

**Wednesday
26 February 2025**

**Volume 762
No. 96**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 26 February 2025

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Public Services

1. **Robin Swann** (South Antrim) (UUP): What steps his Department is taking with the Northern Ireland Executive to help improve public services in Northern Ireland. [902870]

3. **Mary Kelly Foy** (City of Durham) (Lab): What recent discussions he has had with the Northern Ireland Executive on improving public services. [902873]

4. **Deirdre Costigan** (Ealing Southall) (Lab): What recent discussions he has had with the Northern Ireland Executive on improving public services. [902875]

7. **Chris Evans** (Caerphilly) (Lab/Co-op): What recent discussions he has had with the Northern Ireland Executive on improving public services. [902878]

10. **Douglas McAllister** (West Dunbartonshire) (Lab): What recent discussions he has had with the Northern Ireland Executive on improving public services. [902882]

The Secretary of State for Northern Ireland (Hilary Benn): I regularly meet Northern Ireland Ministers to discuss the shared challenges we face in improving public services, and the Government will do everything we can to help. Last week, I met the new Finance Minister, and we both expect to be in a position soon to announce progress on funding to help with the transformation of public services.

Robin Swann: The Northern Ireland Executive were meant to agree their programme for Government today, but apparently the meeting was cancelled at the last minute. The Secretary of State refers to the transformation fund; £245 million was allocated to it over a year ago, but it remains unspent. The transformation board that is meant to be managing that fund is still interim. With every party in Northern Ireland clamouring for transformation, and the Secretary of State and his ministerial team calling for transformation of public services, will the Secretary of State for Northern Ireland intervene with the Executive, and tell them to get on with it?

Hilary Benn: I hope very much that the programme for Government will be agreed as soon as possible; it is the responsibility of the Northern Ireland Executive, and I look forward to reading it. A number of bids were

submitted for transformation funding. They have been carefully looked at by the interim board and, as I indicated a moment ago, I look forward, together with the Finance Minister, to announcing the results of that work soon.

Mary Kelly Foy: Last December, the Royal College of Nursing Northern Ireland revealed that there is a severe shortage of nursing staff in the north—there are almost 2,000 vacancies in the sector—as well as concerns about retention. What steps is the Northern Ireland Office taking to support the Executive in providing safe levels of staffing in Northern Ireland, including by tackling staffing pressures, low pay and unacceptable working conditions?

Hilary Benn: I share the concern that my hon. Friend expresses about the number of vacancies. The single most important thing that the Government have done is allocate for next year a record sum to the Northern Ireland Executive of £18.2 billion, which is an increase of £1.5 billion. The resources are there, and it is for the Northern Ireland Executive to decide how they will use them.

Deirdre Costigan: I welcome what the Secretary of State has said about public service reform being a shared challenge. Does he agree with me that it is in the interests of patients, both in Northern Ireland and in England, to share knowledge of what works, and best practice?

Hilary Benn: I agree absolutely with my hon. Friend. Indeed, I discussed that with Mike Nesbitt, the Health Minister, when I met him recently. I asked him what support and help we can give him, but we can all learn from each other across the United Kingdom.

Chris Evans: When the Secretary of State has his discussions with the Executive, will he look to the example of Wales and its social partnership model? Government, public sector workers and unions are working collaboratively and are in positive discussions to bring about real change and harmony in the delivery of public services.

Hilary Benn: I have not looked specifically at the social partnership model in Wales to which he refers, but I look forward to learning more about it; it sounds very interesting. As I have indicated, we have a lot to learn from each other.

Douglas McAllister: The proactive approach that the Secretary of State has set out is an important step change from the approach taken by the previous Government. Does he agree that stabilising and transforming the health service in Northern Ireland is now the priority?

Hilary Benn: It certainly is. One has only to look at the waiting list figures in Northern Ireland: some 52% of those waiting for a first consultant's appointment wait for more than a year; the figure in England is 4%. The First Minister recently described the state of the health service in Northern Ireland as "diabolical". I am absolutely clear that Ministers and the Executive understand that, and I very much support the programme that the new Health Minister is seeking to put in place to deal with that.

Sir Julian Smith (Skipton and Ripon) (Con): Would the Secretary of State agree that the appointment of Mike Farrar as chief executive and head of the Northern Ireland health service—an external appointment—is a positive move, and a good example of the Executive getting on with it, despite comments that have been made?

Hilary Benn: I do agree. He has great expertise and knowledge, and I am sure that it will be used for the benefit of people in Northern Ireland, particularly patients waiting for appointments.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): My daughter lives in Donegal. When her two little boys were born, she had the choice of them being born in Derry or Sligo—on either side of the border. The Republic of Ireland has introduced an initiative called shared island. That is not a united Ireland, but it works in improving services. Will the Government look at its success, and consider how Scotland might work in a similar way to Northern Ireland, for the benefit of services?

Hilary Benn: As I understand it, there is a long-established arrangement under which people can move from one side of the border to the other to seek care, particularly in Donegal and Derry/Londonderry. Things would be slightly different in Scotland, for physical reasons, but once again, I am sure that all opportunities that can be taken to help people get the care they need would be welcomed.

Colum Eastwood (Foyle) (SDLP): The Secretary of State will be aware that it has been a year since the Executive was finally re-established. In that time, they have still been unable to agree a programme for Government. This morning, we learned that today's meeting to agree it has been moved again. Does he agree that, for the sake of the people of Northern Ireland, it is time they got on with it?

Hilary Benn: As I indicated a moment ago, I look forward to the Executive adopting a programme for Government. I am aware of what happened earlier today; I am confident that another meeting will be arranged, and I look forward to seeing the programme adopted.

Mr Speaker: I call the shadow Secretary of State.

Alex Burghart (Brentwood and Ongar) (Con): The Government's decision to repeal the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 will mean reopening many inquests and civil cases. Many of those cases will impact on the police. Does the Secretary of State accept that that will mean a significant cost to the Police Service of Northern Ireland?

Hilary Benn: As the hon. Gentleman is aware, the legacy legislation that the previous Government passed has been found to be flawed and unlawful in a number of respects, and it falls to this Government to clean up the mess that the last Government left. I am in the process of consultation with many parties. I have already indicated to the House the proposals that I put forward in the remedial order, and have said that I propose bringing legislation before the House when parliamentary time allows. It is important that people are able to

pursue civil cases, and the ban on them by the last Government has been found to be unlawful. Why should people in Northern Ireland not be entitled to an inquest?

Alex Burghart: My question was about the liability that the Police Service of Northern Ireland might be under following the Secretary of State's decision. Police numbers in Northern Ireland are at their lowest ever. Two weeks ago, Policy Exchange estimated that the cost to the PSNI of the repeal of the legacy Act might well stretch to hundreds of millions of pounds. If that is the case, will the Government step in to support the PSNI, or are they content to see a reduction in frontline policing and national security?

