures all councils are under. That is principally due to rising demand on services; that is the reality. Eighty per cent of discretionary spend is on the three areas I referred to earlier. There is no doubt that there are challenging circumstances. Nevertheless, the vast majority of money raised through the settlement is through council tax, and much of the money raised for core spending power will go on national insurance rises. There are direct costs, but there are also indirect costs that are not covered. Many councils will be worse off as a result.

Jim McMahon: Just to be clear, even rural councils will receive a near 6% increase in their core spending power. It is correct that £600 million through the recovery grant is targeted at deprived communities, but we have followed an assessment of need right through the system, including that of rural authorities. The hon. Member must welcome that.

Kevin Hollinrake: I will come on to that, but we do have a different perspective. The point that I am making principally right now is that there are rising costs on councils, both in direct costs through national insurance and through indirect costs, which are not fully covered by this settlement, and I think the Minister accepted that fact earlier in his remarks.

The reality is that rural areas will face higher council tax increases to make up for reduced central funding, despite the cost increases of providing services in rural areas. To give the House an easy example of this, my local authority, North Yorkshire council, spends more on school transport than it does on the whole of children's social care. That is the cost of delivering services in rural areas. Despite that, the Labour Government have chosen to scrap the rural services delivery grant. They have said that they are repurposing it, but it is now clear that this has not been repurposed to support rural areas in the way that the delivery grant used to do, despite the higher cost of service delivery in those areas.

The chairman of the County Councils Network, Tim Oliver, has warned that rural areas will lose hundreds of millions of pounds due to Labour prioritising urban areas over rural ones in the way that it distributes funds. The Government are moving distribution away from a needs-based formula to one based on deprivation. He has warned that Labour's funding formula will mean that rural councils would lose an estimated £190 million in a single year. He has also stated that, when taking into account the moneys needed to cover the costs of the national insurance increases, this is the worst settlement for county councils in four years.

Mr Betts: Can the shadow Secretary of State just explain his comments? I agree with my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) that the hon. Gentleman one of the more reasonable Members on the Conservative Benches. He said that the Government are switching money away from a needs-based formula to one based on deprivation. Is not deprivation very clear evidence of needs in the community? What is the difference?

Kevin Hollinrake: Of course there are some needs around deprivation, but that is not the entirety. The major cost drivers for local authorities are the things that I outlined earlier: adult social care, special educational needs and temporary accommodation. There may be some crossover, but the reality is that simply basing that on deprivation will not work for all authorities; some will be worse off as a result of moving from need to deprivation.

Natasha Irons: I had hoped that we could move away from this pitting area against area. I can assure the shadow Secretary of State that I am from an urban area with high deprivation, but with very high transport costs for children to get to special educational needs placements, and also massive temporary accommodation costs. Perhaps we need to move towards a better model

that takes in all the issues we face in all of our areas. In that way, we are not fighting each other, but working together to get better local councils across the country.

Kevin Hollinrake: I do not want to be party political, but it is not us who are changing the formula. The reality is that this Labour Government are robbing Peter to pay Paul. This is a zero-sum game. If they move the formula around, some councils will be worse off and some will be better off. I want everybody to be treated fairly, but this is a very difficult situation against the current spending round.

The Labour Government's approach is particularly worrying given their intention to move to a new fairer funding formula. "Fairer to whom?" we might ask, given the point we have just made. Labour's broken promises on this are clear and follow similar promises broken on the fully costed and fully funded manifesto: the family farm tax, the family business tax, the winter fuel allowance, the rise in employer national insurance contributions and, of course, that statement about "not one penny more on your council tax."

Andy McDonald: We were doing so well. We were talking about fairness across the board and not pitting one against the other—so far, so good. But given the shadow Minister's comment, may I just remind him of the words of the former Prime Minister, the right hon. Member for Richmond and Northallerton (Rishi Sunak), in the garden in Tunbridge Wells, where, when talking about his time as Chancellor of the Exchequer, he mentioned having transferred funds deliberately away from deprived and challenged areas to more affluent ones? Surely we have to call out the record correctly, and if we want a fresh start, let us have a fresh start.

Kevin Hollinrake: I think my right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak) was talking about fairness, which we all believe in. The hon. Member for Middlesbrough and Thornaby East (Andy McDonald) will have a different perspective on fairness from other people. The reality is that there is a political division here. One thing that we must agree on is that the statutory duties on councils should be properly funded. My concern is that that will not be the case, and lots of those pressures fall differently on rural councils compared with urban councils.

Gareth Snell: Under the formula that has been proposed and on which we will vote this evening, Stoke-on-Trent city council will receive a recovery grant of £8.2 million. I hope that the shadow Minister is not saying that, were the Conservative party still in Government, we would not receive that additional cash, and would therefore be £8.2 million worse off.

Kevin Hollinrake: It is interesting, because the loss of the rural service delivery grant cost my local authority £14 million, so it depends where we draw the line and what the priorities are. The change in the rural services delivery grant is robbing Peter to pay Paul. That is the reality.

Luke Akehurst (North Durham) (Lab): My residents in North Durham are in a local authority area, County Durham, that is rural and deprived. I assure the shadow Minister that the previous version of the formulas was not designed to help that kind of rural authority. It may

have helped wealthy rural authorities, but it did not help areas that suffered from both the difficulty of providing services in a rural area and the extreme need caused by deprivation.

Kevin Hollinrake: We all have different views on this matter. Many parts of my constituency are not wealthy and have deprivation that is not sufficiently catered for by some of the formulas. That is what we are concerned about. We are keen to see fairness across the board, so we will scrutinise Labour's plans very carefully on that basis.

The Labour Budget promised a big increase in council spending and the return of the sector to sustainability through a comprehensive set of measures to support local authorities in England. As I said, the Government also promised multi-year settlements, and we support those intentions. However, most of the money provided to local councils under the settlement will be through council tax rises for working people. A number of the rises breach the 5% referendum limit principle. Referendums on council tax rises of up to 9.9% have been waived by the Secretary of State, so local people cannot have a say on these dramatic increases. That means that local residents in the Windsor and Maidenhead borough, Birmingham, Bradford and Newham all face increases of more than 5%. Birmingham is notable due to the mess that Labour made there, which Labour is now forcing residents to pay for, rather than taking responsibility. The Liberal Democrats are also raising council tax without allowing Windsor and Maidenhead borough and Somerset residents a say on how they feel about the increases.

Council tax rises make up the bulk of the settlement, and rather than Labour delivering on its claims that it would fairly fund local government, it is pushing the burden on to taxpayers. The Government have also increased that burden with their jobs tax, which will negatively increase costs on local government finance. Although they have provided £515 million to cover the direct costs of employer's NI, the Local Government Association has estimated that the national insurance contribution hike will cost another £1.13 billion for increases being forced upon providers of outsourced services.

The costs of those outsourced services will inevitably increase, but the Government are providing no money to cover that. Councils and residents will have to pick up the bill. Council tax receipts in 2025-26 are forecast to be in the order of £50 billion, yet Labour's nonsensical Chagos islands deal is rumoured to cost up to £18 billion. That is equivalent to a one-off £820 deduction from a typical council tax bill. Alternatively, it could have paid for a council tax freeze for the whole of this Parliament. As with all things, Labour is wasting taxpayers' money rather than giving them a tax cut.

The settlement will make it more difficult for councils to deliver on residents' priorities, be they social care or potholes, which I note Conservative councils have a better record of filling in. It is an undeniable fact that Labour and the Liberal Democrats deliver worse services and charge more. From Whitehall to town hall, under Labour, people pay more and get less.

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

6.54 pm

Florence Eshalomi (Vauxhall and Camberwell Green) (Lab/Co-op): I welcome the real-terms funding increase in the settlement, in the context of a decade of cuts and financial mismanagement. The Minister outlined the additional funding for the children's social care prevention grant, which will help provide vital services for children in their formative years, which is really important. There is the £660 million recovery grant for places with greater need and demand for services. It is important that we continue to focus on prevention, to stop us getting to a situation where many councils are asking for a bail-out later on.

I would like to remind Members of the consequences of the situation that our councils face up and down the country. For some councils, it means the end of community programmes that keep people active, or that mean people can go out and speak to others. I hosted an event last week on loneliness. Many of our constituents report feeling lonely, and those vital community services keep them active. Because of the situation that councils face, some children who are in need of an education, health and care plan are not getting that support, and we see some parents and carers having to quit work just to get adequate provision for their young people. It means that more and more families are ending up in completely unsustainable temporary accommodation, and we hear stories of families having to travel three to four hours every day just to get to school or work. No one should have to go to bed at night and be unable to sleep because they fear that the accommodation they are in could harm their family. Seventy-four children have had their deaths linked to temporary accommodation in the last five years. We are one of the richest countries in the world. This should not be happening.

People rely on our council services for their wellbeing, and we need to end the chronic underfunding of those vital services. We must remember that what we see today is the result of a false economy of underfunding local government for over a decade. For years we have had to see councils cut vital prevention services just to make ends meet. The result is that more and more people are in dire need of those services, which are far more costly not just to the local authority, but to the livelihoods of the people who need them. We see that in private rented sector inspections, in maintaining and repairing our housing stock, and in providing the vital youth services that my hon. Friend the Member for Croydon East (Natasha Irons) referenced, which boost the life chances of teenagers and young adults. If we are honest, the tragedy of the last 14 years is that it has seen more costly services for our local residents.

This settlement is a welcome step in the right direction to help councils meet some of the pressures they face, but again, if we are all honest, many of our councils will still struggle to provide the vital services that residents need and deserve. I am sure that many Members eagerly anticipate the start of the Housing, Communities and Local Government Committee's inquiry on local government finances. As Chair, I do not want to pre-empt what we will discuss over the next few months, but I want to raise a few specific points with the Minister today.

The Minister knows—he has received representations on it and Members have raised it—that because large councils are big employers, they will be impacted by the rise in national insurance contributions, as the shadow

[*Florence Eshalomi*]

Minister, the hon. Member for Thirsk and Malton (Kevin Hollinrake), referenced. He also referenced the LGA data, which indicates that even with the additional generous funding outlined by the Minister, councils will still be short by over £100 million to cover the extra cost for directly employed staff. The Minister touched on the service expenditure cost, but there is still a gap that needs to be filled. Is the Minister considering the impact that will have on staffing pressures in our councils, and have the Government considered the effect of indirect costs through the commissioned providers? Our councils do not exist in a bubble. The impact of other Government spending areas, such as health and welfare, will have a drastic effect on the costs that our councils face.

I come back to an issue that I have raised multiple times, as the Minister knows. I remain concerned about the impact of freezing local housing allowance at a time when private rents have gone up by nearly 10%. That could create extra and significant burdens on the vital and well thought-out homelessness prevention work that our councils do. Will the Government finally confirm what work they have done to assess that risk; whether freezing LHA will impact on families who are struggling with rising rents; and what pressures—unintended, maybe—that could place on homelessness services across the country?

Mr Betts: My hon. Friend raises an important point on local housing allowance. When we considered that issue in the Public Accounts Committee, it was pretty obvious that officials had not done any proper assessment of the impact that freezing the allowance would have on homelessness. Something ought to be done. If the Government take the major step of freezing an important allowance, they ought to know what impact that will have on other services.

Florence Eshalomi: I thank the former Chair of the Housing, Communities and Local Government Committee—I know of the work that his Committee did on this issue. The reality is that we need to build more homes. The Government have an ambitious target, but our residents need somewhere to live in the interim. That will mean more strain on the private rented sector and on rents. I hope that the Minister is considering that impact in his work with officials from other Departments, including the Department for Work and Pensions.

Will the Minister inform the House about the details of the public health grant for 2025-26? That will play such a vital role in addressing major health inequalities, which we all want to see reduced in our respective areas. We are talking about treatment for drug and alcohol services and smoking prevention, for example. I declare an interest as a co-chair of the all-party parliamentary group on HIV, AIDS and sexual health. Vital sexual health services help to address health inequalities, so it is vital that councils get funding—and certainty about it.

Extra money is only part of the solution. Some residents will yet again face higher council tax bills next year. They have the right to scrutinise, ask and ensure that every penny of that is spent in the right places, but the reality is that accountability in local government is far too often not fit for purpose. As the Minister knows—he referred to it—the situation got so bad that the National Audit Office refused to sign off the whole of Government

accounts for the first time ever in November last year. Only one in 10 councils submitted reliable data for 2022-23, and over 40% did not submit any data at all. The Minister outlined the mess that he inherited, and the measures that the Government are taking to deal with the backlog, but we must ensure that we do not find ourselves in this position again.

The Minister also referred to the local audit office. Will he confirm what additional long-term steps the Government will take to address local government auditing? The consultation closed recently, on 29 January, and I would be grateful if he would outline a timeline for updating the House on that. I know that he shares my desire to give councils the support and flexibility they need. The first step in that is to fix council finances. We welcome the Government's commitment to multi-year settlements from 2026-27 to give our councils the certainty that they have lacked for so long. I hope that he and the Government will remain open-minded to some of the reforms that our Committee will look at, so that we can all see councils up and down the country delivering the effective services that our residents need and deserve.

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

7.4 pm

Mr Will Forster (Woking) (LD): Local government should be the bedrock of our communities. Councils should be empowered to deliver local services and invest in infrastructure, and they should be planning to make sure their communities prosper. Instead, years of Conservative mismanagement have left councils across the country on the brink of financial collapse.

Nowhere is this clearer than in my constituency of Woking. Woking borough council faces debts of over £2 billion. That debt is a direct result of reckless local decisions made by the Conservatives, enabled by a former Conservative Government who refused to step in until it was too late. This catastrophic black hole has had devastating consequences for my constituents, and because of this crisis and that Conservative legacy, public services have been—and continue to be—stripped back. Community projects are now a second thought, and council tax has gone up. As Woking's new Member of Parliament—elected seven months ago, mind you—I have regularly raised the plight of my council's finances and those of the whole local government system with the Minister and the Department, and I will continue to do so.

Mr Betts: On these occasions, I always sit and wait for the Lib Dems to accept some responsibility for the financial mess they created in local government. There was a 50% cut in grants to local government during the 14 years, and the biggest part of that cut came during the coalition Government. Is it not time that the hon. Member stood up on behalf of his party and apologised for his role in austerity, which created this crisis?

Mr Forster: I was about to be nice to the Minister and the team before the hon. Member intervened, which is quite ironic.

I am very grateful that the Government have listened to the concerns of distressed councils, including mine. Unlike the previous Government, who imposed higher

council tax rises and higher interest rates as a punishment for bankruptcy, this Government have listened, and I am grateful to the Minister for doing so. That has saved my council alone millions of pounds. What I found very surprising was the brass neck of the shadow Secretary of State, the hon. Member for Thirsk and Malton (Kevin Hollinrake), when he criticised this Government for their tax rises; the previous Government punished my council with a 10% council tax rise because it dared to go bankrupt as a result of Conservative decisions. I have urged the Minister to not impose the same level of council tax rises as the previous Government, and I hope he will not do so.

Thanks to the work of the Liberal Democrats who now run Woking council and the amazing council staff, Woking is turning a corner, but I really worry for its future and that of councils like them, and the District Councils' Network worries as well. The Minister has highlighted that there is no reduction in any local authority's funding this year, but the DCN says that 0.3% is the average cash increase in core spending power for boroughs and districts. That is not good enough. Those councils shape their areas—they protect homeless people—and a 0.3% increase in core spending power is just not acceptable.

Turning to county councils, the County Council Network says that four in 10 of its members say that they are in a worse position than before the autumn Budget and the financial settlement, and one third say that their service reductions next year will now be severe. Considering that there is very little fat left to cut, I really worry about those services.

Jim McMahon: The hon. Member must accept that part of the difficulty we have in a two-tier system is the inability to move money around that system. It is correct to say that rural councils, mainly in two-tier areas, have had an increase of nearly 6%, but we have a huge inability to move that money around. There is around £2 billion in the two-tier system that could be freed up through reorganisation of local government, so will he stop looking both ways on reorganisation, and give a commitment on behalf of his party that the Liberal Democrats will support it?

Mr Forster: I thank the Minister for admitting that the 0.3% rise in DCN funding is happening. I do not think he can say that the Liberal Democrats and I are looking both ways on unitarisation, based on the statement earlier and the questions that took this debate later than Members might have wanted. We have concerns about unitarisation, particularly about the way that the Government are doing it. Fundamentally, we welcome reform of local government, but it cannot be imposed on councils and local areas, and we are concerned that that is happening. My county council, Surrey county council, has 14 days of reserves left—that is how bad of a state its finances are in. The Minister has talked about the past 14 years; I am more worried about the 14 days until my local authority, which is protecting vulnerable elderly people and children, will run out of money.

Social care is another area where the previous Government failed miserably, and I worry that Labour is set to repeat the same mistakes. Councils that provide social care are supposed to be better off under this settlement, but the reality is that demand for care is rising, costs are soaring, and local authorities are still

struggling to meet their legal needs—I am sure all Members know that from their casework, and we see it time and again in tribunals. The Government's allocation of funding for social care is simply not enough, and their refusal to commit to long-term reform, and particularly to have a long-term inquiry, will make the problem worse, not better.

On top of that, local authorities are saddled with extra costs from the Government's policies. The increases in national insurance contributions will push up payroll costs for councils across the country, yet the Government's package of support is lacking. Councils will be short of hundreds of millions of pounds just from NI contributions, and once again they will be pushed to increase council tax or cut services.

The Liberal Democrats are concerned that rural councils will suffer as a result of the Government's decision to remove the rural services delivery grant in favour of the new recovery grant. The new grant will be allocated through a need and demand basis, and we are concerned that that will exclude rural councils from critical funding because it does not consider the specific reasons that the delivery of services is more expensive in rural areas.

Gareth Snell: Stoke-on-Trent will get £8 million from the recovery grant, and we are the fifth poorest city in the country. The hon. Member and I want to see services in our communities funded, so I urge him not to fall into the false trap that the Conservatives are setting by trying to pit our councils against one another. I want services, and he wants services; we need to agree to fund them properly and not be put into some sort of "Hunger Games" competition.

Mr Forster: I thank the hon. Gentleman for his helpful contribution. We should not have councils competing against each other, but although we have to recognise deprivation, and local government funding should be linked to that, we also have to recognise the cost of delivering services. Our fear is that removing the rural services delivery grant will not do that.

Last year the rural services delivery grant provided £110 million to rural councils to compensate for the vast rural areas that they serve, but this means that they will now face higher costs. We are concerned about, and it will leave rural communities and residents struggling, with fewer services and higher taxes. The Liberal Democrats urge the Government to provide rural councils with the funding settlement they need.

The Liberal Democrats believe in properly funding local government so that we can care for the people we need to care for, house the people we need to house, and protect vulnerable residents. I thank the Minister and his officials for putting the funding settlement together. It is a step in the right direction and an improvement on what we have seen, but as I think the Minister will concede, it couldn't not be—it was always going to be better. This is a step in the right direction, but the challenges we face as a society and a country are huge, and the Liberal Democrats and I need to hold the Government to account to make sure that this is the last one-year single financial settlement. We need to make sure that social care is properly funded. That does not mean kicking the can down the road in three years' time. It means that the homelessness strategy that we are promised in July genuinely solves the problem, genuinely tackles prevention, and is fully funded.

[Mr Forster]

We also need to tackle special educational needs on a long-term, cross-party basis, not kick the can down the road, which is the fear for those issues. I was pleased that the Minister agreed—almost conceded—to have a cross-party review into the council tax system. The hon. Member for Hartlepool (Mr Brash) highlighted that his constituents in a band H property are charged £3,000 more than for a band H property in London, which is unacceptable. It is well known that Buckingham Palace pays the same level of council tax as an average three-bedroom semi-detached in Blackpool. That is not reasonable. We must fundamentally tackle those issues.

The Liberal Democrats and I are immensely grateful for the councillors and council staff who give up their time and their lives to shape their communities. We cannot let them down in this House, and they need to be fully funded going forward.

7.14 pm

Mr Clive Betts (Sheffield South East) (Lab): I am pleased to say that this is one of the first occasions for many years when in speaking in this debate, I do not have to stand up and say how badly Sheffield is being treated, because we have got a fair settlement for the first time in 14 years. Sheffield is a well-run council, and I congratulate Councillor Tom Hunt, the leader of the council, and Kate Josephs, who is the chief exec. We are not at a financial cliff edge. This settlement will not resolve all the problems and difficulties that the council has, but it does mean that the cliff edge is a bit further away, and the council has a bit of room to look at and take serious decisions about resource allocation and trying to continue with—and in some cases hopefully improve—some of the services.

In this settlement, Sheffield council has received £16.5 million from the recovery grant, which is right. We have lost out in so many settlements, because we are a deprived community, and deprived communities had the biggest cuts of all during the years of austerity. That is the reality. Some 60% of our properties are in band A. Putting council tax up does not bring in the same amounts of money as it does in more affluent areas, and it is right that the Government have recognised that.

We have an increase in the grants for social care and homelessness provision, and that is welcome, though I have to add a caveat. The council is saying to me that those grants still do not cover the increased costs it is facing in those two areas. Indeed, the national insurance increase has not been totally compensated for by Government. There are some challenges and issues in the settlement. It is not 100%, but it is an awful lot better than where we have been previously, and that is what we must remember.

I am sure the Minister recognises that this is the easy year. We come to the real challenges next year with the longer-term settlement. A three-year settlement is absolutely right. Fair funding will be looked at, and that is absolutely right. It cannot carry on. The previous Government were going to do a fair funding deal 10 years ago, but they never got around to implementing it. Clearly that review is needed; it is just a question now of getting on and doing it. We recognise that is a massive challenge.

If we are going to get that settlement right for the three years, we have got to address children's social care, SEND provision, homelessness and the fight for

temporary accommodation between different Government Departments, which drives costs up. Those issues need resolution. We also need a resolution to adult social care, although I understand that may not come until a couple of years afterwards. If we can at least sort the other issues out, it will be a significant step forward.

I will raise three other issues briefly, because I appreciate the shortage of time. I can see the Chairman of the Public Accounts Committee, the hon. Member for North Cotswolds (Sir Geoffrey Clifton-Brown) on the Opposition Benches, and he will probably recognise this point. We have been told clearly by the Treasury that from next year, Departments must not spend money allocated for capital projects on revenue. The way that local Government has had to be bailed out in the past few years is by capitalising revenue expenditure. What happens if the Treasury locks down that activity? Has any thought been given to that? It clearly needs some thinking about.

The Chair of the Levelling Up, Housing and Communities Committee, my hon. Friend the Member for Vauxhall and Camberwell Green (Florence Eshalomi) mentioned public health. Why is the grant late once again? I accept that is probably not the Minister's responsibility, but he referred to prevention being important, and it is, and that is exactly what public health is about. From next year at least, can we get the public health grant at the same time as the local government grant?

Finally, I echo the comments about the hard work of local government staff and councillors in particular. Many councillors lose money, and there is a real challenge about getting younger people to become councillors. I asked the Secretary of State earlier about that, but she did not respond directly to my question. When will the Government look at reinstating the right for councillors to join the local government pension scheme? For many younger councillors, that is a real difficulty. They come in, they lose money, but they also lose their pension in the longer term, too.

Florence Eshalomi: I declare an interest as I served as a local councillor, like many colleagues in this House. It is about not just the pension; the additional costs that younger councillors face now to go in and serve their local community may be off-putting. On top of that there is the level of abuse that local councillors face for carrying out their public duty. Does my hon. Friend agree that the Government should look at that?

Mr Betts: I do. I welcome arrangements being put in place for the police to give more protection to councillors in that space. Recognising the financial strains, particularly for younger councillors, does not take a lot of money. I ask the Minister to allow that to happen.

I forgot at the beginning to declare my interest as vice-president of the Local Government Association. I am sure that it is pleased with the settlement. The Minister recognises the challenges that have been outlined—they are to be faced in future years, but I thank him for this settlement today.

7.20 pm

Sir Geoffrey Clifton-Brown (North Cotswolds) (Con): I am pleased to follow my very hard-working, excellent deputy on the Public Accounts Committee, the hon. Member for Sheffield South East (Mr Betts), who has

huge knowledge on local government matters. In fact, whenever we come to local government matters in the Committee, we always defer to him.

I echo the opening remarks by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) about our hard-working councillors up and down the country, whatever their political persuasion. Often, they work many hours and do not get much pay for it. They do it because they want to improve the lot of their local communities, so I warmly welcome that. I even echo his opening remarks to the Local Government Minister, who I always think is a fair and reasonable man. He has dealt with this matter in a knowledgeable and professional way, and I pay tribute to him.

I want to pick up on a couple of things from the excellent speech by the Chair of the Levelling Up, Housing and Communities Committee, the hon. Member for Vauxhall and Camberwell Green (Florence Eshalomi). She is very knowledgeable on this whole matter. First, the local health grant, which has been picked up by others, is peanuts in comparison with the total health budget, but if we can keep the population more healthy through the things that she said and other preventive measures, it would be far better for them and far cheaper for the country in the longer run. I do not know why Governments of all colours have not paid more attention to that.

Secondly, I want to pick up on local housing allowances, which the hon. Member for Sheffield South East also mentioned. As he said, the impact on homelessness has not really been calculated, which our PAC report made perfectly clear. The Minister needs to look at that relationship and how we can get a closer, more targeted local housing allowance or another allowance to alleviate the problem of some of the poorest in our society who cannot afford the houses that they live in, and who have to be subsidised to a considerable extent by the local authority, putting even more pressure on it.

Often, local government is not understood by our constituents, but they certainly know when they are not getting the services they pay for from their council. Council tax bills are increasing up and down the country. I was shocked to read that some people's council tax is going up by as much as 10%, as the Secretary of State has given permission to override the legislation in place for a referendum to be called if council tax is raised by more than 5%. I remind the House, as my hon. Friend the Member for Thirsk and Malton did, that the Prime Minister stated in Bristol that he would freeze council tax bills for all. Clearly, that is not the case. I would love it if he was able to, but clearly when he said it, it was not realistic.

The Public Accounts Committee, which I have the great honour to chair on behalf of this House to try to expose how the taxpayer's pound is spent—well or not, as the case may be—has taken a strong interest in local government. We will shine a light on the areas needed, as will the Chair of the Levelling Up, Housing and Communities Committee. Together, hopefully we can make a real positive difference in the way that services are delivered for people up and down this country.

It is clear that local government finances have increasingly become more dependent on council tax rather than central Government grants. I listened to the speech by the Liberal Democrat spokesman, the hon. Member for

Woking (Mr Forster) about his local council, but it cannot be denied that some councils have managed their budgets better than others.

I welcome the multi-year settlements that this Government have introduced. We often criticise the Government, but I think these settlements will be warmly welcomed by councils, and would, I think, be welcomed in other areas of Government spending, too. Like a business, local authorities will be able to plan, investing taxpayers' money into longer-term projects with more certainty, and therefore hopefully using money more efficiently.

I urge the Government in their review of the funding formula to keep in mind the rural-urban divide, which we have had quite a lot of discussion about this evening. In what I am going to say, I do not wish pit one council against another in any way—that is not the object of what I am saying. I simply say that if we put the emphasis more on one facet and less on the other, we will benefit some councils and disadvantage others. The problem with rural councils is that in many cases it costs more for them to deliver services, which is not properly reflected in the grant. Even the House of Commons Library says that scrapping the rural service grant and replacing it with a recovery grant already demonstrates a divide. According to the Library, which is supposed to be independent, the change in methodology for allocating money has meant that rural areas are losing out to urban areas and city centres.

Now, I do not want to get into deep water, but a need is a need. Adult and children's social services, which have been mentioned today, are both high-consuming, voluntary parts of the budget, and are increasing. If the Government take away the needs basis and put it into deprivation basis, they will benefit some councils and disadvantage others. I repeat: a need is a need. That includes adult social services and children's social services; it also includes SEND—our Committee produced a report on SEND, which said the system is broken—which is a hugely consuming part of the budget, and is consuming a greater and greater percentage.

Gareth Snell: Will the hon. Gentleman give way?

Sir Geoffrey Clifton-Brown: Just a second. Another part of the budget that is consuming more and more is temporary housing accommodation; this, again, needs a fix in some way or another. Structurally, we cannot let these areas of spending go on unreformed, so that they continue to put huge pressure on the finances of all councils.

I give way to a former member of the Public Accounts Committee.

Gareth Snell: I thank the hon. Gentleman for giving way—I did enjoy my time on the Public Accounts Committee.

For two years, I led a small shire district council. We were often told that there would be money for county councils, because that is where the greatest need was in terms of adult and children's social care, and various other demand-led services. I do not even think the divide is urban-rural; it can sometimes be between county and district, in the same locality. Is this the hon. Gentleman's quiet way of telling us that when the Government bring

[Gareth Snell]

forward the orders for reorganisation, his party will be supporting that, to take out that one element of potential divide in our funding systems?

Sir Geoffrey Clifton-Brown: I am really pleased that the hon. Gentleman has raised the whole business of devolution, because I am going to come on to that at the end of my speech. What I think we should do is build it from the bottom up, as we did, and let local people have a real say in what they want for the future of the delivery of their local services. I am going to say a little bit more about that and ask the Local Government Minister some quiet questions about it at the end.

I turn to a matter that is bread and butter for the Public Accounts Committee, which the hon. Member for Vauxhall and Camberwell Green, the Chair of the Housing, Communities and Local Government Committee, also raised, which is the whole business of local auditing. Without proper auditing, there is no guarantee that all the money—I say “all the money”, but I just mean “the money”—that councils get from both council tax and local government grants, in one form or another, is being spent wisely and providing value for money. The shocking position that we find ourselves in with local auditing at the moment is not, I think, helping the whole system.

The Public Accounts Committee recently held an evidence session on the whole of Government accounts, as the hon. Lady referred to, where we found that 44% of councils did not submit any data at all to those whole of Government accounts, and that 46% of accounts had not been audited for nearly five years, in some councils’ cases. The Local Government Minister has laid before the House measures to ameliorate the timing of producing local audits. Hopefully, we can get to a situation where we can start those local audits and get a set of figures we can begin to rely on. The next year, once we have started with an established set of figures, we hopefully ought to be able to get a properly audited set of accounts.

Jim McMahon: Will the hon. Gentleman give way?

Sir Geoffrey Clifton-Brown: I will in just a second, but I want to make a really important point to the Minister about why all this matters.

Why does it matter? If we do not have a set of properly audited accounts, we do not have a sound basis on which to know what we are spending money on. As the Local Government Minister knows only too well, it is not only the audited accounts that are important but the assurance that goes with them, so that council officers, councillors and the public—the council tax payers—can begin to get an idea of whether something is going wrong with their council. I say to him gently that if more councils knew that, we might not run into a situation where they issue section 114 notices. However we cut the cake, when a section 114 notice comes into effect and the Government send in officials to run the council, it always ends up with local people getting a poorer service—they have their services cut—that is more expensive in council tax. It is really bad when a council gets into that situation, and that is why we need proper audited accounts.

Jim McMahon: I am only intervening given the hon. Gentleman’s position as Chair of the Public Accounts Committee. I think that this is a common interest for the PAC, Parliament and the Government. I do not want to labour the points about the past; the question now is how we move forward. From our perspective, it is not acceptable at all that the whole of Government accounts cannot be reconciled because of local government audit backlogs, so we want to address that. More importantly—this is definitely where there is a common interest—we must rebuild the early warning system, because what we cannot pick up effectively enough is whether there are systemic problems, which are more than just one council beginning to wobble, that we should be aware of and take action on.

Sir Geoffrey Clifton-Brown: The Local Government Minister must be clairvoyant—or he must be reading my notes.

I warmly welcome the Government’s consultation on local audit reform, which would establish a statutory and independent local audit office. It would be responsible for the co-ordination of the system to provide the quality oversight and reporting that is currently missing. There is even talk about setting up some form of backstop public auditing system. A lot of reforms are being consulted on, which is to be warmly welcomed, and the Government are to be congratulated on tackling this subject. I really hope, as Chairman of the Public Accounts Committee, that the Local Government Minister and the Government succeed in that quest, because if we do it, we will begin to make local government much more efficient. We have not talked much about efficiency, but it is common across public services that if we improve efficiency, we make taxpayers’ money go further.

The consultation document—this is the core of the matter—states that

“just one per cent of councils and other local bodies publishing audited accounts on time last year and a backlog of nearly 1,000 outstanding audits dating back to 2015/16”.

That demonstrates that real reform is needed, and quickly. We are in total agreement, and we will go on examining the matter and pushing the Government to see how we can do that.

I will move on and make some remarks of my own on Gloucestershire county council. First, I pay tribute to the chief executive, Pete Bungard, who has run the council for 27 years—as I will say in a minute, it has been pretty well run financially—and to the retiring council leader, Councillor Mark Hawthorne, who has led the council so well. They will both be sorely missed. It is because it has had such constant leadership that I believe Gloucestershire county council is in a strong financial position today. As a Conservative-led council, it is one of the few that is not raising council tax to the full 5%. It is raising it by only 2.99%. That means, based on a band D property, that residents will pay only an additional £6.65 each month. That is a very creditable performance.

I am pleased that Gloucestershire is on track to invest an additional £32.7 million in local services in critical areas for its residents. That includes £10 million towards road improvements, with a focus on rural roads, as part of a £100 million four-year programme in Gloucestershire. The Public Accounts Committee recently focused on the condition of local roads. Over £1 billion a year is spent on that, but the Department for Transport admitted—this

is something we really need to concentrate on—that it did not know exactly how local authorities spent that money, as it is not ringfenced. As with a lot of areas of government, we need better data on how councils are spending money to make sure we get better maintenance of our roads and avoid potholes. I am sure that all Members of Parliament find, whether they are looking through their postbags or knocking on doors, that everyone raises the issue of potholes.

I am pleased that the county council will be investing £12.8 million in a 200-place special school for Gloucestershire. Sending special needs children out of county is one of the most expensive actions that any council has to undertake, and I think that, in the long term, building our own facility in Gloucestershire will be good value for money. As I have said, the Public Accounts Committee carried out an inquiry into special needs, and we reported that the system was broken. This comes back to my earlier point: just spending more and more money when the structure needs to change is not the answer. It does not matter whether we are talking about special needs, children's social services, mental health services or adult social services; it is just not the answer. We need longer-term structural reform, and I hope we may see some proposals for that from the Government. As the Committee discovered, in the last 10 years the cost of SEND services has doubled, but we are not getting double the service. That demonstrates that the system is well and truly broken.

Let me now say something about a point raised by the hon. Member for Stoke-on-Trent Central (Gareth Snell), my former colleague on the PAC. During the exchanges on the statement this afternoon, I said to the Secretary of State and Deputy Prime Minister that people in Gloucestershire would be pleased that they now have certainty that our elections will take place this year, which means that a new county council will be elected. Can the Minister give any indication—I asked his boss this question—of a timetable for when he expects my council to move towards devolution? I am not against devolution at all, but what I will say loud and clear is that I would like adequate time to be provided for a wide consultation to take place in Gloucestershire so that we can have the wholesale backing of its people and know what they really want the structures for the delivery of local government services to be in the future. If they have bought into it, they will be much happier with any change that may take place.

I should be grateful if we could have that timetable either tonight or in the relatively near future, and if the Minister could explain how a transition might work in Gloucestershire. Will the new council stay in place for four years, albeit perhaps towards the end of those four years shadowing a new unitary authority, so that we do not have elections again within the four-year cycle? That would be very helpful information.

Jim McMahon: On the timetable point, all councils in the 21 two-tier areas for reorganisation will receive their statutory elections. Individual councils will need to decide whether to apply for the process or not. If they choose to apply, we would expect their proposals to be submitted to the Government by November. That is quite a short period for them to work up the proposals, but there will be support in terms of capacity along the route. As for how that unlocks devolution a bit further

down the line, we are obviously concentrating on the devolution priority programme at the moment and getting the mayors in place, but the door is always open to areas that want to talk about mayoral devolution.

Sir Geoffrey Clifton-Brown: The Minister has partly answered the question, but he did say that it was a very short timeframe. I understand that we will receive the letter very soon and that is great, but how long will there be after that for the county council to work up a proposal that might be acceptable to the Government? That is what it will want to know. I request earnestly that we have enough time to consult people as widely as possible, for the reasons that I have just given. *[Interruption.]* The Minister is indicating that he will write to me; that would be very helpful. Perhaps he will put a copy in the Library so that everyone else can benefit, and also respond to the question about whether the newly elected council will be in place for four years or not.

This has been a very constructive debate, as is often the case when there are relatively few Members present. When Members on both sides of the House can get our teeth into a subject like this and come up with constructive proposals on behalf of our constituents, which is what we are here for, we really are achieving something. Thank you, Madam Deputy Speaker, for allowing me to catch your eye.

7.39 pm

Shaun Davies (Telford) (Lab): I declare my interest as a serving unpaid councillor at Telford and Wrekin council and an honorary vice-president of the Local Government Association.

I welcome the Government's local government finance statement, and particularly the real-terms funding increase of 4.3% for local authorities across England. I am particularly pleased to see the £16.5 million of extra funding for Telford and Wrekin council—a 9% uplift. What a contrast that is with the last 14 years of Conservative Government, during which authorities were, in the words of the Institute for Government, “hollowed out” by austerity, with core funding per resident falling by 18% in that time. We have all felt the impact in our communities. A third of English libraries closed during the 2010s, the number of miles covered by bus routes has fallen by 14%, and the proportion of councils' budgets coming from council tax has risen from 36% in 2010 to 53% today, hitting working people hard in the pocket. I say to the hon. Member for Thirsk and Malton (Kevin Hollinrake) that it is a bit rich for him to talk about council tax rises, given that council tax doubled over the last 10 years under the Conservative Government.

This settlement is a vital first step—I emphasise the word “first”—in the right direction. However, as we have been saying as a sector, and as I had been saying as the chair of the Local Government Association, local authorities need more funding, but they also need reform and a focus on prevention, because local government is the best preventive service that this country has. When it comes to housing vulnerable children and adults, local authorities and local government provide that housing. When it comes to social care and looking after elderly or disabled people, it is predominantly councils, not the NHS, that support those residents. Councils are essential frontline services that intervene to protect our

[Shaun Davies]

most vulnerable, but they also keep our villages, towns and cities as places where people want to live and bring up their families.

I will address the financial situation that local government finds itself in. If 10% of NHS trusts anticipated that they would have to declare themselves bankrupt in the next year, it would be on the front page of every single national newspaper. But when it comes to councils, there seems to be a situation of normalisation. Over the last 14 years, more councils have gone bankrupt than in the entire history of councils in this country prior to that, and the normalisation of that needs attention. Councils do vital work in protecting vulnerable people, especially the young. That should be celebrated, but my council, like many others up and down the country, is now spending £8 in every £10 on social care, and some councils are spending up to half of their budgets on temporary accommodation.

Florence Eshalomi: My hon. Friend refers to the spend on temporary accommodation, which the Select Committee heard evidence about. He may be aware that, collectively, London councils—the 32 boroughs—are spending £4 million a day on temporary accommodation. Does he agree that that is just not sustainable?

Shaun Davies: I agree with my hon. Friend, the Chair of the Select Committee, that it is not sustainable. It is also bad for children, families, councils and communities. If children are in temporary accommodation, they genuinely do not know what school they will go to next term. That is bad for children, who are the next generation of citizens.

We need systematic change. Central Government need to ease the burden on local authorities and spread out the load; build enough affordable homes so that we do not have 354,000 people who are homeless every single night in England; move care into the community, as the Darzi report recommended; and resolve the systemic issues so that social care providers do not face funding crises every single year. I add my modest voice to the calls of other hon. Members: will the Government please communicate the public health grant to local authorities so that they can set budgets for the next financial year in a meaningful way?

Anna Dixon (Shipley) (Lab): My hon. Friend makes a good argument about the amount of local government funding that has to go into adult social care. The cuts that we saw under the Conservative Government have hit disabled and older people particularly hard. Does my hon. Friend agree that the new Labour Government's uplift to local government funding will go at least some way towards addressing the critical cuts that have affected disabled people and social care?

Shaun Davies: I thank my hon. Friend and recognise the contribution that she has made for that section of our society. I agree that far more needs to happen, and I know that the Minister is as ambitious as the rest of us to ensure that those 14 years of austerity are addressed.

Giving councils the funding that they need is a welcome change from the constant cuts under the Conservatives, and it helps us to address the emergencies in the short term, but it is also important that we have a Government

who accept that the long-term systemic issues require transformation, who do not pretend that everything is fine, and who accept that things need to change and that local government is faster, cheaper and more agile in delivering services on behalf of our communities and our citizens. As I said earlier, it is the best preventive service this country has.

The Government's missions are ones that I and many Labour MPs back, but almost all of them run through local government. Whether it is safer streets, housing, social care or reforms to the NHS, it requires a confident, healthy local government sector that is able to deliver those services. As I said, this is a vital first step. I know that the Minister, who has exceptional experience in the sector and huge amounts of respect, also recognises that, and I look forward to seeing what comes next.

7.46 pm

Sarah Dyke (Glastonbury and Somerton) (LD): I start by drawing Members' attention to my role as the chair of the all-party parliamentary group on rural services. The APPG is very concerned about the impact this settlement will have on rural local authorities and their ability to provide for their residents. It costs more money to provide services in rural areas, due to a number of factors including low population density, poor connectivity and larger distances to travel, but these facts are not reflected in the funding formula. Analysis by the Rural Services Network has shown that urban councils receive 41% more per head than rural councils in Government-funded spending power. Residents in rural areas now also pay an average of 20% more in council tax than urban residents do.

The removal of the rural services delivery grant, which provided rural local authorities with £110 million extra to deliver essential public services last year, will force rural councils to make yet more difficult financial decisions in order to be able to continue to provide vital frontline services to their residents. The consultation stated that this grant failed to account properly for rural need, and that funding must be allocated more effectively. However, the Government have failed to follow up on this. Instead, they have removed it a year early, with no published evidence for its removal. That means that rural councils will have the lowest increase in core spending power between 2024-25 and 2025-26.

It is disappointing that the new recovery grant will be allocated mainly to urban councils. We have heard about this from Members across the House today, and I certainly do not want to make this an urban/rural debate, but the Government must accept that there is real rural deprivation and that the continued underfunding of rural councils will have a negative impact on people's lives. My constituency of Glastonbury and Somerton is an example of this. Glastonbury Central is in the 20 most deprived neighbourhoods in England, and a third of households in Street experience deprivation in at least one dimension, according to the 2021 census.

Is it fair that, because residents live in a rural area, they will have to pay more for less? Let us take home-to-school transport as an example. Research by the County Councils Network from 2018 shows that the average cost per head for home-to-school transport is a whopping £93 per child in rural areas, compared with just £10 per child in cities and towns. School transport for children

with SEND cost Somerset council £11.6 million in 2023, a 157% increase on 2018. The council operates 283 routes a day for children with SEND. As the council is rural, those routes are many miles long, so they take longer and are much more expensive than those in urban environments—in some cases, costing £1,650 per pupil per week.

Or take Somerset's increased risk of devastating flooding. Somerset council is the lead local flood authority and is responsible for managing the flood risk from ordinary watercourses, yet it does not have sufficient staffing capacity to deal effectively with the constant risks we face. Somerset is so often at the forefront of flooding and climate change.

Only last week, Somerset suffered immense flooding that forced more than 100 residents of the Primrose Hill residential park in Charlton Adam near Somerton to be evacuated into emergency accommodation. Martock, Blackford, Yeovilton, Podimore, Cary Fitzpaine, Mudford and Bridgemanpton also suffered as a result of the flooding, with some residents completely cut off and unable to get to work, school or medical appointments. I tried to visit some of these communities a week ago on Monday and could not get there, so people certainly could not get out.

The lack of investment and proper repairs and maintenance by the previous Conservative-led county council has left the infrastructure fragile and unable to cope. Gullies and ditches are blocked, while culverts and drains have collapsed and are also blocked.

The funding model for local authorities is broken, and Somerset council, like many others, faces increased costs for social care and SEND provision. As a result, investment is put on hold while budgets for other areas of council work come under increasing pressure. Councils like Somerset, which face huge pressure from increased flooding, need ringfenced funding allocations to manage that flood risk, as council budgets simply cannot cope.

I am afraid that this financial settlement will fail to help rural authorities such as Somerset cope with the increased challenges and demands. The Government must recognise the added pressure that rural areas face, and this must be reflected in any financial settlement.

7.52 pm

Andy McDonald (Middlesbrough and Thornaby East) (Lab): It is an honour to speak in this debate. The hon. Member for North Cotswolds (Sir Geoffrey Clifton-Brown) spoke about auditors, and we are all aware that auditors are spread pretty thinly, which may, in part, contribute to delays in getting accounts signed off.

Local authorities are complex environments. In my area, we have two unitary authorities with populations of less than 100,000 people, so I commend the Government for looking very seriously at a more sensible local government structure. We are fortunate to have a Local Government Minister with such experience and expertise. It is a real boon, especially as we embark on such an ambitious and radical programme.

I welcome this year's local government finance settlement. Councils have been subject to steep funding cuts since 2010-11, and these cuts have had a disproportionate impact on the most deprived areas. Many authorities face effective bankruptcy, putting essential services and jobs at risk. By 2025-26, councils in England will have received a 15.9% real-terms cut in their core spending

power compared with 2010-11. Councils in the special interest group of municipal authorities, like Middlesbrough, have seen an average cut of 19.9%. Middlesbrough itself has seen cuts worth 22%, which is a real-terms cut of £55 million per year that amounts to around £835 per household, so this year's settlement of more than £69 billion in overall national funding is welcome. It represents a cash-terms increase of almost 7% and a more than four times real increase on the past year.

The Government are on the right track in redirecting funding to areas that are in the most need and have the greatest demand for services. Those areas are often less able to raise income locally, as much as the Conservatives sought to pass the buck to local council tax increases. In areas like mine, many households pay over £3,000 per annum more in council tax than is paid by Buckingham Palace, so this settlement is fairer for councils and will provide welcome relief to the most deprived areas.

In Middlesbrough and Thornaby East, we very much welcome the settlement announced by the Government and the long overdue reforms to council funding. Middlesbrough council is now in a position to invest more money in key services. I welcome the fact that Mayor Chris Cooke, the Labour council and the new chief executive, Erik Scollay, have established the Middlesbrough priorities fund, worth over £4 million, and initiatives such as Middlesbrough's empty homes strategy, which will use £6 million of Government funding to purchase and refurbish empty homes for emergency accommodation.

While the settlement is under way, many authorities continue to face a shortfall, and the Minister has been very candid that this is not a done deal. We look forward to the three-year settlement later this year, because councils will not be able to rely on the additional funding being repeated. As colleagues from across the House have said, the three-year settlement gives councils the ability to plan much further ahead. I hope we can extend our commitments to wider investment in our services on a longer-term basis, through a fairer funding system that delivers long-term financial stability across all council services.

The position of our wonderful councillors has been raised. They do a terrific job, with very little reward, and they are sometimes on the receiving end of the ire of members of the public—sometimes justly, but sometimes unfairly and unkindly—so we need to address that.

John Slinger (Rugby) (Lab): I am a serving councillor at Rugby borough council. I agree with my hon. Friend that councillors and council officers go out of their way to serve the public, which is extremely difficult when councils have faced 30% to 40% cumulative cuts. We need to remember that they are often trying to deliver services with one or both hands tied behind their backs, which is why the reforms set out by the Minister are so important.

Andy McDonald: I could not agree more with my hon. Friend. It is incumbent upon everyone in politics to recognise the work of our local councils and to treat them with the respect that they deserve. Some of the comments that I have heard in recent times run contrary to that. Councillors in my area have been put in harm's way by careless and irresponsible comments made by people in this House who really ought to know better.

[Andy McDonald]

I will finish by talking about not only councillors, but the local government workforce and the issue of pay. The Minister will be aware that local government workers have missed out on the higher wage settlements paid out to workers in other parts of the public sector in the past year. Overall, they have seen 25% wiped from the value of their pay since 2010. In drawing the House's attention to my entry in the Register of Members' Financial Interests, I note that Unison, the GMB and Unite have said that a substantial pay award for local government staff is essential. Will the Minister therefore take steps to address those concerns and look to the upcoming spending review to deliver the finances and provide a long-overdue £15 minimum hourly rate for those workers who served us so incredibly well—I think of the covid days of maintaining those public services—so that they are properly compensated for their work?

8 pm

Robbie Moore (Keighley and Ilkley) (Con): I rise to speak on behalf of my constituents across Keighley, Ilkley, Silsden, Craven, Worth Valley, and indeed my wider constituency area. I want to focus on a specific part of the Government's announcement and the real frustration that all my constituents will now face, as a result of the Government's decision, a 9.9% increase in their council tax. That comes as a result of a request put forward by our Labour Administration, which runs Bradford council, for a 15% increase in council tax. The Government have instead decided to instigate a 9.9% increase without any opportunity for a referendum to allow my constituents to choose whether they deem that to be reasonable. That is a choice by this Labour Government to impose a significant council tax increase on hard-working families, and not only in my constituency but across the wider Bradford district.

Several hon. Members *rose*—

Robbie Moore: I will give way to my neighbour, the hon. Member for Shipley (Anna Dixon). I hope that she will join me in opposing the council tax rise.

Anna Dixon: As the hon. Gentleman well knows, the cuts made to local government by the Conservatives when in government, through the grant, hit councils such as Bradford district and those mentioned by other hon. Members the hardest. That is why Bradford council was pushed into exceptional financing, has had to borrow and has had no choice but to put up council tax. Even with the council tax rise, it will still be below average. Does the hon. Gentleman agree with my assessment?

Robbie Moore: I am pleased to see that the hon. Member has been given her Labour Whips' handout note. It is interesting that not once did I hear her oppose the Labour Government's increase in council tax. Not only that, but she did not call out the mismanagement of the Labour-controlled authority. I am referring to the whopping £50 million of taxpayers' money spent on the music venue Bradford Live. It was promised that it would open for district of culture—we have been awarded city of culture in Bradford district, but I refer to it as district of culture because that money should be benefiting all the constituents across the Bradford district—and was estimated to cost around £25 million, but Labour

councillors signed off an expenditure of £50 million. It is not even open to the public yet, even though it is city of culture now.

Anna Dixon: Will the hon. Gentleman give way?

Robbie Moore: I will not give way, because I do not think the hon. Lady will agree with me and many of the constituents across the Bradford district in opposing a nearly 10% increase in council tax. I hope that her constituents are watching.

Not only that; it also comes down to the absolute mismanagement of children's services by Bradford council. Let us not forget that the previous Conservative Government had to step in and take children's services off Bradford council because multiple damning Ofsted reports indicated that it was not through the fault of those providing children's services and the level of care needed on the ground that the services were failing; instead, the disconnect in management at the very top of Bradford council was so bad and was failing our children that the Government had to step in and set up a children's trust, which I must say is now having benefits.

Is it not ironic that the Labour Government will refer to our 14 years, but in 2021 the Labour administration at Bradford council submitted, as part of its statutory duty, a report stating that the council was in a "sound financial position"? Yet now the council is claiming that it is £150 million in debt and seeking a council tax increase of 9.9%, despite having requested a 15% increase. What on earth are this Government doing to hold to account local authorities that are failing constituents in the delivery of services? Where on earth is that accountability?

Bradford Live is not the only place on which huge amounts of taxpayers' money has been misspent; One City Park, in the centre of Bradford, is another such venue. Car parks are being knocked down. That is not the job of a local authority. We should be relying on private sector inward investment to pay for regeneration projects. The job of a local authority is to focus on providing statutory-based services, not dipping in and out of regeneration schemes, and failing, at the cost of my constituents. Now we see through our city of culture status, which does not seem to be benefiting many of my constituents, the council wanting to construct a fancy art piece in Centenary Project. Who on earth in the Keighley and Ilkley constituency is benefiting as a result of that work?

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): As ever, my hon. Friend is doing an excellent job of standing up for his constituents in Keighley and Ilkley, and exposing the failures of Labour-controlled Bradford council. In Scotland, this finance settlement will not affect my council, but my council is having to deal with a £265 million hit, along with all the other councils in Scotland, because of the national insurance rise imposed by the Labour Government. As well as all the mismanagement by Bradford council, does he agree that many local authorities across the UK are having to take money away from vital services to fund this tax hike by the Labour Government?

Robbie Moore: I absolutely agree. That point has been made not only by my hon. Friend, but by many Conservative Members. They say that the Government

may, on the one hand, be passing down finance to local government, but they are, on the other hand, taking it away through the increase in employer national insurance contributions. This is a classic socialist policy: they are taking with one hand and telling councils how to spend it with the other.

Not only are my constituents going to be exposed to an increase of just about 10% in council tax, without the opportunity for a referendum to decide, but they are experiencing vast cuts to local services. We have had two household waste and recycling centres close in my constituency. The council is selling off assets. There are assets that have not yet been protected, despite the warm words coming from our Labour local authority. Assets such as the Ilkley lido, Keighley market and shops are now being considered for disposal, creating added worry to many of the occupants of those shops that the council own.

We have seen parking charges rise in villages such as Addingham, which means that the shops, which need those people to buy their products and to benefit their local economy, are now facing detrimental impact. Where does the issue of fairness kick in? In my constituency, the local council, which has increased council tax, spend that hard-earned money on a huge amount of mismanaged projects, wastage projects and projects that are not even open.

I submitted a freedom of information request to find out whether my constituents were getting a fair level of spending in the constituency. I asked the local authority how much had been spent on highways in my constituency over a two-year period. There are five constituencies across the Bradford district, so one would expect the figure to be about 20%, but it was about 7% on average over the two-year period. No wonder the state of potholes in my constituency is far worse than in the inner-city centre of Bradford. How can I justify backing any increase in council tax when the spending is so dire?

I want to come back to the issue of accountability. The last chief executive of Bradford council, Kersten England, held that post for a long period, and oversaw the mismanagement of finance and the diabolical handling of children's services before the last Conservative Government stepped in, but—jobs for the boys—what is she doing now? She is chairing city of culture. What an absolute disgrace, in terms of who is being held accountable by the Government.

Let me quote some of the concerns that constituents have raised with me about council tax being raised by 9.9%. One said, "I will be 70 next year, and I am still having to continue to work to make ends meet." Another said, "I am disabled and now, as a result of this council tax hike, will have to use my own savings to look after myself." Another said, "I am a single mother with three children and I simply can't afford this." Another said, "I didn't ask the council to throw money at a concert venue that is not open"—and therefore not benefiting my constituents—"yet they have done that and are expecting me to pay the price." Another said, "It's difficult to see why I would like to live through my retirement, having to spend this much more." The list goes on.

There is only one long-term solution, and I will be interested to see what the Government have to say about it. I have long been campaigning, along with the former Member of Parliament for Shipley, Philip Davies,

to pull our two constituencies out of Bradford council and create our own unitary authority away from the mismanagement of Bradford city.

Anna Dixon: Will the hon. Gentleman give way?

Robbie Moore: I give way to the hon. Member for Shipley.

Anna Dixon: As the hon. Gentleman knows, he and my predecessor put the idea of a breakaway council to his own Government, who rejected it as a complete non-starter. Let us work together across Bradford for the benefit of all our constituents.

Robbie Moore: I would be interested to hear what the hon. Lady's constituents say. She has quoted the previous Administration completely wrongly, because they were absolutely behind the campaign to split the two constituencies apart. Indeed, I had many a meeting with the boundary commission. The challenge is that we have to get consent from the local authority, and we have a Labour-controlled authority that will not go anywhere near this campaign. Why? Because they know that my constituents are effectively the cash cow for the rest of Bradford. We are the dominant contributor to council tax and business rates, which feed city centre projects in the centre of Bradford.

I would like to understand the current Government's position on my campaign to pull my constituency and Shipley—I believe I speak on behalf of many Shipley constituents—away from Bradford council so that we can have our own unitary authority, spend our own council tax and business rates in our own area, ensure that our local priorities are indeed prioritised, and leave Bradford city to make its decisions. I would be interested to hear what the Minister has to say on that, because that is the only way of achieving a long-term solution for my constituents across Keighley, Ilkley, Silsden, Worth Valley and the wider constituency that I represent.

8.14 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): How on earth does one follow that? I just wish that the hon. Gentleman had spoken up so we could all hear him. He made points about councils raising council tax, selling assets and cutting services. Does he believe that has happened to Bradford in isolation? Does he believe that his is the only council that has looked at its services and budget and said, "This is tough"? What he actually described is eight years of Conservative rule in Stoke-on-Trent, where council tax went up in eight years out of eight, town halls were closed and put up in fire sales, children's services were on the brink, and a record number of children were in care. What he has described is a fate that every council faced, and the predominant reason is that his party in government took the scissors to the Budget, slashed the services we all had and decided that they knew better. He may make a fiery speech in this place for social media clips, but perhaps he needs to—

Robbie Moore: Will the hon. Member give way?

Gareth Snell: No, I will not give way. We have heard plenty from the hon. Gentleman over the last several minutes. He needs to think less about detaching his constituency from Bradford and more about reattaching himself to the reality of the situation that he put us all in.

[Gareth Snell]

I welcome the fact that Stoke-on-Trent city council has received £8 million through the recovery grant, and I have listened with great interest particularly to the hon. Members for Glastonbury and Somerton (Sarah Dyke) and for Woking (Mr Forster) about the impact on the rural services delivery grant. I go back to the point I have raised before: we have to move ourselves away from this confected game of Top Trumps that the Conservatives wanted us to have—that deprivation in Stoke-on-Trent is somehow in competition with the needs of rural communities. The Government's trajectory—with the fair funding review, and a look at how and why we end up with the funding settlements we have—will take us towards that place. I know that it will not be immediate, and I fully accept that there are always winners and losers in everything, but my city is one of the five poorest cities in the country.

Ninety per cent of homes in my city are band A. Every time we raise council tax by 4.99%, it raises less proportionally than when my neighbouring district council authorities and the county council raise it by 4.99%. Not only are we not getting the benefit of having band B through to band E; we are also seeing the difference of what is paid in neighbouring authorities grow every year. That is simply unfair—a system that nobody would design in that particular way.

I was first elected to a council in 2010. In fact, the Minister was the peer mentor appointed to my council by the LGA. I suppose that is why I am here and not running a council. We were shown the “jaws of doom” graph demonstrating just how challenging financing was going to be over the next decade, and the predictions that my party made then have turned out to be true. Had the last Government frozen in cash terms alone—no uprates, no decreases—the amount of money we were receiving in 2010 and kept it at that rate until 2024, we would have had £411 million to spend on various projects. Instead, we lost that money. We then had this perverse idea that suddenly we had to start bidding to get some of it back through a levelling-up fund.

If we had had £411 million over those 10 years, the economic regeneration of my towns and city centres would have happened. We would not have had to come cap in hand to a Government to ask for capital funding to build a car park or a new hotel. We simply would have done the things that we needed to do over time in a way that fitted with the other projects we were seeking to deliver. We did not have that; instead, we got levelling up, which in my city was basically a car park, which now costs the council more money than it raises because of where it is and how many people use it.

We should learn from those lessons. I welcome every penny given to my city by every Department. The disabled facilities grant money announced by the Department of Health and Social Care is helpful, but the council administers that to keep people safe in their homes so they do not end up in A&E. We could look at how we join up public spending, in Total Place based way, in order to drive those efficiencies and productivity gains that will make the system of public sector provision much better.

When we look at the funding for local government, I urge the Minister as part of the next phase to think about how we stop the shuffling of wooden dollars.

As my hon. Friend the Member for Telford (Shaun Davies) said, it is local authorities that provide the youth clubs that stop young people going into crime and antisocial behaviour, which then costs much more through the criminal justice system later on. It is local authorities that do the checks on houses to make sure that they are safe and decent, so that people do not end up in A&E because they have lived in cold, damp houses. It is local authorities that make sure that the restaurants we go to meet the food hygiene standards that we want, and that the products we buy are being checked by trading standards. Those services keep us safe and well, and prevent much greater public sector costs further on, so how we fund the public sector, with a Total Place approach, has to be part of the Government's thinking.

Let me end my short contribution to the debate with this. We in Staffordshire today received the letter that the Minister sent about reorganisation and devolution. Reorganisation in Staffordshire could be a long, drawn-out process because basically no one can agree on anything, and we all pretend we like each other but the secret is that we do not. The comments from council leaders and other Staffordshire MPs about Stoke-on-Trent have been appalling. We are a lovely place and want to work with everybody. We will undoubtedly end up in some form of North Staffordshire combined authority that makes sense logically, economically, geographically and socially—it is where people live, work, and enjoy themselves.

When the Minister invites new proposals from local authorities and there is an appetite for them but one or two councils are holding out—perhaps because some people are more interested in protecting their jobs as leaders than in protecting the jobs of the people we represent—I urge him to move at pace and make it quite clear that we will not wait for them. My constituents deserve the same level of investment that goes into the west midlands, east midlands, Manchester and Liverpool combined authority regions. Without it, we will get further left behind. My constituency is, as I said, the fifth poorest in England. I do not want to be standing here after the next election saying that my constituency is still the fifth poorest in England. I hope that, with this Government, we can make sure that it is not.

8.21 pm

Ellie Chowns (North Herefordshire) (Green): I welcome some aspects of what the Minister is proposing. It is important to not always fire political shots at each other and to look for common ground and give credit where it is due. I have said this to him before, but I really welcome the moves that the Government are making towards multi-year funding settlements. It is so important to move away from the hand-to-mouth, year-to-year, jam-jar approach to funding—particularly capital funding. That ridiculous competition between local authorities over an ever-decreasing pot of funding has been so damaging, so those moves really are things to welcome.

But—there are quite a few buts about the local government finance settlement, but I will focus on just three. I represent the wonderful North Herefordshire constituency. Herefordshire council has received a settlement that is well below the national average, well below the average for comparator councils, and well below what is needed to provide the services that residents need and deserve. An interesting element of the debate has been some Members seeking to pose a binary conflict between

rural and urban authorities. I want to get away from that—it is really unhelpful—but it is important to recognise there is serious deprivation in rural areas, not just in income but in access to services.

The hon. Member for Glastonbury and Somerton (Sarah Dyke) talked eloquently about the fact that sparse populations, long distances and poor transport networks all hugely increase the cost of delivering services such as social care or home-to-school transport. That is the impact of geography, but demography is also an issue. Herefordshire has 50% more over-65s than the national average, which has a knock-on impact on the cost to local government of delivering crucial services.

It is absolutely crystal clear that although the Government have taken away the rural services delivery grant, which they perhaps viewed as yet another jam jar, they have not replaced it in the new formula with a fair allocation of funding on the basis of rurality. I beg the Minister to revisit that issue when he comes up with the multi-year funding settlement. Otherwise, the serious problem of rural areas having their specific elements of deprivation under-recognised in the funding formula will build up so many other problems into the future. *[Interruption.]* I can see the Minister is nodding. I thank him for that and warmly invite him to Herefordshire so that we can show him, face to face and on the ground, the challenge of providing those services. That was “but” No. 1, regarding rurality.

“But” No. 2, which relates to the impact of the rise in employers’ national insurance contributions, has been referenced previously in this debate. I appreciate the nuance with which the Minister answered questions on this issue earlier, and his recognition that it is a really serious issue and that the funding settlement does not fully acknowledge it, particularly the on-costs, because so much of what local authorities do is done not just through the staff they employ themselves, but through commissioned services. I am sure that Members across the House have been inundated with correspondence from charities and businesses working in sectors such as the care sector that are desperately worried about the effect of the increase in employers’ national insurance contributions on their ability to provide those crucial services—so often commissioned by local authorities—to local people. When the Minister is doing the multi-year funding formula in future years, will he please address that issue and ensure that those costs are fully integrated into the calculation?

My third “but” was also touched on earlier. The Minister expressed doubt about whether cross-party agreement could be reached on this matter, but there seems to be quite a degree of consensus across this House that council tax is a broken tax—it is a broken funding system. It is outdated, regressive, unfair, and way overdue a review. We are charging people based on an assessment of property rates that were set 35 years ago and have never been updated. Council tax is crying out for a fundamental review, so will the Minister please commit to undertaking that review, working across parties and across the House to find a much fairer and more sustainable long-term approach to raising local funding?

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

8.26 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): Thank you very much, Madam Deputy Speaker. I draw the House’s attention to my entry in the Register of Members’ Financial Interests as an unpaid parliamentary vice-president of the Local Government Association.

It has been an excellent debate, and I applaud the many Members on both sides of the House who have made insightful contributions to the discussion. Not only have they brought up issues affecting their own constituency—as, for example, my hon. Friend the Member for Keighley and Ilkley (Robbie Moore) set out so powerfully in his speech—but Members such as my hon. Friend the Member for North Cotswolds (Sir Geoffrey Clifton-Brown), speaking in his capacity as Chair of the Public Accounts Committee, set out a number of really important points that will affect the detail of how this plays out at local level. I am glad that the Minister touched on those points in his introduction.

As the House knows, local government in the UK spends around £40 billion of taxpayers’ money and over 800 different services are delivered by the average local authority. As a consequence, this issue touches the lives of more constituents than almost any other area of government activity. The starting point that we have to recognise is the one that was made by the chairman of the County Councils Network, who said that from the perspective of local authorities, this was the worst settlement in years. It is clear from the Minister’s introduction that he is a Minister who knows his WOECAT from his BRB from his persnuffle, but the impact of that detail matters so much.

In particular, the most significant element is the imposition of employers’ national insurance contributions in the Budget. According to the estimates of the Local Government Association, local authorities face more than £1 billion in unfunded costs arising from that alone. Harlow council, for example, has set out that this settlement represents a 21% cut in its core funding, within which it will receive £198,000 of revenue support in this year only for over £1 million of additional direct costs from national insurance contributions. That cost will rise to £1.2 million next year, with—as currently projected—no funding provided at all.

The Institute for Government has analysed the Government’s Budget overall, and when it looks at those elements affecting local government, it says that the Budget is “heavily front-loaded”—there is additional funding this year—but that the current plans set out by the Chancellor imply that there will be cuts in every year for the remainder of the Parliament, which will make it very

“difficult for...local government...to improve”.

We need to recognise that although there will be winners and losers, this is a budget settlement for local government that contains an enormous number of challenges, and there remain a number of very significant questions, which I will come to in a moment.

I welcome the point made by a number of Members about the value that we place on our local councillors. I have spoken to the Minister, and I agree with the point raised by a number of Members about restoring the access of councillors in England to the local government pension scheme. We must demonstrate the value that we place on local leadership, and that will be even more significant

[David Simmonds]

in the context of extensive local government reform. I know that is something Ministers are considering, and that its cost is minimal in the context of the overall local government finance settlement. As many Members have pointed out, motivating local leadership is vital to getting this right. With the reduction in the number of councillors and local politicians, in a country whose population is projected to hit 72.5 million by 2032, we must ensure that that growing democratic deficit is addressed by engaged, effective local politicians with the ability to make decisions in their area.

Let us look at where the money is going, where it is coming from and how that is changed. As the Minister knows, around three-quarters of council funding is spent on social care, and since the fair access criteria that were introduced by the last Labour Government, that is no longer a matter of local decision making. It is largely a statutory duty, where clear rules are set out in guidance from central Government about how that money will be spent, and how each resident and each constituency can help and will be treated. As a consequence, the bulk of funding going into the system is being spent on what we might describe as the “must dos”, rather than the “nice to haves”, and the fulfilment of clearly defined statutory duties.

If we cast our minds back to the last local government report of this nature under the previous Labour Government, we see a much longer report than the one before the House this evening. That report sets out the relative needs formula, which was the methodology used for the distribution of funding for all manner of different areas of local government activity. In 2010, around 25% of local government resources came from council tax, 27% came from the formula grant, which was essentially a redistribution of business rates, and 48%—very nearly half—came from specific grants, of which around two-thirds was the education budget. One of the big changes that has taken place over that period is the growth in the independence of schools and the rise of academies, and therefore a much larger share of that funding no longer sits within the local authority budget but is paid by the Education and Skills Funding Agency direct to schools. While that funding is no longer part of the council’s budget, it is still being spent locally on the same services that it always was.

A lot of debate in the House on local government has been about devolution, and one of the most significant areas of devolution regards financial responsibility. If we reflect on those same formula elements today, 52% of council spending is derived from council tax, directly under local control, and 27% comes from a grown share of business rates pooling, with a focus on incentivising councils to deliver growth. A much lower 22% comes from grant funding, as the Government sought to give local authorities over that 14-year period a much greater degree of control over their own resources. When we reflect on what that formula also tells us, as a number of Members have said, the decision to scrap things such as the rural services delivery grant reflects a criticism of the priorities set out by the previous Government.

We must also reflect that when we look at the list of the lowest funded councils in 1997, in 2010, and today, we find broadly the same set of local authorities on that

list. The consequence of that is clear: no Government can cut funding that the council did not have in the first place. While most Conservative, and particularly rural, authorities did not see any benefit, or no significant benefit in funding through the indices of multiple deprivation, for the most part, the Conservative Government for 14 years maintained a significant premium of funding to areas for things such as children on free school meals going into education and in ensuring that deprivation formulas continued to play a significant part in the distribution of social care resources. The rural services delivery grant was a small step towards recognising, in the distribution of local government funding, the additional costs that were faced by places that had never seen any benefit from any Government. Members from all parts of the House—particularly Labour Members newly elected to rural areas—have said how awful it is that their local authorities are challenged by costs such as potholes and maintaining rural roads. Wait until they find out who decided to take away the rural services delivery grant, which would have provided the resources to deal with that.

The biggest challenge that all local authorities face will be dealing in parallel with reorganisation and the tight financial environment. As my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) said in the statement on devolution, it is clear that the Government—I respect the fact that they have been clear about this in their statements to the House—have made a decision in Whitehall about the form that they expect to see local government in England taking. It is also clear that they will ensure that that is implemented initially through local authorities coming forward as volunteers, and subsequently through a statutory invitation to ensure that they do.

I hope that the Minister will address a number of those points in summing up. The report is principally about the revenue support grant: local authorities do not yet know where they stand on the public health grant. They do not yet clearly know where they stand on schools funding. They do not yet clearly know the impact of Government announcements on the housing revenue account or the parking revenue account, all of which will have a significant impact. In particular, the statutory override on the dedicated schools grant for SEND remains uncertain and a significant budget pressure.

Let me finish where my hon. Friend the Member for Thirsk and Malton finished: if the Government can find £18 billion to cover the cost of the Chagos Islands deal, I am sure they can find the funds to make a better fist of it for our local authorities.

9.36 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rushanara Ali): It is my pleasure to close this debate. I thank Members from all parts of the House for their important contributions. I also pay tribute to the dedicated public servants working in local government across the country for everything they do to deliver for their communities by providing essential local services, protecting the most vulnerable in our society and helping lay the foundations for a good life for working people. They are doing that with great resilience in the face of significant challenges over 14 years of chaos, under-investment and decline.

Turning the page on the many challenges we have inherited will not be easy, but the settlement we have discussed today, as the Minister for Local Government and English Devolution, my hon. Friend the Member for Oldham West, Chadderton and Royton (Jim McMahon) has said, is a significant step towards rebuilding local government as we rebuild Britain.

Public service is our collective duty, and we are grateful to those who contributed to the consultation on the provisional settlement and to the Members who made representations. Their input is vital, because strong, empowered local government is central to our plan for change and to delivering the higher growth and higher living standards that every community deserves. This is the change and national renewal that this Labour Government were elected to deliver, and we will achieve that by getting local government back on its feet and working with us in the spirit of true partnership.

We are fundamentally resetting the relationship between central and local government by delivering the greatest transfer of power from Whitehall to our communities in a generation through our landmark English devolution White Paper. Crucially, we are fixing the foundations of local government, starting with the broken funding system that has left many councils of all stripes in crisis. The final settlement does what is needed: it provides a 6.8% cash terms increase in councils' core spending power, bringing total spending for the sector to more than £69 billion for 2025-26, as my hon. Friend the Minister stated. With the settlement and the Budget taken together delivering more than £5 billion of new funding for local services over and above council tax income, we are ending the wasteful and costly bidding wars for funding pots that local councils have had to endure and moving towards secure multi-year financial settlements. We are providing more money for social care, increased funding for special educational needs and disabilities and alternative provision, and a £600 million recovery grant to support councils with the greatest need. We are responding to the drivers of cost that we know are putting authorities under huge pressure. It is clear that there is much more to do, but this settlement marks a turning point for local government after years of neglect and failure.

Many hon. Members have raised important questions about the impact on local authorities in their constituencies. My hon. Friend the Minister addressed many points during the debate, but I will respond to some others. As the distinguished Chair of the Public Accounts Committee, the hon. Member for North Cotswolds (Sir Geoffrey Clifton-Brown) will know, the National Audit Office's 2021 report stated that core spending power was 26% lower in 2021 than it had been in 2010. Investment in local authorities has been reduced in recent years. Turning that around will require time.

The opening remarks from the shadow Minister, the hon. Member for Thirsk and Malton (Kevin Hollinrake), beggared belief. It is as if we did not have 14 years of Conservative government; as if within the space of seven years we can fix the mess that they left behind, with record cuts and record levels of under-investment. We will not take lectures from a Government who consistently failed local government up and down the country and decimated public services. That is the mess that we have inherited and are working hard to fix. We will work cross-party where people are serious about

tackling the root causes, but we will not tolerate hypocrisy and the complete denial of the failure of the past 14 years. That is the mess that we are trying to correct.

In rural areas, investment has gone up by 6%; in urban areas 7%—

Robbie Moore: Will the Minister give way?

Rushanara Ali: Perhaps the hon. Gentleman will listen. The Minister tried to respond to his comments but he was not interested in the answers, so he will sit down and listen to my closing remarks. I want to respond to hon. Members across the House who have taken these issues very seriously.

This Government have already invested £3.7 billion in social care. We have recognised the need for investment in response to the rise in national insurance contributions—up by £515 million, as my hon. Friend the Minister pointed out. We have invested £1 billion in SEND and £600 million in the recovery fund. That is a snapshot of the investment that we are putting in. Local government and local services were starved of much-needed support under the last Government. That is what we are trying to correct.

David Simmonds: Will the Minister give way?

Rushanara Ali: The shadow Minister has had his chance to make his points. It is my turn to sum up, and I want to address the points that have been made.

Robbie Moore: Will the Minister give way?

Rushanara Ali: The hon. Member had his chance to make his point. He should have taken the opportunity to hear the response from the Minister.

On the points about rural funding raised by the shadow Minister and other Members, this Government are absolutely committed to tackling the issues that matter to rural communities. As I said, places with significant rural populations will receive an average increase of almost 6% in core spending power next year, which is a real-terms increase. No council will see a reduction.

My hon. Friend the Member for Vauxhall and Camberwell Green (Florence Eshalomi) raised a number of important points on temporary accommodation and SEND funding, among other things. The final settlement for the new children's social care prevention grant is worth £270 million. She works tirelessly on her Committee to raise many issues, including homelessness and rough sleeping. This Government have already increased the investment to tackle homelessness and rough sleeping by £233 million, taking the total funding to nearly £1 billion.

My hon. Friend also raised the important matter of the local housing allowance. This Government are focused on increasing the availability of housing and tackling the long-term under-investment in house building, which is why we are determined to ensure we build 1.5 million high-quality homes. We have also invested £500 million in the affordable homes programme, because we recognise that there has been chronic under-investment in social and affordable home building and in the provision of housing over the past 14 years.

[*Rushanara Ali*]

The hon. Member for Woking (Mr Forster) raised a number of points on social care, which I have addressed, as well as on national insurance. My hon. Friend the Member for Sheffield South East (Mr Betts) raised important points about investment in SEND, which I have also addressed.

The Chairman of the Public Accounts Committee, the hon. Member for North Cotswolds (Sir Geoffrey Clifton-Brown), made a very thoughtful and considered speech. I have addressed a number of the points he made, including on the rural services delivery grant. He also made a very important point about local audits; it is a scandal that a number of local authorities have not been able to provide the appropriate audits. My hon. Friend the Local Government Minister is working closely with the local authorities to ensure that that happens. It is, sadly, another legacy that we have inherited, but we are determined to work with colleagues, including the hon. and learned Member—my apologies, the hon. Member for North Cotswolds. He is not a KC, although he does have great expertise in his work. We will work together to tackle these issues—we are having to address them, and we are determined to do so.

My hon. Friend the Member for Telford (Shaun Davies) also raised issues around social care, which is a massive challenge that we are determined to tackle in the coming years. We are already investing funding into social care and supporting local authorities that have been struggling.

The hon. Member for Glastonbury and Somerton (Sarah Dyke) raised a number of points, including about home-to-school transport. We are aware that home-to-school transport costs are increasing significantly, in large part due to the pressures in the SEND system, and we are committed to addressing those challenges. The hon. Member for North Herefordshire (Ellie Chowns) raised a number of really important points. The consultation on the multi-year settlement ends on 12 February, and I will welcome her and other hon. Members making their contributions and views heard as part of that consultation.

Robbie Moore: Will the Minister give way?

Rushanara Ali: No.

We are very serious about working with colleagues both in Parliament and in local areas to tackle these very serious challenges, which local authorities need us to address after 14 years of under-investment.

David Simmonds *rose*—

Rushanara Ali: I am concluding my speech. The shadow Minister has had his chance.

Robbie Moore: Will the Minister give way?

Rushanara Ali: The hon. Member took the opportunity to make a speech. I am sure he will get his clicks on Facebook and Twitter, so he does not need to continue in that vein.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): On a point of order, Madam Deputy Speaker. Please indulge me. Could you give some guidance, on how, under Standing Orders, we can encourage Ministers to debate? This is, after all, a debating chamber. The Minister is either unable or unwilling to debate with right hon. and hon. Members.

Madam Deputy Speaker (Caroline Nokes): The hon. Gentleman knows full well that that was not a point of order. It is at the Minister's discretion whether she wishes to take an intervention. I am sure she is coming to her closing remarks.

Rushanara Ali: Thank you, Madam Deputy Speaker.

Once again, I thank hon. Members for their valuable contributions, even if we do not always agree. The point is that we can all agree that there is much work that needs to be done.

Sir Geoffrey Clifton-Brown: I am grateful to the Minister for giving way, because I am about to raise a really important point that has not yet been addressed. A lot of councils are seeing their reserves diminished hugely, and I worry that there are a lot more councils in the pipeline that might well come under a section 114 agreement. Will she commit tonight to her Department working ever more closely with councils to try to prevent them from getting into that situation? As I said in my speech, once we get into that situation it is always more expensive for council tax payers, and they get cuts in their services.

Rushanara Ali: An exemplar contribution. The hon. Gentleman is absolutely right about ensuring that local authorities receive expertise and support, which is why the local audit office is so important. I know my hon. Friend the Minister for Local Government and English Devolution will work with him and his Committee to ensure we get it right, so that local authorities get the right support to ensure their finances are carefully managed.

I thank hon. Members once again for their valuable contributions. As I hope has been clear throughout the course of the debate, the Government are under no illusion about the scale of the challenges before us. There is no silver bullet to solve them. After 14 years, the idea that within the space of seven months all the underlying issues can be resolved is for the birds. I hope hon. Members, including the shadow Minister, recognise that we have to take the issues seriously. Just turning up and scoring points will not do the job. We have to recognise that there are serious issues and challenges. Where we can work together, we must.

I am conscious that I did not give way to the shadow Minister. If he wants to work with us, I am very happy to give way.

David Simmonds: I am grateful to the Minister. I think most of us, certainly on the Conservative Benches—this was acknowledged with gentle humour by a number of colleagues—are determined to work together in a constructive way, because we recognise that this issue has a huge impact, but I have to ask the Minister a question. She referred to an “investment” of £538 million in respect of national insurance contributions. Does she really argue that it is an investment to raise taxes on one group of people to provide a grant to our local authorities to pay another government tax? Would it not surely be better to go for a lower tax, higher growth agenda, rather than seek to tax our way into prosperity, which does not have the best track record in economic history?