Hilary Benn: The Government have provided additional funding to the PSNI in the autumn statement through the additional security fund. I have read the Policy Exchange report, and it contains a lot of speculation about numbers. The fact remains that the legislation supported by the Government, of which the hon. Gentleman was part, has not worked; it was flawed and found to be unlawful. I am afraid that the Opposition will have to recognise that at some point, and it needs to be fixed.

Mr Speaker: I call the Liberal Democrat spokesperson.

Dr Al Pinkerton (Surrey Heath) (LD): Pharmacies in Northern Ireland are in a declared state of crisis. Pharmacists are having to dip into their savings just to stay afloat, and they are cutting staff numbers and opening hours. The National Pharmacy Association, which represents 6,500 community pharmacies, has warned that its members may have to further cut opening hours, halt home deliveries and reduce local support services, and that warning is amplified in Northern Ireland. What conversations has the Secretary of State had with the Northern Ireland Executive to safeguard access to crucial pharmacy services across rural and urban regions? Does he agree that an urgent impact assessment on pharmacy underfunding is required to highlight the scale of the crisis for community pharmacies, which provide vital-to-life services?

Hilary Benn: That issue did not figure in the discussions I had recently with the NI Health Minister, but I have no doubt that it will do so in the future, and I will take the matter up.

Sammy Wilson (East Antrim) (DUP): Many ministerial decisions are important in getting public services delivered, but so too is back-up by the civil service. There is some concern about the level of expertise in the civil service in Northern Ireland. In the inquiry into the renewable heat incentive, the permanent secretary admitted that the civil service was not able to give timely advice to Ministers, and had not given accurate advice. What can the Secretary of State do to ensure that the gap that there appears to be in expertise in the civil service—because the Northern Ireland civil service is not integrated into the UK civil service—can be filled?

Hilary Benn: I have met many civil servants who are doing a very good job and are very committed to their work, but the Northern Ireland civil service is the responsibility of the Northern Ireland Executive and the Ministers in the Departments—it is not my responsibility to deal with.

Sammy Wilson: Many projects that are designed to improve public services are being held up in the courts in Northern Ireland because of procurement, planning and the decision process. The latest ruse being used to hold up projects is the claim that they do not comply with the Government's net zero policies and will lead to an increase in carbon dioxide emissions. One of the projects that is being held up is the important A5 road in the west of Northern Ireland. Does the Secretary of State agree that while we have statutory limits on CO₂ emissions, we will always be vulnerable to major infrastructure projects being held up in the courts?

Hilary Benn: I do not accept that, because getting to a net zero world is really important for the future of humankind, and the Government have commitments that it is very important to fulfil. As for delays in the planning system and the way in which the courts operate in Northern Ireland, once again, those are matters for the Executive.

Independent Reporting Commission: Seventh Annual Report

2. Michael Wheeler (Worsley and Eccles) (Lab): What assessment he has made of the potential implications for his policies of the recommendations in the Independent Reporting Commission's seventh annual report.

[902872]

The Secretary of State for Northern Ireland (Hilary Benn): The IRC's report highlights progress, but reminds us that there is still much to do to tackle paramilitarism and the harm it causes. Following discussion with the Irish Government, it has been agreed to support a short, independent scoping exercise to assess whether there is merit in a formal process to bring about paramilitary group disbandment, as the IRC has suggested, and whether there would be public support for such a process.

Michael Wheeler: Having spent lots of time with family in Northern Ireland since I was a small child, I have seen the progress made over the years and know what a difference it has made on the ground. I welcome this Government's commitment to help secure that progress and tackle the scourge of paramilitarism. Does the Secretary of State share my view that making further progress will require a range of measures, and that the Executive's programme on paramilitarism, criminality and organised crime is a crucial part of that?

Hilary Benn: I do indeed agree with my hon. Friend. That programme is doing very good work, and of course the UK Government are funding it together with the Executive. I also agree that a wide range of approaches needs to be taken, including continuing to use the full force of the law to deal with paramilitary criminality.

Jim Allister (North Antrim) (TUV): After decades of illegal paramilitary organisations taking successive Governments for a ride over transition and pocketing millions of pounds along the way, the Secretary of State now wants to appoint a special envoy—a nursemaid to paramilitaries. When will this pandering come to an end, and is the Secretary of State going to accept the IRC's grotesque proposal of moving to de-proscription,

under which organisations that murdered thousands of people would ultimately be made legal? Can he at least rule that out?

On a happier note, will the Secretary of State join me in welcoming today's announcement by the Irish Football Association and the Galgorm resort that there will be a new training facility par excellence for Northern Ireland football teams?

Hilary Benn: I am very happy to join in what appears to be the general consensus of welcome for the IFA's announcement, a proposal that I discussed when I met the IFA during my time as shadow Secretary of State.

On the substantive issue that the hon. and learned Gentleman has raised, the fact is that 26 years later, people say that the paramilitary organisations should have left the stage. They are still here, despite the progress that has been made, and are still causing harm to communities. The IRC's proposal—which I recognise is not supported by everybody—is to inquire whether there are some paramilitary organisations that do actually want to leave the stage, and whether there is merit in having a process that ensures that. However, what I announced yesterday is not a process; it is a scoping study to find out whether it is worth having one or not, which I think is the right thing to do.

Claire Hanna (Belfast South and Mid Down) (SDLP): After all these years, people are bewildered that we are still talking about transitioning paramilitary groups, which have continued to recruit, to grip and to poison communities and current-day politics in Northern Ireland. Will the Minister commit to ensuring that we learn from all the things that have not gone right, and all the previous attempts at transition? Will he commit to ensuring that there is no payday for former paramilitaries, that we take a serious criminal justice approach, and that there are preconditions on such things as emblems and financial assets? Does he agree that that makes it even more important that we get the infrastructure right on the legacy of the troubles, and move towards getting back on track as a serious rule-of-law society?

Hilary Benn: For the avoidance of doubt, there is no question of paying anybody any money to disband. There is no question of doing that at all. As I indicated a moment ago, for all the efforts that have been made—there is much to learn from what has worked—the fact remains, as the Independent Reporting Commission report makes clear, that many communities in Northern Ireland continue to suffer real harm because of paramilitary activities. What is the proof that those who say they are prepared to disband are doing so? The proof will be: do they end recruitment, paramilitary-style assaults, intimidation, child criminal and sexual exploitation and violence against women and girls? That is what people are experiencing today in Northern Ireland.

Jim Shannon (Strangford) (DUP): I want all paramilitaries off our streets for good, and I also want to see justice done for their victims. That is why I cannot quite understand why the Dublin Government are closing their eyes to the 2021 Horner judgment, which recommended inquiries in the United Kingdom and in the Republic of Ireland. The family hearings in Omagh have brought the horror of that day to a new generation.