Rushanara Ali: Perhaps the shadow Minister did not hear the opening remarks of my hon. Friend the Minister for Local Government and English Devolution, or my remarks, about what the Government have already invested

in local government—billions. Does he want me to go over it again? There is not much time, Madam Deputy Speaker, but I suggest that he goes back and listens to the speech and those announcements. He knows that, in a very challenging set of circumstances, we have invested an additional £5 billion in local government. I hope very much that we can work on areas in which we can agree, but where we cannot, let us agree to disagree.

As I have said, there is no silver bullet that will solve the difficulties that we have to address, many of which we have inherited. Today is the start, not the end, of the process of reform and renewal, but with this settlement we have begun the task of putting councils on a sounder financial footing, fixing the foundations, and strengthening the sector for the long term. This will give councils the certainty and stability that they need in order to plan, move from crisis management to prevention, and deliver the change that the country needs: higher growth, higher living standards, more jobs, more homes and more opportunities as we rebuild as part of our plan for change. We are putting more money into people's pockets, and putting stability, investment and reform first to deliver national renewal. We are putting Government back in the service of working people. I commend this settlement to the House.

Question put and agreed to.

Resolved,

That the Local Government Finance Report (England) 2025–26 (HC 623), which was laid before this House on 3 February, be approved.

Resolved,

That the Referendums Relating to Council Tax Increases (Principles) (England) Report 2025–26 (HC 624), which was laid before this House on 3 February, be approved.—(*Jim McMahon.*)

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRONIC COMMUNICATIONS

That the draft Online Safety Act 2023 (Category 1, Category 2A and Category 2B Threshold Conditions) Regulations 2025, which were laid before this House on 16 December 2024, be approved.—(*Jeff Smith.*)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 12 February (Standing Order No. 41A).

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRICITY

That the draft Electricity Capacity (Amendment) Regulations 2025, which were laid before this House on 16 December 2024, be approved.—(*Jeff Smith.*)

Question agreed to.

PETITION

Communications Infrastructure in Hazel Grove

8.57 pm

Lisa Smart (Hazel Grove) (LD): I rise to present a petition on behalf of some of the residents of my constituency. I particularly thank Bob, Lesley and Keith, who came to see me at my surgery on Saturday in response to the signatures—more than 200—from their neighbours when Brsk wanted to come to town to install some telegraph poles. The petition states:

“The petitioners therefore request that the House of Commons urges the Government to ensure that the proposed installation of communications infrastructure in the area south of Dean Lane in the Hazel Grove constituency is cancelled.

And the petitioners remain, etc.”

Following is the full text of the petition:

[The petition of residents of the constituency of Hazel Grove,

Declares that proposed new infrastructure such as telegraph poles and overhead fibre optic cables in the area south of Dean Lane are unnecessary and an eyesore.

The petitioners therefore request that the House of Commons urges the Government to ensure that the proposed installation of communications infrastructure in the area south of Dean Lane in the Hazel Grove constituency is cancelled.

And the petitioners remain, etc.]

[P003041]

Children's Social Care: North-east England

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

8.58 pm

Mark Ferguson (Gateshead Central and Whickham) (Lab): I am glad to have secured the debate. I am also grateful to the Members who have stayed in the Chamber for a debate that is beginning somewhat later than they may have expected. I must start by declaring an interest, because a huge proportion of those who work in social care will be members of Unison, and I am proud to say that I am a former national official of that trade union and, along with my hon. Friend the Member for Blaydon and Consett (Liz Twist), a co-chair of its parliamentary group.

Last month I visited Caedmon primary school, a wonderful community school based in Bensham, at the heart of my community. I met teachers, support staff, school leaders and parents, all pulling in the same direction to break down barriers to opportunity for every child in the school. I met parents who, over the past two years, have organised a uniform drive every half term, with a swap shop—a place for parents and children to come together to share the uniforms that their children have grown out of. It was set up primarily to reduce the amount of clothing waste going to landfill, but the impact has been so much greater. Caedmon serves a diverse community and families from a real mix of economic and social backgrounds. Following the cost of living crisis and, quite frankly, the two decades of economic hardship and austerity that Gateshead has experienced, the cost of uniforms is a financial barrier to families accessing education. The drive is helping parents to save hundreds of pounds every year.

The project is underpinned by the school's recognition of the systemic causes of poverty and inequality, which have held too many children back. The headteacher, the remarkable Mr Wisby, has instilled in Caedmon school a strong set of values, based on the practice of radical candour. It creates an environment for honest conversations between staff, parents and pupils, who often face very challenging circumstances. Through radical candour, Caedmon parents know that staff are acting in the best interests of their child, even if it involves tough conversations and challenge.

I dare say that we could perhaps do with a bit more radical candour in this place from time to time. It is about getting to the root of the problem, rather than treating the symptoms. Caedmon is tackling the causes of poverty and inequality, which would otherwise hold their children back, and it is just one example in my community of real, transformative work on the ground. We in this place need to have a candid conversation about the challenges that children's services are facing in the north-east and how we tackle the root causes of poverty and inequality, which have been suffocating my region over the past two decades.

Liz Twist (Blaydon and Consett) (Lab): I join my hon. Friend in praising Caedmon and all the other schools in Gateshead, including those in my constituency.

Does he agree that our proposal that every child should have breakfast before school will be an important way of tackling poverty, with more to follow?

Mark Ferguson: I echo my hon. Friend's praise for schools in Gateshead, and indeed across the wider north-east, which I am sure we will cover in this debate. The changes being brought forward in the Children's Wellbeing and Schools Bill will obviously make a profound impact through the provision of breakfast clubs, but they will also have an effect on the cost of uniforms by introducing a limit of only three branded items. That will make a massive difference to communities such as mine and my hon. Friend's.

Compared with people in other parts of the country, those in the north-east face the lowest life expectancy at birth, high levels of economic inactivity, the lowest pay and, disgracefully, the highest rate of child poverty in the UK—worse, it continues to grow. Fourteen years of Conservative austerity and public service cuts have destroyed our safety net and social fabric, and turned back the clock on opportunity for children and young people in our region.

Luke Akehurst (North Durham) (Lab): I thank my hon. Friend for securing this important debate and for raising, in his fluent speech, many of the core issues. In County Durham we have an issue with children's mental health, especially since the pandemic, and it has to be picked up by social care rather than the NHS, as it was traditionally. Among all the other profound and deep-rooted problems that he has set out, does he agree that this is an issue across the region and possibly also nationally?

Mark Ferguson: I very much agree with my constituency neighbour. This is a huge problem and it increases the pressure on children's social care, which, as I am sure we are all aware, already takes up a huge proportion of local government budgets. That is very relevant to those of us who sat through today's debate on the local government finance settlement.

Children's social care is locked in a vicious cycle. Chronic underfunding has led to far too many children reaching crisis point, pushing more and more of them into the care system. Many local authorities have been left with little choice but to spend an increasing proportion of their limited funds on late intervention, and to reduce investment in early support for families and young people.

Sam Rushworth (Bishop Auckland) (Lab): One of the biggest cost savings for children's social care is kinship carers. These unsung heroes do a great deal to care for children, often in very difficult circumstances, but they often feel that the state is not there to support them in that work. Does my hon. Friend agree that more needs to be done to properly recognise the contribution that is made by kinship carers?

Mark Ferguson: I thank my hon. Friend for raising the vital issue of kinship care. It is something that is very dear to my heart. Gateshead's kinship care—a programme I am particularly proud of—has enabled the majority of children to safely remain in the care of their family or trusted kin, maintaining a stable family environment, protecting the children and preventing them from entering the care system. It is a key intervention that is making a real difference in Gateshead.

Chris McDonald (Stockton North) (Lab): Further to the point made by my hon. Friend the Member for Bishop Auckland (Sam Rushworth) about kinship care, many of my constituents have benefited from the Family Rights Group, which provides advocacy and saves the Exchequer many tens of millions of pounds. Will my hon. Friend join me in commending the work of the Family Rights Group and expressing the hope that its funding will continue into the next financial year?

Mark Ferguson: I thank my hon. Friend for that excellent point. The Family Rights Group saves a huge amount of money and does incredibly valuable work, and it is important to talk about the funding here.

The funding for children's services is incredibly important. Since 2010, for example, Gateshead council's budget has been cut to the bone. Children's services have been cut by a staggering £31 million, driven by huge and frankly unfair cuts, and the people of Gateshead have had to pay for this in every sense of the word. We all remember the former Prime Minister's comments about removing funding from areas of need—places such as Gateshead and places represented by those here on these Benches today—and giving it to areas whose needs are deserving but, I am afraid, less acute. But against the odds, Gateshead council's children's services have recently been praised for their hard work to prioritise prevention and early intervention, and have been recognised by Ofsted for their dedication to our children and young people.

Mary Glendon (Newcastle upon Tyne East and Wallsend) (Lab): On that high note, will my hon. Friend also commend North Tyneside council, which for the second consecutive time has been awarded "outstanding" for children's services by Ofsted on all five counts? The council says:

"From an 'exceptional' early help service...through to a 'meaningful' support offer for care leavers"—children—
"receive the best support possible."

Is that not what we want for all our children in the north-east?

Mark Ferguson: I could not agree more, and I commend North Tyneside children's services. I also commend and echo Ofsted's recognition for Gateshead council's children's services and place on record my personal gratitude to all the staff in Gateshead children's services, including the director, Helen Fergusson—no relation—and Councillor Gary Haley for their strong leadership and strong focus on corporate parenting.

Liz Twist: Can I join my hon. Friend in congratulating Gateshead Council, and particularly the staff, on the work that they are doing to improve children's services and on achieving that good rating?

Mark Ferguson: I agree with my hon. Friend. We both have experience of representing in the workplace those who stand up for children in and across local government as well as in the health service, and I know we share a passion for the work that they do. They do not always get as much credit and commendation, in this place or anywhere else, as we would like them to have. It should not just be when they receive their Ofsted reports that we praise them, although that is, of course, an important opportunity for us to do so.

Laurence Turner (Birmingham Northfield) (Lab): I refer the House to my entry in the Register of Members' Financial Interests. My hon. Friend and I previously both advocated for and represented workers in children's social care for Unison and the GMB respectively. Does he agree that driving up pay and terms and conditions for those workers is just as important in children's social services as it is in adult social services?

Mark Ferguson: I absolutely agree, and I commend my hon. Friend for the huge amount of work that he has put into the Employment Rights Bill and several other important pieces of forthcoming legislation, which will have a huge impact on the lives not only of those working in children's services but of the children they seek to serve. We are fortunate to have him and his experience in this place.

I want to use the remainder of my time in this debate to highlight some of the successes that Gateshead council has had recently. The council's multi-agency approach is thriving. Despite every effort of consecutive Conservative Governments to tear down Sure Start, Gateshead's Labour councillors went to great lengths to protect children's centres throughout austerity. In fact, they have now almost doubled the number of operating family hubs. These decisions meant the council was able to build a locality-based family hub scheme at pace, ensuring that Gateshead families were not left short.

Labour Members know the evidence is clear that children who grew up with access to a Sure Start centre had higher GCSE outcomes than those who did not. This kind of early intervention leads to better outcomes at every developmental stage. Family hubs deliver everything from neonatal classes, childcare, and speech and language support, right through to employment support and welfare advice. Barnardo's rightly describes them as the "nerve centre" of our communities.

Our mayor, Kim McGuinness, and the North East combined authority are building on this great work. Kim's newly established child poverty reduction unit is the first of its kind and provides an extra layer to this key community-based early intervention. In just months, her funded programmes, such as welfare at the school gates, have been rolled out across Gateshead to plug the gaps. Her "Launchpad for Literacy" and reading fluency programmes are already breaking down barriers in communities such as mine.

At every level, Labour is following the evidence: early intervention is best; late intervention is harmful. By design, late intervention requires the family and the child in question to reach crisis point before they can access meaningful support. I know this Government are serious about supporting children's services to address the chasm of inequalities faced by children in the north-east, so I welcome their investment, including the £1.29 million of prevention funding.

I also welcome the raft of measures in the Children's Wellbeing and Schools Bill, including a child-centred social care system that delivers the best start in life; £44 million for kinship and foster care; and £90 million to expand placement sufficiency in local authority-owned residential children's homes, to help our most vulnerable children and young people. Strengthening Ofsted's powers to allow it to act quickly against unregistered provision, greater regulation of placements and ensuring that care comes before profit will also benefit our children.

[Mark Ferguson]

Gateshead's success has partly been built on its commitment to a happy, supported and directly employed social work team. I welcome the Government's new standards to limit local authorities' use of agency workers in children's social care by giving the Secretary of State the power to make new regulations.

There is so much good work taking place in local authorities such as Gateshead. However, questions remain about the time-limited funding in place for family hubs. I conclude by asking the Minister to outline the Government's plans to fund early intervention-driven children's services, which are so vital in communities such as mine.

9.12 pm

The Parliamentary Under-Secretary of State for Education (Janet Daby): I congratulate my hon. Friend the Member for Gateshead Central and Whickham (Mark Ferguson) on securing this debate. He is absolutely right that early intervention is best. In this significant Adjournment debate, I have heard other hon. Friends talk about kinship care, mental health, breakfast clubs, early help and care leavers, and of course I will be responding to my hon. Friend himself.

I was thrilled to hear that Gateshead council achieved a "good" rating across all areas of its children's services in the Ofsted report published last week. The report highlights the strength of Gateshead's early help service, its robust multi-agency collaboration, its strong leadership and its effective support for care leavers in their transition to independence, including a focus on education, employment and training alongside their wellbeing and aspirations. The report was published only a few weeks after another north-east council, North Tyneside, secured an "outstanding" rating across all areas of its children's services, which is a phenomenal achievement.

Two thirds of council children's services in the north-east were rated either "good" or "outstanding" at their last Ofsted inspection. Although this aligns with the national average, it is impressive given the north-east's economic backdrop.

Two thirds of local authorities in the north-east are classified as highly deprived, making it the most deprived region in England. The link between high deprivation and high demand clear, so it is no surprise that demand for children's social care services is high in the north-east. Roughly a third more children per 10,000 are subject to a child in need plan or a child protection plan, or are looked after, compared with the national average. That is the highest of any region in England.

The number of children in care has also grown faster in the north-east than in any other region. That said, it is worth noting that the whole country has seen the number of children in care rise significantly under the previous Government, with more than 80,000 children and young people in care across England on any given day.

Sam Rushworth: I thank the Minister for highlighting the rise in the number of children in care. Will she acknowledge the link between the growing number of children in care and the effects of 14 years of austerity?

Janet Daby: My hon. Friend is right that when money is consistently taken out of public and voluntary services, and when investment is not made in public workers, then our public services—especially our children's social care—are driven down. I could not agree more.

Many children in care live far from their homes, families and communities, and the costs of care have spiralled in recent years. It is crucial to understand that the challenges facing the children's social care system extend beyond financial issues. These problems were highlighted in a 2022 review led by my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister). The Competition and Markets Authority also reported on deficiencies in the children's social care market in that same year. Both reports called for action, yet two years later no significant changes have been made.

Within four months of being elected, this Government outlined their vision and approach to reform in the document "Keeping children safe, helping families thrive". Our reform strategy aims to dismantle barriers by shifting the focus of the children's social care system to early support, preventing crises and keeping families together. Just as my hon. Friend the Member for Gateshead Central and Whickham stated, early intervention is the best—I think that is going to be one of my new favourite sentences.

Our plans will ensure that children can stay with their families, support more children to live with kinship carers or foster families, and fix the broken care market to tackle profiteering and prioritise children's needs. We are pleased to see that local authorities across the north-east have been so active in exploring new reforms and policies through their involvement in a wide range of pathfinders and pilots.

We recognise that young people leaving care often experience poor outcomes in various aspects of their lives. We are committed to ensuring that they have stable homes, access to health services, support to build lifelong, loving relationships and opportunities for education, employment and training. There are many things that this Government aspire to do in this space, and we are getting on and doing the job.

We are also providing funding to local authorities to support care leavers who wish to stay living with their foster families up to the age of 21 in an initiative called Staying Put. We have increased support for young people leaving residential care through the Staying Close programme. Additional funding has also been given to local authorities to provide extra support for care leavers at high risk of rough sleeping.

In response to questions about school uniform, the Children's Wellbeing and Schools Bill includes measures to limit the number of branded uniform items that schools can require. School uniform should be affordable for parents, and branded items are often more expensive than non-branded equivalents, so it is right that we will limit the number of branded items that schools can require. It is encouraging to hear my hon. Friend the Member for Gateshead Central and Whickham talk about Caedmon, which sounds like a wonderful school. I am sure there are many other wonderful schools in his constituency, as there are in all our constituencies.

With regards to breakfast clubs, the Department is working intensively on the delivery plans. We will work with 750 early adopter schools from this April to ensure

we get implementation, funding and support resources right before a national roll-out of new breakfast clubs. We published our funding methodology alongside guidance for early adopters on 16 January and we will work closely with schools on the rates to ensure the funding was sufficient for the ask. Funding for national roll-out is, of course, subject to the next spending review. As we learn from more early adopters to help develop our statutory guidance and support packages, more information will be made available.

With regards to mental health, it is absolutely right to mention the wellbeing of children—it is a prevalent and relevant conversation. The Government are determined to make sure that children have the mental health support that they need in our schools and being delivered by our health services.

Let me turn to kinship care. Kinship carers take on a role at a time when they were least expecting to raise a family, and we recognise the serious challenges they face, including financial ones. We recently announced a £40 million package to trial a new kinship allowance to test whether paying an allowance to cover the additional costs of supporting the child can help to increase the number of children taken in by family members and friends. That is the single biggest investment made by any Government in kinship care to date. We are also legislating to mandate all local authorities to publish a kinship local offer, ensuring transparency and accessibility of information for kinship families. There is much more

we need to do in this space, and I recognise all the organisations that work in the kinship space, whether charities or businesses. However they support kinship families, they have my support and encouragement.

I am enormously grateful to my hon. Friend the Member for Gateshead Central and Whickham for speaking so eloquently about children's social care. Early intervention and prevention work is needed, including through family hubs, and making sure that children at a young age and their families get the support they need. Keeping families together as much as we can is crucial to how this Government will continue to work.

The social care system is a subject that means a great deal to me and to which I have dedicated so much of my working life. I am honoured to be in this position in Government. Our opportunity mission is focused on breaking the link between children's background and their success. I am determined to improve the life chances and support for children from deprived and disadvantaged backgrounds. This Government set out an ambitious plan to reform children's social care, backed by new funding and legislation. By prioritising the voice of the child and working in partnership with local government, we will deliver lasting change for the most vulnerable children in our society.

Question put and agreed to.

9.22 pm

House adjourned.

Westminster Hall

Wednesday 5 February 2025

[GILL FURNISS *in the Chair*]

Closure of High Street Services: Rural Areas

9.30 am

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I beg to move,

That this House has considered the closure of high street services in rural areas.

It is a pleasure to serve under your chairmanship, Ms Furniss. I am extremely grateful to have been granted the time to shed light on the impact that the closure of high street services continues to have on our rural communities. In recent years, exacerbated by the covid-19 pandemic, more and more shops on our high streets have closed their doors, leading to less vibrant town centres, reduced footfall to other businesses, job losses and, sadly, a diminished sense of community.

Sarah Dyke (Glastonbury and Somerton) (LD): I thank my hon. Friend for giving way so early in his speech. The Overt Locke is an independent family-run retailer that has been trading in Somerton for more than 100 years but has recently announced that it will close. That heartbreaking decision was accelerated by the Chancellor's decision in the autumn Budget to freeze the small business multiplier and reduce retail, hospitality and leisure business rates relief from 75% to 40%, which, with the addition of the national insurance contributions increase, has made the business financially unsustainable. Does my hon. Friend agree that fundamental reform of business rates is needed to boost small businesses and high streets in rural areas, to avoid penalising productive investment?

Jamie Stone: I agree with my hon. Friend, and I will touch on that matter later in my contribution.

I want to go back to when I was a boy—some time ago, I might say. My hometown of Tain in the highlands was a vibrant and bustling place. It was a short walk up Shore Road from where I lived, where my father had a small farm, to the high street, where we got everything we needed, from lavatory paper in piles and pyramids in Ross the chemists, via Lesley the grocer, where we could buy broken biscuits in brown paper bags, to Hamilton Cormack, the local solicitor, who played the piano beautifully but, happily, never seemed to send out a bill. We had everything. Tain was a totally self-contained, prosperous community—but, oh my goodness, how very different today.

My constituency in the far north has long faced unique challenges. We have higher living costs, limited transport options and poor broadband connectivity. Rural areas such as mine have to contend with significant disadvantages compared with urban centres. We are all here today to talk about not just the loss of shops, banks and post offices, but the erosion of a way of life and a sense of connection, and a loss of public services and access to essential services that rural communities rely on.

Over recent years, our rural communities have faced unprecedented challenges. Once bustling with activity, like my hometown, they are now marked by shuttered windows and “for sale” signs. The causes are many. We know that they include the rise of online shopping, changing consumer habits, economic pressures and, of course, the rise of large out-of-town centre supermarkets. In my home in the highlands, those trends are compounded by rural isolation and limited access to alternative services. The closure of shops, banks, post offices and other essential services has left many residents in town centres feeling abandoned.

Claire Young (Thornbury and Yate) (LD): In my constituency, we have thriving community shops offering a range of services beyond selling goods. For example, Tytherington has an outreach post office, and people can pick up their prescriptions at Hawkesbury Stores in Hawkesbury Upton. Does my hon. Friend agree that for many villages, volunteer-run shops are vital, and the Government need to do more to ensure they remain part of our rural high streets?

Jamie Stone: My hon. Friend is right on the money, and I will return to that point shortly.

Local businesses that once thrived now struggle to compete with online giants offering convenience and lower prices. This shift has not only impacted our economy but deprived our communities of vital gathering spaces—places where people can get together, where relationships are built and strengthened, and where we can have a good natter on the street corner.

Catherine Fookes (Monmouthshire) (Lab): It is a pleasure to serve under your chairship, Ms Furniss. Like many places, the high streets in my constituency of Monmouthshire have taken a real battering since covid, but a recent Monmouthshire county council report found a 5% increase in people visiting Monmouth, my town, and an 8% increase in people returning to the high street in Abergavenny. Sadly, we have had 10 bank closures in the last two years and some of our towns, particularly Caldicot, are really suffering from that. A new post office has just opened, which is wonderful, and I commend the community and the local council for supporting it, but does the hon. Gentleman agree that the Government deserve great praise for supporting banking hubs? There will be 300 banking hubs, and I am delighted that one will be opened in Monmouth.

Jamie Stone: I love the words “banking” and “hub”. I also know from my past experience what a lovely town Monmouth is; I had some much-loved cousins who lived just outside the town, and I knew it well some time ago.

Coming on specifically to the closure of banks, face-to-face banking is an essential part of the community, from preventing fraud and helping people who think they have been scammed to conversations about complex financial issues, which we cannot simply pick up from a letter or online. Those are fundamental functions of banks—not privileges that should be reserved for those who live in more urban areas. We know there has been a shift towards digital banking in recent times, but for many in our rural communities, including the elderly, there is not good internet access for a start, and they

[*Jamie Stone*]

cannot really use those services, let alone use them to their maximum power. I know of many old people who are totally bamboozled by them.

I am not alone in these concerns. Lloyds Banking Group has recently announced the closure of 136 branches across the UK—that stopped even me in my tracks. The closures include several Bank of Scotland branches. I think that banks have a duty of public service to support local people with their financial needs, but that is a function that I fear many banks seem to have forgotten; I know not why. But there have been some reassuring solutions to the issue of banks closing, which takes me back to those welcome words “banking hubs”.

Run by the Post Office and Cash Access UK, the shared spaces have done amazing work in providing banking services in collaboration with an array of different banks.

Mr Gregory Campbell (East Londonderry) (DUP): On the roll-out of banking hubs, does the hon. Gentleman agree that, although that is good, it needs to happen faster, particularly in smaller towns? Today seems to be high street retailing day—I have a debate this afternoon that concentrates on similar issues—so does he agree that the matter requires innovative, fresh thinking to try to help rural and small-town communities that do not have the services of large cities?

Jamie Stone: Indeed. The hon. Member makes a sound point. My wife hails from Northern Ireland, and I know that the problems there are very similar to those in Monmouth, the highlands of Scotland or wherever.

Recently, my splendid team and I had the pleasure of visiting the Acton banking hub. We were mightily impressed by its operation and commitment to making cash accessible to the community. The good news, turning to the point made by the hon. Member for East Londonderry (Mr Campbell), is that we are going to get a banking hub opened in Wick in my constituency this summer. That will be most welcome. The organisation in charge met the local people last week and the reception was very warm indeed. There is a sense of relief that banking hubs are at long last being rolled out, but the point about the speed of rolling them out is well made.

James Naish (Rushcliffe) (Lab): A lot of people, when selecting their bank, go to the local town and choose the bank that their parents used; but with the volume of closures taking place we might be getting to the point where banks lose business, as we stop going to the NatWest and the Lloyds, the high street banks of yesteryear, and people start going to online banks. Does the hon. Member agree with me that the banks’ approach is counterintuitive?

Jamie Stone: That point is exceptionally well made. From little acorns, mighty oaks grow, and in the old days a good bank manager would specialise in spotting a potential business that was going to grow, which in turn benefited the bank. We all know of examples over the last 30 or 40 years where that happened.

Banking hubs are not a universal solution, however. In my constituency, the last bank branch in the county of Sutherland, Bank of Scotland in Golspie, is about to close. When it was looked at for a banking hub, it was

deemed too small. There is not going to be a banking hub because it did not fit the stats. That means that the whole county of Sutherland—a vast county in the UK—will not have one single bank branch. As I say, access to cash is not the paramount function of banking services; cash access is just the tip of the iceberg in solving the problem of closed branches. It is the other functions I mention, such as face-to-face services, that provide the local community with an invaluable service. The economic impact of these closures cannot be overstated.

High streets are more than just retail hubs; they are engines of the local economy. Returning to my constituency, in the two large towns of Wick and Thurso, which are the largest population centres, high street businesses provide jobs. My two daughters have worked in shops in my hometown of Tain—one in a chemist, the other in a fruit and vegetable shop. The high street attracts visitors who contribute to the local economy—one thinks of Monmouth in that respect.

When these services disappear, so the jobs go. The threat of having to move south when the tourists leave at the end of the tourist season affects the highlands. I know of people who had a summer job; when the tourists go, away they go too, and they may not come back again. That casts that dark old shadow of highland and island depopulation, which the hon. Member for Na h-Eileanan an Iar (Torcuil Crichton) will know well. It haunts all of us in the more remote areas of Scotland.

Ann Davies (Caerfyrddin) (PC): Carmarthenshire county council secured half a million pounds through the UK shared prosperity fund in August 2024 to carry out improvement works in Carmarthen town centre, along with match funding improvements in ten of our rural market towns. That money is being used to repair pavements, improve car park entrances and improve the attractiveness of the town centre—improvements that we hope will improve the footfall and tourism within these towns. As we know, however, SPF is due to end at the end of 2026. Does the hon. Gentleman agree that the Government should set out their plans for the replacement of the shared prosperity fund, to ensure that our high streets and town centres continue to receive the investment they need to improve and increase footfall?

Jamie Stone: That is a wise point, and I have no reason to doubt that there will be sympathetic ears on the Government Benches—at least, I very much hope so; I do not see why there would not be.

The closures I talk about and the jobs going discourage investment in our towns and regions. Why would a new business choose to set up shop in a town where the high street no longer has high levels of footfall? Why would they open a shop in that street if nobody is going to be there? Those ripple effects extend beyond immediate job losses; they discourage investment in the future.

With fewer businesses operating locally, supply chains are disrupted. This affects farmers, tradesmen and other small businesses who might well rely on high street outlets to sell their goods, and creates a vicious circle that is very hard to break. Money spent in the local economy stays in that local economy. A recent Visa study says that for every £10 spent at independently owned local businesses in the UK, around £3.80 is retained within the local area. That means local banks, local solicitors and other people supplying that business.

Alison Hume (Scarborough and Whitby) (Lab): It is a pleasure to serve under your chairship, Ms Furniss. The hon. Gentleman makes a very good point about independent businesses. Surely he agrees that they need somewhere to pay in their takings at the end of the day? In Whitby, our Halifax branch is due to close, meaning that people will have to travel 19 miles to Scarborough. There is a plan to open an adult gaming centre in place of the branch. I know that residents want somewhere to deposit and withdraw their money, including local businesses, rather than somewhere to put their coins in slot machines. Would he agree that, for high streets to survive and thrive, it is essential that we have the banks and services that local residents want?

Jamie Stone: I absolutely agree with that point. In my area of the highlands, employees sometimes have to travel long distances with a large amount of money to deposit it, and I wonder about their safety. For somebody of evil intent, it would be quite easy to target them as they make the bus journey or whatever.

The Visa survey revealed that four in 10 people agree that small businesses local to them make the area a nicer place to live in, and 40% of local business owners said that customer interaction has a positive impact on their overall job satisfaction. My two daughters loved working in the chemist and the fruit and vegetable shop, because it meant happy chat when they saw their friends.

There is a deep-rooted appreciation in our communities for such businesses, which greatly contribute to the value of the local area. That value is felt by those who work for the local businesses and, as a result of feeling appreciated, they feel a sense of higher job satisfaction. Those two phenomena cannot be separated.

In Scotland, 87% of independent retailers take part in some form of community engagement, so we cannot underestimate how important sustaining businesses is to all aspects of community life—[*Interruption.*] I am aware of the time, and I shall finish my speech very shortly. For example, the Tain Gala is wonderful thing that is much loved by the community, but 20 years ago the businesses would each chip in. As there are fewer businesses on the high street, it is much harder to run the Tain Gala. I am sure the same is true of Stornoway and other towns across the length and breadth of the UK.

Here in Westminster, we are calling for economic investment in our communities to boost growth. I am very grateful to the previous Government for helping to establish the Inverness and Cromarty Firth green freeport, but if we do not have the local infrastructure to support it—the banks and shops—it will be much harder. Without our high street, without our banks, post offices, hairdressers and chemists, it is harder to support the local population.

James Naish: I want to clarify the point about empowering local councils to make a difference. Does the hon. Gentleman agree that we need to remove the shackles from the funding packages that the previous Government give local authorities and empower local decision makers to make decisions in the interests of those locations?

Jamie Stone: I hope Treasury Ministers take the hon. Gentleman's intervention into consideration.

Jim Shannon (Strangford) (DUP): Good answer!

Jamie Stone: I thank the hon. Gentleman.

Although the challenges are significant, they are not insurmountable. We must be positive about this. To address the problem, we must adopt a multifaceted approach, which hon. Members are hinting at, involving Government intervention, community action and ownership, and private sector collaboration. We need innovation; we cannot just say, "Oh well. We'll carry on doing things in the way they have been done in the past." We cannot; we have to do things differently in the future.

The Government must support local councils and prioritise investment in high streets through grants or subsidies for small businesses. An overhaul of the business rate system or rent caps could make it more feasible for entrepreneurs to operate in rural areas. For example, establishing a commercial landowner levy and taxing only the land value of commercial sites, not productive investment, would remove physical capital from taxation. That would, in turn, boost business investment, increase productivity and—of attraction to us all—boost wages.

By championing community action, essential services such as post offices or supermarkets could be preserved through encouraging community ownership models. By pooling resources and sharing risks, residents can feel more supported and in control of what is happening in their local area—something they do not feel at the moment.

Manuela Perteghella (Stratford-on-Avon) (LD): On that point, does my hon. and gallant Friend agree that it is disappointing that the Government closed the community ownership fund?

Jamie Stone: That is a wise point, and in calling me "gallant", my hon. Friend refers to my service in the Territorial Army, but that is a different matter from the one before us today.

At the heart of the debate, surely, has been the need for private sector businesses to take responsibility for the public duty that historically these corporations held. There could be an awful lot more done on that front. Let us see what we can encourage them to do. Simply upping and leaving rural communities because they place more value on footfall found in urban centres is not acceptable. We have to say that the smaller communities are worth it, and encourage these businesses to be there just as much as they might head off to Glasgow, Edinburgh or Aberdeen in my own case, which is not satisfactory.

To conclude, if the private sector collaborated with the Government, and looked at ways to support the high street, real and proper progress could be made in keeping physical stores, bank branches and vital town centre businesses thriving and open in our rural communities. That is a great prize that would mean an enormous amount to our electorates in whatever part of the United Kingdom.

Gill Furniss (in the Chair): Order. I remind Members that they should bob if they wish to be called in the debate. I also remind them that interventions are meant to be very brief if we are to allow everyone to speak in this big debate.

9.51 am

Torcuil Crichton (Na h-Eileanan an Iar) (Lab): It is a pleasure to serve under your chairship, Ms Furniss. I commend the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this important debate. He and I know the importance of retaining a physical high street in our own highlands and island communities—the most rural in the country. It is their very rurality—the distance between towns, islands and villages—that makes it so important that we retain high street services in the towns we have.

It is not all decline, of course. In the main town in my constituency, Stornoway, the construction of a £50 million cruise ship terminal by the Stornoway port authority has given a new dynamic to the town. There are now more coffee shops than there are butchers in Stornoway. Although I cherish the memories that the hon. Member for Caithness, Sutherland and Easter Ross told us about of buying broken biscuits from his local shop, he must recognise that although times have changed, in the heart of our towns and villages there are older institutions: the butcher—there is a choice of three in Stornoway, and I will not say which one people should buy their Stornoway black pudding from, because they are all good—the crofters store, Tommy Nicolson's the newsagents, and, as there should be at the heart of every town, the post office.

It is the plight of the post office network, and plans by the Post Office to change or downgrade the Crown offices or the directly managed branches, that I wish to highlight today. I am extremely concerned about the potential closure of the main post office in Stornoway. That move comes as part of a wider announcement that 115 post office branches, which remain Crown offices or directly managed branches, are being considered for closure or moved to a franchise model. Our main branch in Stornoway is extremely valued by islanders—it is a beautiful building that is over 100 years old and in the heart of the town centre.

John Whitby (Derbyshire Dales) (Lab): On the point about longevity and heritage, Wirksworth Heritage Centre—a key community space and cultural asset in Derbyshire Dales—has recently had to close because of economic pressures. Does my hon. Friend recognise the specific challenges facing cultural and heritage sites on rural high streets?

Torcuil Crichton: I do. I mentioned that the building in which in the main post office—the Crown office—in Stornoway is housed in is beautiful and over a century old. Although I understand that the Stornoway post office may itself be retained, it may be converted into a franchise and moved elsewhere. That would have a detrimental effect on the town centre. The post office is right smack in the middle of town and easily accessible. It is, ironically, next to a closed TSB bank branch—the hon. Member for Caithness, Sutherland and Easter Ross highlighted the problems of banks closing across the United Kingdom.

Ben Maguire (North Cornwall) (LD): I am delighted that Bodmin in my constituency recently got a banking hub, but other towns like Wadebridge that are an 8 mile, £20 taxi ride away do not have one. Does the hon.

Member agree that we could think about mobile banking hubs that would go out to rural areas such as those in his constituency and mine?

Torcuil Crichton: We are lucky that we have retained a mobile banking service in the highlands and islands, with the bank van a familiar sight in villages throughout the islands and parts of the highlands, but a central post office in any town in a rural constituency is vital for businesses to deposit their cash as well as for cruise ship tourists and islanders and town dwellers to exchange their currency. I am concerned that the downgrading of Stornoway's directly managed branch to a franchise counter would leave many of my constituents disadvantaged.

The Crown post office provides services such as currency exchange, banking services and passport services that many franchised post offices do not. To go to another Crown office or to find bureaux elsewhere would involve an hour-long bus journey, which would be preceded by a three-hour ferry journey, because the nearest branch would be on the mainland somewhere near the constituency of the hon. Member for Caithness, Sutherland and Easter Ross. The limited services offered by a franchised post office would not be adequate for my town or any other, because, as I understand it, there is no requirement for them to accommodate the full spectrum of post office services that directly managed branches currently offer.

Concerned MPs have met Post Office executives and highlighted their concerns to the Minister. I hope that the Post Office and the Government take into account rurality and the unique circumstances of island constituencies when considering the future of post offices and the rural high street.

Several hon. Members *rose*—

Gill Furniss (in the Chair): We have quite a lot of speakers, so I will limit speeches to three minutes each so that everyone will get an opportunity to get in the debate. I reiterate that interventions should be brief so that colleagues get the opportunities that they are here for.

9.56 am

Cameron Thomas (Tewkesbury) (LD): It is an honour to serve under your chairship, Ms Furniss. I thank my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this important debate. There are no bustling city centres in the Tewkesbury constituency. Instead, our historic town and village high streets are characterised by independent stores, restaurants and pubs, which provide jobs and attract tourism. Less overtly, they promote social inclusion and tackle loneliness.

My hon. and gallant Friend referred to the loss of connectivity and isolation. The largest age demographic in my constituency is the over-65s. They are typically less mobile than younger demographics and are more likely to live alone. According to Age UK, more than a million older people say that they regularly go over a month without speaking to a friend, neighbour or family member. The withdrawal of high street services is only likely to amplify the loneliness epidemic, particularly for my residents. Recently, I was pleased to work with

the excellent independent councillor Gemma Madle to return post office services to residents in Winchcombe after a period of time when they had lost them.

Almost half of the Tewkesbury constituency is categorised as within the lowest 30% of decent broadband connectivity across the UK. That is a shameful indictment of the national planning policy framework in a constituency largely comprised of the fastest-growing borough outside London. That again disproportionately exposes my over-65s, because their demographic has a lower rate of IT literacy than younger groups. Those older residents who do adopt technology to access online services are most likely to become victims of fraud: Age UK reported in 2019 that someone over 65 is defrauded every 40 seconds in the UK, and that not only the impact of that but even that threat is likely to dissuade residents from venturing online.

Those examples show why it is especially important that my constituents have reliable public transport links to get them to our high streets, and that those high streets are preserved so that people can access the services they need. Currently, public transport links are woefully inadequate across my constituency; although the bus fare cap rise from £2 to £3 is unwelcome, it is unlikely to affect those thousands of my residents who do not even have a reliable bus service. If the cap rise were utilised to fund additional services in constituencies such as mine, I would support it. Regardless, I urge the Government to look at alternative measures for public transport, such as on-demand services. One example is the Gloucestershire Robin service.

I hope that the Minister will commit to funding the infrastructure upgrades that my constituency already needs, if it is expected to grow yet further to accommodate the Government's housing targets.

10 am

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Ms Furniss. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for bringing this debate to Westminster Hall today. I am thinking back to when my mum and dad were shopkeepers. This was 1959, when I was only four years old—that is my age out now. I remember our shop in Ballywalter, in the country. It was the shop where people bought everything. They could buy all their groceries. They could buy anything from a nail to clothes—my mother dealt with that side of the shop. We had coal. We had venetian blinds—my goodness, can you remember venetian blinds? We also had all the meal for the cattle. Those were the shops that people had way back in those early days.

I am blessed to have not one but two great high streets in my constituency. Ballynahinch has wonderful shops, yet we all know that it would massively benefit from the proposed bypass to allow people to nip into town and come out without worrying about the commuter traffic. Newtownards, the central town for the constituency, has been a market town since its inception in the 1600s. It has a great history. It has one of the UK's oldest market crosses—an indicator of the business carried out over hundreds of years. Indeed, we still have a thriving Saturday market. We also have independent boutique retailers that can kit people out—man and woman; boy and girl—with everything. That is the sort of shop we have.

Unfortunately, what we also have now is a rise in store closures. That is something we did not have in Newtownards for a long time, but we have definitely had it over the last year.

Catherine Fookes: Will the hon. Member give way?

Jim Shannon: If the intervention is very quick, given Ms Furniss's comments.

Catherine Fookes: I thank the hon. Member for allowing the intervention. His mention of that store brought to mind a wonderful store in my constituency called Handyman House, which still serves people with all the different things that he mentioned. Is the hon. Member concerned also about libraries—the fact that we must keep our libraries open, not reduce their hours? They are incredibly important for our high streets as community gathering spaces and also a space where, obviously, people can read books.

Jim Shannon: Absolutely. We are fortunate to have a number of libraries in my constituency—in Ballynahinch, Killyleagh and Newtownards. The draw of the libraries is really important, and I thank the hon. Lady for that intervention.

Ards truly has it all. It has won Northern Ireland High Street of the Year on multiple occasions. But we have lost a number of bank units. We lost the Halifax, Bank of Ireland and First Trust, but we retain Nationwide, Danske Bank, Santander, the Progressive Building Society and Ulster Bank, and long may that continue. I always give a Northern Ireland perspective to the debate. I am trying to be really quick, Ms Furniss. I look forward to the Minister's response. Perhaps he can outline, as he always does, the contact with the Northern Ireland Assembly back home to ensure that we can learn from here and there can be lessons from us to people here as well.

If the Minister does not mind my respectfully saying this, I have to express concern over the issue about national insurance contributions and what that will do to all the small shops. Some of the small shops have told me about how it will affect them, and it really is quite worrying. One shop employs eight people. The profit margin of 15% comes down to 1% with all the rates, rent, employment costs and so on, but the owner still has to feed his family. The bigger stores—the Tescos and Matalans—can do better.

I will finish with this, Ms Furniss; I am ever conscious that many people want to speak. I am thankful for the Newtownards chamber of trade and its innovations, from evening markets to children's fun days, in co-operation with the local council, Ards and North Down borough council. They are there to keep Ards thriving. I just do not see, unfortunately, the same energy top down. I hope that this debate is the beginning of changes for the high street retailers and Government working to retain and enhance their place in this country. When I speak here, I speak for every shop, not just in my constituency, but across this great United Kingdom of Great Britain and Northern Ireland, because that is where the benefits are. I look to the Minister for a positive response.

10.4 am

James Naish (Rushcliffe) (Lab): It is a pleasure to serve under your chairmanship, Ms Furniss. I am grateful to the hon. Member for Caithness, Sutherland and

[James Naish]

Easter Ross (Jamie Stone) for bringing this debate to Westminster Hall today. I am proud to represent the constituency of Rushcliffe, which includes large swathes of rural Nottinghamshire. From Cotgrave to East Leake, rural communities across my constituency are facing ongoing challenges, as the services that many residents rely on are slowly disappearing. Banks, post offices, pharmacies and even pubs, once the lifeblood of villages and towns, are shutting their doors, leaving many residents increasingly isolated and without the essential services they need.

For me, and I think many hon. Members present, this issue is not just about convenience. As has been described, it is about social cohesion, economic sustainability and the fundamental right of rural residents to access the same level of services as their urban counterparts. If we are to ensure that our rural communities are thriving rather than declining, we must take action to address the concerning trends that we have witnessed over the past decade.

The statistics paint a worrying picture. Between 2015 and 2023, more than 6,000 bank branches closed across the UK, with rural areas hit hardest. We have talked about post offices, which often serve as a replacement for lost banking services, but they are also under immense pressure: in 2000, the UK had more than 17,500 post offices; today, that number has fallen to 11,500.

Also key are pharmacies, which I do not believe have been mentioned yet. They too are vanishing from our communities. The National Pharmacy Association warns that closures are accelerating, leaving many rural residents, especially elderly and disabled individuals, without easy access to prescriptions and essential healthcare advice.

Ben Maguire: Bodmin, in my rural constituency of North Cornwall, has lost almost all its pharmacies; it has one on the high street. The Cornwall health and wellbeing board has stipulated that no two pharmacies can be within 1 mile of each other, meaning that any future pharmacies will have to be at least 1 mile out of town. Does the hon. Member agree that that rule is not helpful to our high streets, and certainly not helpful to our residents in rural areas, who struggle to get to pharmacies?

James Naish: I absolutely agree. I am strong supporter of the Pharmacy First initiative, and it is essential that as a Government we look at ways to expand that scheme, so that more and more people use their pharmacies and the pharmacies are therefore more sustainable.

On average, 29 pubs close every week in the UK, and in many cases there is no alternative place for our communities to gather. We need urgent action to reverse this decline, and in my view Government support is critical.

I welcome initiatives around banking hubs, but we also need to press our banks harder to ensure that they fulfil their moral obligations to our communities. I welcome the high street auction initiatives, which allow vacant properties to be brought back into use. It is vital that we unshackle funding to empower local councils and decision makers to support their areas. I also encourage the Government to accelerate business rates reform, which I know we are committed to.

We must ensure that rural communities have the same access to essential services as urban centres. I look forward to hearing from the Minister about how we can all work together to safeguard vital community assets and keep our rural high streets alive.

Several hon. Members rose—

Gill Furniss (in the Chair): Order. I ask Members to keep strictly to three minutes. You are going over that limit and speaking other people out. If you cannot keep to the limit, we will have to put the timer on, and you will be cut short.

10.8 am

Charlotte Cane (Ely and East Cambridgeshire) (LD): It is a pleasure to serve under your chairship, Ms Furniss. I congratulate my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this important debate.

Businesses in Littleport, Soham and Ely work hard to keep the high streets lively, but they are undermined by increasing costs and reduced services. Barclays bank pulled out of Ely recently, and now just has a hub in the library. Hard as it is in the market towns, it is even harder in our villages. Any banks left years ago, and many post offices and, as we have heard, chemists have closed. With limited public transport, people struggle to access cash, services and goods.

Pubs, which struggled before covid, find it hard to maintain regular opening hours and in some cases to remain open at all. For many of our villages, pubs are the only public spaces left, as we have heard. Cash-strapped local authorities cut back on maintaining the public realm, making our high streets less attractive. Under-resourced police struggle to address the increasing problem of shoplifting. Business rates are high and increase if businesses improve their properties. The recent Budget increased staff costs, and when a neighbouring business closes, those premises remain empty for months. At best, that is unattractive; at worst, it attracts vandalism and antisocial behaviour.

The Government really need to support our high streets by getting on with overhauling business rates, supporting improvements to the public realm and allowing our local authorities to engage and get these empty properties into use again. We need to make our high streets more attractive so that we have services for our communities.

10.10 am

Terry Jermy (South West Norfolk) (Lab): It is an honour to serve under your chairmanship, Ms Furniss. I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this debate. I have enjoyed every one of my visits to Scotland, but none more so than to the very north of Scotland.

Many rural areas, such as my own South West Norfolk constituency, have seen services decrease over the past 14 years, often forcing people to travel very long distances to access some of the most basic services. That is difficult enough, particularly if someone is elderly or disabled, but is even more challenging given the lack of public transport options in these communities. Just last

week, I was informed of another local convenience store closing in a rural village in my constituency—another blow to our community.

I was pleased to attend a meeting of the Association of Convenience Stores last week, where we spoke about how crucial these stores are to their communities. Fortunately, I can still think of a number of brilliant local examples bucking the trend in South West Norfolk: Yallops, for example, in Mundford—a post office, a shop and a butcher's. The successful ones seem to be multi-purpose.

Sarah Dyke: The Butleigh village shop in my constituency of Glastonbury and Somerton will shut its doors for the final time and the post office alongside it will go, leaving the constituents without two essential services. Does the hon. Member agree that we must invest in small, rural shops so that they can maintain essential services such as a post office?

Terry Jermy: Absolutely; I thank the hon. Member for that intervention. That was very much the conversation we had last week about how we can support rural stores and bring more services together to make them multi-purpose. I recently visited the community-owned Blue Bell pub in Stoke Ferry. The last pub in the village, it now delivers a whole range of vital services over and above the traditional pint. I pay tribute to Jim and Sandra McNeill, two of the driving forces behind that ambitious project.

I have a strong passion for delivering services closer to where people are, particularly in our rural communities, rather than, for example, forcing even greater numbers into giant hospitals that are often long distances away. I love the idea of popping down to the local boozer to get a blood pressure check or a flu jab. The old cottage hospital model and outreach services have all gone, pushing people into giant hospitals. We have got to get people out into the community. I remember going to get my blood pressure checked or my blood taken; I would pop into the town centre or the village to buy stuff while I was there. We have been forcing people out of villages and into towns and cities.

We need to talk about connectivity—roads, trains, broadband and mobile phone signals—because the growth potential in rural communities is significant. I am pleased with what the Government have done so far, and I look forward to hearing what the Minister has to say.

10.13 am

Adam Dance (Yeovil) (LD): It is a pleasure to serve under your chairmanship, Miss Furniss. I thank my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this vital debate.

As in many rural areas across the country, high-street services in my constituency of Yeovil have slowly vanished. That includes banks, businesses and pharmacies, as well as culture and leisure facilities. Many of the banks in my constituency have shut their doors. Lloyds bank has closed its branch in Ilminster, and is now closing its branch in Chard. Although we have managed to secure a banking hub for Crewkerne, Ilminster and Chard have been denied banking hubs, despite having the same needs as Crewkerne.

I urge the Government to reassess how appropriate LINK's criteria for suggesting banking hubs are for rural communities. I still do not believe that travel times or rural geography are being properly considered. There also needs to be as much emphasis in LINK's assessments on maintaining face-to-face services as there is on access to cash.

Alison Hume: On banking hubs, it has not come up in this debate that we are losing banking services that are open five days a week for a banking hub that, in the case of Whitby, is only open one day a week for a few hours. Does the hon. Member agree that that is a big reduction?

Adam Dance: I agree; it is a big reduction. Fortunately, in Crewkerne in my constituency, our banking hub will be open five days a week, but I agree that they need to be reassessed.

Beyond banks, many businesses on the high street in my constituency have had to close, such as Kazbar in Yeovil. The broken business rates system has been a significant driver of many of those closures. If we want to support businesses on rural high streets, we need a commercial landowner levy, which would tax only the land value of commercial sites.

Pharmacies also provide vital services to our high street. The 20 pharmacies in my constituency are at the heart of local healthcare but are under severe pressure. Across the country, an estimated 1,200 pharmacies have had to close over the last seven years. I hope that the Government reassure us today that, in their discussions on the 2025-26 funding contract, they will focus on reaching an agreement that exempts our pharmacies from the rise in employer national insurance contributions.

Finally, we must not forget the vital cultural services that our high streets can provide. I had the honour of opening Yeovil's new amphitheatre at the Triangle, which creates a new public open space and focal point for events. We need more projects like that, but between 2010 and 2024 annual spending on culture and leisure services saw a real-terms fall of £2.3 billion. It is vital that local authorities receive more funding from the Government to support the arts and culture so that we can provide excellent culture projects to regenerate our high street.

In conclusion, the tide of closures on our high streets must be reversed. Our constituents deserve high streets that they can be proud of, and which provide services we need, not boarded-up shops.

Several hon. Members rose—

Gill Furniss (in the Chair): There are still many of you wishing to speak, so I will restrict you each to two minutes because we want to hear a response from the Minister and the spokespeople. I call Alison Hume.

Alison Hume: I would like to give my time to somebody else. I have intervened on the subjects I wish to speak about.

10.17 am

Peter Prinsley (Bury St Edmunds and Stowmarket) (Lab): I thank my hon. Friend the Member for Scarborough and Whitby (Alison Hume) for that. It is a pleasure to serve under your chairmanship, Ms Furniss.

[Peter Prinsley]

Stowmarket's high street is called Ipswich Street. It is the central artery of the town, running through Stowmarket from the historic marketplace. Only a few years ago, it was a busy street, bustling with commercial activity. People came to Stowmarket from nearby villages to go shopping. Many of them went on to visit other attractions, such as the amazing Food Museum—which I recently visited—and the John Peel Centre for Creative Arts. However, stores started to close, one after another, and six shopfronts now lie completely empty. It is a familiar scene up and down the country: high streets disfigured, with vacant shops sticking out like missing teeth. That has a terrible effect on local communities. As the stores close, the town centre becomes trapped in a vicious circle: few people want to go shopping, the high street is full of boarded-up shops, footfall declines and more stores close. We have heard about that in this debate. My colleagues will be familiar with the problem of banks vacating the high streets—indeed, we now have more food banks than actual banks in this country. Other shops follow the banks in shutting their doors. The town centre loses the café and the pub that both performed a vital service as focal points for the community.

The Government must find a way to mitigate the effect of these stores closing. Times change, commercial life and society have changed, but let us preserve the high street.

10.19 am

Steff Aquarone (North Norfolk) (LD): I thank my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this debate.

In North Norfolk, half of my constituents live in settlements of just a few hundred houses, or even fewer; the other half live in market towns, all but one of which have populations well under 10,000. The health of our rural high street is probably the most significant barometer of prosperity, economic health and the state of the nation, so it is imaginably disastrous whenever any business shuts up shop.

We have been extremely lucky, not least in the success of Lib Dem-led North Norfolk district council in securing funding for things like the heritage action zone project in our largest town, North Walsham, which has created a new sense of vibrancy and optimism by refurbishing the town centre and giving many of the historic shopfronts a much-needed facelift. But street furniture and material renovation alone cannot mask the fact that our rural high streets are suffering. That is in no small part down to a gradual managed decline of rural services. Yesterday morning, I had the pleasure of cutting a ribbon on the brand-new banking hub in Holt. Holt lost its final bank branch in 2021, and ever since I have been working alongside the community to protect access to banking services and cash. We continue to lose bank branches across the constituency. I am campaigning hard for better access to banking in those towns where the last ones are starting to look flaky.

In Wells-next-the-Sea, we are at risk of losing our visitor information centre, which faces a funding shortfall. I am pledged to work alongside them to find new funding streams. It is a vital shop window for our local

businesses and attractions. I cannot help but reflect that the crisis in local government funding is also putting high street services at risk.

Those high street services are so vital to our community. In North Norfolk we have the oldest population in the country, so easily accessible services are a lifeline for many of my constituents. Preserving and protecting services is a top priority for local people, so a top priority for me. I welcome this debate as a chance to shout about the challenges they face and will continue to ensure that the Government are giving my community the support it needs.

10.21 am

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): It is a pleasure to serve under your chairship, Ms Furniss. I thank my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this timely debate.

We heard last week that the banks will be closing their doors to more customers. Lloyds Banks has decided to close an extra 136 bank branches, despite making £7.5 billion in pre-tax profit in 2023, an increase of 57 %. That followed years of tax cuts given to it by the previous Conservative Government. Lloyds has decided to reward its customers by closing its doors to them. Shame on Lloyds Bank. Banks have been permanent fixtures on our high streets for centuries. The Lloyds branch in Brecon was founded in 1778 and is part of our town's history.

Bank closures will reduce footfall in our town centres, hurting the local economy. Pontardawe's Lloyds bank will also close in November. More than 300 local residents have already told me about the challenges that will cause them. The elderly and vulnerable people in Pontardawe deserve to have somewhere safe and easy to go to access their own cash. The same is true of local businesses. Pontardawe is a gorgeous town with some very successful high street businesses. The bank's closing will make life harder for those local traders.

The banks are abusing their market dominance to pile pressure and costs on to local businesses that can ill afford it. Local traders are being told to make further journeys just to access cash. That is piling the costs on to them, and our local economies will suffer as a result. Imagine being a wheelchair user in Presteigne. After the bank branch on its high street closes on 3 March, the nearest banking hub—when it opens—will be in Leominster, 14 miles away. The bus journey to get there is two and half hours. Why are we letting our banks do that to people?

While those bank branches are open the Government must ensure that they remain so. They should remind Lloyds and all other banks that the Government are in charge, setting the conditions for our banks, and not the other way round.

10.23 am

Edward Morello (West Dorset) (LD): It is a pleasure to serve under your chairmanship, Ms Furniss. I would also like to thank my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this important debate.

The wonderful towns of West Dorset may be small, but they are mighty. The resilience of our local businesses cannot be overstated. The Liberal Democrat-run town

councils have done a brilliant job in supporting the high streets and working with local businesses to help them to recover from the ravages of covid. Our towns of Bridport, Dorchester and Sherborne have seen encouraging signs, but we should be clear that there is still much work to be done to ensure their long-term success.

In Bridport, where footfall is rising, the town boasts an impressive array of independent retailers, markets, pubs and cultural venues such as Bucky Doo Square. Bridport and West Bay enjoy 596,000 day visits a year, and up to £49 million in tourism spending, including £10 million on shopping alone, driven in no small part by the packed calendar of community events. Retail unoccupancy in the town is just 7%, significantly below the national average of 14%. However, even with that success, the number of vacant shops remains above pre-pandemic levels, and we cannot afford complacency.

Dorchester's Sunday market draws over 10,000 visitors, leading some businesses to extend their opening hours. That is a positive step, but we must build on that momentum. Seasonal fluctuations remain a challenge in West Dorset, and without Government support, the improvements we have seen risk being undone. Sherborne, too, has shown the ability to attract new businesses with cultural events, such as its Abbey concerts, the Literary Society's festival, the Sherborne International Film festival and the Sherborne festive shopping day, helping to bring more people to the town.

There are also challenges in Sherborne; its last remaining bank is soon set to close and be replaced by a banking hub. That transition highlights the ongoing struggle to maintain essential services in rural communities. There must be clear action, because business rates and rising national insurance costs are placing additional pressure on small enterprises which have already weathered so much. Our local producers, farmers and microbusinesses, which form the backbone of West Dorset's economy, need targeted support to navigate the economic challenges.

Our high streets are not just places to shop; they are where communities come together. In Bridport, R. J. Balson & Son was established in 1515 and it is the oldest butcher's in the country. Family-run businesses and local markets instil a sense of community belonging, and those businesses need our help, not just from consumers who we must urge to shop locally rather than online, but from Government policies that recognise the unique challenges of high street communities.

10.26 am

Rachel Gilmour (Tiverton and Minehead) (LD): It is a pleasure to serve under your chairmanship, Ms Furniss. I congratulate my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this debate.

Rural high streets make up the heart of the local communities, and it is vital to draw attention to the difficulties they face. One crucial service run on rural high streets is banking. My area of the country is not blessed with good broadband connectivity, making online banking a difficult task. Many of my constituents were also not born into the digital age, and for them, changing to online and mobile banking can be difficult.

The high streets across my community include some 15 community pharmacies. They are all threatened by the perilous financial state of the health sector. Pharmacies need a better deal from the Government and a real-terms

funding uplift, preferably backdated to account for the fall in value that the sector has seen. Without that, we will risk losing those vital services from the high street.

The constituent part of the high street are the businesses that make up the vibrant centre—whether they are the fantastic cafés such as Whelans, where I regularly grab a mid-morning snack in Wiveliscombe when hosting surgeries, or the charity shops where I regularly buy the clothes I showcase on my social media—and it is those businesses and more which engender the spirit of community and truly make up the high street.

If we lose our high streets in rural settings, it will be very hard to get them back. The old market towns and villages across my constituency hold cherished memories. It is not too late, but we need to act fast and with urgency, otherwise rural communities will continue to see those services moving away from their high streets. I hope that this Government are up to the challenge, but I remain to be convinced.

10.28 am

Manuela Perteghella (Stratford-on-Avon) (LD): It is a pleasure to serve under your chairship, Ms Furniss. I thank my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for securing this important debate.

Across rural areas, including in my constituency of Stratford-on-Avon, we are seeing too many high streets lined with empty shops, despite strong demand from small businesses eager to establish themselves. We have sadly seen announcements of Lloyds Bank closing branches in Alcester and Shipston-on-Stour. We have been promised a banking hub for Alcester, and now we need to ensure that banking services are kept in Shipston.

Our small businesses are the backbones of the rural economy, and they are struggling. That is not just an issue of declining footfall, but of landlords who are holding out for unrealistic rents, and the current business rates regime.

Carla Lockhart (Upper Bann) (DUP): The hon. Member will know that many shops have been resilient to increased costs over recent years, but does she agree that the hike in national insurance contributions and increase in wage in the recent Budget have created a cliff edge for businesses? We will see the hospitality sector fall over, and there needs to be a bespoke support package in place for those businesses.

Manuela Perteghella: I completely agree. Many hospitality businesses have written to me about the damage from the hike in national insurance contributions.

Prime retail spaces have been left unused while our rural economy struggles. The old BHS building in Stratford-upon-Avon, which is located at one of the town's principal gateways, has been left empty and derelict for almost 10 years. Local authorities must be given powers to step in and act. Strengthening compulsory purchase powers is a step in the right direction, allowing communities to take back control of neglected properties and revitalise their high streets. High street rental auctions will make a difference on empty properties up and down the country, and I hope to see them rolled out in my constituency soon. With the right support, our rural

[*Manuela Perteghella*]

towns and villages can become thriving hubs of local enterprise, boosting the economy, social inclusion and community spirit.

Cameron Thomas: I am very fond of my hon. Friend's constituency. I recall a visit to Stratford-upon-Avon for a stag do, when my friends and I embarked on one of its many ghost tours—I have to say that my Geiger meter was unmoved. There is so much about her constituency and mine that adds to the character of the UK, and I am sure she will agree that it is worth investing in.

Manuela Perteghella: I thank my hon. and gallant Friend for promoting our fantastic town walks in Stratford-upon-Avon and I fully agree with him. The Government must ensure that local authorities and community groups have the tools they need to make this change happen.

10.31 am

Clive Jones (Wokingham) (LD): It is a pleasure to serve under your chairship, Ms Furniss. I congratulate my hon. and gallant Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this important debate.

In opening the debate, my hon. Friend spoke eloquently about the losses suffered in his constituency. I commend him for championing this issue, because the story is similar across much of the United Kingdom. It is unfortunate, but the Great British high street is struggling, and nowhere can that be seen more clearly than in our rural communities. The high street is the lifeblood of a village or small town, and it is often the reason it grew in that location in the first place, yet across the country, from Cumbria to Somerset to Norfolk, many high streets are struggling to keep their businesses open, producing a cycle of decline in which vital services close their doors and the local population is left worse off.

My Liberal Democrat colleagues and I are concerned that closures of bank branches and free-to-use cash machines are making it increasingly difficult for some people to get cash and to do their banking in person. In last week's post office debate, I explained how my constituents and I were awaiting a decision on an appeal to Link following its rejection of a banking hub in Wokingham. Our appeal was rejected. The frustration of dedicated campaigners in Wokingham, such as Lynn Forbes, is palpable and I share it. However, we will keep going to get a banking hub. The existing banking services in Wokingham are not suitable and I am concerned that if the post office in WHSmith, which offers banking services, has to close due to external factors, the situation will be made much worse. One constituent wrote to tell me that they waited 45 minutes to withdraw £15 from the post office. That is just unacceptable.

Link stated in its review of the appeal that, under the Financial Conduct Authority's rules, its assessment criteria are based on access to cash and not access to banking. That is wrong. Can the Minister explain why consideration of bank access is excluded when determining the location of a banking hub? Will he commit to introducing further legislation to require protection of bank access? I also call on the Government to make changes to the Financial Services and Markets Act to help foster more community banking hubs.

The impact of losing these services on our rural communities is clear, as older and vulnerable people, who rely on face-to-face services, become lonelier and experience great difficulty in accessing essential services. The situation is entrenched by digital exclusion; not all residents can use online banking or shopping, particularly in areas with poor broadband. House of Commons Library data shows that my constituency of Wokingham has above-average download speeds. I recognise the fortune of our circumstances, but the village of Finchampstead in the constituency is in the bottom 30% of UK download speeds. Wargrave, Hurst, Swallowfield and Spencers Wood are also in the bottom 30% for superfast availability. Does the Minister agree that we need to prioritise rural areas when rolling out broadband improvements?

As my hon. Friend the hon. Member for Caithness, Sutherland and Easter Ross said, there is urgent need to reform business rates. Proper reform should help the viability of many high street retailers. Local councils can and should work with town centre businesses to keep the high street as lively as possible. I am very pleased that my local Liberal Democrat council in Wokingham is taking the initiative on trying to improve our high streets.

Transport is also key. When the community loses its nearby centre, people must travel further, adding transport costs and inconvenience. The increase in the fare cap to £3 is a bus tax that will hit working people, rural communities and people on low incomes especially. It is a decision that will make congestion worse and travel by public transport more expensive. While the Government have been left to make difficult choices, they cannot allow the burden of fixing the Tories' mess to fall on working people and small businesses. Bus services are the backbone of economic activity in communities across our country. If the Government were serious about growth, they would invest in services that will boost our struggling town centres and high streets. What steps are the Government taking to support rural bus services and the provision of alternatives to conventional bus services where they are not viable, such as dial-a-ride and on-demand services?

Finally, rural health services are under strain, and some local GP practices are shutting down or merging into larger, harder-to-reach facilities. Others were simply not there in the first place, such as in Arborfield Green in Wokingham. Wokingham is in the Berkshire West integrated care board area and we have 2,105 patients per GP, nearly 500 more than the English average. What steps are the Government taking to ensure that there is adequate space for primary care facilities across new build developments and in rural areas?

10.37 am

Andrew Griffith (Arundel and South Downs) (Con): It is a pleasure to serve under your chairmanship, Ms Furniss. I congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this important debate. We have had a delightful virtual tour of every one of the nations around our United Kingdom this morning.

I speak not only as the shadow Secretary of State for Business and Trade but as the MP for rural Arundel and South Downs in West Sussex. The vast majority of my constituents live in rural areas. They rely on small

high street businesses and services, including pharmacies, post offices and local banks, for all aspects of their lives—to access cash, to put food on their table, to pour their pints and to provide the products they need to care for themselves and their families. Local high streets are the heart of our communities, and we are talking today about a fragile ecosystem—an ecosystem that is facing extinction.

The choices that the Government made in the autumn statement will be terminal for thousands of businesses on our high streets across the country. It is difficult to overstate the headwinds that the Government have placed upon those businesses. The jobs tax—the increase in national insurance contributions and reduction in the threshold—means that employers will be forced to pay more and will leave shopkeepers, hairdressers, postmasters and publicans wondering how they will keep staff on their payroll this year. It is a highly regressive measure that will hit the low paid and part time the most. The chief executive officer of UKHospitality, Kate Nicholls, has said that the increase in NICs will cost the hospitality industry more than £1 billion, and predicts business closures and job losses within the year. Not a single pub, café or restaurant on our rural high streets will go untouched.

The Government's decision to restrict flexible employment contracts will predictably leave high street businesses, which rely on flexible staff, in an impossible situation, without any hope of staffing for seasonal peaks and troughs. The British Institute of Innkeeping has warned that the Budget will cause 75% of pubs to cut their hours, 40% to reduce further their opening times, and one in three to make staff redundant. That was always a predictable outcome.

The cancellation of the community ownership fund has removed a potential safety net for communities. For business owners who have built a legacy, taking risks and employing local people over the course of their career, there is a real question mark over what will happen to their enterprise following the Government's vindictive family business death tax. The Farm Retail Association said yesterday that as many as one in two farm shops could be forced to close their doors in the coming years. Farm shops are being hit by one aspect of the Budget, and local farmers who supply produce by another.

A number of Members rightly spoke about the importance of local post offices and banking hubs. They are absolutely right that they are a crucial lifeline for isolated communities, and I know from personal experience that they have been forced to overcome challenges in recent years. Banking hubs are important not just for access to cash, but to support the growing elderly proportion of our population. They are also vital in enabling high street traders to deposit their takings so that they can continue to take cash. As the responsible Minister at the time, I opened some of the earliest banking hubs. The Minister has continued to pursue that agenda, and I hope he will confirm today that the target of 500 banking hubs—one for almost every constituency—by 2030 remains.

The official Opposition will not apologise for standing up for small businesses. I believe that the Minister is a good man, but he should admit the truth that he will not speak: the Treasury does not have businesses' back. Unless rapidly reversed, the measures in the Budget will

devastate access to rural services and ruin our rural high streets. People will lose their jobs, and shutters will close forever.

10.42 am

The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas): It is a pleasure to serve under your chairmanship, Ms Furniss. In the usual way, let me, too, congratulate the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) on securing this important debate.

We have heard a series of powerful speeches from Members from Northern Ireland and from the Liberal Democrat Benches, and some particularly strong speeches from my hon. Friends the Members for Na h-Eileanan an Iar (Torcuil Crichton), for Rushcliffe (James Naish), for South West Norfolk (Terry Jermy), for Bury St Edmunds and Stowmarket (Peter Prinsley), for Monmouthshire (Catherine Fookes) and for Scarborough and Whitby (Alison Hume). I note in passing that not one Conservative Back-Bench MP or Reform MP is present to champion rural areas. I gently say to the shadow Minister that if the previous Government had done a slightly better job, this debate would perhaps not be necessary.

I will address as many of the points that have been raised as I can, but let me first say this. It goes without saying that our high streets play a vital role in providing a place for communities to come together, work, socialise, shop and access essential services. I very much share the passion of Members across the Chamber for ensuring that all communities in rural areas have access to those services, wherever they are in the UK. Rural areas offer significant potential for economic growth. More than half a million businesses are registered in rural areas, and the rural economy contributes more than £315 billion a year in England alone. The Government are committed to improving the quality of life for people living and working in rural areas, in part so that we can realise the full potential of rural businesses.

If a high street or town centre is to flourish, residents, businesses and councils must work together to develop their own unique offer for the high street that resonates with the local community. That is why this Government are focused on our five-point plan to breathe life back into Britain's high streets: addressing antisocial behaviour and retail crime, reforming the business rates system, rolling out banking hubs, stamping out late payments, and empowering communities to make the most of the vacant properties with which rural communities, and indeed urban ones, are all too familiar. We have already made progress on that plan.

My Department is working with others across Government to ensure that we do all we can to create thriving high streets now and long into the future. Our small business strategy, which we will publish later this year, will set out further plans to support small businesses on the high street and beyond. We want to support efforts to ensure that all our high streets are places for our businesses, local people and visitors, creating jobs and economic growth wherever they are in the UK. When thinking about solutions to the future of the high street in rural areas and more generally, we need to recognise that no two high streets are the same, and that the way we live and work is evolving quickly.

A series of hon. Members raised the issue of high street banks and branch closures. The UK branch network is now below 5,000—half what it was in 2015—and

[Gareth Thomas]

although the banks point to the increasing use of digital channels for day-to-day banking, access to cash and in-person banking services are still essential for many, not least the elderly and the vulnerable, who often need face-to-face engagement to get their banking sorted.

Jim Shannon: I commend the Minister for his response. My constituency has lost the most banks—I think we have lost 12 over the years. It is obscene and immoral that the banks are making exorbitant profits, in the hundreds of millions, at the same time as they close branches and deny pensioners and vulnerable people the right to bank access. Has the Minister spoken to the banks about their immorality in relation to their profits, and their dedication and responsibility to vulnerable people?

Gareth Thomas: We certainly want the banking industry to do more to work with us as a Government to ensure that there is much better access to financial services, in particular for small businesses. Too often, one of the big pressures facing small businesses is accessing the finance they need to expand and thrive. We know that good access to finance for small businesses is not universal; that is a challenge not only in rural areas, but more generally. We will continue to press the financial services industry generally, and banks specifically, in that space.

The Government have said that accessing physical banking services is important, which is why we are working closely with banks to roll out 350 banking hubs to provide people with critical cash and banking services on their doorstep. The hubs offer basic counter services, provided by post office staff, that allow people and businesses to withdraw and deposit cash, deposit cheques, pay bills and make balance inquiries. Many hubs also have dedicated rooms where customers can see community bankers from their own banks to discuss things such as staying safe from fraud, adding a lasting power of attorney, making payments or registering for online banking.

David Chadwick: Ystradgynlais is the biggest town in my constituency, and it has a catchment area of 24,000 people. People there tell me that they experience long waits when they go to use the post office, and that post office staff have lost cheques and made other errors that have created problems for local businesses. Does the Minister agree that a post office is no substitute for a functioning bank branch run by trained staff?

Gareth Thomas: Having some Welsh blood, I am instinctively sympathetic to the hon. Gentleman's constituents. I would not put it in quite the way that he did, but if he and his constituents have concerns about the service that the post office provides in his constituency, I am happy to take those up. Perhaps outwith this debate, he might drop me a line or have a word; I am certainly willing to press the post office. I will come back to the question of post office banking services.

Just before Christmas, the Chancellor opened the 100th banking hub in Darwen in Lancashire. Out of the 100-plus that have now opened, 12 are located in Scotland, seven in Wales and five in Northern Ireland. This is just the start. I am pleased that Cash Access UK and LINK have announced that over 200 banking hub locations have been recommended, including a further four in

Wales, one in Northern Ireland and 17 in Scotland. Among those will be a new banking hub in Wick, as the hon. Member for Caithness, Sutherland and Easter Ross mentioned. I acknowledge his work and campaigning for the banking hub in Wick, which I hope goes some way to addressing the concerns in his constituency that he mentioned.

On the question of banking hubs, I should say that where they are located is determined independently by LINK, the operator of the largest ATM network in the UK. An access to cash review can be requested via its website, which also sets out the criteria it uses for considering locations for banking hubs. These include population size, whether other banks remain nearby, the number of small and medium-sized enterprises on the high street and public transport links, as well as the level of vulnerability in the community.

When it comes to big high street banks pressing ahead with closures, we expect all banking firms to follow closely the Financial Conduct Authority's branch closure guidance in supporting their customers.

Mr Angus MacDonald (Inverness, Skye and West Ross-shire) (LD): Will the Minister allow me to intervene?

Gareth Thomas: I apologise to the hon. Gentleman, but he has only just rocked up to the debate, so if he will forgive me, on this occasion I will not give way. If there is a specific issue about which he wants to write to me, I would be happy to look at it.

Hon. Members will know that the FCA engages with banks and building societies to ensure that the impacts of branch closures on customers are properly considered. Where firms fall short, the FCA can and will ask for a closure to be paused or for other options to be put in place. Some banks also provide pop-up services, with a community banker visiting a library or a community centre to offer support where other options are not available. I understand that that has been the case in the constituency of the hon. Member for Caithness, Sutherland and Easter Ross following the announcement of the closure of the Bank of Scotland branch in Golspie, and that Lloyds Banking Group will be providing a pop-up community banking service on a regular basis to support local people with banking services.

For a number of reasons, we are beginning to look at what else the Post Office can do to improve its banking offer, and I hope to say a little more about that in a moment. When the local high street bank closes, the alternative option for accessing everyday banking services in person is the post office. As our economy has modernised and evolved, so too have our local post offices. Today, they are much more than just a place to send letters and parcels. They increasingly act as basic high street banks, but also as access points for some Government services and, in many places, as community hubs for an array of different activities, generating tremendous social capital in our communities. So it is right that the Government hold the Post Office to account to ensure there is enough provision across the country. We protect the post office network by setting minimum access criteria. At all times, we want 99% of the UK population to live within three miles of a post office and 90% to live within one mile.

Edward Morello: The Minister seems to be outlining very succinctly the failure of the banks to provide a service and the importance of post offices in providing

services. I am struggling to understand why the Government are punishing the Post Office with national insurance contribution rises while maintaining the Tory tax cuts for the banks, so will the Minister explain why we are rewarding the people who are failing us and punishing those who will now provide this service to us?

Gareth Thomas: The hon. Gentleman will know that the Government had a very difficult fiscal inheritance and had to make some very tough choices in the Budget back in October.

We continue to provide a subsidy to the Post Office of some £50 million to ensure that the loss-making parts of the network can be maintained. Indeed, just before Christmas we provided a further £37.5 million to support the Post Office network this year. We are working with the senior leadership team at the Post Office on future opportunities, beginning with banking, so that the company can increase its product offers and commercial revenue while reducing its costs, as well as improving the service to all our constituents.

I heard the specific concerns raised by my hon. Friend the Member for Na h-Eileanan an Iar, whose constituency includes Stornoway, about the future of the directly managed post office in his constituency. No decisions have been made on the future of all the directly managed branches, but I know he will continue to campaign on the issue.

We want our post offices to form part of healthy, bustling high streets. Like the post office itself, our high streets have had to adapt quickly to the post-covid economy. High streets have faced more than their fair share of challenges in recent years, in terms of vacancies opening up—an issue that my hon. Friend the Member for Bury St Edmunds and Stowmarket referred to. That is why in December we brought forward new powers for councils, which can now force landlords to rent out unsightly, vacant, boarded-up properties via high street rental auctions. The new regulations will make town centre tenancies more accessible and affordable, giving local businesses and community groups a right to rent valuable space on their local high street. I welcome the fact that Bassetlaw, Darlington and Mansfield are already working with us as early adopters to help to learn how the new power can be used to make a difference.

We have also announced our intention to introduce a new community right to buy, empowering residents to address decline and protect valuable spaces such as pubs, theatres and cinemas, and thereby keeping those assets in the hands of the local community. We are investing in further initiatives to boost town and city centres, including by maintaining the high street accelerators that bring together the local community, businesses and property owners to work in partnership with their council to regenerate and revive local high streets.

My hon. Friend the Member for Rushcliffe referred to our work to improve and reform the business rates system. That was a key manifesto pledge that we are beginning to deliver on, with permanently lower tax rates for retail, hospitality and leisure properties, including

those on the high street, from 2026-27. We have published a discussion paper to explore what else we can do in this space.

My hon. Friend the Member for South West Norfolk referred to issues to do with digital connectivity. He will be pleased that we are committing over £500 million next year to deliver Project Gigabit and the shared rural network to roll out broadband and 4G connectivity, which will support growth in rural areas and beyond.

Digital connectivity is one consideration for rural communities but, as hon. Members have rightly pointed out, physical connectivity is another. For people in far-flung communities, especially those without a car or family living nearby, getting to the high street can be extremely difficult. We recognise that challenge and are responding in turn with more than £650 million for local transport outside city regions in 2025-26. The Department for Transport will say more about how that funding will be used shortly.

We are also providing more than £1 billion of funding to support and improve local bus services and keep fares affordable wherever we can. In December we introduced the Bus Services (No. 2) Bill that will put control over local bus services back in the hands of local leaders right across England. It is intended to ensure that bus services reflect the needs of the communities that rely on them.

I thank the hon. Member for Caithness, Sutherland and Easter Ross and all Members who participated in this debate for their contributions. High streets are the beating heart of all our communities. The services they provide are essential for the people and businesses they serve. As a Minister with a key interest in this area, I look forward to continuing to work with hon. Members to help to improve local high street services in their communities.

10.58 am

Jamie Stone: Briefly, I want to say three thank yous. The first is to Susie Babington, who researched my contribution this morning; I am very grateful. We rely on our excellent members of staff.

I thank all Members for their excellent contributions; I am very grateful indeed. The concept of having a pint of beer while having my blood pressure checked is an interesting and novel one.

Finally, I thank the Minister for what he said about the Wick hub. It is desperately important to me and means a great deal to my constituents. We Scots are reckoned to be a wee bit tight with our money, but if His Majesty's Government choose to send the Chancellor or the Secretary of State for Scotland up to open the Wick hub, I might even dip into my pocket and buy a large glass of Old Pulteney in Wick's excellent Mackays hotel.

Question put and agreed to.

Resolved,

That this House has considered the closure of high street services in rural areas.

Maternal Mental Health

11 am

Gill Furniss (in the Chair): About 10 Members have indicated that they wish to speak or intervene, which is unusual in a 30-minute debate. To make a speech in this debate, a Back Bencher must have the leave of the Member in charge, Ms Kyrke-Smith, and of the Minister. Obviously, there also needs to be time enough. If you wish to make a speech as opposed to intervening and have secured the necessary permissions, please stand as usual when the Member in charge has finished moving the motion and remain on your feet while I assess demand and the need for a time limit. I am expecting that we will need a two-minute limit. I request that other Members seek to intervene very, very briefly and only during the speeches of the Member in charge and the Minister. I will call the Minister to reply at 11.20 am.

11.1 am

Laura Kyrke-Smith (Aylesbury) (Lab): I beg to move, That this House has considered maternal mental health.