Will the Secretary of State use his influence to call on Dublin to give the Omagh families the public inquiry they deserve and want so, so much?

Hilary Benn: I recognise, not least because of the commemorative hearings that have been taking place in the inquiry, that all the pain, suffering, horror and tragedy of that day have been brought to life again for the families who live with that every single day of the week. I welcome the fact that the Irish Government are committed to co-operating with the Omagh inquiry. I look forward to the signing of the memorandum of understanding. It is for the Irish Government to decide what inquiries they wish to establish in relation to events in the Republic.

Movement of Horticultural Goods

5. **Mr Gregory Campbell** (East Londonderry) (DUP): Whether he has had recent discussions with horticultural suppliers in Great Britain on the supply of goods to consumers in Northern Ireland. [902876]

The Parliamentary Under-Secretary of State for Northern Ireland (Fleur Anderson): The Secretary of State has met suppliers, and my officials meet regularly with horticultural industry representatives. The next meeting of the horticultural working group is in two days' time, and the Government are committed to addressing the outstanding issues on horticultural products to ensure that these can move safely within the UK.

Mr Gregory Campbell: The situation remains difficult. In fact, the Horticultural Trades Association said that it remains "impossible" for some retailers who are trying to order products from GB-based companies for consumers in Northern Ireland. Everyone can complain about that, but some of us are trying to do something about it. The Government are the people who can bring pressure to bear to resolve this problem for consumers in Northern Ireland, so what action is being taken to try to resolve it?

Fleur Anderson: Officials from the Department for Environment, Food and Rural Affairs are following up specifically with the companies that are most affected, such as seed shipping companies. Shipping seeds is allowed, using phytosanitary certificates, but business-to-business posting is currently smoother than business-to-consumer posting. Solutions to this issue are being worked out within the requirements of the Windsor framework, and guidance should be updated shortly.

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

Tonia Antoniazzi (Gower) (Lab): I thank the Minister for her answer, but we want to know more detail of the progress that the horticultural working group is making on resolving the issues to do with the movements of plants and cut flowers from GB to NI under the Windsor framework. Can she please update us on that as a matter of urgency?

Fleur Anderson: I can provide more updates. The banned plants are being worked through species-by-species. There were 11 in 2023 and 10 in 2024, and we are working through each one of those. The working group is taking each of those on a case-by-case basis and working through each issue as it arises.

Alex Easton (North Down) (Ind): Given that the grace period will run out within the next year, what are the plans to ensure that Northern Ireland does not run out of veterinary medicines?

Fleur Anderson: We are working to narrow the range of products that involve a problem, but we are working in respect of each of them as well. The matter is being given consideration in the knowledge that, as the hon. Member has pointed out, the deadline is approaching.

Leigh Ingham (Stafford) (Lab): The Windsor framework was a distinct improvement on the old Northern Ireland protocol, but does the Minister agree that if we are to ensure the smoothest possible movement of agrifood products across the Irish sea, it is vital that we secure a sanitary and phytosanitary agreement with the European Union?

Fleur Anderson: I agree that the Windsor framework is a big improvement on the protocol. We are committed to implementing it at the same time as seeking to negotiate an SPS agreement that would provide further improvements in the movement of agrifood products, and we must pave the way to that by resetting our relationship with the EU and implementing the Windsor framework in good faith.

Northern Ireland Troubles (Legacy and Reconciliation) Act 2023

6. **Sir Desmond Swayne** (New Forest West) (Con): What steps he plans to take to replace the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023. [902877]

11. **Mr Gagan Mohindra** (South West Hertfordshire) (Con): What steps he plans to take to replace the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023. [902883]

The Secretary of State for Northern Ireland (Hilary Benn): The approach to legacy taken by the last Government was wrong. It caused immense pain to victims and survivors, and in many respects has been found to be unlawful. In December I laid a proposal for a draft remedial order to address the human rights deficiencies in the Act that had been identified by the courts, and when parliamentary time allows, I will introduce primary legislation to reinstate legacy inquests halted by the Act and to reform and strengthen the Independent Commission for Reconciliation and Information Recovery.

Sir Desmond Swayne: Why did the Secretary of State abandon the appeal in Dillon and Ors?

Hilary Benn: Because sections 46 and 47 of the Act were found to be unlawful, and, as the right hon. Gentleman will be aware, the case that gave rise to the attempt to deal with the problem through those sections that have now been found to be unlawful arose from a Supreme Court judgment in 2020. For two and a bit years, the last Government were unable to find a solution.

Mr Mohindra: Notwithstanding the Secretary of State's response, may I ask why this Labour Government are continuing to undermine the tough action taken by the

Conservative Government on individuals who have acted against our democracy and society, such as Gerry Adams, by considering repealing the Act, giving Adams and others the possibility of a six-figure payout?

Hilary Benn: As I said during the last Northern Ireland questions, no one wants to see that happen. We are currently working to find a lawful way of dealing with the problems that were created by the way in which the original interim custody orders were signed in 1972 and, I think, 1973. In 2020, the Supreme Court found that orders that had not been signed and considered by the then Secretary of State were not lawful.

Louise Haigh (Sheffield Heeley) (Lab): In 2019, Boris Johnson commissioned the Shawcross report on Libyan-sponsored IRA terrorism. United States citizens have received compensation from the Libyan Government for attacks on British soil, but UK citizens never have. Will the Secretary of State work with the Foreign, Commonwealth and Development Office to ensure that the report is published?

Hilary Benn: The whole House will have profound sympathy for all the victims of Gaddafi-sponsored IRA terrorism, and all the victims of the troubles. The Shawcross report was commissioned by the last Government as an internal report, and decisions on the report and its future are currently under review by the FCDO.

Mr Speaker: I call the shadow Minister.

Mike Wood (Kingswinford and South Staffordshire) (Con): People throughout the United Kingdom will be disgusted if former terrorists such as Gerry Adams receive compensation from the taxpayer because of Labour's decision to repeal the legacy Act without putting something in its place. Will the Secretary of State finally commit himself to legislating immediately to prevent that from happening?

Hilary Benn: I refer the hon. Gentleman to the answer that I gave a moment ago.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [902785] **Dr Luke Evans** (Hinckley and Bosworth) (Con): If he will list his official engagements for Wednesday 26 February.

The Prime Minister (Keir Starmer): This week marked three years since Putin's barbaric invasion of Ukraine. The courage of the Ukrainians is inspiring, and across this House we stand with them for as long as it takes. That is why we are increasing defence spending to 2.5% of GDP by April 2027, with an ambition to reach 3% in the next Parliament, as economic and fiscal conditions allow. This afternoon, of course, I will travel to the US to have discussions with President Trump about the enduring security partnership between our two countries.

I am also delighted that we have announced the first 750 schools to start offering free breakfast clubs. This is our plan for change in action, ensuring every child has the chance to thrive.

I am sure the whole House will want to join me in thanking Amanda Pritchard for her service as chief executive of NHS England, and I wish her well for the future.

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

Dr Evans: Could the Prime Minister tell this House whether the outcome of his Budget was by design or by mistake? Did he mean to push 100,000 pensioners into poverty with his own analysis when he removed the winter fuel allowance, or was that a mistake? Did he mean to decimate family farming when he changed inheritance tax, or was that a mistake? Did he mean to tax GPs, care homes and hospices when he raised national insurance contributions, or was that a mistake? Can the Prime Minister tell the House whether they are acceptable collateral damage in his path for change, or simply mistakes that need rectifying?

The Prime Minister: I will tell the hon. Member what was a mistake: leaving a £22 billion black hole that we had to sort out. We took the difficult decisions, investing in our NHS, and I would have thought he would have welcomed the 2 million extra appointments that we have achieved in the first seven months of a Labour Government. That is the difference our Budget is making to people.

Q2. [902786] **Alex McIntyre** (Gloucester) (Lab): I am delighted that Calton and Grange primary schools in my city of Gloucester will be among the first 750 schools to get free breakfast clubs, and I am pleased that this Government are already delivering on their manifesto promises in less than a year. So will the Prime Minister agree with me that, by helping working parents with childcare and delivering the best start to the day for every single child, we are delivering opportunity for the next generation?

The Prime Minister: I agree with my hon. Friend. We are pleased that two of the early adopter schools will be in his constituency. We are ensuring that all children of primary school age can get access to free breakfasts and at least 30 minutes of free childcare. That means every child ready to learn, and parents of course supported with up to £450 a year back in their pockets. That is the change a Labour Government make.

Mr Speaker: We now come to the Leader of the Opposition.

Mrs Kemi Badenoch (North West Essex) (Con): I wish the Prime Minister every success on his trip to Washington. The visit to see President Trump must serve our national interest. The Prime Minister and I are completely united in our support for Ukraine as a proud and sovereign nation. What specific steps will he take to ensure Ukraine is at the negotiating table for any peace settlement?

The Prime Minister: I thank the Leader of the Opposition for her words about the forthcoming trip. It is right, and I think the whole House will think it is right, that Ukraine must be at the table at negotiations. There can be no negotiations about Ukraine without Ukraine. That has been my consistent position in all of the

discussions that I have had. That will continue to be my position, because this is about the sovereignty of Ukraine and the Ukrainians' ability to decide for themselves the future of their country, so they must be at the table.

Mrs Badenoch: I thank the Prime Minister for that answer, and as I said, I wish him every success. We want to support him on this issue.

Turning to the details of the plan the Prime Minister set out yesterday, over the weekend I suggested to him that he cut the aid budget, and I am pleased that he accepted my advice—[*Laughter.*] It is the fastest response I have ever had from the Prime Minister. However, he announced £13.4 billion in additional defence spending yesterday. This morning, his Defence Secretary said the uplift is only £6 billion. Which is the correct figure?

The Prime Minister: I am going to have to let the Leader of the Opposition down gently: she did not feature in my thinking at all. I was so busy over the weekend that I did not even see her proposal. She has appointed herself the saviour of western civilisation; it is a desperate search for relevance.

If you take the numbers for this financial year and the numbers for the '27-28 financial year, there is a £13.4 billion increase. That is the largest sustained increase in defence spending since the cold war, and will put us in a position to ensure the security and defence of our country and of Europe.

Mrs Badenoch: That was not very clear. How is it that the Defence Secretary says £6 billion, but the Prime Minister says £13.4 billion? The Institute for Fiscal Studies has said the Government are playing "silly games with numbers". How has he found this difference in numbers?

The Prime Minister: We went through this two weeks ago, going over the same question again and again. Let me say it again: if you take the financial year this year, and then you take the financial year for '27-28, the difference between the two is £13.4 billion. That is the same answer. If she asks again, I will give the same answer again.

Hon. Members: More!

Mr Speaker: I will decide when there is more.

Mrs Badenoch: Someone needs to tell the Prime Minister that being patronising is not a substitute for answering questions. He has not answered the question. What he has said is different from what he said yesterday. We are still not clear where the money is coming from. We want to support him. He has also said that we should put British troops on the ground in Ukraine, but we have not seen the detail of any proposals. Would his new spending plans allow him to fund that commitment effectively?

The Prime Minister: I think it is the same question again. It is £13.4 billion—that is the difference between this year and '27-28.

The Leader of the Opposition asks a serious question about the security guarantees in Ukraine. That is extremely important, because the worst of all outcomes, if there is to be a cessation of hostilities, would be for it to be a short break, rather than a sustained and lasting peace.

That means there have to be security guarantees, and I have indicated that we will play our full part. There has to be US backing; otherwise, I do not think it will deter Putin. We are working on that. I am having extensive discussions on it. I am not in a position to put details before the House today, as she well knows, but I will continue down that route. I want a lasting peace in Ukraine and Europe for the safety and security of Ukrainians, Europeans and, of course, everybody in this country.

Mrs Badenoch: This is an endeavour that we want to support the Prime Minister in, but we need to know exactly what we are supporting. We need clarity and transparency over the money, and we also need to know where the money is going. This morning, the Defence Secretary could not say whether the Chagos deal would come out of the defence budget. Can the Prime Minister confirm to the House that none of the defence uplift includes payments for his Chagos deal?

The Prime Minister: The additional spend I announced yesterday is for our capability on defence and security in Europe, as I made absolutely clear yesterday. The Chagos deal is extremely important for our security and for US security, and the US is rightly looking at it. When the deal is finalised, I will put it before the House with the costings. The figures being bandied around are absolutely wide of the mark. The deal is for well over a century. The funding I announced yesterday is for our capability, and will put us in a position to rise to a generational challenge. That is what that money is all about; I thought the right hon. Lady supported it.

Mrs Badenoch: We need to make sure we are supporting a plan that is clear and transparent. Yesterday, the Prime Minister set an ambition for defence spending to reach 3% in the next Parliament, and we agree with him on that. However, that could be 2034—almost a decade away. That is too slow. We do not know how he will pay for it. We cannot raise taxes further, and we already pay more on debt interest than defence.

Everyone in this House will have heard the Prime Minister not answer the previous question, so I will ask again: is he paying for the Chagos deal with this defence uplift or not?

The Prime Minister: I have just dealt with that question, Mr Speaker. The money announced yesterday is going to our capability in order to put ourselves in a position to defend the security of both our country and Europe. The Leader of the Opposition asked about defence spending. She gave what people have described as a rambling speech yesterday, where she could not say what defence spending should be. We have been absolutely clear. We have set out a full, credible, costed plan, and I thought she supported it.