It is a pleasure to serve under your chairship, Ms Furniss. I am so glad to have secured this debate on maternal mental health, which I know really matters to people in my constituency and across the country, yet it is still too easily overlooked. For me, it is also very personal. In 2021, I lost one of my best and most brilliant friends, Sophie, to suicide. She left behind her wonderful husband and three little girls, aged six, three and just 10 weeks at the time. Her death was an awful shock to us all, and I will never forget the moment I received the message from her husband, which said:

"I do not know how to say this and I cannot believe I am writing this, but Sophie died this morning."

It was still the covid pandemic at the time. Sophie was very isolated, recovering from a C-section, staying at home, trying to protect herself and her baby from covid, and not wanting visitors, but we were in regular touch on WhatsApp, helping each other to navigate life with a little baby and two older siblings. Sophie was getting more and more concerned about her baby's feeding, and it was causing her to suffer from increasingly bad insomnia. She took herself to A&E with concerns about the baby's milk intake, which I suspect were more a reflection of her own anxiety than the baby's feeding, and she spent a night there before being discharged. I do not know whether they asked her about her own mental health. What I do know is that the next day her messages were increasingly distressed, and two days later she took her own life.

Unfortunately, what Sophie went through is not uncommon. At least one in five people who give birth experience a mental health problem during pregnancy or after birth. In fact, while we hear a fair amount about physical conditions such as gestational diabetes and pre-eclampsia, it is mental ill health that is the most common complication of pregnancy in the UK.

Jim Shannon (Strangford) (DUP): The fact that there are so many Members present is an indication of the importance of this subject. Does the hon. Lady agree that support is an essential component of maternal health and that, for those families who do not have extended support, charities such as Home-Start in my constituency, which have volunteers to go to help, are

essential and should be more widely funded to help more young mothers who feel they are drowning to get a lifeline back to the surface?

Laura Kyrke-Smith: I agree with the hon. Member; that support is needed, and I will come on to that.

The causes of these mental health challenges are really varied. Some people will have past experiences of mental health problems or difficult childhood experiences. Some will struggle after a traumatic birth. Some will be experiencing stressful living conditions. Some evidence suggests there are biological or hormonal factors, and some people are at higher risk than others: young mums face particular risks, with post-natal depression up to twice as prevalent in teenage mothers compared with those aged 20 or over, and data suggests that post-natal depression and anxiety are 13% higher in black and other ethnic minority mothers than in white mothers.

People's experiences of mental health are also really varied, ranging from mild to moderate conditions such as low self-esteem, anxiety and depression to more serious conditions including post-traumatic stress disorder and post-partum psychosis. While most people find a way through, perinatal mental health can be incredibly serious, as it was for Sophie.

Robin Swann (South Antrim) (UUP): I thank the hon. Member for bringing this very important issue to the House. With regard to perinatal support, does she agree that it is very important we have those professional teams in place, and that we get the additional value that comes from a physical mother and baby unit, where specialist support can be given to not just the mother and child but the family as well?

Laura Kyrke-Smith: I agree: mother and baby units are vital.

For women in the period from six weeks after giving birth to one year after giving birth, the leading cause of death is suicide. While I want to speak more widely today, I want us to be very conscious of that extreme end of the risks that women face. Despite the potential seriousness, the stigma around these problems is huge. Some 70% of women will hide or underplay maternal mental health difficulties, and in turn, they will never get the support they need.

Maya Ellis (Ribble Valley) (Lab): I thank my hon. Friend for bravely sharing the devastating story of her friend. I also have a wonderful friend, Sarah, whose daughter was a month old when the covid lockdown hit. She was so worried about breaking lockdown rules that she did not lean on friends and family and ended up having a mental breakdown. Does my hon. Friend agree that maternal mental health should be a high priority in any future emergency planning?

Laura Kyrke-Smith: I absolutely do, and I am sorry to hear of the experience of my hon. Friend's friend.

What are the consequences of all this? The human suffering is immense, but maternal mental health has economic consequences and costs, too—an estimated £8.1 billion each year in the UK, according to research from the London School of Economics, and nearly three quarters of that cost relates to adverse impacts on the child rather than the mother.

I want to suggest four ways in which maternal mental health support can be improved, and I will be as brief as I can. The first is improving specialist perinatal mental health services. The second is better embedding mental health support in routine maternity care. The third is improving community support, and the fourth is education and awareness raising.

Olivia Bailey (Reading West and Mid Berkshire) (Lab): I thank my hon. Friend for the powerful speech she is making, and I am so sorry to hear about her friend. Does she agree that we also need specialist support for those experiencing post-adoptive depression? Although they have not gone through the same physical process as birth parents, it can be equally devastating.

Laura Kyrke-Smith: Absolutely—that is one way in which people can experience severe mental health challenges and consequences, and it needs to be considered. I also want to acknowledge that new dads and partners experience mental health challenges too, but given our limited time, I am focusing today on maternal mental health.

Irene Campbell (North Ayrshire and Arran) (Lab): Does my hon. Friend agree that stigma around mental health, particularly maternal mental health, can be used by abusers as a barrier to women getting help? Domestic violence during the perinatal period and the effects on mental health require widespread attention, so that survivors can feel comfortable and safe when asking for support.

Laura Kyrke-Smith: I agree; we need to shed more light on this, precisely for that and other reasons.

I will touch briefly on my first recommendation, which is to ensure that specialist perinatal mental health services are protected. In the last 10 years, there have been significant steps forward. Mother and baby units in particular can be an important part of someone's treatment and recovery, as well as having significant benefits for the parent-infant relationship.

Tragically, there are still too many stories of women not being able to access those units. They are perhaps too far away from where a woman lives, or there is not a bed available, or the need for a mother to get that care has not been identified properly. We are still seeing mothers with newborns being put into adult psychiatric units and separated from their babies, despite the national guidance saying that mother and baby units are best practice. Continued support for these services is crucial, both in mother and baby units and in the community, and that must include research to develop the best interventions and robust evaluations of the care provided.

The Mental Health Bill is a sorely needed piece of legislation, and I really welcome it, but I wonder whether it might include a provision to ensure that all women who have given birth within the 12 months prior to admission to a psychiatric unit are given the option of being admitted to a ward where they can remain with their baby. That could help to prevent women from falling through the cracks in the system, as they do currently.

Secondly, I turn to routine maternity care, which is where the mental health support for the vast majority of women can and should sit. Again, we have seen progress,

with some vital new services in place, including care for women experiencing baby loss, severe fear of childbirth, birth trauma and loss of custody at birth.

Anna Sabine (Frome and East Somerset) (LD): I thank the hon. Member for calling this debate, which is clearly so important to her. In my constituency there is an excellent charity called HeartTalks that works with mothers who have experienced baby loss. Would she agree that post-partum check-ups are really important for all women, but particularly those who have suffered baby loss, regardless of the trimester it occurred in?

Laura Kyrke-Smith: I absolutely agree. A recent report from the Maternal Mental Health Alliance highlighted huge variation in the support services available locally, with confusing referral pathways, inequitable referral criteria and long waiting lists—some women have to wait six months for an assessment and up to a year for treatment. Too often, as I have noted, women are cared for unequally. Those who have existing disadvantages experience stubbornly poorer outcomes.

We need better integration of mental health into all routine contacts during pregnancy and after birth for all women who need it. During that period, women have an average of at least 16 routine contacts with health professionals, including GPs, midwives and others, and they are an ideal opportunity to ensure that women are routinely and compassionately asked about their mental health. I wonder if any healthcare professionals asked Sophie not just how the baby was but how she was. I wonder if the discussions about her baby's feeding were had in a way that sought to reduce her anxiety. I wonder if she was given less attention because this was her third child, and her earlier experiences had been smoother—but I will never know.

In the same way that many physical health complications are dealt with by multidisciplinary maternity services, the same should be true for mental health care. That means midwives, health visitors and others being trained to ask the right questions and assess the risks, and then psychological therapists, equivalent to those employed in talking therapies, integrated into maternity teams to support women's care where necessary. They would understand the specific needs and risks of the perinatal period, and be able to intervene quickly where that is needed.

Thirdly, I want to acknowledge the importance of community support for pregnant and new mums, as we have heard from other Members, and I recommend its expansion. There are fantastic voluntary groups providing some support, and in some places family support hubs are up and running, but often the postcode lottery kicks in again. We are a long way from the broader and more reliable provision that was established under the last Labour Government—notably the Sure Start model, which all the long-term evidence shows was so effective. As part of our national health mission to shift care from hospital to the community, we need to rebuild those community services, including for pregnant and new mums. We need them to be across the country and widely accessible, with clear maternal mental health guidance embedded in them.

Finally, it is incumbent on all of us to keep building a society where everyone understands the mental health challenges in the perinatal period, including the suicide

[*Laura Kyrke-Smith*]

risk in the most serious cases. Crucially, we all need to learn to be good allies to people who are struggling. I think about that a lot in relation to Sophie. When Sophie sent me messages saying, “Feeling desperate today”, and,

“I’m just not sure I have it in me to keep going”,

did I do enough? Did I worry about her anxiety? Yes. Did I worry about her being depressed? Yes. Did I worry about suicidal thoughts? Honestly, yes. But did I think she might take her own life? No. I have struggled with the guilt that I did not somehow do something to stop it, but I also recognise how ignorant I was and how hard this is.

I have had good conversations with Sophie’s dad about what needs to change. He is part of a group called Facing the Future—a support group for people who have lost family to suicide. One of his group members said:

“I think what I’d like to see is a more proactive and visible campaign to target those who are at risk. Not just for those at risk, but for their families/friends/carers/loved-ones. Let people know that it’s okay not to be okay...Give people the knowledge and confidence to ask someone they are concerned about how they are feeling, to know what to look for and ask, and to know where to go for help.”

That is absolutely right. There are some fantastic charities and campaigns out there. I know the Government are listening; I am particularly pleased that not just mental health, but suicide prevention are woven into our health mission, where moving from treatment to prevention is such an important focus more broadly. But there is more to do.

I conclude by saying that I do not want Sophie’s life to be defined by her death. I want it to be defined by her first-class Cambridge degree, her talents as a writer and actress, her Foreign Office career, her friendships, her playful sense of humour, and the beautiful family that she began to raise. I talk about her death because I hope her experience can be a catalyst for change.

While her story—every story like hers—and the wider statistics can seem bleak, the real story here is one of hope and potential. With the right support in place at this crucial and pressured time in women’s lives, they do surmount great mental health challenges and recover, often quickly and well—and their babies get off to a good start in life. The Government have embarked on transformative work to improve the country’s health, and better maternal mental health outcomes must be one test of our success.

Gill Furniss (in the Chair): Members should stand if they wish to speak. You have a very short amount of time.

11.15 am

Dr Danny Chambers (Winchester) (LD): It is a pleasure to serve under your chairmanship, Ms Furniss. I commend the hon. Member for Aylesbury (Laura Kyrke-Smith) for securing this hugely important debate and speaking so eloquently about her friend. As someone who has lost a close friend to suicide, I completely agree that they are not defined by their death, but by the impact they had during their life and the impact they had on other people.

Suicide is the leading cause of death among women in the six weeks to 12 months after giving birth, and maternal mental health in Winchester and across the UK is in crisis. As the Lib Dem spokesperson for mental health, I am hearing more and more stories about this from individual women. Every year, 600,000 women give birth, and one in five of those women will experience a perinatal mental health condition. This is a completely neglected mental health crisis, on an extremely large scale.

Polling from as recently as December 2024, commissioned by the campaign Delivering Better, representatives of which I am pleased are in the Public Gallery today, found that seven out of 10 women who have a negative birthing experience say that it has had a long-term impact on their mental health. A recurring theme is that women are not being listened to—that has been a theme in essentially every major maternity inquiry. Women are not listened to when they raise concerns pre, during and post labour, not listened to when they raise complaints with trusts about their care, and not listened to by successive Governments who have failed to treat this issue with the seriousness it demands. If this crisis is to be meaningfully addressed, far greater emphasis needs to be placed on the voices and experience of women and birthing people.

Lola McEvoy (Darlington) (Lab): I thank the hon. Member for giving way and thank my hon. Friend the Member for Aylesbury (Laura Kyrke-Smith) for securing the debate. Does the hon. Member agree that, given the scale of the problem and the barriers to new parents and new mothers asking for help, it is important that this Government focus on pre-emptive support, in case people are struggling with their mental health? We should assume that having a child will affect women’s mental health, and that assumption would force the Government to take a proactive approach to supporting women in that time.

Dr Chambers: I completely agree with the hon. Member and thank her for her important intervention. For years, we have been calling for better community healthcare. We know the demographics who are at high risk of mental health issues: not only women who are within a year of giving birth, but a whole load of other people, such as military veterans and farmers. Those groups of people need proactive help before they reach crisis point. It is more cost-effective to treat them earlier, rather than to pick up the pieces once they are in a crisis.

The Government recently announced that they will drop women’s health targets to avoid overspending, but it is clear that women’s health, including maternity care, has been deprioritised for too long. I urge them to reconsider.

11.18 am

Michelle Welsh (Sherwood Forest) (Lab): I thank my hon. Friend the Member for Aylesbury (Laura Kyrke-Smith) for securing the debate—I am so sorry about her friend Sophie.

Maternity services in this country are in a dire state. In Nottinghamshire, this has been exacerbated by the fact that we have had the largest maternity scandal in NHS history. We have seen at first hand how women have suffered from some of the worst care and treatment

imaginable; in many, if not most, cases they were left with little or no support and support was lacking or sparse.

I had a traumatic pregnancy and a traumatic birth. My son was born in the first week of the first lockdown. Despite having an emergency C-section due to not having been listened to, I was sent home in less than 24 hours. I was left alone and abandoned by the health services. The mental health situation that I faced does not go away—it never leaves you—but I am one of the lucky ones.

I do not wish to say much more, other than that maternal mental health provision will be fixed only when we fix our maternity services, and our maternity services start by supporting women before they are even pregnant. To get to the point where women do not go home feeling that they have done something wrong, that their situation is all their fault, and that they are useless and not capable of being a mother, we have to fix our system for how we care for women and babies.

11.20 am

Kirith Entwistle (Bolton North East) (Lab): It is a pleasure to serve under your chairship, Ms Furniss. I thank my hon. Friend the Member for Aylesbury (Laura Kyrke-Smith) for securing this crucial debate, and I am truly sorry to hear of her loss.

For too long, mothers' mental health has been dismissed. Women raising concerns are belittled and told they have "baby blues" when they are battling post-natal depression or even PTSD. This is personal for me. After my son's birth I requested a debrief—a simple conversation to process my own experience. My son turns three this year and I am still waiting. For doctors and midwives, it might be their thousandth birth, but for the mother it can be traumatic, particularly if it is her first.

Reports by the Care Quality Commission show that one in three mothers are denied pain relief, with some told to "suck it up" when they ask for help. That is misogyny, not medicine. As a member of the Women and Equalities Committee I am proud to have played a part in highlighting some of the medical misogyny that women experience with the publication of our most recent report.

I thank my hon. Friend the Member for Aylesbury for referring to post-partum psychosis, a severe but treatable illness that affects over 1,200 mothers a year. I am also proud that Amy Rothwell of Bolton Maternity Voices Partnership is working with Royal Bolton hospital to ensure that patient feedback drives real improvements. I urge the Minister to make maternal mental health in Bolton and around the country a priority. No mother should feel ignored or alone, and we really need urgent change.

11.22 am

The Minister for Care (Stephen Kinnock): It is a pleasure to serve under your chairship, Ms Furniss.

I am so grateful to my hon. Friend the Member for Aylesbury (Laura Kyrke-Smith) for securing this debate, for raising a number of important issues and for making such a powerful and moving contribution. I was very saddened to hear of the utterly heartbreaking circumstances of her friend's passing. I offer my sincere condolences to her and to Sophie's family and loved ones. I am also

thankful to all Members for their contributions, the sheer number of which, in such a short Westminster Hall debate, illustrates the importance of this issue.

The Government take this matter extremely seriously, which is why are placing a renewed focus on mental health and suicide prevention, including for women during the perinatal period. The figures show that the challenges are sobering, and many of the issues raised today are symptomatic of an NHS that is simply not addressing needs. Perinatal mental illness affects over a quarter of new and expectant mothers and covers a wide range of conditions. Research shows that in the UK around one in three women experience traumatic births, and one in 20 women every year develop post-traumatic stress disorder after giving birth. Between 2021 and 2023, 26 women died from mental health-related causes within the six weeks following pregnancy. Over a third of maternal deaths occurring between six weeks and one year after the end of pregnancy are from suicide, drugs, alcohol or other mental health-related causes. It is unacceptable that so many women are not receiving the maternal mental health care they need, and we are determined to change that.

That is why NHS England's three-year delivery plan for maternity and neonatal services commits to offering all women a personalised care and support plan, considering physical health, mental health and social complexities, with an updated risk assessment at every contact. Ten years ago, fewer than 15% of localities provided specialist perinatal mental health services for women with complex or severe conditions at the full level recommended in National Institute for Health and Care Excellence guidance, and more than 40% provided no service at all. Today, specialist perinatal mental health services are available in all 42 integrated care systems across England. Those services are available for women with or at risk of mental health conditions who are planning a pregnancy, are pregnant or have a baby up to two years old. That care includes increased access to evidence-based psychological therapies.

A record 62,723 women were reported to have accessed community perinatal mental health services and maternal mental health services in the 12 months to the end of November 2024. Women can be referred to services by any healthcare professional, including midwives, health visitors, GPs, hospital-based teams, mental health services and social workers. Self-referrals are accepted by some services. GPs also now deliver six to eight-week post-natal consultations that include a focus on perinatal mental health.

The services are provided by multidisciplinary teams to cover every aspect of women's health, often including a psychiatrist, nurses, mental health social workers, occupational health workers, health visitors, peer support workers and nursery nurses. The specialist perinatal mental health community workforce has almost doubled in the last five years. Furthermore, 165 mother and baby unit beds have been commissioned, 153 of which are currently operational. Mother and baby units provide in-patient care to women who experience severe mental health difficulties during and after pregnancy.

When a mother goes through the heartbreak of losing her baby, we must do everything we can to support her through bereavement. Many trusts have specialist bereavement midwives who are trained to care for and support parents and families who have suffered the loss

[Stephen Kinnock]

of their baby. All trusts in England are signed up to the national bereavement care pathway, which covers a range of circumstances of baby loss, with the aim of offering every bereaved parent the high-quality, safe and sensitive care that they deserve. In October, the Government extended the baby loss certificate service to help mums and dads who go through the nightmare of a pregnancy loss.

In addition, health visiting teams are well placed to provide mental health support to new parents. They can offer assessment at each contact, appropriate interventions and referrals when necessary. Some areas have health visitors who specialise in perinatal mental health to strengthen provision for families who need it.

However, service provision can and must be made stronger. That is why we are working with partners to improve the current health visiting services, including by looking at how we can best improve support for parental mental health, and by ensuring that it is sustainable for an overstretched workforce.

This Government want every child to have the very best start in life. Last month, we announced £126 million of funding until 2026 through the family hubs and Start for Life programme. That will provide a raft of support for families with babies, from pregnancy up to the age of two. It includes funding for bespoke support for parents and carers with perinatal mental health difficulties, and for parents-infant relationships.

This Government are committed to tackling suicide, which is one of the biggest killers in this country. My hon. Friend the Member for Aylesbury makes a very good point about building awareness and good allyship

in order to reduce suicide risk. The suicide prevention strategy targets pregnant women and new mothers as a priority group for additional support, so that fewer loved ones will go through the heartbreak of losing a friend or relative to suicide. More than 100 measures have been outlined in the strategy, aimed at saving lives, providing early intervention and supporting anyone going through the trauma of a crisis.

The Voluntary, Community and Social Enterprise Health and Wellbeing Alliance, managed by the Department of Health and Social Care, NHS England and the UK Health Security Agency, has sponsored a project, led by the Tommy's and Sands Maternity Consortium, which explores experiences of perinatal suicide and self-harm and their risk factors. We have allocated funding to 79 organisations up and down the country from our £10 million suicide prevention fund over the two years to March 2025. Those organisations, many of which are grassroots and community-led, are delivering a broad and diverse range of activity that will prevent suicide and help save lives.

I have taken careful note of the four proposals that my hon. Friend the Member for Aylesbury set out clearly in her speech, and I will work with my officials to give them the detailed consideration that they deserve. Although it takes huge courage to speak out about such painful matters in public, I have always thought that that is a vital part of our public discourse, which is enriched when we bring our experiences to these debates. I again pay tribute to my hon. Friend and all hon. Members who have taken part in this debate.

Question put and agreed to.

11.30 am

Sitting suspended.

Gambling Harms

2.30 pm

Alex Ballinger (Halesowen) (Lab): I beg to move,
That this House has considered gambling harms.

It is a pleasure to serve under your chairmanship, Mr Turner—your premier chairmanship, I might add.

I want to begin this debate by sharing a heartbreaking story about a young man, who I will call Ben. Tragically, last year, Ben took his own life at the age of just 19. He was addicted to gambling. In the two months leading up to his tragic suicide, he received 63 promotional emails from a single gambling company—63 emails, despite his addiction, relentlessly encouraging him to gamble. Despite his attempts to manage his gambling, Ben could not avoid being drawn back in by these persistent efforts. He ultimately felt that there was no way out.

Ben's story is not an anomaly. In fact, around 40% of gamblers who seek treatment in the UK have considered suicide. In 2023 the Government's own national suicide prevention strategy cited gambling as one of the six main factors linked to suicide in the UK. Ben's story is one example of how gambling addiction can lead to a tragic end, but Ben represents just one of the approximately 400 people across the UK who lose their lives to gambling each year.

Last week I had the deeply moving experience of meeting families who have lost children to such suicides. Their grief and pain are unimaginable, and their stories underscore the urgent need for further measures to address the crisis. During the meeting I spoke to Liz. Liz and Charles Ritchie lost their son Jack in November 2017. Jack was aged just 24. He had started gambling when he was 17. It was fixed-odds betting terminals that got him into gambling. These terminals are extremely addictive, and Jack found it increasingly difficult to stop. He reached out to his parents, and they helped him to exclude himself from the local bookmakers, but he was then drawn into gambling online. He again looked for help, this time installing blocking software on his computer.

Over the years, Jack managed to stop gambling for long periods of time, but the ubiquity of gambling marketing during his time at university made it impossible for him to escape. In 2017 Jack was lured back into gambling and relapsed for the last time. At Jack's inquest, which found that gambling had led to his death, the coroner highlighted the inadequacy of gambling regulation and the poor state of information and treatment. Jack's parents have dedicated their lives to raising awareness of gambling disorders, and his dad Charles is in the Gallery for this debate.

Every year hundreds of people across the UK end their own lives because of gambling, but there are many whose lives are hurt in other ways—through mental ill health, soaring debts, family break-ups and more.

Dr Beccy Cooper (Worthing West) (Lab): Does my hon. Friend agree with my perspective as a public health doctor that there is a need for population-level interventions? There is ample evidence of a need for stronger policy and regulatory controls that protect public health and wellbeing and prevent harm. Gambling is not simply a cultural pastime for people or a leisure facility; it is an addiction and it needs to be addressed appropriately.

Alex Ballinger: I wholeheartedly agree with my hon. Friend that a population approach is appropriate in this case, particularly considering the number of people that are harmed and the NHS's expertise in this area.

As a country we are experiencing record levels of harm caused by gambling. The most recent statistics from the Gambling Commission show that the scale of harm in the UK is huge, with 2.5% of adults—well over a million people—experiencing the most severe gambling harms. The Royal College of Psychiatrists tells me that it has seen a threefold increase in those referred for gambling treatment since people moved online during the pandemic. The Dudley-based charity Gordon Moody, which provides gambling treatment centres across the west midlands, tells me that it has seen an increase in referrals, especially among younger people. Last year it received 12,000 applications for its six-week treatment programme.

Anna Dixon (Shipley) (Lab): I thank my hon. Friend for securing this debate. According to GambleAware, around one in eight people in my Shipley constituency engage in gambling behaviour that is deemed to be harmful. Like my hon. Friend the Member for Worthing West (Dr Cooper), I see gambling as an addiction and a public health issue. I therefore welcome the Government's commitment to introduce the statutory levy on gambling and to put that £50 million into NHS services. Does my hon. Friend agree that it is vital that there are NHS services in every part of the country to support those suffering from gambling addiction?

Alex Ballinger: I agree with my hon. Friend and will come on to the statutory levy in a moment. It is particularly important that that fund is used not just for treatment, but for prevention; I will talk a little bit about that as I get through my speech. Last year, the Gordon Moody charity received 12,000 applications for its six-week programme. That clear spike in gambling harm goes hand in hand with the increase in online gambling.

As people turned to online gambling during the pandemic, they were often engaged in the most harmful forms of gambling. Online slots, for example, have all the characteristics associated with the most problematic types of gambling: the high speed of play, making it easier to quickly and repeatedly receive the psychological hit and potentially rack up huge debts; the ease of availability, allowing people 24/7 access from home through their smartphone, where they are potentially at their most vulnerable, and relentless marketing, with advertising ever present on social media and videogames, as well as in offers through email.

John Slinger (Rugby) (Lab): My hon. Friend is speaking very movingly about these tragic cases. I was also at the Gambling with Lives annual forum, and I met Lesley Wade, who tragically lost her son Aaron to gambling-related harm. He was 30, with a bright future ahead of him. His brother lives in my constituency. This insidious industry constantly offered Aaron perks and freebies, such as so-called VIP clubs, free tickets to football matches and hospitality. These companies are like parasites preying on people. Does my hon. Friend agree that the vast pay packets of the CEOs of some of the companies in this pernicious industry are not worth a single life, and that we must do all we can to reduce the number of lives lost?

Karl Turner (in the Chair): Order. Can I remind Members that interventions must be short.

Alex Ballinger: I agree with my hon. Friend that gambling companies are often preying on the most vulnerable in our society; those with the least and the most to lose. I wholeheartedly agree that stronger regulation is needed, and I will talk about that somewhat as I go.

Children and young people are particularly at risk. Just last week, *The i Paper* newspaper reported that children playing free mobile phone games are being targeted with gambling advertisements. Such adverts are priming children to gamble as soon as they are old enough to do so. A critical part of tackling gambling harms has to be stronger regulations on marketing, advertising and sponsorship.

Both Ben and Jack were drawn back into gambling by the constant offers and inducements to gamble that were seen everywhere. We cannot now watch a football match without being bombarded by gambling adverts. At the opening weekend of the premier league this season, there were 29,000 gambling messages—a 165% increase on the year before. How is that acceptable in a sport that so many children enjoy?

Abtisam Mohamed (Sheffield Central) (Lab): Does my hon. Friend agree that we are falling behind other countries with evidence of less harm? Countries including Belgium, the Netherlands, Italy and Spain have chosen almost full bans on gambling advertising and sponsorship. Does he agree that we need stronger controls to protect people, especially children, from harmful gambling advertising?

Alex Ballinger: I thank my hon. Friend for her intervention, and I wholeheartedly agree. Many European countries, as well as Australia, have put forward much stronger restrictions on gambling advertising, and it is very important for the protection of our children that we follow suit.

It is also the same on social media: on X—formerly known as Twitter—alone, there are now 1 million gambling adverts every year. The industry is clearly doubling down on this approach as it spends £1.5 billion a year on gambling advertising in the UK. While the gambling industry sometimes attempts to frame advertising and marketing as having no connection to harm, there is ample evidence that the marketing increases the use of the most harmful forms of gambling. Online incentivisation schemes, including VIP schemes, bonuses and free spins, are evidence that gambling companies think marketing gets people to gamble in their most profitable and harmful sectors.

Advertising and the exposure to gambling cues are the No. 1 issue for patients who access NHS gambling services, and 87% of people with a gambling disorder said that marketing and advertising prompted them to gamble when they otherwise were not going to. I spoke earlier of Ben, who was contacted more than once a day in the months leading up to his death. That level of contact and pressure must be addressed; it is simply unethical and puts gambling profits above the lives of our young people.

Ben Coleman (Chelsea and Fulham) (Lab): I also had a deeply moving meeting last week with a constituent whose son, aged just 19, had tragically taken his own

life, having become addicted to online gambling after six months of the same sort of advertising pressure my hon. Friend described. Does my hon. Friend agree that it is time for all parts of Government to acknowledge that problem gambling has become a public health emergency, that it is not enough for gambling to be left to the Department for Culture, Media and Sport alone to regulate and that it is time to stop listening to gambling operators' siren voices?

Alex Ballinger: I agree that the time to act is now—we need stronger regulations and stronger presence of the health system in our response.

Grahame Morris (Easington) (Lab): I congratulate my hon. Friend on securing this important debate. One death is one too many. However, 22.5 million people in this country gamble and enjoy betting safely without any problems, and there are 42,000 employed in betting shops on our hard-pressed high streets. Is it not important that we have regulation that is proportionate in the impact it has on this industry, which is so important to the United Kingdom?

Alex Ballinger: I agree that balance is important, but the situations that hon. Members have described in this debate show that balance is not there at the moment. No one is suggesting banning traditional forms of gambling such as bookmakers, horseracing, lotteries and so on. However, pernicious advertising and harmful online gambling need to be properly regulated, and that is not happening at the moment.

Sir John Hayes (South Holland and The Deepings) (Con): I apologise to the hon. Gentleman for arriving a little late to his opening remarks. The point is that the occasional flutter on the Grand National or a game of bingo, such as my mother played, is a world away from the gambling that he describes. A statutory levy has been announced; will he ask the Minister perhaps to talk about how it will operate? It must not be controlled by the very people who are doing the harm.

Alex Ballinger: I am delighted that the right hon. Member raises this important point, and I agree with him wholeheartedly; I will come on to the levy in a moment.

The public, too, are concerned about gambling advertising, with opinion polls consistently showing most people in the UK want a clampdown. As we have heard, we fall well behind other countries, with the Netherlands, Italy and Spain all having almost full bans on gambling advertising and sponsorship. We can clearly see that the boom in online gambling and huge rise in advertising and marketing is leading to an increase in gambling harms.

That leads me on to the legislation, which is in urgent need of an update. The last time primary gambling legislation was put forward was the Gambling Act 2005, which established the Gambling Commission, with the primary aims of preventing gambling from being a source of crime or disorder, ensuring that it was conducted fairly and openly, and protecting children and vulnerable people from being harmed or exploited by gambling companies. The Act was delivered before the rise of

online gambling and before smartphones even existed; it is an analogue Act in a digital age and has long been in need of an update.

However, I was pleased to see the statutory levy introduced last week by the Government, which will generate £100 million from gambling operators to fund the research, prevention and treatment of gambling harms—without a doubt, an important step in ensuring that the industry begins to pay for the harm it causes. While the changes to the levy are welcome, however, we lack clarity on where the money raised through the levy will go on prevention. It is important that prevention commissioning is undertaken independently of the gambling industry. We cannot expect people to access services commissioned by the industry that they have been harmed or exploited by.

Jim Dickson (Dartford) (Lab): My hon. Friend has just spoken about the levy, which is a big step forward. Does he agree that prevention needs to focus on people who are at immediate risk but also, more widely, on our education system and services for young people?

Alex Ballinger: Yes, I agree that it is important that prevention should work across the piece, but I think it is more important to reduce the ubiquity of advertising that our young people are exposed to. They do not need to learn too young about gambling, and prevention should take that into account.

As I said, the changes to the levy are welcome, but we lack clarity on where the money that is raised will go with regard to prevention. It is important that the prevention commissioner be from the Department of Health and Social Care, given the synergy between the role and the Department's current expertise in the delivery of similar services.

The introduction of the levy is a good first step, but it is just that—a first step. Two decades on from the Gambling Act, further action is needed to protect individuals and families from harm. I am thinking of the families of Ben and Jack and the thousands of others who have lost someone to gambling-related suicide, as well as the more than 1 million people who are experiencing gambling harms right now.

I am a member of the all-party parliamentary group on gambling reform, working with Members from both sides of the House to minimise the harms from gambling—I am pleased to see so many of them present. I will highlight to the Minister some of the proposals on which the group has been working.

I ask the Minister to continue to monitor and regularly review the statutory levy on gambling operators. As I mentioned, it is important that the levy should commission preventive work independent of the gambling industry. I ask that mandatory affordability checks be implemented, which would help to prevent individuals from gambling beyond their means by identifying those at risk of financial harm and providing timely interventions.

I ask the Minister to commit to properly investigating every gambling-related suicide. Families such as Ben's and Jack's deserve each of these tragedies to be fully examined to understand the underlying causes and to develop better strategies for prevention. I would encourage the introduction of a gambling ombudsman to deal

with disputes and provide appropriate redress where a customer suffered harm due to the operator's social responsibility failure.

I would strongly push for greater restrictions on gambling advertising, sponsorship and inducements. We need to stop the practices that encourage children to gamble and that create unavoidable risks for the more than 1 million adults who are already suffering harms from gambling. Many of these challenges can be addressed by reviewing the 2005 Act in the light of the huge technological developments that have happened over the last two decades. That would allow us to follow through on the Labour party's manifesto commitment to reduce gambling harms.

Deirdre Costigan (Ealing Southall) (Lab): I thank my hon. Friend for organising this much-needed debate; I will declare a conflict of interest in that my partner runs the licensing team for a local authority in London. Is my hon. Friend aware of the 2021 University of Bristol study that found that betting shops are 10 times more likely to be in deprived towns than in affluent areas? It also found that although only 10% of food stores are located in the poorest areas, those places are home to 34% of amusement arcades, 30% of bingo venues and 29% of adult gaming centres. Will he join me in asking the Minister to take steps to give more powers to stop the proliferation of such—

Karl Turner (in the Chair): Order. I call Alex Ballinger.

Alex Ballinger: I thank my hon. Friend for her intervention and I support her call. It is very concerning that those sites are concentrated around the most deprived areas in our society—arguably, the areas that need greater investment rather than money being extracted from their communities.

The 2005 Act is an analogue law in a digital age. The harms from online gambling have accelerated since covid, and it is vital that the Government act now to protect gamblers from harm. The stories of Ben and Jack are a stark reminder of the urgent need for comprehensive gambling reform. We cannot wait any longer.

Several hon. Members *rose*—

Karl Turner (in the Chair): Order. I remind Members that they should bob if they wish to take part in the debate. I am imposing an informal time limit of two and a half minutes.

2.48 pm

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): Mr Turner, it is, as ever, a pleasure to see you in one of these debates, even if you are not speaking on the subject. It is great to have you in the Chair.

I congratulate the hon. Member for Halesowen (Alex Ballinger) on obtaining this debate. It is great to see so many Government Members taking part; there have been times previously when it was a lonely business for Members on both sides of the House to push this issue. The APPG continues to do its work because, as the hon. Member for Halesowen will know as a member of the group, there is a continuing demand to bring this industry under better control.

[Sir Iain Duncan Smith]

It is massively well understood that the harms this industry is capable of need to be checked. It started when we campaigned to get the maximum stake on fixed-odds betting terminals reduced to £2. That was attacked, but we got it through, and it has led to a dramatic improvement in behaviour in betting shops and among those who use those machines after having far too much to drink in the evening.

The hon. Member for Ealing Southall (Deirdre Costigan) was right to say that the number of betting shops that proliferate around housing estates is something to be seen, and it is because those companies want to get people who have picked up their benefits or their wage packet en route home. Some of them never make it home because they end up in the betting shop. Of course, that makes poverty even worse, because the families do not get the money, and it is wasted. That is a real issue.

I will not repeat all the points that the hon. Member for Halesowen made, but he is right that the original legislation is completely out of date, because it was made for an analogue world when it was either the betting shops or nothing at all. Gambling has now proliferated in cyber-space.

During lockdown, there were huge problems with gambling harms. People were sitting in their rooms for hours on end, spending money they did not have and ending up in massive debt. Suicides took place. The hon. Member mentioned his constituent, and my heart grieves for the family. I have met far too many families who have been in that position. If anybody disagrees with us about this subject, they should go and meet those who have lost their sons and daughters to the terrible scourge of gambling online late at night—on the slots, for the most part.

The argument is put to us endlessly: “This will close down horseracing. This will close down sport.” This work has nothing to do with that, because betting on a horserace is not the same as someone sitting in their room late at night on a slot, constantly pounded by the desire to bet more, bet faster, immediately. It will never damage horseracing—its purpose is not to damage sport—but some gambling companies are now pursuing children through various algorithms used in online games, and that has to be stopped.

Although the online stake limit has been reduced to £5, we think that is too high. The limit in betting shops has been reduced to £2, so why not have both at the same level? It seems a peculiar last-minute cop-out to the gambling industry to keep it at £5. It should be brought into line with the betting limits on fixed-odds betting terminals—that would make complete sense. I ask the Minister to speak to her colleagues and to those in the Treasury, whose hand is always seen in this debate because they are worried about the revenues. There are revenues and then there are revenues, and this particular set of revenues needs to be received with a very careful eye.

I welcome the introduction of the levy, which we campaigned for, and congratulate the Government on bringing it in, because it is vital. It does not just go to charities for their work in supporting those who have suffered as a result of gambling; vitally, it also goes into research so that we can look at what is happening. This is a fast-moving area online, and with the amount of money being spent by gambling companies, it is wholly

feasible that they will find ways around what we are trying to do and use it in a pernicious way to increase their profits.

I have nothing against gambling companies. In a free world, they are more than welcome to give access to people who wish to bet on different things, but the real problem lies in the lack of any sense of remorse shown in conversations we have had with the gambling industry. The simple fact is that they make money when those who gamble lose theirs.

One of the areas we noted was those companies’ pursuit of people who have got into the habit of losing sums of money. Although there was great talk about how they should step back, and about the ways in which they were going to help them, that was, by and large, not the case. They pursue them right to the bitter end on the basis that that money is going into their profits. When we hear that an individual—who I shall not name—who heads up one particular gambling company was able to give themselves a bonus of £1 billion over three years, we must ask: what is the price of human life? Is it only about profit?

In conclusion, I congratulate the hon. Member for Halesowen and hon. Members in the Chamber. The sooner we get these measures on the statute book, the better. There is room for improvement in what the Government are proposing, but I wish them well on that, and I will certainly be supporting them.

Karl Turner (in the Chair): Order. I now impose a formal time limit of two minutes and 30 seconds.

2.55 pm

Dan Carden (Liverpool Walton) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner, and to follow two such accomplished speeches. There is real intelligence on both sides of this House in terms of where we need to go now with gambling legislation.

Most Members will know that I have worked over a number of years on the issue of alcohol and drug addiction treatment, and I share similar concerns about addiction in gambling. As you know, Mr Turner, I also have a passion for horseracing, and I will give a bit of context to bring the two together. We can all agree that the incessant advertising of gambling, in particular of online casinos and the most harmful forms of gambling, is destructive. I do not see why we should stand for that any longer.

There is a second levy that is important in this debate. Fixed-odds betting goes back to about the 1960s. Horseracing—which I consider to be a great British sport that I wish to support, and is an industry that employs many people and livelihoods—is reliant on a levy from the bookmakers to the horseracing industry. That levy is applied only to bets that are placed on horseracing.

There is therefore no risk to racing in dealing with the most harmful forms of gambling in this country. In fact, there can be a benefit to the horseracing industry if this House gets the legislation and the regulation right. We can reduce the most harmful forms of gambling and encourage forms such as taking a flutter on a bet or a Yankee on a Saturday—as we have done for many generations in this country.

We can redraw the landscape of betting and gaming in the United Kingdom for the benefit of real-life sports and entertainment, away from the online casinos and the most addictive forms of gambling. Through the levy that my hon. Friend the Member for Halesowen (Alex Ballinger) talked about, I hope that we can also make sure that more money goes into addiction treatment and support for those who are so tragically harmed and who, in some of the worst cases, lose their lives to this pernicious habit.

2.57 pm

Jim Shannon (Strangford) (DUP): First, I wish you well in chairing Westminster Hall, Mr Turner. I thank the hon. Member for Halesowen (Alex Ballinger) for raising the issue.