Q5. [902789] Ms Polly Billington (East Thanet) (Lab): The Prime Minister will be aware that in coastal communities such as mine in East Thanet, people develop cancer earlier, get treated and diagnosed later and die younger. Can he give the House an update on the Government's plans to implement the recommendations by the chief medical officer, Chris Witty, for tackling poor health in our seaside towns?

The Prime Minister: I thank my hon. Friend for raising this matter. She is right that cancer patients are waiting too long for diagnosis and treatment. Addressing healthcare inequity is part of our 10-year health plan, which aims to halve the gap in healthy life expectancy between the richest and the poorest regions, and we are already making progress on that.

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

Ed Davey (Kingston and Surbiton) (LD): May I start by wishing the Prime Minister well on his trip to the White House? It will not be an easy meeting, but we are all behind him for the sake of our national interest. It is already clear that, sadly, under President Trump, we will not be able to rely on the United States to help ensure our security against Russian aggression, which is why we strongly welcome the Prime Minister's decision to increase Britain's defence spending. But Europe must do far more to rearm in the face of Putin's threat and the UK must lead on that. That is why we back the idea of a new European rearmament bank, so that we can finance a big increase in manufacturing capacity without the need to cut Britain's vital soft power. Will the Prime Minister look at this idea, work across this House and across Europe, so that we can make a European rearmament bank happen?

The Prime Minister: I shall resist the right hon. Gentleman's suggestion that we somehow have to choose between the US and our European partners. I do not believe that to be the case. I want to strengthen our already strong relationship with the US, because it is vital that we do so. I of course want to work with our European allies on defence capability and on what more we need to do in relation to capability, co-ordination and funding. In the longer term, there is an ongoing discussion among allies as to future funding, and I am happy to share that with the House as it evolves.

Ed Davey: I hope the Prime Minister is successful in keeping the US on board with our European allies. I am glad that he is talking about finance and defence. If he were to push this European rearmament bank at the summit of European leaders on Sunday, I think that he would be pushing at an open door. Certainly, Prime Minister Tusk is supporting the idea from the Polish point of view.

Let me turn now to domestic matters, with the cost of living crisis hitting so many of our constituents. Families in my constituency are really angry that Thames Water is sending them bills this April that will cost them £150 a year more. Thames Water has already let down so many people, whether it is through leaking pipes or pumping its filthy sewage into our rivers. A third of customers' bills are already used just to pay the interest on Thames Water's debt, and now the company will borrow £3 billion more. Is it not time to stop making people pay for bailing out the vulture funds that are drowning Thames Water in debt? Will his Government just put this firm out of its misery and put it into special administration, so that we can sort out that mess and the mess left by that lot on the Conservative Benches?

The Prime Minister: The right hon. Gentleman is certainly right about the mess made by that lot. We obviously have our water Bill, which contains very strong measures, and I think that he supports them.

Q6. [902790] Dr Rosena Allin-Khan (Tooting) (Lab): We have heard extraordinary rhetoric coming out of Washington in recent days and we have seen fascist salutes on our screens. We have witnessed wild statements about Palestinians being expelled from Gaza, and we have seen our allies labelled "dictators". Britain's interests are best served by standing with Ukraine, working closely with our European allies, upholding international law and remaining a strong part of NATO. Will the Prime Minister assure us that this will form a central part of his message when he meets world leaders this week?

The Prime Minister: We certainly stand with Ukraine—I think I speak for the whole House when I say that. As I set out yesterday, NATO is the bedrock of our security. It has been our most important alliance for many, many years, and it is as important today as it has ever been. We build that alliance by working with the US. We have a special and deep relationship with the US—that is not just words, but to do with security, defence, and intelligence capability, which are vitally important for both sides—but we also work with our European allies. It is that ability to work with the US and our European partners that has held the peace for so many years, and needs to hold the peace for many years to come.

Mr Speaker: I call the Leader of the SNP.

Stephen Flynn (Aberdeen South) (SNP): Prior to the election, the Labour party promised to reduce energy bills by £300, yet on its watch, energy bills are about to increase by almost £300. Is the failure to keep that promise a consequence of Government incompetence, or has the Labour party been caught lying to the public?

The Prime Minister: We are very proud of the fact that we are pushing forward for energy independence, which will keep our bills lower. The right hon. Gentleman knows very well what my position is; however, I note again that he is very quiet on the SNP record, and I will tell hon. Members why. Just this week, we have seen the attainment gap widen in Scotland. Numbers of pupils leaving schools with no qualifications rising; those from deprived areas going to work falling. Instead of playing the politics of grievance, SNP Members need to take responsibility for their own record.

Q8. [902792] Charlotte Nichols (Warrington North) (Lab): My constituent Mike Addison was one of a kind. A physical disability rugby league world champion with England and Warrington Wolves and an avid volunteer for the club and foundation, he was a friend to everyone who knew him. Tragically, he died at age 45, having taken his own life. One death by suicide is too many, and every suicide is preventable. However, Office for National Statistics data puts the rate in the north-west at more than double the rate in London, with a 17% increase last year. Will the Prime Minister outline what more can be done, working across Government, to help Warrington meet our target of eliminating suicide?

The Prime Minister: I thank my hon. Friend for raising that tragic case. My thoughts, and I am sure those of the House, are with the family, friends and teammates of Mike at Warrington Wolves. She is right

that one death by suicide is one too many and reducing the number is a vital part of our health mission. We are recruiting an additional 8,500 mental health workers who are especially trained to support people at risk of suicide. We are committed to taking forward the suicide prevention strategy for England and I am sure the whole House supports that.

Q3. [902787] Dr Neil Hudson (Epping Forest) (Con): I welcome the Prime Minister's statement committing us to increased defence spending and reaffirming the UK's support for Ukraine and its democratically elected leader, President Zelensky. He is a wartime leader like Winston Churchill, who also had to delay elections because his country faced an existential threat. As the Prime Minister travels to Washington, with this House and the country willing him to succeed, will he invoke the legacy of Churchill in making the case for the UK to be the key in bridging transatlantic relations, to bring us all together for the sake of freedom and democracy across the world?

The Prime Minister: I thank the hon. Member for his question, and may I pick up on both elements? First, President Zelensky is a democratically elected leader and suspending elections was precisely what we did in this country when we were fighting in the second world war. Secondly, yes, the UK has successfully been a bridge between the US and Europe for many years. It is vital that we continue in that role. That is why my message to President Trump is that the relationship between our two countries needs to go from strength to strength—it is already strong—while we work at the same time with our European allies.

Q9. [902793] Jessica Toale (Bournemouth West) (Lab): On Monday night, there was a brutal double stabbing in my constituency, which adds to a long line of horrific knife attacks that have included three fatalities over the past two years. I know that the Prime Minister is aware of the particular challenges we face in Bournemouth. Although crime has been going down, I know there is much more that he will want to do. Will he join me in praising the crucial work done by organisations such as Changes Are Made, which provide positive activities such as boxing to young people, and will he share what more the Government can do to tackle knife crime in communities such as mine?