In the last Parliament, I was a vice chair of the all-party parliamentary group for gambling related harm, so there can be no doubt where I stand. I commend the hon. Member for Neath and Swansea East (Carolyn Harris), who is not here today, for all her work over the years to address gambling. Those of us who know her—she is still in Parliament, by the way—will know that she has done great work.

The scale of harm in Great Britain is far more concerning than previously thought, with 2.5% of the population, nearly 1.3 million people, experiencing the most severe gambling harms. My comment for the Minister's ears—and for everyone else; but she will direct it—is to ask whether she would discuss that issue with the Northern Ireland Assembly. The rate of gambling addiction in Northern Ireland is 2.3%, which is above the normal rate in Britain.

Colleagues in the Northern Ireland Assembly held a debate on this subject at the end of January and they put forward a number of issues. Paul Frew MLA highlighted:

“Some 80% of all gambling marketing activity is now on the internet.”

That is where the grey area is and where we need to address the issue. He further said:

“While online gambling operators licensed by the Gambling Commission can freely advertise in Northern Ireland, because online and broadcast advertising is a reserved matter, our population is afforded no protection by the regulator in GB”.

Will the Minister look at that?

In the last 12 months, 30% of 11 to 16-year-olds in Northern Ireland have gambled in one form or another. It is clear that the measures in place are not protecting our children from harm. The worst time is from midnight to 4 am. That is another issue we need to address.

There is a need for greater regulation on the mainland and in Northern Ireland; we are simply crying out for any updated regulation and legislation to deal with the scourge of gambling. I have young men coming into my office with their mothers owing money left, right and centre to paramilitaries—that is one of our problems back home—and there are nearly always two reasons for that: drugs and gambling. We need to do something, particularly for people in areas of social deprivation who are looking for a way out and taking a chance on gambling, which only digs a deeper hole for them to try to get out of. That has to stop. In this great United Kingdom of Great Britain and Northern Ireland, let us do the job together.

3 pm

Dawn Butler (Brent East) (Lab): I congratulate my hon. Friend the Member for Halesowen (Alex Ballinger) on securing this important debate and give my condolences to the family of Jack, who are here today.

Brent has the second highest concentration of gambling premises in London, and it does not make our high street better; it makes it considerably worse. Gambling facilities are more accessible than supermarkets, banks or schools in my constituency. Some 6.2% of Brent residents are categorised as problem gamblers, more than the national average of just 2.9%. Gambling-related harms in Brent cost an estimated £14.3 million annually. Now, with free wi-fi and often free drinks for young people, betting shops are trying to encourage a younger generation, and I can only see that figure getting worse.

These products are addictive, and we need to call them out. Gambling is more addictive than heroin or tobacco. If this was anything else, we would be saying, “What do we do to change this?” It is bringing such harm to communities. Yes, people have the right to gamble—to have a flutter—but serious harms are being caused.

We need to strengthen the licensing power. We have heard powerfully today that the legislation is not equipped to handle what is going on, both online and on our high streets. I want councils to have more of an opportunity to say no to new gambling establishments; I want my constituents' voices to be heard when they say no to further gambling establishments. We have two gambling shops with just one other shop in between. How is that necessary?

It is absolutely time for us to say that the current legislation is not fit for purpose. If we are serious about growth and regenerating our high streets, we need to start closing down betting shops and definitely not open new ones, and we also need to strengthen the laws on online gambling.

3.2 pm

Cameron Thomas (Tewkesbury) (LD): It is an honour to serve under your chairmanship, Mr Turner. I thank the hon. Member for Halesowen (Alex Ballinger) for securing this important debate.

Tewkesbury is home to the prestigious and internationally famed Cheltenham racecourse, which is one of the largest in the UK. Every year, more than 250,000 people visit the racecourse across four days of racing at Cheltenham festival, and many enjoy betting on the results. A 2023 study conducted by the University of Gloucestershire found that the economic benefit of Cheltenham festival was an estimated £274 million.

I consider myself a horseracing sceptic, but, as the Member of Parliament for Cheltenham racecourse, I must take a nuanced position. That £274 million is an astonishing figure, and I value that contribution. We must also consider the associated financial harms and the mental and physical health impacts of gambling on the UK economy, which cost £1.4 billion per year.

I am also acutely aware that problem gambling is a serious public health issue. I proudly submitted the Liberal Democrats' contribution to the Gambling Act 2005 (Operating Licence Conditions) (Amendment) Regulations 2024 just last week, supporting financial caps on bets made online. Public Health England reports that approximately

[Cameron Thomas]

246,000 people are problem gamblers in England alone, and a further 2.2 million people are at risk. Shockingly, it further reports that there are more than 400 gambling-related suicides per year.

My constituents deserve a Member of Parliament who puts their wellbeing ahead of the interests of private betting companies, while recognising the economic and social contribution of the industry. My residents deserve to be protected from exploitation by betting companies, which cannot be trusted, much less expected, to self-regulate. Our residents do not need another round of public consultations; they need action. I want to see significant restrictions on gambling advertising, including but not limited to that which plagues young people's social media feeds and YouTube videos.

Gambling firms are at pains to present their industry as symbiotic with sport, deliberately placing their adverts around football broadcasts, stadiums and shirts.

Abtisam Mohamed: One particular gambling company says to people that when the fun stops, the betting should stop. Does the hon. Member agree that when the fun stops, it is far too late?

Cameron Thomas: I absolutely agree, but we should not leave it to gambling companies to make that statement. We should instead take action.

Gambling is not symbiotic with sport, and the companies should not be allowed to indoctrinate children, whose parents, like me, just want to introduce them to the beautiful game. We no longer allow fast food companies to align themselves with sport, and we should treat gambling companies in precisely the same way.

3.6 pm

Jo Platt (Leigh and Atherton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Turner. One in 15 residents in Greater Manchester faces gambling harms—that is one and a half times the national average—and recent research reveals that the Wigan borough has the highest referral rate to specialist gambling services in the region.

We have heard the most poignant contributions about how such harms can include financial stress, relationship breakdown, mental health struggles and, tragically, even suicide. The impacts are therefore not limited to the individuals who gamble; for every person at risk, an average of six others are affected—family, friends and colleagues. Although gambling may not always be the sole cause of such harms, it often deepens existing vulnerabilities.

The path to recovery can be long and difficult, but recovery is possible, and that is what I want to focus on. One constituent of mine, David Smith, has a powerful story of his addiction and recovery. For 37 years, David's life was controlled by gambling. He describes how it ruined his life: it made him a “walking nuisance”—his words—and ultimately led him to “hit rock bottom”. It was the moment that he maxed out five credit cards in one afternoon that led David to bravely seek help from Gamblers Anonymous. Later, he joined GaMHive, an incredible organisation in Greater Manchester founded by individuals who have personal experience of gambling

harm. They and their families have been affected by addiction and, through their collective lived experience, they are working to break the stigma.

I do not have time in this short contribution to go through the story of how gambling has affected David's life. All Members will have heard constituents' powerful stories. I have seen David bring his audience to tears with the story that he has to tell. That is why these groups are so important. We have heard from other hon. Members that money from the public levy could be used for prevention, which is obviously key, but it could also support groups such as GaMHive.

Karl Turner (in the Chair): I call Chris Evans.

3.8 pm

Chris Evans (Caerphilly) (Lab/Co-op): Thank you, Mr Turner. It seems funny to call you Mr Turner—we have been friends for so long—but I congratulate you on your elevation to the Panel of Chairs. I also congratulate my hon. Friend the Member for Halesowen (Alex Ballinger) on securing this very important debate. Like my hon. Friend the Member for Brent East (Dawn Butler), I add my condolences to Jack's family, who are in the Public Gallery.

I come from a bookmaking family: my parents were bookmakers and my grandparents were bookmakers. I have always defended the industry, because I have always believed, like my hon. Friend the Member for Liverpool Walton (Dan Carden), in the horseracing levy—as someone who loves horses, I have always been attracted by the investment in equine science—but there comes a point when we cannot defend the indefensible any more. We have gone too far.

I bought the newspaper on Sunday. My son, like millions of boys and girls across the country, loves Erling Haaland. There was a picture of him on the front page of the paper, and next to it was advertised a free £3 bet. I do not want my son's love of football linked to betting. I should declare an interest as administrative steward for the British Boxing Board of Control.

Gambling is no longer just gambling; it is embedded in the sports programmes that we see everywhere. When I drive home from London, I like to listen to the match on talkSPORT, and it cuts over to a betting expert to tell people the latest odds. At the end of each round of a boxing match, they improve the odds on what they are doing. When I was in the betting shop, there was a limit on football betting. No one could bet on singles, doubles and trebles, only an accumulator. It was not possible to bet in game as can be done now.

I do not believe the Labour Government brought about the Gambling Act 2005 envisaging smartphones. That legislation did not envisage the examples we have talked about today—but they need to stop. I see nothing wrong with betting shops being open the way they are—they were once sleazy places, but they do support the industry—but I believe we have gone too far with advertising.

Gambling has taken the space of tobacco companies. Mr Turner, you are more or less my age; you will remember the Embassy darts championship and the Embassy snooker championship. You will remember the John Player Special Formula 1 cars on a Sunday afternoon. The livery of the McLaren cars was the same

as a packet of Marlboro cigarettes. When we see Stake going round the circuit, it is the same thing. I really think we need a regulator with real teeth that can shut these companies down, and a change in the law. I hope that when the Minister stands up, he will talk—

Karl Turner (in the Chair): Order.

3.11 pm

Maureen Burke (Glasgow North East) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I am grateful to my hon. Friend the Member for Halesowen (Alex Ballinger) for securing this debate on an issue that matters deeply to many of my constituents, and I thank him for the experiences he shared in his opening contribution.

I felt compelled to come along today following a recent advice surgery I held in my constituency. I met my constituent Margaret, who bravely shared the impact of gambling on her life and, more specifically, her son's. Tragically, Margaret's son took his own life because of the impact of his gambling addiction. Margaret never knew that her son was an addict; she learned of it only following his sudden death, when she reviewed bank statements and discovered how debt had piled up, ultimately becoming too much for him.

I think that speaks to how gambling impacts people. What is at first an occasional trip to the bookies becomes something uncontrollable and all-consuming. People suffer in silence, hiding their addiction from their families as the debt grows and the shame deepens. There will be countless people battling this addiction in silence in our communities. The responsibility to intervene and prevent harm cannot only be for individuals and their families. Gambling operators must do more. Operators should identify unusual patterns, monitor online activity and recognise regular customers, acting early to prevent debt from spiralling.

Alex Sobel (Leeds Central and Headingley) (Lab/Co-op): My hon. Friend is making a wonderful contribution. GamCare has found that there has been exponential growth in online gambling. More than half its callers struggle with online gambling and 60% said online slots were the main problem. We just heard about many people struggling with debt and the affordability of gambling. Does my hon. Friend think that, with the amount of data online gambling companies have, we should pursue affordability checks, so that nobody can gamble more than they can afford?

Maureen Burke: I agree that that should be looked at.

Margaret's story is heartbreaking but, through her grief, she is determined to act. I am proud to be working with her to bring a petition to this House. Margaret began the campaign before I was elected to this place, with my predecessor, David Linden, and I am pleased that the petition has already secured hundreds of signatures. Margaret's call is for the Government to introduce tougher regulation and requirements for gambling operators and financial institutions.

I am certain that Margaret will be encouraged by the action that the UK Government are already taking, with the announcement of a statutory levy on gambling operators. The money raised from that levy will be used to fund research, prevention and health programmes. I look forward to hearing from the Minister what further

steps the Government intend to take to address the tragic harms caused by gambling, recognising the impact that such addiction has not just on the individual, but on the families who are too often left picking up the pieces.

3.14 pm

Jim Dickson (Dartford) (Lab): It is a pleasure to serve under your chairship, Mr Turner. I pay tribute to my hon. Friend the Member for Halesowen (Alex Ballinger) for securing this important debate and for his insightful opening speech. I am conscious that we do not have a huge amount of time, so I will focus on a small number of points.

In 2023, the Office for Health Improvement and Disparities published its latest report on the economic and social cost of the harms associated with gambling. It identified that 1.76 million people participate in harmful gambling in England, of whom 168,000 are classified as experiencing problem gambling. Those figures are enormous. GambleAware estimates that in Dartford, the community I am privileged to represent in this place, one in 33 people have a problem gambling severity index score of 8-plus. In layman's terms, that means that they have experienced adverse consequences from gambling and may have lost control over their behaviour.

Like other Labour Members, I was elected on a manifesto committing us to reducing gambling-related harm, and I very much welcome the progress that we are making. The statutory levy and slot stake limits are both impressive steps forward, but there are still a few areas in which I—and other Members, I am sure—have identified the need for Government action.

First, as a football fan, I am pleased that the Premier League will ban front-of-shirt advertising by gambling companies from the summer of 2026, but anyone who regularly watches or attends matches will know that that is not enough. We need to go further and ban all shirt advertising, as well as perimeter advertising, and other sports need to follow that lead.

Secondly, and perhaps most importantly, we need to reform how coroners look at the role of problem gambling, because many bereaved families have felt that problems with gambling were simply excluded from consideration. I support calls for the Government to look at how they might reform the coroner service to ensure that the causes of preventable deaths, such as those linked with gambling, are properly examined and addressed to prevent future deaths. Importantly, the evidence submitted by families must be properly interrogated.

I pay tribute to all organisations involved in reducing gambling harm, but particularly Gambling with Lives, which has put families bereaved by gambling suicide at the heart of its work.

3.17 pm

Sarah Coombes (West Bromwich) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I thank my hon. Friend the Member for Halesowen (Alex Ballinger) for securing this important debate.

When I first became involved in this issue, the huge focus was on reducing the harm from FOBTs, and on the fact that people were losing hundreds if not thousands of pounds in a matter of minutes. That battle was won,

[Sarah Coombes]

but less than 10 years on it feels as though we are living in a different world. So many bets are placed on phones at all hours, encouraged by push notifications, email marketing and free bets. We have to do more to ensure that the regulation keeps up with reality. I want to focus on two things: how to make online gambling safer and what should happen in the event of a tragic suicide.

Almost three quarters of callers to the national gambling helpline said that they had struggled with online gambling. Last week, a High Court judge found that a well-known gambling firm sent a problem gambler more than 1,300 marketing emails, despite rules stating that companies should not advertise to high-risk users. In a world in which the data that companies hold on each individual is so granular, I do not believe that they are doing anywhere near what they could to detect patterns of problem gambling and meaningfully intervene.

The High Court ruling makes a link between customer protection and the suppression of marketing, yet the previous Government told us that there is no causal link between marketing and harm. I ask the Minister whether the Department will look again at the issue in the light of the ruling. What further safeguards could be put in place to protect vulnerable and at-risk players from marketing?

Gambling addiction is hard to talk about. Many people's gambling habits are a source of shame, which pushes the issue further into the dark. I met Liz and Charles—who is in the Public Gallery today—a long time ago. They have been powerful campaigners for families affected by suicide. Their charity is calling for an independent investigation into every gambling suicide so that lessons can be learned and fed into regulation and improved public information.

Unfortunately, too many families who have lost loved ones through addiction tell stories of how hard it is to get information from the gambling companies. Will the Minister work with the Ministry of Justice to look at what happens when a death has occurred and at how licensing conditions can encourage operators to be more transparent?

For many people, including me, gambling means an occasional each-way bet on the grand national or buying a scratchcard, but there are 168,000 people in the west midlands who say that problem gambling is devastatingly affecting their lives. For them and for their families, we need to do more.

3.19 pm

Jake Richards (Rother Valley) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Halesowen (Alex Ballinger) on securing this debate. I can be brief, because many of my points have already been made.

Like my hon. Friend the Member for Glasgow North East (Maureen Burke), who mentioned her constituent Margaret, I have been an MP for only seven months. In this job we meet people who are going through difficult times, but I will never forget my meeting with my constituents Judith Bruney and her friend Liz. They came to my office in Dinnington to tell me about their sons, both of whom were hard-working, honourable, good young men trying to make their way in the world,

but both of whom took their own life far too young as a result of their addiction to gambling. Chris, Judith's son, was talented and hard-working but, without any of his close family knowing, he went spiralling into the depths of a gambling problem that in the end meant that he took his own life.

I want to stress the point, which my hon. Friend has already made, that the trauma for the families did not end at that point. Afterwards, both Liz and Judith had to keep fighting for answers about how this happened and why this happened against an industry, and frankly a system, that too often closes doors, shuts down and does not look into the very important issues affecting hundreds or thousands of people every year.

I urge the Government and the Minister to work with the Ministry of Justice in particular to look at ways in which we can empower coroners' courts, and indeed place responsibilities on them, to look into these issues in a robust and rigorous manner. At the moment, we simply do not know the scale of the problem. We have heard a lot of statistics in this debate, but they vary because we just do not know what we are dealing with. Until we do, we cannot properly solve it.

3.21 pm

Kevin McKenna (Sittingbourne and Sheppey) (Lab): It is a pleasure to serve under your chairship, Mr Turner. I thank my hon. Friend the Member for Halesowen (Alex Ballinger) for securing this debate. It is vital that we have this discussion, and I hope that it will lead to some change.

A few weeks ago, I was visited by my constituent Lesley Wade, whose son, as we have heard, killed himself after engaging with online gambling for an extended period. We have already heard how awful that was, but what really stood out for me in the story that Lesley told me was how insidious it was and how no one around him knew what he was going through or the stresses that he was under. Although the psychology and biology underlying a lot of gambling addiction are the same as for hard drugs or alcohol, the visual signs are often not there, so families are not seeing the deterioration in people as they go through this trauma or the warning signs that could lead them to step in.

Aaron, Lesley's son, was gambling at work, in the pub and in his bedroom. No one knew about it, largely because the online gambling industry is using techniques designed to get into people's brain and mess up their brain chemistry. I believe that that is entirely intentional and entirely known by these companies. We are not dealing with a situation in which these companies are just maximising their product and innovating in a harm-free way. I am certain that this is a real harm.

I am also certain that this is a public health emergency, which is why I am very keen to see public health take a lead. The DCMS has a role to play, but I do not think that it should be the lead Department on handling gambling harms and managing the risk. It is important that we look at how the health system is responding, not just with treatment but with identification and data. Changing the way coroners operate would really help.

As a counter to what some Members have said about other areas of the gambling industry, I speak as someone with seaside towns and resorts in my constituency. We have great beaches, but also lots of amusement arcades.

When I speak to the people running those arcades, what really stands out is that they are very concerned about the wild west that is online gambling. They would like to see change.

Jim Shannon: One concern that many of us have is about the way gambling companies very often get planning permission for casinos on high streets across this great nation. That happened in my town of Newtownards: even with all the opposition, the planning rules still let it happen. Does the hon. Gentleman share my concern?

Kevin McKenna: I do not believe that a prohibition on gambling is the right approach—we can see how that would fail—but I believe that it should be a managed problem. It is a very high-risk area, and we need to look comprehensively at how gambling is organised, legislated for and regulated in this country. We should look at everything. It is time to review the legislation. First and foremost, I want this to be seen through a public health lens.

Karl Turner (in the Chair): I call the Liberal Democrat spokesperson.

3.25 pm

Max Wilkinson (Cheltenham) (LD): It is a pleasure to serve under your chairship, Mr Turner. I congratulate the hon. Member for Halesowen (Alex Ballinger) on securing this important debate. As the MP for Cheltenham, I am no stranger to gambling, and as a liberal I believe in holding power to account. That includes powerful and predatory gambling companies.

As hon. Members have said, it is important at the outset of the debate to separate the vast majority of gambling on jump racing and harmless flutters—mentioned by the right hon. Member for South Holland and The Deepings (Sir John Hayes), who is no longer in his place—from the pernicious practices that are commonplace in the gambling industry. They are up in our grill 24/7, 365 days a year.

Where once sports betting was done in the relatively sterile environment of betting shops, markets can now be accessed 24/7 from the comfort—or, in many cases, the extreme discomfort—of someone's own home. A few thumb presses on a screen at 3 am is all it takes to lay a bet on a Peruvian second division football game they have never heard of, an obscure tennis match in the far east among players they have never heard of, or an amateur Australian basketball match. If that is not their bag, they might register for online games such as bingo, roulette or slots.

That convenient 24/7 availability is advertised to us forcefully by people with limitless pots of money. It is on the front of football shirts until 2026 and on every touchline. It is in every advert break during football matches, with the pundits commentating on that day's game often encouraging us to get involved in the fun. The splicing of journalism and commentary with advertising should give us all pause for thought. If I might say so, without naming anyone in particular, those pundits should think hard about the difficulties created by their dual role as commentators and advocates for the betting industry. That is not an acceptable way for public figures to behave.

Ben Coleman: On people appearing to be one thing and actually being something else, does the hon. Member agree that 100% of the gambling levy should be given to independent bodies that are answerable to Ministers and Parliament, not to charities backed by gambling companies?

Max Wilkinson: Absolutely. There is a role for a separate levy as well, which I will come to later, to support the horseracing industry, which needs to be viewed separately from the rest of this, as I said.

The Government must also think about the broadcasters who screen games and run their own associated betting operations, because the gap between the scenarios portrayed in gambling adverts and the reality is nothing short of sinister. In gambling adverts, people are having a great time in the pub with their mates. They are in fun scenarios, playing roulette, wearing sharp suits or sparkly dresses, with dancing and jolly times being had by all. In reality, such gambling is, in the main, far from a social occasion. It is undertaken mostly by people who are addicted to gambling apps, losing money at home alone, often desperate and with nobody to talk to.

Chris Evans: I have in front of me a press release from Entain, which announces that Liverpool has become Ladbrokes' official betting partner. It says:

"The partnership will provide Ladbrokes with a range of exclusive content opportunities and activations to reward and entertain customers and fans".

What does the hon. Member think those rewards and entertainment will be?

Max Wilkinson: In most cases, a financial loss to the individual who takes part.

These people are unable to talk to their friends and family about the losses and their addiction. They are unable to seek help, despite the repeated suggestions from gambling companies that when the fun stops, people should stop gambling. The gambling companies know what we in the Chamber know: addicts cannot stop. They are not able to, no matter how many times they see a gentle nudge on a fun advert on the television. It is estimated that 48% of people in the UK regularly gamble and that the gambling market is now worth about £15 billion. But, as has been said, that is revenue, and then there is other revenue. We must be clear about where the revenue is coming from.

Receipts from April to September last year total more than £1.7 billion, a 6% increase on the previous year. A study by the University of Liverpool found that over 290,000 betting accounts experience losses of over £2,000 each year. This leads directly to loss of life. Public Health England estimates that there are 400 gambling-related suicides every year: more than one a day. Every single death is a tragedy. Despite this worrying picture, regulatory action has been slow and has lagged behind the technology, the pervasive level of advertising and changing consumer habits.

Abtissam Mohamed: Does the hon. Member agree that we cannot allow the sector to regulate itself? If allowed to, its members will do what benefits them and ensure they prioritise profit, not the needs of vulnerable users.

Max Wilkinson: Of course. I started by talking about the need for liberals to hold power to account. That goes for Liberal Democrats and small-l liberals, and there are many small-l liberals in the room, I am sure. We know that power does not hold itself to account. Those in positions of power, where they have the power to literally print money, will not regulate themselves. That is obvious to everyone—and, I am sure, to the Minister too.

As I said, despite the worrying picture, regulatory action has been slow. Since the Gambling Act 2005, we have seen action on fixed-odds betting terminals and bans on credit card gambling to reduce harm. That is to be welcomed. The 2023 White Paper on gambling sought to modernise regulations, and the new Government increased the gambling levy. That is also welcome, but more action is urgently needed.

The Liberal Democrats believe that the remote gaming duty should be raised from 21% to 42% to provide more funding for initiatives to tackle problem gambling. It is also clear that to tackle problem gambling we need more restrictions on the bombardment of gambling advertising on all of our screens. A new ombudsman must be set up to provide redress for people wronged by gambling companies, who are the victims in this discussion. Effective affordability checks must be put in place, and we must start treating gambling addiction as a public health problem. It is simply not good enough to continue under the pretence that this form of addiction does not require the sort of help and therapy provided to the sufferers of other addictions. It makes no sense.

Those asks must be funded by duties on the industry, not taxpayers. The gambling industry reportedly costs the economy a net £1.4 billion per year. Organisations like GambleAware and others mentioned today have carried out important work in this sector. That should be commended. While making these changes, which are all about the stick, it is important that the heritage asset that is our horseracing sector, which I represent in Cheltenham, as does my hon. Friend the Member for Tewkesbury (Cameron Thomas), must be given a carrot too. Our racecourses must be placed on a level playing field with their international competitors, and I know that Ministers are looking at this. We have previously discussed in this room reforms to the gambling levy to better provide support for our domestic racecourses. Could the Minister update us on her discussions on that? That is not the main point of this debate today, as I have been very clear.

In conclusion, action to prevent harm to problem gamblers is long overdue. The sector requires widespread reform so that the bombardment of gambling adverts luring people into 24/7 betting cycles is ended. We cannot continue to ignore this problem that is costing our economy, splitting families and causing so much unnecessary suffering.

3.33 pm

Mr Louie French (Old Bexley and Sidcup) (Con): It is a pleasure to serve under your chairmanship, Mr Turner. I thank the hon. Member for Halesowen (Alex Ballinger) for securing a debate on this important and sensitive issue.

As we have heard, betting and gaming are key economic contributors. Last year Ernst & Young reported that the industry supported more than 100,000 jobs, generated over £4 billion in tax revenue and contributed close to

£7 billion to the wider economy. Across all forms of gambling, more than 22.5 million adults in Britain enjoy a flutter every single month and generate almost £11 billion in gross gambling yield every year. The vast majority of this is done safely, supported by measures enacted by regulated operators and enforced by the Gambling Commission.

However, there are a number of people who have suffered harm because of gambling, whether that is financial harm or, in tragic cases, suicide, which we have heard about today. My heart goes out to all the families impacted. We must continue to take this seriously and provide the best support we can. For example, the current voluntary system funds a vital network of charities to support problem gamblers.

We are fortunate in the United Kingdom that rates of problem gambling are relatively low compared with European countries. Greece has a problem gambling rate of 2.7%. France has a rate of 2.9%, and the Czech Republic has a rate of 4.5%. The United Kingdom's problem gambling rate almost halved from 2016 to 2023 and now sits at 0.4%, according to the gold-standard NHS health survey. We would all like to see the rate become 0%, which is why the sector already contributes and why we must get the balance right in this area of legislation.

Over the last four years, the sector has contributed more than £170 million to the research, prevention and treatment of gambling harm, with more than £50 million volunteered in the last year alone. That money funds a vital network of charities to support problem gamblers, which cares for approximately 85% of all problem gamblers receiving treatment in Britain. However, that work is now being put into doubt by the Government. The Gambling Levy Regulations 2025, which the Minister and I debated, among other colleagues, in a delegated legislation Committee last week, risk the much-needed funding stopping in the short term, as the transition to a new statutory levy takes place. The new regulations will lead to a double levy this year, with the voluntary levy still in place and the statutory levy taxing gross gambling yield backdated to April last year. Not only that, but this first levy period is being charged at 133% of the rate for subsequent years.

Even those with the purest intentions, including those providing the current prevention and treatment programmes, are aware of the enormous damage that could do. There are clear risks of a gap in funding from the ending of the voluntary levy in April to the first collection of the statutory levy in October. As businesses, the sector will have to take decisions to survive Labour's tax rises, which could include minimising voluntary payments to the current minimum of just £1 for this year.

I raised that issue in our debate last week, but the Minister did not give me or the sector an answer, and I wonder whether she will answer this vital question today. How will prevention and treatment programmes be funded when the voluntary funding is minimised but the statutory levy is yet to be collected or distributed? The sector was broadly supportive of the statutory levy proposed under the previous Government, but the way in which it has been introduced, with higher rates than those the Department previously discussed with the sector, means that both gambling businesses and treatment charities are deeply concerned about the outcomes and unintended consequences. Will the Minister tell us today

how many people she thinks will lose out on vital treatment in that time? I know she is not the Minister for Gambling, but she is accountable for gambling to us in the Commons.

As I set out last week, there are many there are many concerns across the sector about the lack of engagement coming forward. Over the several months in which I have asked questions, I have yet to receive any response from either the Minister or the Minister for Gambling in the other place. Why are the Government leaving the betting and gaming sector in the dark? Will the Minister finally give us the answers that we have been waiting so patiently for? What about GambleAware, which has stated that it needs the confirmation of its funding for the period to April 2026, when the new system will be fully in place? I am sure that it has also told the Department about this, but it is becoming increasingly urgent as it is uncertain about how it commissions services going forward, including commissioning via the crucial national gambling support network, which helps fund many of those charities that I have already highlighted across the sector. GambleAware needs clarity.

Not only are the Government consciously leaving the prevention and treatment of gambling harm in a state of uncertainty, but the higher rates of the levy now to be charged will also have further implications. The higher costs on companies will lead to business closures and job losses, particularly among smaller firms, as well as a reduction in tax revenue for His Majesty's Treasury, and they will have a knock-on effect of up to £60 million in business rates that are currently flowing to local authorities. That, in turn, will have a dual impact.

First, it will likely increase participation rates in the black market, where no regulations or safeguards apply, and no levy revenue will be generated. As Members will know, black markets are created when gambling customers cannot access products or, more pertinently, find those products highly restricted in their domestically regulated market. No amount of anti-black market measures will prevent a black market from forming if customers cannot gamble enjoyably with limited frictions. Here in the United Kingdom, we have historically enjoyed a relatively low level of black market participation, but there is clear evidence that this is a growing risk and there are clear reasons why, including price frictions in bonuses and free bets, as well as other financial limits, such as affordability checks, not being enforced properly.

We are reaching a tipping point of the Government's own making—a point at which those most at risk from gambling harm will be unable to wean themselves off gambling in a responsible and monitored way. Instead, they will turn to illicit bookies and international websites to meet their needs. A report by Regulus Partners confirms this, stating:

“On the current pattern of increasing consumer friction in the domestically regulated market... international experience shows Britain's illegal gambling leakage could more than double.”

If that happens, the most at risk will be furthest from the help that they desperately need. It will also continue to damage British horseracing, as mentioned by other Members.

There is a middle ground in allowing players to engage with betting and gaming safely, with plenty of warnings and signposting to the help they can receive. If we push the cost of safe and legal betting to such a height that participants choose to exit the market in

favour of cheaper prices and better odds in the unregulated market, it would undermine efforts to make gambling safer and would force more players and more money into unregulated providers who do not need to comply with regulations around safer play.

I asked the Minister several questions last week, and I will ask them again to see whether she has had time to confer with her colleagues. First, who in Government will be setting the strategic direction, and who is ultimately accountable for any issues arising with the levy? Is it Ministers in her Department, the Department of Health and Social Care or the Treasury?

Secondly, how will services be commissioned and value for money ensured? If commissioning will primarily be led by the NHS, what support will be provided to charities to ensure that any future tendering processes do not risk their expertise being lost? Who decides who sits on any advisory boards for the levy, and how will the Government ensure all views are heard rather than just those of vested interests? Will the Government ensure that charities currently being funded by the voluntary levy are not frozen out by the more anti-gambling parts of the sector? Are the Government looking to expand residential treatment currently provided by excellent charities such as Gordon Moody? The Minister's Department has announced that the Gambling Commission will not be given a carte blanche, which I know will be a relief to many in the sector, but what does that mean in practice? How will the Government hold the commission to account?

I want to place on the record my thanks to the many amazing charities, such as Gordon Moody, Deal Me Out and others, representative of which are in the Gallery. They continue to do fantastic work to help people turn their lives around, and they are at the forefront of helping those who suffer the harmful effects of gambling. They should be the ones we keep in our minds throughout these discussions, as we try to strike an appropriate balance that ensures safe gambling across the country. Will the Minister reassure those watching from the Gallery and from afar that she will make sure that her ministerial colleagues meet them, listen to them and put in practice their expertise in this field? They know what they are talking about. Do the Government?

Karl Turner (in the Chair): Before I call the Minister, I remind her that I would like very much to allow Alex Ballinger two minutes to wind up at the end.

3.41 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): It is a pleasure to serve under your chairmanship, Mr Turner. I congratulate you on your elevated position, and I will heed your comments on the time. I begin by congratulating my hon. Friend the Member for Halesowen (Alex Ballinger) on securing this important debate on gambling harm. It is a real pleasure to welcome him in leading what I believe is his first Westminster Hall debate. I also refer to my entry in the Register of Members' Financial Interests, which states that I took part in a charity bet last April.

My hon. Friend spoke movingly, as did Members from across the House, about those who have suffered from gambling-related harm and suicide and those who

[Stephanie Peacock]

have sadly lost their lives. I extend my sympathies and those of the Government to all those who are affected by these issues.

Sonia Kumar (Dudley) (Lab): Organisations such as Gordon Moody in my constituency provide essential and invaluable residential treatment for individuals suffering from severe gambling addiction, as well as mental health services and advice about how to detangle addiction. How are the Government supporting those organisations in their efforts to prevent gambling-related suicide, and does the Minister agree that an expansion of Government-backed rehabilitation services, especially those focused on children, is essential?

Stephanie Peacock: I have seen at first hand the impact of gambling-related harms. As shadow Minister for gambling, I spoke to individuals and families who have been directly impacted by such harm. I visited a Gordon Moody treatment centre, which I believe is in her constituency, spoke to families in Parliament and hosted roundtables with the prevention sector. The Minister for Gambling regularly engages with those who have lived experience of gambling harm.

Today, I will set out the Government's position on gambling-related harm and the important action we are taking to reduce it. This debate is framed by the 2023 Gambling White Paper. Published by the last Government, it laid the foundations for once in a generation gambling reform. We are working with the industry to modernise regulation, as well as to implement meaningful changes to protect people from gambling-related harm.

Before I do that, I will respond to points made during the debate. If I do not cover them all now, I will during the course of my speech. My hon. Friend the Member for Halesowen and others asked when the statutory levy would be reviewed. That will happen within five years. Affordability checks are being piloted. The voluntary ombudsman was in the White Paper and the Minister for Gambling will update shortly. I would argue that the Government are acting to protect people from harm, implementing the White Paper and fulfilling our manifesto commitment to reduce harm.

The hon. Member for Strangford (Jim Shannon) raised a really important question about Northern Ireland. I am always keen to meet my counterparts. I would be very pleased to write to him, and the DCMS stands ready to work with the Northern Ireland Executive to strengthen regulation.

My hon. Friend the Member for Liverpool Walton (Dan Carden) raised the important issue of horseracing, of which he is a strong champion, as did the hon. Member for Cheltenham (Max Wilkinson) and others. I will relay their points to the Minister for Gambling. The Government's position is that the horseracing and gambling industries should get round the table and come to a voluntary deal.

I will briefly respond to the shadow Minister, the hon. Member for Old Bexley and Sidcup (Mr French), who said that the levy was in jeopardy. I say gently to him that the only thing putting it in jeopardy is him voting against it, as he did last week, which is rather curious given that it was his Conservative Government that published the measure.

Mr French: The Minister will be well aware that the reason that we voted against the levy was not the principle of it—as she just acknowledged, it was designed by the previous Government—but how it has been changed by the new Government and the risks that I outlined in both my questions today.

Stephanie Peacock: I will come on to answer some of those points, but in the interests of time, I will endeavour to get the Minister for Gambling to write to the hon. Member with a full response.

The shadow Minister also asked about operators paying more in the first year. That is simply not correct. The levy is charged at a flat rate based on previous years' profits. We believe that is the fairest and most sustainable way forward. Operators' first levy payment will be based on profits reported to the Gambling Commission via regulatory returns. The commission changed the returns process for non-lottery licences last July. As such, operators' first levy payment is based on three quarters' worth of data multiplied by 1.33 to get the full year.

On the assessment the Government have made about anyone losing out on treatment in the transition period, we are clear that operators must maintain the level of contributions to the National Gambling Support Network to ensure that it has the funding it needs. We have received reassurances from the industry that that will happen. As I have just said, I or the Minister for Gambling will write to the shadow Minister. In the interests of time, I will move on to make some progress on the question before us.

We know that the vast majority of people who gamble do so safely—indeed, half of adults gamble each month. The shadow Minister and my hon. Friend the Member for Easington (Grahame Morris) spoke about the contribution the industry makes economically and in terms of jobs, and I will not repeat those comments. However, 300,000 people in Great Britain are estimated to be experiencing problem gambling. It is clear from today's debate that many of us share the commitment to do more to protect people who are suffering that harm, especially given the significant changes that we have seen in the sector in recent years.

In that context, the Government are committed to taking forward White Paper measures such as new protections on marketing and bonuses, financial risk checks to prevent unaffordable gambling, and allowing consumers to seek redress from gambling operators via an ombudsman, which has been discussed today. We will continue to work with the industry, the third sector and the Gambling Commission to ensure that the reforms are proportionate, targeted and effective.

Dan Carden: Reflecting some of the points made early on in the debate, will the Department look at lotteries, pools and sports betting differently from addictive online forms of gambling, which we know are some of the most harmful? There is an opportunity to shape how gambling goes forward in this country.

Stephanie Peacock: I will be happy to discuss that with my hon. Friend. He knows that the levy is proportionate to the type of product, so it is different for different products, but I or the Minister for Gambling will be happy to discuss it with him.

The work on reform has already begun, with regulations on stake limits for online slots and a statutory gambling levy, which was debated last week and has been discussed today. I am pleased to report that the House approved both those statutory instruments, and they will be considered in the other place next week.

I will talk briefly about the first of those statutory instruments, on stake limits for online slots, which provides an important and proportionate intervention aimed at better protecting those who are most at risk of gambling-related harm. Online slots are the highest-risk and fastest-growing gambling product, but there are currently no statutory stake limits for online slot games, unlike their land-based counterparts. As the popularity of slots grows, so does the risk for vulnerable people. The limit builds on previous protections introduced by the Gambling Commission. The new regulation introduces statutory maximum stake limits in online slots games of £5 per game cycle for adults aged 25 and over and £2 per game cycle for young adults aged 18 to 24. Those limits will bolster existing safer game design requirements to ensure that online slots games are safer to play than ever.

I have heard what some Members have said about £5 being too high. The average stake in online slots is 60p, and the evidence shows that people staking high amounts are more likely to be experiencing gambling harm. The £5 stake limit is a targeted intervention to protect those who are most at risk of gambling harm and unaffordable losses.

Sir Iain Duncan Smith: I am not quite sure how the logic works on that. We introduced a £2 limit in the betting shops, but for some reason we have introduced a higher limit where we think the harms are greatest. Which one is wrong?

Stephanie Peacock: I had made a note of the right hon. Gentleman's speech, and I was just coming on to address some of the points he made, although he may not agree with my response. Before I do so, I pay tribute to the work he has done. He is an experienced Member on this issue and was instrumental in forming the White Paper.

Play on land-based gaming machines is often anonymous. Online gambling is more accessible to many, and there are extra protections that can be afforded to account-based online play, such as monitoring data for signs of harm, safer gambling checks and checks for financial risks. None the less, I will relay the right hon. Gentleman's comments to the Minister for Gambling.

The Government are also introducing for the first time a statutory gambling levy to fund research, prevention and treatment of gambling-related harm. The levy represents a watershed moment and a significant uplift in the investment dedicated to this area, along with greater Government oversight and a renewed commitment to better understanding, tackling and treating gambling harms. The statutory levy will be charged to all licensed gambling operators, replacing and building on the successes of the current system, which is based on voluntary donations. The existing system for support and treatment would not have been possible without the financial support of the industry, but the time is now right to improve and expand the system, and to put funding on a more sustainable footing and trust in the system beyond doubt.

We have designed the levy to be charged in a way that recognises the higher levels of harm associated with some online products and the higher operating costs in the land-based sector. It will guarantee that all operators pay their fair share while ensuring that any impacts are proportionate. We expect the levy to raise around £100 million every year for research, prevention and treatment of gambling-related harm. Twenty per cent. of the funding will be directed to research, which will be overseen by UK Research and Innovation to deliver a bespoke research programme on gambling; 30% will be allocated to developing a comprehensive approach to prevention and early intervention, and the remaining 50% will be allocated to treatment overseen by NHS England and the appropriate bodies in Scotland and Wales. A full treatment pathway, from referral and triage through to aftercare, will be commissioned. Not only will the levy deliver a significant uplift in investment in areas relating to research, prevention and treatment of gambling-related harm, but it will also provide robust Government oversight and mobilise world-leading expertise among our public bodies.