The Prime Minister: I thank my hon. Friend for raising that really important issue. Yesterday, we introduced our Crime and Policing Bill, which is central to our plan for change and to halving knife crime. It involves new powers to seize and destroy knives found on private property and a new criminal offence of possessing a bladed article with the intent to cause harm, plus tougher penalties for selling dangerous weapons to under-18s and stricter rules for online sales under Ronan's law. We will continue that work.

Q4. [902788] Jack Rankin (Windsor) (Con): The floods of 2013-14 devastated Datchet, Horton and Wraysbury, and the flooding last January was not much better. But shockingly, the River Thames scheme as currently proposed continues to leave my constituents at risk. The council was asked to cough up tens of millions but, like many, it is cash-strapped. Does the Prime Minister agree that

the only option to protect my constituents is to fund channel 1 of the River Thames scheme as national strategic infrastructure, which really it is?

The Prime Minister: The hon. Member has raised this issue before, which obviously is important for his constituents. We inherited flood defences in their worst state on record, which is why we are investing £2.6 billion to protect over 50,000 properties. I understand that the options to reduce flood risk to these communities are being considered as part of the Datchet and Hythe End flood alleviation scheme. I will ensure that he has a meeting with the relevant Minister to take forward the work.

Q11. [902795] Sally Jameson (Doncaster Central) (Lab/Co-op): In order for the Government's growth agenda to be a success, it must be felt in all areas of the country, including Doncaster and South Yorkshire, where we have green growth transport companies such as Hybrid Air Vehicles and Clean Power Hydrogen, alongside the reopening of Doncaster Sheffield Airport. Will the Prime Minister put on record his support for Mayor Ros Jones, who has led on the airport reopening? Will he set out how the growth agenda will override traditional investment patterns mainly in the south of England and bring prosperity to South Yorkshire and the north as a whole?

The Prime Minister: Yes, I will. Doncaster has a proud industrial heritage of rail, steel and coal, and extraordinary potential for industries of the future, from hydrogen to artificial intelligence. We are focused on devolving more power and funding to metro Mayors to support regional industry. We will work with the Mayors of Doncaster and South Yorkshire to support efforts to reopen Doncaster Sheffield airport.

Q7. [902791] Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): I have the privilege to represent the home of Speyside malts, one the finest Scotch whiskies. Last week, the UK Government unveiled damaging plans to grant a different definition of single malt to English producers from that of Scottish single malts. That is entirely inconsistent with the global reputation of the quality of single malts, and seeks to tear up the well-established definition of a single malt, pulling the rug yet further from under the Scottish whisky industry. Given the backlash from the industry and the damage that it could cause to Scotch whisky exports and jobs, will the Prime Minister's word on whisky be his whisky bond? Will he back the industry to the hilt and scrap these plans?

The Prime Minister: We do support Scotch whisky. It is a really important part of our economy, and that is why we allocated £5 million in the Budget to it and why we are working with Brazil, which is worth £25 million for Scotch whisky. That is what we are doing to support that sector in Scotland. In another sector, at the weekend I was very pleased to announce the £200 million investment in Grangemouth and in future generations there.

Q12. [902796] Steve Race (Exeter) (Lab): Yesterday I returned from Ukraine, having spent four days with a cross-party delegation of parliamentarians. The Ukrainians we met from across society had one simple message:

they were deeply thankful for our partnership, and they wanted us to know that they can overcome the Russian invasion because they must. Does the Prime Minister agree that alongside our welcome 100-year partnership, now is the time for the UK to redouble our efforts alongside our European partners to help secure Ukraine's future as a free, democratic and sovereign European nation?

The Prime Minister: Yes, I do. I am proud of the way that the United Kingdom has risen to the challenge of the past three years in a united way, through the capability and funding that we have provided to Ukraine and also by throwing open homes here to those fleeing. I was privileged to welcome some of the families to Downing Street on Monday. It was a human reminder of the impact on them, their children and their families.

Q10. [902794] **Dr Kieran Mullan** (Bexhill and Battle) (Con): The whole House wants the Prime Minister's meeting with President Trump to be a success, which requires credibility on our defence spending commitments. The Leader of the Opposition gave the Prime Minister the opportunity to rule out unambiguously funding any Chagos deal from the defence budget, but I am not clear that he did that. I want him to be taken seriously in Washington, so I will make it really easy for him: will he rule out funding any Chagos deal from the defence budget—yes or no?

The Prime Minister: As I have said, when the deal is complete, I will put it before the House with the costings. The money yesterday was allocated to aid our capability and is the single biggest sustained increase in defence spending since the cold war.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The whole country stands behind the people of Ukraine, but there is a view that taking money from aid and development to spend on armaments and tanks makes people less safe, not more safe, because the desperation and poverty that so often leads to warfare is what aid and development money is supposed to counter.

The Prime Minister: As I said yesterday, overseas development is important, and I am proud of what we have done. It was not a decision that I took lightly or wanted to take, but it is important at this moment that we put defence spending and the defence and security of our country and Europe uppermost. We will, of course, make sure that we are able to fulfil our humanitarian obligations in relation to Gaza, Ukraine and Sudan and other vital work. I want to be clear: we do of course want to go back and increase that funding as soon as we are able to do so.

Q13. [902797] **Simon Hoare** (North Dorset) (Con): I hope the Prime Minister knows that when he travels to Washington to meet the former leader of the free world, he does so with the hopes and prayers of this House and the country; probably no more serious a meeting could be taking place. While the subject of Ukraine will clearly dominate, will he undertake to raise with President Trump the fact that Canada is a valued, respected and much-loved member of both NATO and our Commonwealth? This childish nonsense of a 51st state should be called out by the Prime Minister for what it is.

The Prime Minister: I thank the hon. Member for raising this issue. The UK and Canada are close allies and have been for a long time, with a partnership based on a shared history and a shared set of values and a determination to be an active force for good in the world. We work closely with Canada on issues of the Commonwealth, on NATO and, of course, Five Eyes intelligence sharing. We will work to strengthen that relationship.

Michelle Scrogham (Barrow and Furness) (Lab): Barrow and Furness has always been ahead of the times in high-skilled engineering. In the light of the Prime Minister's historic commitment to raise defence spending—the biggest increase since the end of the cold war—I invite him to visit and see the many small and medium-sized enterprises who can support this vital supply chain. Does the Prime Minister agree that investing in those businesses will not only deliver our nuclear deterrent but improve security and the economy for us all?

The Prime Minister: I thank my hon. Friend for raising that, and we will obviously consider her invitation. Defence spending already supports more than 430,000 jobs across the United Kingdom and I recognise the contribution made by the workers in Barrow and Furness.