Many Members are keen to know more about who will lead on prevention—indeed, my hon. Friend the Member for Halesowen asked this question. This is a very complex but important area, and we want to take the time needed to get it right. We are grateful for the funding provided by the gambling sector while the statutory levy was not in place, but we have taken note of Members' desire to know what comes next and we intend to dedicate greater investment to prevention. I know the Minister for Gambling will announce her decision on prevention very soon. The levy represents the beginning of a new phase for gambling harm reduction where people in our country are better protected from and aware of the risks of harmful gambling, and it has wide support across the sector.

I acknowledge Members' comments regarding gambling-related suicide. I am aware of the devastating impact that harmful gambling can have, including some instances of suicide. A single instance of this is one too many. We are absolutely committed to working across Government on this issue, as some Members have asked, including working with the Department of Health and Social Care as part of its work to take forward the suicide prevention strategy. We will continue to work with the Gambling Commission to develop the evidence base on gambling-related suicide through its gambling survey of Great Britain.

My hon. Friend the Member for West Bromwich (Sarah Coombes) and others spoke about the role of coroners. I recognise the important role that coroners play in assessing the facts behind instances of suicide. They are already required to make a report to a person or organisation where they think action could be taken to prevent future deaths. It is beyond the coroner's power to investigate why a death occurred, and requiring coroners to do so would turn a fact-finding process into a subjective judgment, which would be inappropriate and potentially inconsistent. However, we will continue to explore possible options in this area, alongside introducing landmark reforms to prevent harm before it occurs and establish a comprehensive treatment system for those who need it.

Many Members have raised the issue of advertising, and I acknowledge their concerns. Advertising can have a disproportionate impact on those who are already

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suffering from gambling-related harm, and we know that Members are particularly concerned about the potential impact on children and young people. Key sports bodies are raising standards in this area, and the gambling sponsorship codes of conduct brought in voluntarily by sporting bodies last year are a positive step forward. The Premier League's decision to ban front-of-shirt gambling sponsors from the end of next season was also a welcome step. We will be monitoring these reforms to assess what impact they are having on the ground.

I understand that gambling operators may feel that their own messaging and volume of ads are appropriate. The independent Advertising Standards Authority has existing robust rules in place to ensure that gambling adverts, wherever they appear, are socially responsible and that advertising is an advantage that regulated operators have over the unlicensed sector. However—

Alex Mayer (Dunstable and Leighton Buzzard) (Lab): Will my hon. Friend give way?

Stephanie Peacock: In the interests of time, I will not give way.

However, the question of “appropriate volume” needs to be looked at in aggregate, and thought about from the perspective of the public, especially children. We expect the industry to take the initiative on this by working across industry with sporting bodies and academics on harm prevention. In addition, the Government are eager to see improvements made to safer gambling messages. It is clear that industry ownership of safer gambling messages is not sustainable in the long term, and we are working with the Department of Health and Social Care and the Gambling Commission to develop a new approach to messaging. In the meantime, we expect the industry to make improvements in this space; we will be monitoring the impact of the sector's work, and will step in if necessary.

This Government are committed to protecting the most vulnerable in society from gambling harm. Together with the Gambling Commission, we have made good progress on implementing the measures in the gambling White Paper. We have taken action on online slots and the levy, and we will continue to implement other measures. I am grateful for the important contributions made by Members today. I thank them for sharing their stories, illustrating why the issue is so important, and for the constructive discussion. It is a pleasure to respond to the debate.

3.56 pm

Alex Ballinger: I start this winding-up speech by paying tribute to Liz and Charles from Gambling with Lives, who have done so much to support measures to protect people who are suffering from gambling harms, and have worked with so many Members across the House on this campaign for so many years. I thank them.

Turning to the points raised by my colleagues, first, I thank the right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) for his long work on this campaign. It has been a pleasure to join his all-party parliamentary group, and I appreciate the work he has

done on fixed-odds betting terminals. I also thank my hon. Friend the Member for Liverpool Walton (Dan Carden) for his long work on addiction. It was important and relevant to this debate, and I thank him for comparing gambling to other types of addiction.

I am grateful to the hon. Member for Strangford (Jim Shannon) for raising the absence of proper legislation in Northern Ireland on this issue. I am glad the Minister is looking into that. I thank my hon. Friend the Member for Brent East (Dawn Butler) for talking about the proliferation of gambling shops in her constituency, and how they are concentrated in the areas with the most deprivation, which is a challenge that other Members have spoken about. I thank the hon. Member for Tewkesbury (Cameron Thomas) for talking about the benefits of horseracing in his constituency, and comparing that with the harms done by more damaging and challenging forms of online gambling.

I thank my hon. Friend the Member for Leigh and Atherton (Jo Platt) for talking about the challenges in Greater Manchester, her constituent David Smith, and the example of the treatment he undertook; and my hon. Friend the Member for Caerphilly (Chris Evans) for talking very powerfully about the connection between gambling and sports. Many gambling commentators are, in my view, taking advantage of their position to push this harmful activity on people who are just there to enjoy a game of football.

My hon. Friend the Member for Glasgow North East (Maureen Burke) spoke about the challenges around debt, her constituents' problems and the campaign she is pushing forward, and my hon. Friend the Member for Dartford (Jim Dickson) talked about the economic and social costs of gambling. We have heard from the shadow Minister and others about the economic benefits, but there huge economic costs associated with the harms that we should reflect on.

My hon. Friend the Member for West Bromwich (Sarah Coombes) spoke about her campaign to make online gambling safer. We are neighbours; we agree on many of these issues and have similar challenges, and I agree with her that we should encourage the gambling industry to make the process more transparent. I thank my hon. Friend the Member for Rother Valley (Jake Richards), who talked about his constituents Judith and Liz, and the very painful situation they have gone through. It is always so difficult to hear these stories, and I thank him for championing theirs.

My hon. Friend the Member for Sittingbourne and Sheppey (Kevin McKenna) spoke about the challenges in coastal areas and about how there are different grades of harms from different types of gambling. Challenging and tackling more difficult online forms may sometimes be of benefit to the less dangerous forms that he has in his constituency. The hon. Member for Cheltenham (Max Wilkinson) also talked about horseracing, but compared it with the difficult harms that people face, as well as the addiction to gambling apps and online gambling, which many of us see among younger people.

Alex Mayer: What does my hon. Friend think about online games that are not gambling, but in which, when someone loses a turn, they are immediately presented with something like an online app roulette wheel to win an extra game? Is that normalising gambling?

Alex Ballinger: That is a concern. We might need another debate to talk about the effect of online games on children.

I welcome the Minister's comments and thank her for the work she has been doing on this issue, alongside the Minister for Gambling. More needs to be done. We need a stronger push on gambling marketing, sponsorship—

Motion lapsed (Standing Order No. 10(6)).

High Street Retailers

4.1 pm

Karl Turner (in the Chair): I will call Mr Gregory Campbell 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.

Mr Gregory Campbell (East Londonderry) (DUP): I beg to move,

That this House has considered Government support for high street retailers.

This subject has concentrated minds for a number of years, and we are all affected by the problems associated with high street retailing. In fact, Mary Portas said that the future of the high street will involve

“less retail but better retail”—

that was about three years ago. I am afraid that those who say there are difficulties or problems in the high street are mistaken, because unless towns across the United Kingdom are different from the towns I experience in Northern Ireland, high street retailing is in more than just difficulty. Unless there is dramatic, innovative intervention, the high street in the United Kingdom as we know it will die.

Jim Shannon (Strangford) (DUP): I commend my hon. Friend for securing the debate. He is right to say that about the high street, and retailers across this United Kingdom of Great Britain and Northern Ireland are saying the same. Does he agree that the only way for the high street to survive is for it to adapt and move along with the times? That takes technology, innovation and a support system to which Government are committed.

Mr Gregory Campbell: I fully agree with my hon. Friend. Innovation will be the key. In many towns—I am sure that this is applicable across the UK—there are enough coffee shops and charity shops, and both of those are admirable additions to our high streets. In fact, when I am on constituency work, I find coffee shops very convenient, especially if I do not have much time to get a bite to eat. They offer a facility, as do charity shops, but the high street has to be much more than that.

This is not about the higher-end retailing that exists in, for example, Regent Street or Oxford Street, and I say that not to minimise the high streets across our country. They may be doing well—by the looks of Christmas just past, they are doing well in central London—and much of that is down to money that comes in from outside the United Kingdom.

Dawn Butler (Brent East) (Lab): In Brent, we have a lot of independent shops. Does the hon. Member agree that we should be more innovative in giving opportunities for more pop-up shops to start businesses?

Mr Campbell: I thank the hon. Member for raising that; I was just coming on to the business of independent shops.

In Northern Ireland, independent retailers have an effective representational body. They are manfully and womanfully struggling to present their case in the face of huge multinationals that exist, particularly on the edge of town and out of town, where there have been a

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number of out-of-town developments, which tend to swamp town centres. They take advantage of what is, by and large, free car parking, and town centres are choking in some respects because of commuters and people having to pay for charging.

We must be more innovative, particularly in the prime months—in the run-up to Christmas, for example—when we must try to convince various Government Ministers to introduce a charging structure that would benefit local independent retailers on the high street to ensure that some benefit is accrued to local people.

Robin Swann (South Antrim) (UUP): I thank the hon. Gentleman for bringing forward this debate. Does he agree that we can also look at other initiatives to support independent retailers? For example, there is the “Living Over The Shops” scheme that Antrim and Newtownabbey borough council brought in, which just launched its second phase in Ballyclare and Randalstown close to the end of last month. There is also the work that the council was able to do with the levelling-up moneys; it was able to redevelop a space scheme in the middle of Antrim town, where it has opened office facilities just above my constituency office.

Mr Campbell: I thank the hon. Gentleman for that. Those two or three options are starting to develop. Those that are in vogue at the moment are reasonably successful, and they need to be built on.

Matt Rodda (Reading Central) (Lab): Does the hon. Member agree that this is also about a series of relationships between local councils, small businesses and others to try to enhance town centres? For example, in my area, Reading borough council is working hard at getting improvements to paving and other visual improvements in the town centre to help to support small businesses. That is a valid initiative, which will hopefully help to attract more people into our town centre.

Mr Campbell: I concur with what the hon. Gentleman said. I notice that this is turning into an intervention debate with a speech, but, given that I intervene very regularly—

Tulip Siddiq (Hampstead and Highgate) (Lab): On that point, will the hon. Gentleman give way?

Mr Campbell: I suppose I asked for that.

Tulip Siddiq: The hon. Member is being very generous with his time. He has brought a very important debate to the House. Others might disagree, but I think my constituency is the best in the world. We have one of the prettiest high streets in Hampstead, but the problem at the moment is that Hampstead post office is under threat of closure because of years of under-investment. I personally have been going there since I was a teenager. Elderly people and small businesses, which the hon. Gentleman referred to, rely on it. Does he agree that if we want our high streets to thrive, the post office has to stay open?

Mr Campbell: I was just coming to the issue of bank branch closures and post office closures, which unfortunately have exacerbated the problem in recent years. We had a debate this morning where some Members mentioned

the development of banking hubs, which has helped to a small degree, but they will take some time to roll out. We must remember that more than 2.5 million people are employed in the retail sector across the United Kingdom, so this is not a niche sector that some people are annoyed about but which does not affect a large number of people: this is a huge part of our economy, and it has to be the subject of innovative change and dynamic alignment.

Claire Hanna (Belfast South and Mid Down) (SDLP): The challenges we are experiencing on Saintfield Road and Sandy Row sound very much like what the hon. Gentleman will be dealing with in Coleraine and Dungiven. Retail provides vibrancy, shared space and a huge rates take. Lisburn Road in south Belfast puts around £6 million into the coffers of Belfast city council. Could we do more from Stormont in calibrating the rates and supporting some of those particularly vulnerable sectors, such as retail and hospitality?

Mr Campbell: The short answer to that is yes. I think some things are being done by devolved Government, but I was alluding to the rating of commercial premises in the run-up to Christmas. We need to reduce car parking charges and rates at that time because many businesses exist throughout the year only because of the turnover that they get between October and Christmas eve.

Richard Walker, the managing director of Iceland—who I understand is a supporter of the Labour Government, so I hope this is not viewed as a criticism—said just this week:

“The Treasury is right to look at levelling the playing field on tax, but it has parked its tractor in the wrong place going after hard-working British farmers. Let’s stop messing around and make online sales tax reform the priority. High streets and farmers are the bedrock of this great country, we need to get behind them.”

I could not agree more. We need a fundamental reassessment of where our high streets will be not in 15 years’ time but in 15 months’ time.

Melanie Ward (Cowdenbeath and Kirkcaldy) (Lab): I thank the hon. Gentleman for giving way; he is being very generous with his time. It is already clear from this debate that decline in our high streets is a common problem across the UK, including in my constituency. We probably all agree that it will take innovation, creativity and, crucially, investment to redevelop our high streets. Will the hon. Gentleman join me in paying tribute to the work of local organisations such as Love Oor Lang Toun and the Adam Smith Global Foundation in my constituency, which are doing so much to develop the future of Kirkcaldy?

Mr Campbell: I do not know those organisations, but I presume, on the basis of the hon. Lady’s endorsement, that they are very worth while and worth defending.

This week—this is a very topical issue—the Government in the Irish Republic have indicated that they will look at VAT terms. Of course, Northern Ireland is in very close proximity to the Republic. Here in the UK, VAT is charged at 20%, and in the Irish Republic it is 13%. That puts our high street retailers, particularly those in the hospitality sector, at a bit of a disadvantage. The Government in the Republic have indicated that they will reduce their rate yet again from 13% down to 9%, which means that the disadvantage gap for Northern Ireland retailers and consumers will widen considerably.

The Minister will obviously not be able to respond immediately. If he does, I would be very surprised. I would welcome his response if he were able to say, “I’m going to go to the Treasury and get special dispensation for Northern Ireland hospitality on the high street, with a 5% introductory rate for the next four years of this Parliament”—I think that would be an excellent idea that would get support across the divide in Northern Ireland. But I hope he will have some discussion with his colleagues to see what can be done. We are at an acute disadvantage, and it is most heavily felt. In the past couple of days, hotel managers and hospitality retailers have been on local radio saying, “Our opportunity for business is diminishing even more as a result of this decision to reduce VAT in the adjoining businesses, just a few miles across the border, down from 13% to 9%. We are struggling with charging a 20% rate.” So a 5% rate would be very welcome.

In conclusion—

Tom Hayes (Bournemouth East) (Lab): It is funny how saying “In conclusion” gets our attention. I thank the hon. Gentleman for giving way. If he wants independent stores, fantastic cafés or great restaurants, I can heartily recommend the high streets in Boscombe, Pokesdown, Southport and Tuckton. I could go on, but I will not. I particularly recommend the fantastic vintage store In Off the Far Post in Boscombe. Would the hon. Member agree that we need the Government to support our high streets so that we have more independent shops and fewer candy shops and vape shops, which are often so brightly lit that we can almost see them from space?

Mr Gregory Campbell: I agree with what the hon. Member said in his brief tour of his constituency, which I am sure is very enticing to those who have not been. We need support, but we need more than just more of the same. We need to have a structured look at what the high street will look like.

Gideon Amos (Taunton and Wellington) (LD): Would the hon. Gentleman agree that the Government “high street rental auctions” approach, in which councils can auction the retail rights of an empty shop, is valuable, but that the guidance needs to be changed? Will he invite the Minister to change the guidance so that it can apply to department stores as well as other places?

Mr Campbell: I look forward to hearing the Minister respond to that, as it sounds like a concept worth pursuing. I thank the Minister for being in his place. Hopefully, he will be able to respond positively, to give us an indication of what the Government intend to do and to take a really radical look at our high streets in the next few years.

Karl Turner (in the Chair): I call Imogen Walker to make a brief speech.

4.16 pm

Imogen Walker (Hamilton and Clyde Valley) (Lab): Thank you, Mr Turner; it is a pleasure to serve under your chairmanship.

My constituency is a mix of countryside towns and villages, so many of our shops are small businesses at the heart of our communities. But the last few years have been very hard on them: covid, the bungled implementation of Brexit and the stripping out of public

services have all sadly revealed the weaknesses of the previous Government and taken their toll. In addition, the SNP cannot manage the finances and that has also had an impact on our town centres.

Now, we are looking to the future. The UK Government have put an end to 14 years of austerity, begun to rebuild our economy and delivered a historic £5 billion extra to Scotland. The 40% business rates relief for the retail sector in Scotland will kick-start investment, get businesses into empty properties and support our hard-working entrepreneurs.

However, despite their record settlement, the SNP Government have refused to pass that support on. It would cost them £22 million to support both leisure and retail with business relief—roughly half the cost of suing Rangers football club; that is their priorities in action right there. COSLA—the Convention of Scottish Local Authorities—has said that £300 million would help get our councils back on their feet, investing in our high streets and bringing our town centres back to life. That is less than the Scottish Government’s overspend on two ferries. For too long, Scottish businesses have paid the price of SNP failure.

Our shops are competing against online giants; that is part of life now, but we must recognise the importance of thriving town centres. I certainly do, because the people in Hamilton, Lanark, Larkhall, Lesmahagow and across the constituency tell me that they want to go somewhere they can meet their friends, try on a pair of shoes and maybe have a cup of coffee. Why, in that case, is the support that the Government are giving our high street shops not being reflected in Scotland? Why can the SNP Government not help level the playing field and give our brilliant shops a fighting chance?

I know that it will be hard for the Scottish Government to deal with their overspend and the chaotic management of Scotland’s money, mirrored terribly in the SNP’s own finances. But despite the problems that they have created for themselves, it is now time to do the right thing: to set out a long-term path to support local economies, start working across all levels of Government and stop wasting money.

I know that we can get the boards down from the shop windows and that there is the talent, drive and energy out there to bring our high streets back to life. All people need is the opportunity to do what they do best. That is what we are here to deliver.

4.19 pm

The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas): It is a pleasure to serve under your chairmanship, Mr Turner. In the usual way, I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing today’s important debate, and I apologise to him and to other Members for getting my timing slightly wrong. I will make a point of reading the early part of this debate in *Hansard* a little later.

We have heard contributions from the hon. Member for East Londonderry and my hon. Friend the Member for Hamilton and Clyde Valley (Imogen Walker), but also important interventions from a series of hon. Members. In the short time available to me, I will probably not be able to do full justice to all those interventions, but let me try to pick up at least one or two of the points made.

[Gareth Thomas]

Crucially, we need to underline the fact that retail has a key role to play in supporting high streets in every corner of the UK—particularly in Northern Ireland, given the focus of this debate, but more generally across the UK as well. In 2023, the retail sector contributed about £110 billion to our economy: just under 5% of the total UK economy. It remains a very high employment sector, directly supporting 2.9 million jobs across the UK in 2023. In short, retail is the backbone of our high streets and remains a key driver to support economic growth.

I recognise that recently there have been concerning stories in the media about the challenges that retailers are facing, and I know that that is a concern for Members across the House. We know that retailers are facing a series of economic headwinds, as well as dealing with the challenges of changing consumer shopping habits and the rise of online shopping. A thriving high street will continue to need a strong retail offering, helping to drive growth in local economies and supporting local communities. Never has it been so important to help retailers—particularly the small and independent retail businesses to which a number of Members, not least my hon. Friend the Member for Bournemouth East (Tom Hayes), have referred—to grow.

Adrian Ramsay (Waveney Valley) (Green): The Minister rightly talks about the importance of supporting small and independent businesses. One thing that those businesses rely on is having access to banking, but banks are closing, which has a particular impact in rural communities. For example, my constituents have lost Barclays in Harleston and this year are due to lose Lloyds in Halesworth and Beccles. Will the Minister outline the progress that the Government are making on their pledge to roll out far more banking hubs so that local communities and businesses keep access to banking in their market towns and areas?

Gareth Thomas: I thank the hon. Gentleman for that intervention. My right hon. Friend the Chancellor of the Exchequer opened the 100th banking hub very recently, and I know from figures that Cash Access UK and LINK have published that 200 locations for banking hubs have been identified; that is part of the commitment to roll out 350 banking hubs.

But we want to do more. The Post Office plays a key role in offering banking services, particularly as banks themselves have exited the high street, and we are beginning work with the Post Office to strengthen its banking offer on the high street. I heard very clearly the intervention from my hon. Friend the Member for Hampstead and Highgate (Tulip Siddiq) about the directly managed branch in her constituency. I recognise the importance of post offices to all our high streets. She will know that no decision has been made on Hampstead—or, indeed, on any other directly managed branch—but I know she will continue to campaign on this issue.

To support businesses, the Budget honoured the manifesto commitment not to raise corporation tax. It set out the tax road map for this Parliament, in which we will not change corporation tax, which means we have the lowest rate in the G7. All that will support businesses, including retailers, to invest.

As the hon. Member for East Londonderry is aware, retail is a devolved matter. I welcome measures such as the Back in Business rate support scheme, which has been created to incentivise business rate payers to consider occupying empty retail premises. Vacancy is a blight on too many of our high streets and town centres across the country and it can fuel a spiral of decline. That is why Government in all forms need to work together with local communities and businesses to strengthen the offer.

Mr Campbell: The Minister rightly points out the devolved nature of much of retail. Does he agree that the chronic level of VAT, which is not devolved—it is a matter for the Treasury—compared with our neighbour in the Irish republic is having a detrimental effect on retailers?

Gareth Thomas: The hon. Member may want me to go straight from this debate to the Treasury to get an immediate concession.

Mr Campbell: Tomorrow!

Gareth Thomas: That is generous of him. I will take that question away and look at it. I know that that is an issue particular to Northern Ireland. He will understand that it is not immediately the responsibility of the Department for Business and Trade, but I will none the less take a look at it.

Matt Rodda: Could the Minister provide a brief update on progress towards reforming business rates? It is a popular policy with many small businesses—particularly independent retailers in my area, who appreciate the Government's work on this matter. They would be grateful for further updates.

Gareth Thomas: I am grateful to my hon. Friend. The Chancellor of the Exchequer announced in the Budget in October the intention to permanently lower the level of business rates for retail, hospitality and leisure. She published a discussion paper at the same time to involve the business community in further discussions about what else we can do in the business rates space. I strongly encourage hon. Members across the House to encourage businesses in their communities to get involved in that debate. That makes all the more striking the point made by my hon. Friend the Member for Hamilton and Clyde Valley about the approach of the SNP Government in Scotland not to get behind businesses. I hope that her speech was listened to and will be acted on by those currently in government in Scotland.

Hon. Members will know that more widely we have introduced high street rental auctions, enabling local authorities to tackle decline on the high street by bringing vacant units back into use. We are already working with three local authorities to begin to learn the lessons of how that new power works.

Gideon Amos: Will the Minister give way?

Gareth Thomas: Forgive me, but I have only 2.5 minutes. If I missed something and the hon. Gentleman wants to write to me, I will be happy to reply.

I have touched on business rates reform. We want to introduce a new business growth service to simplify the support available for all small businesses and bring it under one single trusted banner. We will set out further reforms in that regard in our small business strategy, which we will publish later this year.

Since I took office, I have been in engaging with the industry-led Retail Sector Council, which is a collaborative forum made up of widely experienced senior figures from across all parts of the retail industry, helping us and indeed other Government Departments to think through the challenges facing the retail sector. One of those big challenges is about how we tackle retail crime.

Shop theft continues to increase at an unacceptable level, with more and more offenders using violence and abuse against shop workers. Recent figures from the British Retail Consortium's annual crime survey show that violent and abusive incidents were up by more than 50% last year, and retailers are reporting 55,000 thefts a day. That is why clamping down on that behaviour is one of the first steps that we are taking to deliver safer communities, including delivering on a specific commitment for a new offence of assault on a shop worker. We are also ending the effective immunity that the previous Government granted to help stop theft of goods under £200.

We all know that retail businesses are hugely important to our constituents and to our high streets. I thank the hon. Member for East Londonderry for giving the House the opportunity to raise this important issue. I am happy to take up further specific concerns that any hon. Member has in this space.

Question put and agreed to.

Overseas Territories: Tax Transparency

4.30 pm

Joe Powell (Kensington and Bayswater) (Lab): I beg to move,

That this House has considered tax transparency in the Overseas Territories.

It is a pleasure to serve under your chairship, Mr Turner. Having worked on anti-corruption, open government and transparency issues for more than a decade, I am often asked why such issues matter when there are so many pressing challenges facing our country. It can often seem an intractable problem—billions and trillions flowing through the international financial system that will end up elsewhere. What difference does it make to our constituents? I hope this debate will show directly why it matters to our Treasury and our tax take; to the housing crisis; to the fight against organised crime; to the enforcement of our sanctions against Putin; to fighting poverty around the world; and to restoring trust, transparency and accountability to our democracy.

This Government have made a strong start on combating illicit finance and kleptocracy. I particularly welcome the Foreign Secretary's personal campaign on this issue, which has seen an expansion of our sanctions, the appointment of Baroness Hodge as the UK's anti-corruption champion, and a cross-departmental team of Ministers charged with developing a new anti-corruption strategy, to which I know my hon. Friend the Exchequer Secretary to the Treasury has a strong commitment.

The Foreign Secretary's ambition to transform Britain from the dirty-money capital to the anti-corruption capital of the world is absolutely the right objective. It matters for our international reputation and our standing in the world. To be taken seriously as a leader on democracy and anti-corruption, our own house has to be in order. The uncomfortable truth is that while some of the most notorious and brazen enablers of illicit finance and money laundering are operating as part of the UK family, we will not be able to claim that leadership role. Despite years of warm words and communiqués about fighting economic crime, the overseas territories are still one of the premier global destinations for moving dirty money, and it is time for that to change.

Since the full-scale invasion of Ukraine in 2022, I have led the local Kensington Against Dirty Money campaign in my constituency of Kensington and Bayswater, where more than 6,000 properties are owned overseas. Our most popular activity is a local kleptocracy tour of often empty mansions owned by autocrats and their supporters from around the world. Transparency International found that £5.9 billion in suspicious funds had been used to purchase UK properties through shell companies registered in the overseas territories, with £1.1 billion of that in my constituency. The ownership vehicle of choice is an anonymous trust, with the most popular location being the British Virgin Islands. The BVI has a population of less than a quarter of my constituency, so it would be highly surprising if BVI residents were the beneficial owners of the properties.

Thanks to investigative journalists and a series of high-profile leaks from the Panama and Paradise papers to "Cyprus Confidential", we know who the actual owners are. That is why the previous Government—with thanks to the right hon. Member for Sutton Coldfield

[Joe Powell]

(Mr Mitchell)—took action in the previous Parliament with cross-party support to implement a register of overseas entities. That gives us good and helpful information, but a glaring loophole remains. Trust-owned property does not need to be declared—and in the Royal Borough of Kensington and Chelsea that accounts for 40% of the foreign-owned property. That allows the UK property market to continue as a laundromat for illicit finance. I ask the Government to look at closing this loophole and adding trusts to the property register as soon as possible.

Alex Sobel (Leeds Central and Headingley) (Lab/Co-op): Does my hon. Friend agree that without those actions there is a real danger that significant sums of Russian assets and money, which could be sanctioned and used to reconstruct Ukraine, will be left in the hands of the supporters and perpetrators of the war in Ukraine?

Joe Powell: I completely agree. Without transparency, we cannot follow the money. We have some prominent examples of properties owned by sanctioned oligarchs that came into the sanctions regime only after investigations uncovered those assets. Keeping the anonymous trust option available, without the requirement to declare the true owners, allows for exactly the sort of behaviour that my hon. Friend outlines.

The main opposition is from some highly self-interested trust lawyers, so I urge the Government to take on those claims and bring trust-owned property into the register, which would help us not only to fight economic crime but to revitalise our high streets, where buildings often sit empty because enforcement action cannot be taken when the true owners cannot be tracked down. Indeed, some of my constituents were evicted using a spurious section 21 notice by an anonymous landlord who was based overseas in a tax haven.

My local walking tour, as part of the Kensington Against Dirty Money campaign, ends outside Roman Abramovich's frozen mansion, which he purchased for £120 million, on Kensington Palace Gardens. In the past week or so, Abramovich has again been in the news, this time for allegations that he owes approximately £1 billion in UK taxes. At the heart of this story are, again, the UK overseas territories. Abramovich and his advisers used a complex web of corporate structures, via Cyprus and the BVI, to use money from the sale of Sibneft back to the Russian Government at huge profit in 2005. They set up approximately 200 hedge funds and maintained that the operations were happening in the BVI, but it has now been uncovered that the real activity was continuing in London—indeed, in Stamford Bridge itself.

This is potentially the biggest tax case since Bernie Ecclestone, and it is vital that His Majesty's Revenue and Customs has the resources it needs to investigate. Enforcement of the rules and regulations is critical to recovering as much money as possible for the Exchequer and supporting the Minister's efforts to improve the public finances. It is also time to upgrade our anti-money laundering supervision regime for professional bodies such as accountancy and legal firms, so that dirty money does not flow through the City. The previous Government opened a consultation, but it has not been responded to.

This is urgent, because Abramovich's is not an isolated case. For years, the BVI has been the global destination of choice for those seeking maximum secrecy for their money. It featured prominently in the Panama papers, in which half of the exposed entities were linked to the BVI. That is why Parliament has clearly stated its will that public registries of beneficial ownership should be implemented across the overseas territories and Crown dependencies.

At the first Joint Ministerial Council of this new Government, in November last year, the BVI, alongside other overseas territories, promised reforms to ensure maximum transparency, and the Government reiterated their commitment to full public access in due course. I absolutely support the Government in this mission, which is why it was so deeply disappointing to see the BVI's proposals around company registries, which were published last month. Access would be severely restricted. One provision would even allow company owners to be notified not only that someone is attempting to uncover their identity, but of who is making the request and why, putting investigative journalists and anti-corruption activists at risk of legal or physical intimidation. Worse still, that warning system could tip off criminals and give them a head start, allowing them to move illicit assets before enforcement agencies can act. Such measures do not protect business or privacy; they protect kleptocrats and criminals.

We know it can be done: Gibraltar has shown us what can be achieved. It introduced a public register that is similar to the one that the UK has had for several years. If Gibraltar can do it and we can do it, so can the BVI, the Cayman Islands, Bermuda and all the overseas territories. We must not let our Crown dependencies off the hook, either.

Many overseas territories have cited the privacy concerns outlined in the European Court of Justice rulings, but I encourage them all to review the sixth anti-money laundering directive, which would ensure that journalists, civil society, law enforcement and businesses with anti-money laundering duties all have access to the register anonymously and in full. I continue to believe that public registers are the best solution for the overseas territories and Crown dependencies, but minimum progress would be to meet that European regulatory standard.

It is clear from all the evidence—I expect we will hear much more today—that we need to do far more collectively to support the overseas territories to make progress on economic crime. The path forward is challenging, but I know the Government are seized of its importance. The overseas territories must meet the June deadline to make progress towards public registers. There must be no further delays. Trust-owned property should be included in the register of overseas entities. AML supervision should be strengthened to halt the enablers of dirty money. HMRC, the National Crime Agency and other enforcement agencies must proactively make cases and have the skills and resources they need.

To galvanise our international partners, the Foreign Secretary's proposal for a summit of financial centres here in London would create a focal point for aligning rules and policies. I hope this debate will galvanise support across the House for the vital mission of tackling corruption and economic crime.

Karl Turner (in the Chair): I remind Members that they should bob if they wish to take part in the debate.

4.42 pm

Jim Shannon (Strangford) (DUP): It is a real pleasure to serve under your chairship, Mr Turner. This is the third time for me this afternoon, but the first time for you—we wish you well in the job you have been elevated to. I thank the hon. Member for Kensington and Bayswater (Joe Powell) for highlighting the concerns. I say well done on his speech and introduction to the subject matter; we do not hear enough about it in this House, but today gives us an opportunity.

I have been incredibly interested in the hon. Member's goal to rid the UK of so-called dirty money. In Northern Ireland we have had more than our share of that, of course, through the paramilitary organisations—on both sides of the community, by the way. I remember a case that “Panorama” covered. Dirty money went from Estonia and Poland to the UK and then to Northern Ireland. That money flowed in either direction.

There is estimated to be at least £1.5 billion of UK property owned by Russians accused of financial crime or with links to the Kremlin. Along with others in this House—I can think of someone not too far away—I have already been sanctioned by the Russians. It is almost a badge of honour. I can be free with my words; I am not worried what they say about me. I think we should seize their properties, sell them and use the money to fund the needy in our palliative care units, or to build special education units throughout the UK—anything other than allow our nation to be used in such despicable ways.

I will come back to the point of the debate, which is the need to ensure that overseas tax havens are not providing more scope for tax evasion, or worse, for scurrilous, illegal behaviour. Sometimes it frustrates me, Mr Turner—I suspect it frustrates you every bit as much—when HMRC pursues someone for a slight overpayment or underpayment of tax, yet we have guys sucking away hundreds of millions of pounds and not a word about it.

Just last week I had a constituent in my office with his HMRC tax bill. He owed just over £500 in tax, and part of the reason was that he had not reckoned on the fact that the savings that he and his wife put aside for their pension, as they do not have private pensions, are being taxed. He said to me, “How do I get my hands on one of those foreign tax havens? The Government are taxing the money that I have saved for my future after they have taxed it before it goes into the bank account.” We all smiled—I know he does not mean it because I know him well—but the fact is that there are those who can use accounts in overseas territories to avoid taxes while hard-working middle-class families must pay twice on their income.

Members can understand my frustration on behalf of my constituents whenever they are getting squeezed by HMRC. It is not that we are against paying tax—we pay the tax; that is the way it is—but that we see others blatantly abusing the system. Unfortunately, our British overseas territories have become tax havens to which the money is siphoned off to avoid tax. There is something wrong with that scenario.

I realise that other hon. Members want to speak, so I will finish with this point: it is despicable that overseas territories act as jurisdictions of secrecy because they do not have strong financial reporting rules. I very much look forward to what the Minister will say: he is a good

Minister with an understanding of the issues and of these broken questions that I ask him. Others will ask them much more expertly than I can; I just want clarity and transparency, and I want to see those who do wrong held accountable. As a Christian, I know that those who do wrong in this world will be accountable in the next world to God himself, but there is something wrong in this world if they are not accountable under the systems that we have laid down.

People do not have to declare where their money comes from. That has to change, not only for the sake of our constituents, but to ensure justice for all. To those who use the overseas territories to avoid the taxes they should pay, I say, “Your time has come.” I want to see what the Minister can do about that. How many times will working families be taxed while others with more money pay less because of loopholes?

I very much support the hon. Member for Kensington and Bayswater in his fight, and I look forward to hearing from the Minister. I also look forward to hearing from the shadow Minister, the hon. Member for Wyre Forest (Mark Garnier). He is a man of integrity, and he is always there to uphold the issues that we bring forward.

4.46 pm

Rachel Blake (Cities of London and Westminster) (Lab/Co-op): I thank my hon. Friend the Member for Kensington and Bayswater (Joe Powell) for securing this debate. I have joked in previous debates that I could be known as the Member of Parliament for frozen assets; nothing could be truer today, as that is the topic at hand.

At least £5.9 billion in suspect funds has entered the UK property market via shell companies registered in the overseas territories. Over half of that money can be found in my constituency of Cities of London and Westminster. These forces blight our communities, driving out residents and local businesses and replacing them with empty shells of buildings owned by empty shells of companies.

Over the past few months, key pillars of the City and Westminster communities have been at risk of closure, including the Jubilee Hall gym and the Prince Charles cinema. Most notably, the central London YMCA, the oldest YMCA in the world, will close its doors this week. These institutions have always had to compete against the great and the good of London's residential and business community, but they are increasingly being crowded out. They are bidding in a rental market against shadowy owners with nigh unlimited funds.

Individuals who have frequently made their wealth from corruption and the abuse of power, by skimming money from state procurement contracts or directly acquiring assets, are funnelling the proceeds of this ill-gotten wealth into our property market. They include Alexander Zakharov, the creator of the deadly Lancet drone being used to terrorise the people of Ukraine, whose family own a £1.5 million flat overlooking Big Ben; Daim Zainuddin, a former Malaysian Minister of Finance accused of extraordinary misappropriation of public funds, who owns a £28.6 million office in the City of London; and Mikhail Gutseriev, a major backer of the Belarusian dictator Alexander Lukashenko, whose son Said owns a £160 million portfolio of properties across the Cities of London and Westminster. The immense

[Rachel Blake]

level of money laundering in London corrodes our communities, damages democracy around the world and blocks the growth prospects of our capital's economy.

We have already heard why it is so important for the overseas territories, particularly the British Virgin Islands, to implement public registers of beneficial owners. Knowledge about property ownership is a vital tool for protecting our country from kleptocrats. Stonewalling by the authorities in the BVI leaves those who work tirelessly to expose cases of corruption fighting with one hand tied behind their back. Currently, only those in law enforcement can access information about beneficial ownership, and they have to apply for it on a case-by-case basis. The move to fully public registers of beneficial owners is sorely needed and long overdue. Public registers were first meant to be implemented by the end of 2020, which was 1,497 days ago, or 30 Liz Truss premierships.

The BVI has now, finally, suggested an approach, but it is simply not good enough. It will require applicants to identify the beneficial owner when requesting corporate data; essentially, it asks them to know the precise information that they are after. Under the draft policy, applicants could get hold of company ownership information only if they were involved in regulatory or legal proceedings about financial crime or a criminal case in which a court has determined that the data could help to solve the investigation. Most alarmingly, the BVI registrar would be required to tip off beneficial owners within five days of an application being made, allowing beneficial owners to liquidate or move assets.

At this stage, we really need to ask whose side are the BVI authorities on. Do they stand with local communities like mine, with Parliament and with my constituents in the fight against corruption, or do they stand with the kleptocrats who are using the property market as a rainy-day fund? I am pleased to see that this is a priority for our Government and our relations with the overseas territories. This Government are pushing for greater transparency from them. I wholeheartedly support the Government in those efforts. I look forward to further updates and further opportunities to speak about the issue.

Several hon. Members *rose*—

Karl Turner (in the Chair): Order. Before I call the next speaker, I will impose an informal time limit of five minutes.

4.51 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): It is a pleasure to contribute to the debate. I congratulate the three Members who have made speeches so far, particularly the hon. Member for Kensington and Bayswater (Joe Powell); he represents a royal borough and I represent a royal town, but this is an issue on which there is huge cross-party agreement. It has already been set out why that agreement exists. We know that this dirty money comes from the drug trade, from the sex trade and from modern slavery. Alas, credible sources indicate that something like 40% of it comes through London, the overseas territories and the Crown dependencies.

Parliament has already decided what should happen. On 1 May 2018, the House added new clause 6 to the Sanctions and Anti-Money Laundering Bill, under which all overseas territories must implement open registers

of beneficial ownership by the end of 2020. As the hon. Member for Cities of London and Westminster (Rachel Blake) said, it was meant to be 2019, but because of the hurricanes, Lady Hodge and I agreed when tabling the amendment that it would not be necessary to do it until the end of 2020.

Subsequently, the Foreign Office arbitrarily extended that figure by three years to 2023. On 4 March 2019, in a succession of points of order to the then Speaker, two former Chairs of the Public Accounts Committee—my now noble Friend Lady Hodge and my right hon. Friend the Member for Goole and Pocklington (David Davis)—and two former Secretaries of State for International Development, namely the right hon. Member for Leeds South (Hilary Benn) and myself, made it clear that that had been done by sleight of hand and that the open registers had to be implemented as soon as possible.