Q14. [902798] **Wendy Morton** (Aldridge-Brownhills) (Con): In my constituency, the planning inspector chose to use the term grey belt to pass a battery energy storage system application before the order was laid in the House to change the national planning policy framework and without recognising the moratorium for local authorities to manage their local plans. The decision failed to recognise the green belt that protects us against urban sprawl, and it failed to recognise the proximity to a school, a church and a graveyard. Can the Prime Minister define what grey belt actually is, or is it simply a grey area to allow for inappropriate development?

The Prime Minister: I am not across the details of the right hon. Member's case, as she will understand, but I am in favour of making sure that we can have the infrastructure and the houses we need to grow our economy. One of the problems we had over the past 14 years was an assertion or rhetoric that we wanted homes and infrastructure, but when the decision for all that came up, the answer was always no. The answer cannot always be no.

John McDonnell (Hayes and Harlington) (Ind): I thank the Prime Minister and the Foreign Secretary for their efforts to secure the release of Alaa Abd el-Fattah, the British human rights campaigner who has been imprisoned in Egypt for over 10 years. The Prime Minister will know—he has met the family—that his mother is on the 150th day of her hunger strike and her health is failing rapidly. May I ask the Prime Minister to pick up the phone to President Sisi and seek the release of Alaa to save his life and that of his mother?

The Prime Minister: I thank the right hon. Gentleman for raising this really important case. As he says, I met the mother and the family just a few days ago. It is an incredibly difficult situation for them. I can assure him that I will do everything I can to ensure the release in

this case. That includes phone calls as necessary. I have raised it before and I will raise it again. We raise it and will continue to do so. I gave my word to the family that that is what I will do, and I will.

Q15. [902799] **Claire Hanna** (Belfast South and Mid Down) (SDLP): People in Northern Ireland are sick to the teeth of paramilitaries, the menace of sectarianism and keeping people stuck in the past. In the light of the announcement yesterday on transition, does the Prime Minister recognise that people will be highly sceptical of the process? There must be real learnings from the failed transitions of the past. There can be no rewards for paramilitaries for hanging on, but there must be robust criminal justice, flags off lampposts and streetcorners, and community-funded policing to allow communities that have been brutalised by paramilitaries to finally look forward to a confident and shared future.

The Prime Minister: I thank my hon. Friend for raising this important and obviously sensitive issue. We are committed to making progress towards ending paramilitarism once and for all in Northern Ireland. That is why we have agreed to support a short independent exercise to look at a formal process. I will make sure that the Secretary of State for Northern Ireland keeps her updated.

Rishi Sunak (Richmond and Northallerton) (Con): Prostate cancer is now our country's most common cancer, yet there is no national screening programme. We made progress towards that in government, but there is more to do, which is why I am delighted to have joined the charity Prostate Cancer Research as an ambassador. I am grateful to the Secretary of State for Health and Social Care for his engagement thus far. Will the Prime Minister ensure that we have a targeted national screening programme for the groups most at risk of prostate cancer, so we can not only save the NHS money and make progress towards the Government's early diagnosis targets, but, most crucially, save thousands of lives?

The Prime Minister: I thank the right hon. Gentleman for raising this issue, and I thank him for using his authority and reputation to support this vital cause, which will make a material difference. I look forward to working with him on it. We share a commitment to detecting prostate cancer earlier and treating it faster. We must do that. Our national cancer plan will improve the way we treat cancer right across the country. I will make sure he is fully informed of the steps we are taking and will work with him.

Ruth Jones (Newport West and Islwyn) (Lab): Will the Prime Minister join me in wishing all Welsh citizens everywhere a very happy St David's day on Saturday? Will he also join me in welcoming the latest news of the £600 million investment by Copenhagen Infrastructure Partners to ensure that Bute Energy and Green GEN Cymru can take forward the bold ambition to achieve

100% green electricity production by 2035 in Wales, thus providing much-needed sustainable green jobs for the people of Wales?

The Prime Minister: I wish my hon. Friend and her constituents a very happy St David's day, and join her in welcoming the significant new investment in her constituency that will ensure good, well-paid skilled jobs and the transition to energy security and lower bills. I know her constituency will play a vital role in that.

Jeremy Hunt (Godalming and Ash) (Con): Does the Prime Minister agree that our biggest single foreign policy priority is the preservation of NATO with America at its heart? If so, following his welcome announcement yesterday, is the next step to talk to our European allies and for all of us to agree to spend 3% of GDP on defence within a specified timescale, so we can look the President in the eye and say that Europe is finally pulling its weight on defence?

The Prime Minister: I agree with the right hon. Gentleman entirely on the priority in terms of NATO. Putin thought he could weaken NATO. He has only made it stronger and larger. NATO's strength comes from the US, European partners and others working together, and that is absolutely the focus of my work at the moment. It is right, as he says, that European countries, including the United Kingdom, need to do more on capability, co-ordination and defence spend. That must be seen not as a project separate to NATO, but as part of an essential project that ensures NATO is there for decades and decades to come preserving the peace, just as it has been for 75 years.

Euan Stainbank (Falkirk) (Lab): The Grangemouth refinery closure has loomed over central Scotland since Petroineos's announcement in November 2023. Two weeks ago, Scottish Labour colleagues and I met the National Wealth Fund to make the case for investment in Grangemouth. I strongly welcome the exceptional commitment that this Labour Government have shown to Grangemouth by committing £200 million from the National Wealth Fund. Can I ask the Prime Minister what steps the Government will be taking to secure permanent good jobs at Grangemouth?

The Prime Minister: I thank my hon. Friend for being such a great champion for Scotland and his constituency. Grangemouth is really important to communities in Scotland and to the economy in Scotland. It is not a charity case; it has incredible potential and huge opportunity. That is why, at the weekend, I was pleased to announce £200 million from the National Wealth Fund to incentivise private investment. That follows the £100 million in the growth deal that we announced earlier. This is about securing jobs for decades to come in Grangemouth. It is a really exciting opportunity and we intend to seize it.

Mr Speaker: I hope that His Excellency Mr Afrim Gashi, the Speaker of the Assembly of North Macedonia, enjoyed questions.

Grenfell Tower Inquiry: Phase 2 Report

12.37 pm

The Secretary of State for Housing, Communities and Local Government (Angela Rayner): This Government accept that the final report of the Grenfell Tower inquiry must be the catalyst for long-lasting systemic change. All Members of the House, past and present, will have shared my anger over its shocking findings. The inquiry chair, Sir Martin Moore-Bick, and his dedicated team uncovered damning evidence of political, corporate and individual failings going back decades. These led to the loss of 72 innocent lives, 18 of them children, on that terrible night in June 2017. It was a deadly betrayal and a national tragedy that must never happen again. I repeat today what the Prime Minister said in September to the bereaved families, the survivors and those in the immediate Grenfell community, some of whom are with us today in the Gallery: on behalf of the Government, the British state and those responsible, I am very sorry.