Outrageously, we now find that the will of Parliament has been flouted. The letter from the BVI, which I think was received last week, amounts in my view to a contempt of Parliament. The remedy lies with an Order in Council. The Order in Council, which was published on 14 December 2020, insists that the overseas territories must comply with the requirements of section 51 of the Sanctions and Anti-Money Laundering Act 2018.

The position is very clear. Unless at this summit the overseas territories—we are talking particularly about Cayman and the BVI—say that they will follow the will of Parliament, which is clearly set out in that section of the 2018 Act, the Government must impose an Order in Council in the way that has been agreed. Let us be clear: the Government set out in 2012 the constitutional position on using an Order in Council. None of us wants to do it, but that is what Parliament is now pushed to do. The Government said:

“As a matter of constitutional law, the UK Parliament has unlimited power to legislate for the Territories.”

The overseas territories themselves recognise that they gain hugely from their relationship with the United Kingdom. If they want to travel under our flag—if they want to have the privilege under our monarch—they must accept our values as well. This has gone on far too long. I read that they were suggesting the Foreign Secretary was working to impose these orders in a colonialist way. I cannot think of any other Member of Parliament of whom that is less likely to be true than the current Foreign Secretary.

The brilliant officials in the Foreign Office, who are second to no one in my admiration, have been too willing to keep the peace between the overseas territories and London. They must now ensure that the open registers of beneficial ownership are implemented forthwith, in accordance with the will of Parliament. I very much hope that that will be the result of the summit to which the hon. Member for Kensington and Bayswater referred.

4.56 pm

Phil Brickell (Bolton West) (Lab): It is a pleasure to serve under your chairship, Mr Turner. I congratulate my hon. Friend the Member for Kensington and Bayswater (Joe Powell) on securing this crucial debate on tax transparency in the overseas territories, which goes to the heart of three issues that I will cover.

First, there is the matter of tax justice. Reporting from the Bureau of Investigative Journalism only last week found that sanctioned Russian oligarch Roman Abramovich

dodged up to £1 billion of UK tax by structuring the ownership of his fleet of yachts and his hedge fund through the British overseas territories. I will bring this to life with the example of Mr Abramovich's mega-yacht Eclipse.

According to corporate records, Eclipse was owned directly by Kane Global Holdings Ltd, which was incorporated in the British Virgin Islands. Kane was, in turn, owned by Lindeza Worldwide Ltd, incorporated in the BVI. Lindeza was owned by Electus Investments Ltd, held on trust in Cyprus and the BVI. Above Electus sat the Sara Trust, registered in Cyprus. Finally, there was the ultimate beneficial owner: Mr Roman Abramovich.

Let us be clear. This is a complex web of deceit intended to prevent taxes from being paid where they are due. It is conducted on an industrial scale and involves an army of immoral corporate service providers, lawyers and accountants who are only too happy to facilitate such demands. But this is not just about Mr Abramovich. Indeed, journalists in the Organised Crime and Corruption Reporting Project have reported on dozens of cases involving suspicious transactions linked to high-profile businesspeople from Bulgaria, Georgia and further afield, all systematically channelling money and assets into these jurisdictions to escape their tax liabilities in the UK and elsewhere.

It is simply unacceptable—indeed, it is morally indefensible—that we find ourselves in a situation in which a number of British overseas territories continue to incorporate entities hiding behind the corporate veil of secrecy. All the while, our constituents pay their taxes in good order.

Secondly, there is a corrosive impact on the social contract between British citizens and the state. If it matters so much to the UK Government that UK taxpayers front up to fund our public services, why does it not matter that the mega-rich are exploiting the overseas territories? How can we look our constituents in the eye and say in good faith, “We are pursuing every avenue to pump much-needed resources into our NHS, our police service and our schools,” when the mega-rich and multinational corporations can escape their taxes by squirrelling their money away in British territories offshore?

Thirdly, at a time when the Government are focused on driving economic growth and unleashing the full potential of the private sector, we find ourselves in the bizarre situation that continued secrecy in the overseas territories places an immense regulatory burden on UK firms. As a former financial crime compliance officer in two UK banks, I know only too well the huge investment put into armies of due diligence professionals, who, unable to ascertain the ultimate beneficial ownership of entities incorporated in the overseas territories, spend an inordinate amount of time chasing their tails. That has a simple economic cost for UK businesses and consumers, and the British economy. That burden stands firmly at odds with the Government's drive to deregulate and to drive up competitiveness.

We have a moral obligation, a societal imperative and an economic impetus to act. That is why we must have publicly accessible registers of beneficial ownership in the British overseas territories. That certain overseas territories continue to hide, obfuscate and deny, and prevent long-overdue reform, is a stain on our collective conscience.

The Minister of State, Foreign, Commonwealth and Development Office, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), confirmed in response to a written question of mine:

“We consider publicly accessible registers of beneficial ownership (PARBOs) a vital tool for combatting financial secrecy.”

He went on to say:

“I have been clear to OT leaders that full PARBOs are our ultimate expectation.”

The Minister for Security confirmed in response to another written question I submitted that the UK Government

“expects implementing legitimate interest access is an interim step to publicly accessible beneficial ownership registers”.

I sincerely hope that the Exchequer Secretary can provide similar assurances today that His Majesty's Government are committed to working across Government to drive transparency in tax matters, and that it remains the case that they expect publicly accessible beneficial ownership registers to be implemented in the overseas territories.

Time is of the essence. We cannot allow secrecy to be used as a barrier to tax justice. That much I owe to my Bolton West constituents and we, as parliamentarians, owe to this country at large.

Several hon. Members rose—

Karl Turner (in the Chair): Order. With a time limit of four minutes, I call Bobby Dean.

5.1 pm

Bobby Dean (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship, Mr Turner. I join others in thanking the hon. Member for Kensington and Bayswater (Joe Powell). He has been a relentless campaigner on this issue for a number of years, and I hope that now he is in this place he can make a real impact on it.

I want to make a few short points. The first, which was mentioned by the hon. Member for Strangford (Jim Shannon), is about fairness, and the injustice that many of our constituents feel about this issue. Those who are most able to pay are also most able to avoid paying. The hon. Member spoke about his constituent being chased by HMRC, yet on a global scale it feels like that is not being done in the same way. The sense of injustice really burns people up. This is about restoring trust in politics and our economic system more broadly. The hon. Member for Kensington and Bayswater talked about how global corruption gets to hide under this, too. That underlines the unfairness of this issue.

My second point is about revenue. It is clear that our public services are under strain, and we should be able to assess what tax is owed and collect it. That is a very basic principle. I know that the Government have done some good work in terms of investing in HMRC. I welcome that and hope that it can be a model for what we do on a global scale, so that we go further and faster on this issue, too.

My final point, and the one I wanted to make the most, is about Britain's responsibility on this global issue. It is a global problem, but it is one in which Britain has a really important role to play. We have probably all seen the statistic that one third of all global tax dodging is enabled by British overseas territories. I share the frustrations of the right hon. Member for Sutton Coldfield

[Bobby Dean]

(Mr Mitchell) about British overseas territories not necessarily abiding by their constitutional demands or sharing the values we have been talking about today. It is incumbent on us to make sure that our Government act in the fullest and strongest possible way.

I hope the Minister will pledge that Britain will show leadership on this issue, that the Government will ensure that the deadlines are met quickly, and that trusts will be added to the register. I will add that Britain has shied away from participating in discussions on the UN tax convention. One way that we can play a leadership role on this issue is by choosing to be an active participant in that conversation and showing our leadership there too.

In conclusion, this is the right thing to do, it is in our interests to do it, and it is on Britain in particular to lead on it.

5.4 pm

Tom Hayes (Bournemouth East) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I commend my hon. Friend the Member for Kensington and Bayswater (Joe Powell) for bringing forward this excellent debate.

Extreme inequality is out of control around our world. Oxfam says that the global wealth of almost 5 billion people—the poorest 60%—has fallen; meanwhile, the world's richest men have more than doubled their fortunes since 2022. It says that global poverty will not be eradicated for another 230 years; meanwhile, the world could have its first trillionaire within a decade. Here in our country, just like overseas, millions are suffering daily hardship. This is personal for me. I grew up in poverty, with parents who I cared for unable to get a foot in the door of public services starved of resources. That is why I stood to be a Labour MP who campaigns against tax secrecy.

A contributor to the widening inequality crisis is a rigged, secretive global tax system. Let us be clear: tax abuse and corruption go hand in hand. Leaked confidential documents dating back over a decade reveal a global spider's web of secretive offshore tax havens. The super-rich and multinational corporations evade scrutiny and avoid paying their fair share of tax. In the words of the previous World Bank president, corporate tax dodging is

“a form of corruption that hurts the poor”.

Poor countries and poor people in our society need us to raise our voices to end the era of tax havens. This Government can do something about it. Ministers have set out our transparency expectations to the overseas territories. In his reply to the written question I tabled in October about our recent steps to ensure that OTs establish public registers, the Minister of State, Foreign, Commonwealth and Development Office, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), noted that he had written to OT Governments to

“set out UK transparency expectations”,
and say that

“full public accessibility remains our expectation.”

He also said:

“Access filtered to those with ‘legitimate interest’ should be delivered to a clear timetable, as an interim step”

and he outlined to the OTs

“a set of minimum requirements that UK Government would expect to see in any ‘legitimate interest’ regime.”

The Government are resetting our relationship with the overseas territories and seeking a partnership based on transparency and accountability—but, as we heard, it takes two to dance. Regrettably, OTs such as the British Virgin Islands are doing all they can to fall short and continuing to facilitate illicit finance and kleptocracy, as we heard from the right hon. Member for Sutton Coldfield (Mr Mitchell). It is a scandal. The public want solutions, and that is why we MPs are calling for action.

While the rich get richer and the rest fall back, public services collapse and public spaces rot. Populists do not create grievances, but they do not half exploit them. There are plenty of grievances to exploit in our country because of the toxic cocktail of inequality and austerity, which has been worsened by tax secrecy and tax avoidance. Our determination as a Government to be on the side of working people will require decisive action towards tax secrecy and tax avoidance. We can secure tax justice, and when we do, we will help the hungry to be fed and help families to know that politics is once again on their side.

I commend the fact that the Foreign Secretary will hold a global summit, but I would call it an anti-corruption summit, to follow the one that happened 10 years ago. I believe that is what we need.

5.7 pm

James MacCleary (Lewes) (LD): I congratulate the hon. Member for Kensington and Bayswater (Joe Powell) on securing this timely discussion; it is a pleasure to take part in it.

New research from the Tax Justice Network reveals something that should shame us all: the world's three biggest corporate tax havens—the British Virgin Islands, the Cayman Islands and Bermuda—are all British overseas territories. Those havens cost the world an estimated \$84 billion in lost corporate tax revenue every year. That is money that could be spent on hospitals, schools and infrastructure.

What is more, thanks to financial secrecy, we still do not know the full scale of the problem. The UK Government cannot shrug off responsibility. British overseas territories are subject to UK law in key areas, as has been outlined by others, and in 2018 Parliament passed legislation requiring them to implement public registers of company ownership—a crucial step in tackling financial crime. However, successive Governments have failed to enforce that. This new Government must finally act and ensure that overseas territories meet the same transparency standards as the UK.

We must go further. Labour should back global efforts such as the UN tax convention to crack down on tax avoidance. We need a fairer tax system that works for everyone, not just the super-rich. That means reversing Conservative tax cuts for big banks, raising the digital services tax on tech giants and closing capital gains loopholes exploited by the wealthiest. A 4% tax on FTSE 100 share buy-backs would also encourage real investment in jobs and growth.

The British Virgin Islands case is a warning. Just last month, a jury in Florida convicted the former BVI Premier of drug trafficking and money laundering while in office. If the public register of company ownership had been in place as promised, that corruption would have been far harder to conceal. The Government assured Parliament that all overseas territories would have those

registers by the end of last year. Where are they? Do the Government recognise their responsibility to tackle financial crime?

Then there is the issue of Russian assets. Transparency International UK has identified over £830 million-worth of UK-linked property belonging to individuals close to Putin and/or accused of corruption. While £7 billion in Russian assets has been frozen in the overseas territories, we must ask: what is being done to prevent Russian oligarchs from hiding their money there, and when will we start seizing those funds and using them for Ukraine's reconstruction?

For too long, Britain has been the laundromat for dirty money. Under both Labour and Conservative Governments, our country has allowed autocrats and oligarchs to buy up property, infrastructure and influence. We have seen vital assets sold off to companies with links to the Chinese Communist party. That has made some people in Britain very rich, but it has come at a huge cost to our security, our economy and our sovereignty. The Liberal Democrats will put an end to that. We will close the loopholes in economic crime legislation, strengthen the register of beneficial ownership and give agencies such as the National Crime Agency and the Serious Fraud Office the resources they need to go after economic criminals.

The scale of tax avoidance is staggering. The OECD estimates that global profit shifting costs between \$100 billion and \$240 billion a year. The Tax Justice Network puts the figure even higher, at \$348 billion annually. Where does 23% of that profit shifting happen? Through the UK, its Crown dependencies and the overseas territories: the so-called network of British tax havens.

The UK must be a leader in international tax reform. The Liberal Democrats have long called for an end to non-dom status, and we remain committed to the UN sustainable development goals. It is time that we worked with our international partners to clamp down on corporate tax avoidance and raise the global minimum corporation tax to 21%. Fair taxation is not just about economics; it is about justice. Let us ensure that everyone from the biggest corporation to the wealthiest elite pays their fair share.

5.11 pm

Mark Garnier (Wyre Forest) (Con): It is a great pleasure to serve under your leadership, Mr Turner, as it is to respond to the debate called for by the hon. Member for Kensington and Bayswater (Joe Powell). This will be one of those debates where there is ferocious agreement in all parts of the House. Before I get into the substance of my speech, it is worth mentioning that there is a legitimate role for tax havens. The City of London will certainly have investment funds located in tax havens in order to have tax neutrality for investors into those funds. Those investors have to pay their domestic tax, but they do not want to pay tax on the funds as they go forward.

It is also worth mentioning that, in some cases, small islands will look to see if they can grow their economies by providing financial services. Again, if they are doing that in a legitimate way, and one that fits with the wishes of the world, there is nothing wrong with that. But that is the important point: it is incredibly important that what they are doing is seen to be legitimate, right and fair for everybody else.

Turning to the substance of the debate, as hon. Members have rightly pointed out, there is still much work to be done on tax transparency. As part of the Sanctions and Anti-Money Laundering Act 2018, overseas territories were required to introduce public registers of beneficial ownership. In 2020, the previous Government set out in a written ministerial statement the expectation that the territories would implement registers by the end of 2023.

Intense discussions took place with overseas territories over the implications of the ruling by the Court of Justice of the European Union that publicly accessible registers were contrary to the EU charter of fundamental rights. Despite some overseas territories' raising concerns over the ruling, which does not apply to the UK, the previous Government were satisfied with the lawfulness of the public register. I am sure the Minister will confirm that today. However, the impact of the EU ruling has led to delays in the overseas territories implementing the public register. The previous Government made it clear that they expected progress in 2024, yet, as we would all agree, progress remains far too slow.

Too many jurisdictions under our responsibility continue to allow opaque corporate structures that enable illicit finance to flow unchecked. That is particularly concerning in the light of recent geopolitical developments, including the increase in money from sanctioned countries—Russia—being laundered through offshore entities. I am looking forward to the Exchequer Secretary updating us on what progress has followed the November joint ministerial council for overseas territories. The Opposition welcome the communiqué, which reaffirmed the Government's expectation that overseas territories should provide public access to beneficial ownership registers. It is right to commend Gibraltar and Montserrat, which have implemented public registers, and the Falkland Islands and St Helena, which have pledged to do so by April 2025. It is worth adding that, while not directly legislated for by the UK, the Crown dependencies—Jersey, Guernsey and the Isle of Man—have made commitments to greater transparency, too.

Mr Mitchell: Will my hon. Friend give way?

Mark Garnier: I hope my right hon. Friend will not mind if I do not, because I am conscious that we have very little time.

It remains a concern that major financial centres such as the British Virgin Islands, Bermuda and the Cayman Islands remain resistant to these measures. Will the Exchequer Secretary provide an update on what pressure the UK Government are placing on those overseas territories that are not fully complying with the Sanctions and Anti-Money Laundering Act 2018?

The UK Parliament has sovereign powers over the overseas territories. Therefore, we cannot allow any jurisdiction to water down these proposals. The previous Government allowed for an interim step of a legitimate interest model, which would allow access to beneficial ownership information by members of the public with a legitimate interest in accessing it, including media and civil society organisations involved in the fight against illicit finance and money laundering. Even if that might be a stepping-stone for some overseas territories, I hope the Minister will confirm that it should not dilute efforts to create a public register.

[Mark Garnier]

Overseas territories must align with the UK's own standards and comply with UK law. What is the Government's plan if further delays occur? Will there be consequences for non-compliance? This Government and the previous Government have repeatedly stated that tackling illicit finance is a priority—we agree on that point. The current Foreign Secretary has declared:

"The golden age of money laundering is over".

I am sure the Minister would agree that our overseas territories and Crown dependencies must not become the weak link in the fight against money laundering and corruption.

Karl Turner (in the Chair): Before I call the Minister, I remind hon. Members that the Member in charge normally has two minutes at the end to wind up. I would be grateful if the Minister bore that in mind.

5.16 pm

The Exchequer Secretary to the Treasury (James Murray): Thank you for that reminder about the timing, Mr Turner. I congratulate my hon. Friend the Member for Kensington and Bayswater (Joe Powell) on securing this debate, and Members on all sides of the House on their contributions, including the hon. Member for frozen asset—as she styled herself in her contribution—my hon. Friend the Member for Cities of London and Westminster (Rachel Blake).

I know Members have questions that they have raised about the implementation of specific tax transparency measures in the overseas territories, and our continuing collaboration with them. I will turn to those in a moment, but I will briefly set out the broader constitutional context of the overseas territories and their role in international tax.

We continue to support the overseas territories to build vibrant and sustainable economies, including through encouraging greater links to the UK economy. The overseas territories are an integral part of the British family. The inhabited overseas territories are self-governing jurisdictions with democratically elected Governments and responsibility for fiscal matters. They have responsibility for setting their own policies, including determining their own tax rates in line with international standards. They are also committed to upholding international tax standards, and the UK Government are actively working with them to ensure they meet their commitments.

Domestically, the UK has implemented a range of policies to prevent shifting of profits to low-tax jurisdictions, including controlled foreign corporation rules, anti-hybrid rules, and corporate interest restriction rules. All overseas territories with an international financial centre have joined the UK in becoming members of the OECD/G20 inclusive framework on base erosion and profit shifting. That signals their ongoing commitment to implementing the BEPS minimum standards.

All overseas territories with financial centres have also committed to the global forum's exchange of information and request standard, and to implementing the OECD's common reporting standard and cryptoasset reporting framework for the automatic exchange of information for tax purposes. Treasury officials regularly engage with counterparts in Crown dependencies and overseas territories to exchange best practice and technical expertise in adhering to international tax standards.

Where overseas territories need more in-depth support, HMRC works with them to build capacity and to comply with international standards. Support from HMRC has in recent years helped Montserrat and Turks and Caicos to be found fully compliant with the EU's code of conduct group.

Of course, as other hon. Members have mentioned, the Government are also determined to close the tax gap in the UK public finances, and tackling offshore tax non-compliance is a key part of that. HMRC can access relevant information from overseas territories through the automatic exchange of information, and exchange on request, for tax investigations.

At the autumn Budget, the Government announced a record package to close the tax gap. That included our commitment to growing HMRC's compliance workforce by 5,000 people over the next five years. As part of that, we are expanding HMRC's international compliance work, supported by a campaign of targeted external recruitment of senior tax experts. Before the end of this financial year, HMRC expects to have recruited more than 50 experienced international tax professionals through that exercise, which will more than double the number achieved in the previous year. Tackling illicit finance in the UK and its overseas territories and Crown dependencies is a priority for the Government.

Mr Mitchell: Can the Minister provide an undertaking that if the overseas territories, and indeed the Crown dependencies, do not co-operate with what Parliament has set out—the Order in Council published in draft already—the Government will exercise their rights on behalf of Parliament and issue this Order in Council?

James Murray: I had a feeling the right hon. Gentleman was going to ask a question along those lines. I will answer it in a moment.

I welcome the commitment made by the leaders of the overseas territories in November 2024, which has been referred to by hon. Members, to support the Foreign Secretary's campaign against illicit finance. As part of that commitment, boosting corporate transparency through registers of beneficial ownership is a core aim in helping to tackle money laundering and tax and sanctions evasion and in helping to foster an open and trusted business environment. Fully public registers of beneficial ownership are already in place in the UK, Gibraltar and Montserrat.

My hon. Friend the Member for Kensington and Bayswater asked about the register of overseas entities and whether trust-owned property would be included on those registers. If an entity from an overseas territory owns property in the UK, they would fall under the requirements and would need to declare their beneficial owners. That includes beneficial owners associated with a trust. The register of overseas entities is also being updated this year to grant, on application, access to trust information that is currently restricted from the public.

At the joint ministerial council in November 2024, the Government confirmed their expectation that fully public registers of beneficial ownership would be implemented by overseas territories. The Falkland Islands and St Helena committed to implement those by April 2025. Bermuda, the British Virgin Islands, the Cayman Islands, Anguilla and the Turks and Caicos Islands committed

to implement registers of beneficial ownership accessible to those with a legitimate interest by June 2025 at the latest. This approach offers the maximum possible degree of access and transparency while retaining the necessary safeguards to protect the right to privacy in line with respective constitutions.

Progress towards delivering on these commitments is under way. The UK Government have been clear to the elected leaders of the overseas territories that we expect registers to be delivered by the deadline and in line with the standard agreed at the joint ministerial council. UK Government officials continue to work in partnership with officials in the overseas territories to support the implementation of these registers, and last month they wrote with further clarifications on the minimum requirements for registers of beneficial ownership. The Government are continually reviewing this issue and will consider carefully what steps to take if registers are not delivered on time and to an acceptable standard. We are aware of the consultation document released by the British Virgin Islands and continue to engage with BVI to improve its proposal, in line with the agreement made at the joint ministerial council.

The UK, the Crown dependencies and the overseas territories stand united in condemning the Russian Government's aggression. We have been working in lockstep to enforce UK sanctions, which hon. Members have mentioned, including by freezing assets across the Crown dependencies and overseas territories. That has helped to implement the UK Government's sanctions regime, which, to date, has amounted to \$9 billion-worth of assets. To support this, the Office of Financial Sanctions Implementation has provided significant technical assistance to build capacity in the Crown dependencies and overseas territories.

As we have heard in this debate, the push for tax transparency in the overseas territories generates strong views. I recognise that there have been instances in which high net worth individuals and multinational entities have sought to hide their assets and profits in the overseas territories. The overseas territories are working to implement international tax transparency standards and work closely with us to identify tax abuse, to combat money laundering and terrorist financing, and to enforce UK financial sanctions. We must continue to work towards greater tax transparency in the UK, the overseas territories and globally. That includes greater transparency regarding company ownership, as well as the ownership of assets such as cryptoassets and real estate, to ensure the public can see who the beneficial owners are. I thank you again, Mr Turner, I thank all hon. Members who have spoken in the debate and I thank my hon. Friend the Member for Kensington and Bayswater in particular for securing this debate.

5.24 pm

Joe Powell: I thank the Exchequer Secretary to the Treasury for his response, and I thank all hon. Members who have spoken for their contributions. This has been a productive and constructive debate. There has been a lot of agreement on the problem. We heard the tax case very strongly, particularly from the hon. Members for Strangford (Jim Shannon) and Carshalton and Wallington (Bobby Dean). We heard the housing and communities case, particularly from my hon. Friend the Member for Cities of London and Westminster (Rachel Blake).

We heard the economic growth case from my hon. Friend the Member for Bolton West (Phil Brickell), the poverty and inequality case from my hon. Friend the Member for Bournemouth East (Tom Hayes) and the constitutional case from the right hon. Member for Sutton Coldfield (Mr Mitchell), which took us through the history over the past decade of missed deadlines and opportunities for the action we are talking about to be taken.

I hesitate to say that this will be the last debate in this place on this topic—I suspect it will not be—but I welcome the Exchequer Secretary's commitment. I think he was being quite polite when he said that the Government wished to see an improvement to the BVI's proposal. The BVI needs to go back to the drawing board and bring back a proposal fully in line with the principles that Parliament concluded were the best action for this problem, which is full public registries of beneficial ownership.

In final closing, I thank the spokespersons for the Liberal Democrats and the Conservatives, the hon. Members for Lewes (James MacCleary) and for Wyre Forest (Mark Garnier), respectively, for their constructive contributions. I agree that there may be some legitimate uses of offshore tax centres, in particular for companies in multiple jurisdictions, but the heart of the problem is that the BVI, the Caymans, Bermuda and others are still far too susceptible to very serious illicit crime.

If there is one message that I would like all hon. Members to take home it is that this is not an abstract problem. It is not something just to do with billions and trillions in the financial system. It is about constituents who are being chased by HMRC who feel the double standards; it is about our housing crisis and empty properties; it is about our sanctions, their enforcement, and support for autocrats such as Putin, and it is about our public finances.

We have a strong case for why we need to act, and I reiterate my thanks to the Minister for his outlining of the next steps. The June deadline to see progress from the overseas territories is imminent, but as the right hon. Member for Sutton Coldfield said, this area is littered with missed deadlines. We need a proper deterrent from the British Government to say what will happen if the territories pass those deadlines and no action has been taken.

Mr Mitchell: Will the hon. Gentleman give way?

Joe Powell: If I am allowed to.

Karl Turner (in the Chair): Sure.

Mr Mitchell: We have another three minutes, so I am keen to help out.

To be clear, we are talking here about dirty money and the source of this money—money stolen from Africa and from Africans. The baddies have all the best tunes, and they have the money to get their way, so the forces of law and order are always fighting to catch up. It is important to emphasise the open registers. The mist fell from all our eyes when, thanks to the BBC and *The Guardian* newspaper, the Paradise and Panama papers were published. They showed that, without this open register approach, we cannot join up the dots to see what those clever villains are doing, catch them,

[Mr Mitchell]

trap the money and hopefully return it. The hon. Gentleman and I agree completely, but I hope that we can carry the Government with us.

Joe Powell: I thank my co-chair of the all-party parliamentary group on anti-corruption and responsible tax, where we talk about this a lot.

Exhibit A is the UK public register of company ownership—when introduced, we were told that there would be all sorts of capital flight and that people would not come here to buy properties and invest, but that has simply not been the case. The register has now been in existence for several years. In fact, many of the countries that were the source of corruption and dirty money are now implementing public registries: Nigeria, Indonesia and Kenya, to name but a few.

We know action is possible—Gibraltar and others among the overseas territories have already done it—and it is now incumbent on the others to follow suit. I implore the Government to keep the pressure on so that we do not have to come back too many more times to debates such as this to re-analyse the same problem that we all agree is there, when we know the policy solution is within our grasp.

Question put and agreed to.

Resolved,

That this House has considered tax transparency in the Overseas Territories.

5.29 pm

Sitting adjourned.

Written Statements

Wednesday 5 February 2025

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Flood Defence Investment

The Secretary of State for Environment, Food and Rural Affairs (Steve Reed): Communities, homes, businesses and farmland are increasingly impacted by more frequent and severe floods. This winter alone the UK has experienced five storms in fewer than five months. As the changing climate continues to lead to more extreme weather, without action, the impacts will only get worse.

Today's statement sets out greater detail on the Government's plan for investment to protect against the dangers of flooding and coastal erosion. As part of the Government's plan for change, a record £2.65 billion will be committed to better protect 52,000 properties by March 2026. Maintenance of existing flood defences will also be prioritised, ensuring a further 14,500 properties will have their expected level of protection maintained or restored. This means a total of 66,500 properties will benefit from this funding. This will help secure jobs, deliver growth and protect against economic damage.

This Government inherited flood assets in their poorest condition on record following years of underinvestment, leaving 3,000 of the Environment Agency's 38,000 high-consequence assets below required condition. In its November 2023 report, the NAO recognised that increasing investment in operating and maintaining existing flood defences was critical to reducing the frequency and impact of flooding. Therefore, this Government are taking decisive action to fix foundations, giving communities confidence that flood defences will protect them. To support this, we are re-prioritising £108 million investment in repairing and restoring critical assets, including £36 million this year to target repairs to assets damaged in storms last winter and ongoing floods events. A further £72 million will go towards continuing these repairs and ensuring assets are as resilient and reliable as possible and operate as expected in flood events. This includes £7 million for the next phase of the Stallingborough sea defences along the Humber estuary, protecting thousands of homes, businesses and key infrastructure. A further £3.8 million will also be spent to improve protection in Pevensy Bay, as part of work to repair local sea defences.

This Government will also continue to invest in new defences. Today we are making available £140 million to allow 31 schemes to progress construction, ensuring nearby communities are protected as soon as possible. This includes the Bridgwater tidal barrier flood defence scheme in Somerset, which will receive £43 million. The Derby flood risk management scheme "Our City Our River" is set to receive £35 million. In the west midlands, the Beales Corner project, which protects communities in Bewdley, will benefit from £2 million.

A further announcement will be made in the next financial year with a full list of schemes to receive Government funding in 2025-26. This will follow agreement of these successful schemes in the usual way, through the regional flood and coastal committees with local representatives.

Supporting rural communities is central to this Government's approach. We provided £60 million pounds to help farmers affected by the unprecedented flooding last winter through the farming recovery fund. This supported 12,700 businesses to cover the cost of restoring their farmland. We have also allocated an extra £50 million to internal drainage boards so they can increase flood resilience and manage water levels effectively for agriculture and the environment. We will continue to support farmers to manage flooding risks through the farming transition.

This Government inherited an outdated funding formula for allocating money to proposed flood defences. Established in 2011, the existing formula slows down the delivery of new flood schemes through a complex application process and has resulted in projects with funding gaps. A consultation will be launched in the coming months, which will include a review of the existing funding formula, to ensure that the challenges facing businesses and rural and coastal communities are adequately considered when delivering flood protection. The Government are committed to delivering a refreshed and updated approach to flood defence investment, fit for the challenges we face. In November, the Government announced that they will introduce this new approach from the start of a new floods investment programme in April 2026, covering both new and existing assets, and taking account of the challenges facing businesses and rural and coastal communities. The amount of money to be invested in 2026-27 and beyond will be decided at this year's spending review.

The Government are today also convening the second meeting of its Flood Resilience Taskforce with floods Minister, Emma Hardy, joined by Ministers from across Government, alongside representatives from the Met Office, local resilience forums, and the National Farmers Union. The expert group's discussions will focus on the national and local response to this winter's flooding. It will also further discuss the long-term delivery of the Government's flood resilience strategy and investment, including the planned review of the Government's funding formula for allocating money to flood and coastal erosion defence schemes.

Flooding is a serious threat to people's lives, homes, and businesses, with impacts reverberating across our economy and society. The role of any Government is to protect their citizens. This Government are committed to providing the investment and long-term strategy needed to ensure that resilience to flooding and coastal erosion is effectively delivered across the country.

[HCWS417]

HOME DEPARTMENT

State Threat Prevention and Investigation Measures: 20 March to 19 December 2024

The Minister for Security (Dan Jarvis): Section 55(1) of the National Security Act 2023 (the 2023 Act) requires the Secretary of State (Yvette Cooper) to report to Parliament as soon as reasonably practicable after the end of every relevant three-month period on the exercise of their STPIM powers under the Act during that period.

STPIMs were introduced through the 2023 Act and came into force on 20 December 2023. There have been no STPIM cases during the second, third and fourth reporting periods.

[HCWS416]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

English Devolution and Local Government

The Minister for Local Government and English Devolution (Jim McMahon): Today, I am pleased to announce the list of places that have come forward to join the Government's devolution priority programme, with a view to mayoral elections in May 2026. I will also provide an update on local government reorganisation and local elections.

Devolution priority programme

In December 2024, the Government published the "English Devolution White Paper", setting out our approach to widening devolution across England, ensuring the benefits of taking back control can be felt by all. It signalled our commitment to change, a change that will bring growth and opportunity to all parts of the country, by putting power into the hands of local people that know their areas best.

To achieve this, I asked places to come forward to express their interest in being part of our devolution priority programme.

The Government received an extremely positive set of responses, and today I can confirm that we will be taking forward six devolution areas on the devolution priority programme: Cumbria (Cumberland council, Westmorland and Furness council); Cheshire and Warrington (Cheshire East council, Cheshire West and Chester council, Warrington borough council); Greater Essex (Essex county council, Thurrock council, Southend-on-Sea city council); Hampshire and Solent (Hampshire county council, Portsmouth city council, Isle of Wight council, Southampton city council); Norfolk and Suffolk (Norfolk county council, Suffolk county council); and Sussex and Brighton (East Sussex county council, West Sussex county council, Brighton and Hove city council).

The first of its kind, this programme aims to deliver a new wave of mayoral elections in May 2026. It will provide a fast-track to mayoral devolution for areas ready to come together under sensible geographies which meet the criteria set out in the White Paper.

Local people will have a real voice in deciding what is right for their areas, and more control over the things that really matter in their daily lives. New mayors will have access to new powers in the devolution framework and, ultimately, proudly represent their area at the Council of the Nations and Regions.

The six devolution areas on the priority programme will receive the full backing of Government to deliver to these ambitious timescales.

The Government will also continue to work closely with Lancashire, who are already committed to reviewing their devolution arrangements by the autumn, including steps to deepen their existing arrangement. This review

will consider all options available for the area, including aligning with the devolution priority programme timeline for mayoral devolution.

I was pleased by the response to my letter of 16 December, showing that the country is ready for change. While selecting those areas best placed to join the devolution priority programme required judgments against the criteria set out in the White Paper, the Government want to maintain the enthusiasm and local consensus for devolution in those areas not being taken forward for mayoral devolution to the fastest timeline. The Government will continue to work closely with those areas to develop their proposals further and continue to widen devolution across England in this Parliament.

The Government see devolution as a new way of governing, rooted in the principle that people who have a stake in a place should be the ones shaping it. It will be crucial to delivering our commitment to bring growth and opportunity to communities across the country. This is the first step in delivering on our promise to move power out of Westminster and putting power where it belongs—into the hands of local people.

Every place has something to benefit from devolution, whether it is more regular bus services, more affordable housing, or the simple fact that local people will have a local champion with regional influence. Mayors, regardless of political stripe, have a proven track record of delivering growth.

But the Government are clear that, where a mayor is not using their powers for the benefit of their residents, the Government have the tools to ensure they deliver. Our White Paper set out our intention to explore a local public accounts committee model to interrogate the decision-making of mayoral strategic authorities; and the English devolution Bill will include measures to reform local audit. Taken together, these measures, and the Government's wider reforms to accountability and scrutiny, will ensure mayors deliver the houses, transport and infrastructure their residents need.

Delivering devolution commitments

Today, legislation comes into force formally establishing three new combined county authorities and one new combined authority.

Greater Lincolnshire combined county authority and Hull and East Yorkshire combined authority will take their first steps as new strategic authorities tomorrow. Both will elect a mayor for their areas in May this year.

I am proud to say that this Government have delivered mayoral devolution to the whole of Yorkshire for the first time.

Combined authorities for Lancashire and for Devon and Torbay will also be coming into existence, helping local leaders in those areas work better together, delivering better services and growing the local economy.

Together with the areas the Government are taking forward on the devolution priority programme, this would bring the total population who will see the benefit from devolution to over 44 million—close to 80% of the country—demonstrating more progress in a shorter amount of time than any Government in Britain's history.

Local government reorganisation

Devolution must be built upon strong foundations. That is why this Government are delivering on their manifesto pledge to fix the foundations of local government.

The Government's long-term vision is for residents to access good public services without the eye-watering price tag. That means creating simpler structures to unlock crucial efficiency savings as well as making it much clearer for residents who they should look to on local issues, with fewer but more empowered politicians, and more resources directed to the frontline.

Today, I am also writing to all councils in two-tier areas and small neighbouring unitary authorities to formally invite proposals for reorganisation. I am inviting areas to submit initial plans in the spring, followed by full proposals later in the year, and the Government will then follow the established assessment and decision-making process. We are committed to working with areas to make significant progress on these important changes.

Proposals should seek to achieve, for the whole of the area concerned, unitary authorities which:

- Are the right size to achieve efficiencies, improve capacity and withstand financial shocks. As a guiding principle, new councils should aim for a population of 500,000 or more. There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal;

- Prioritise the delivery of high quality and sustainable public services to citizens. Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money. Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety;

- Demonstrate how local councils have sought to work together in coming to a view that best meets local needs and is informed by local views;

- Support devolution arrangements; and

- Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

The White Paper is clear that Government will also facilitate reorganisation for those unitary councils where there is evidence of failure or where their size or boundaries are impacting on their responsibilities. While some of these councils will be included in the invitations for reorganisation in two-tier areas, there is a different legal process for mergers of unitaries. The Government are open to discussions with all areas where structural change will help them get on to a more sustainable footing.

Delays to local elections

The timing of elections can affect planning for devolution, particularly when done alongside reorganisation. That is why the Government wrote to local authorities in December setting out that, where it will help deliver both reorganisation and devolution to the most ambitious timeframe, the Government would be prepared to postpone local elections from May 2025 to May 2026.

This follows long-standing precedent. Between 2019 and 2022, the then Government legislated to postpone 17 local council elections for one year during preparatory local government reorganisation work. Most recently, this included the postponement of elections to three county councils—Cumbria, North Yorkshire, and Somerset—from 2021 to 2022.

The rationale then, as now, is to enable open conversations about proposals and to avoid elections to a council which will cease to exist and where the future

structure is unknown. Instead, existing sitting elected members will have their term of office extended for a short period to allow proposals to be developed for new unitary councils. Once these proposals are agreed upon, elections then take place at the earliest opportunity to the shadow authority.

In response to the Government's letter of December 2024, 18 councils requested that the Government consider postponement of their local elections. Of these:

The Government agree that for eight council areas, postponement is essential for the delivery of the devolution priority programme and complementary reorganisation—Norfolk and Suffolk; Essex and Thurrock; Hampshire and the Isle of Wight; East Sussex and West Sussex. In these areas plans for new combined county authorities, inaugural mayoral elections, and local government reorganisation will all be concurrent and working to a very ambitious timetable.

The Government agree that for one council area—Surrey—reorganisation is essential to unlocking devolution options and a delay would help deliver both reorganisation and devolution to the most ambitious timeframe. The “English Devolution White Paper” discontinued the mayoral single local authority model of devolution. In that context, and given the specific financial challenges, Surrey's path to devolution is significantly dependent on local government reorganisation.

The Government will not take forward a further nine requests made. While I am grateful to local government colleagues who have been rapidly thinking through proposals, it is right that elections are delayed only when necessary. These are not taken forward either because:

- The area was not considered to currently meet the criteria for the devolution priority programme; or

- the area is already part of a—mayoral—combined county authority, so an election delay was not considered essential to delivering both reorganisation and devolution to the most ambitious timeframe; or

- some areas need to take forward further discussions to reach agreement on devolution plans and so the postponement of the election in these areas is not considered essential to deliver both reorganisation and devolution to the most ambitious timeframe.

Thirty three council elections are scheduled for May 2025. Following these decisions, 24 will continue to take place in May 2025, with nine delayed to May 2026. In addition, in May 2025, six mayoral elections will be held—four for mayoral combined (county) authorities and two for individual local authorities.

For some areas, the timing of the May 2025 elections affects their planning for devolution, particularly alongside reorganisation, and they made requests that involve postponing local elections to May 2026. There is rightly a very high bar for election delays. I have been clear that elections can and should only be delayed to help areas to deliver reorganisation and devolution to the most ambitious timeframe. For places on the devolution priority programme, the parallel process of devolution and reorganisation requires an ambitious timetable, thereby reaching that very high bar.

Next steps

I will bring forward legislation to postpone these elections when parliamentary time allows.

The Government will launch consultations to start delivering the devolution priority programme, giving local communities the opportunity to share views on devolution in their area. Further information on this will be announced in due course.

[HCWS418]

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