The inquiry report made 58 recommendations, of which 37 were directed at the Government. The Government accept the findings of the report and will take forward all the recommendations. Our response published today addresses each in turn and goes further, to set out our wider reforms of social housing and the construction sector. As we make these vital changes, we will publish quarterly reports on progress and update Parliament annually. The Government are open to scrutiny and will remain accountable for their actions.

We will prioritise residents and protect their interests, make sure that industry builds safe homes, and provide clearer accountability and enforcement. To have anyone anywhere living in an unsafe home is one person too many. That will be our guiding principle, and it must be that of anyone who wants to build or care for our homes. That will be an important part of the legacy of Grenfell.

For nearly eight years, despite their pain, the bereaved, survivors and members of the community have campaigned with determination, not wanting anyone to suffer as they have. It is fair to say that the building system we have today is not the same as the one that was justly criticised in the report—the one we had leading up to the tragic events of 2017. But it is also clear that there is still much more to do, so I can announce that we will create a single construction regulator and a chief construction adviser. We will set out our detailed plans later this year.

I am accepting the recommendations to professionalise fire engineers and assessors, to licence principal contractors and to review the role of building control. Where standards are clear and industry has clarity and certainty on how individuals and firms must behave, it encourages investor confidence. This will improve the safety of residents, and support the construction industry and our mission to deliver economic growth.

We have pledged to build 1.5 million homes over the Parliament to tackle our country's acute housing crisis, as part of our plan for change to improve the lives of people across the country. It is vital that these future homes, as well as existing homes, are safe and of high quality, and I welcome how some parts of the industry have stepped up to lead the necessary change in culture and approach.

But lest we forget, Sir Martin found that just about every institution and organisation charged with keeping the tower safe and protecting those who called it home failed. His most devastating conclusion was that every single death was avoidable. The inquiry uncovered serial incompetence and negligence, complacency and inaction, and blatant dishonesty and greed. The organisations that failed included the Government and regulators; the Department I now lead, which failed to act on known risks and ignored, delayed or disregarded matters affecting the safety of life; and the manufacturing companies, including Arconic, Kingspan and Celotex, whose products were used to refurbish the tower. The report found that they acted with systemic dishonesty as they mis-sold and marketed them. Their disgraceful mercenary behaviour put profit before people and exploited the regulatory regime to evade accountability, with fatal consequences. To my disgust and their shame, some have shown little remorse and have refused even to help fix the building safety crisis that they did so much to create.

Companies must be held to account for their role in Grenfell. The Parliamentary Secretary, Cabinet Office is announcing today that she will use new powers under the Procurement Act 2023 to investigate Arconic, Kingspan, Saint-Gobain as the owner of Celotex at the time and other organisations. I expect swift, decisive action and will ensure that progress is reported.

But we must do more to make sure that the right rules are in place. To this day, critical gaps persist in how construction products are regulated. Only with rigorous reform will we transform the culture that allowed the tragedy to happen. To achieve that, we are also publishing today a construction products reform Green Paper. It will help us to cut out the rot in the sector and allow competence to take root. Safety will come first and a culture of responsibility will prevail. We will celebrate those who lead the way, and those who fall short will suffer the consequences. In the future, rogue companies will be held to account. Our Green Paper sets out our ideas for prison time for executives who break the rules and unlimited fines where safety is put at risk. We will do whatever it takes.

Across the sector, there is appetite for change. That change is overdue, and we will lead it. I pay tribute to the enduring resilience and resolve of the bereaved families, the survivors and the members of the immediate community. Their campaigning has seen new legislation passed, which members of this Government supported, that has made our public realm more secure. Everyone is safer thanks to the Building Safety Act 2022, which set new standards for the construction of residential buildings in England. The Act introduced the Building Safety Regulator and provisions for high-risk buildings. All people living in flats now know that the entrance doors, external walls and structure of their homes are in scope of fire risk assessments thanks to the Fire Safety Act 2021. There are new duties for owners and managers of buildings and blocks of flats. The Social Housing (Regulation) Act 2023 ensures that landlords are held to account.

I have challenged the Royal Borough of Kensington and Chelsea to demonstrate how it has changed by becoming an exemplar landlord and local authority. I will be keeping a close eye on its progress, and we will listen to its tenants to assess whether it has succeeded.

[Angela Rayner]

We are pushing ahead with the remediation acceleration plan to fix all buildings around the country that still have dangerous cladding, and where building owners fall short, we will act. We are introducing regulations to improve the fire safety and evacuation of disabled and vulnerable residents in high-rise and higher-risk residential buildings. As of 1 April, ministerial responsibilities for fire functions will move from the Home Office to my Department, in line with the inquiry's recommendation that we bring responsibility for fire safety into a single Department.

People and their safety are front and centre of our inquiry response, but there remains a stark and terrible reality: the bereaved, the survivors and members of the Grenfell community are still waiting for the justice they need and deserve. Justice must be done. The ongoing Metropolitan police investigation is among the biggest it has ever undertaken, and the Met has the Government's full support. In September, the Prime Minister rightly said that this tragedy poses questions about what social justice means in Britain today, and whether the voices of working-class people, those with disabilities and those of colour are ignored and dismissed. I am here to say that we will not be that country. We will be a country where decent housing, security, safety and peace of mind are shared by all and are not just the privilege of a few.

The lessons of the inquiry should not have taken a tragedy to unearth. We will honour the memory of those who lost their lives by bringing about meaningful change in their name—change that will make life better for everyone. We are under no illusions about the scale of the task at hand. The responsibility to deliver lasting change is the privilege of leadership. That will not be done by Government alone, but we will put our voice and power in the service of the cause that the Grenfell community has continued to fight for nearly eight long years. Together we will bring about the transformational change that the people of this country deserve. It is with that admiration for the spirit of the Grenfell community and the determination to honour it that I commend the statement to the House.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the shadow Secretary of State.

12.49 pm

Kevin Hollinrake (Thirsk and Malton) (Con): May I thank the Deputy Prime Minister for advance sight of her statement and the Government's response to the phase 2 report?

I echo the Deputy Prime Minister's sentiments, which are shared across the House. The tragedy of Grenfell, which claimed 72 innocent lives—54 adults and 18 children—will always remain a scar on our national conscience. I thank Sir Martin Moore-Bick and his team for their work. I join the Deputy Prime Minister in offering my deepest apologies to the bereaved, the survivors and the Grenfell community for the failures that led to that horrific night in June 2017—we all remember where we were that night. I also thank them for their constant and constructive campaigning.

The inquiry's findings—decades of systemic failure, dishonesty and negligence—are a damning indictment of successive Governments, regulators and industry.

The Government's response, with its acceptance of all 58 recommendations, is a step forward, and I welcome the commitment to action. The creation of a single construction regulator, the appointment of a chief construction adviser and the consolidation of fire safety functions under one Department are long overdue reforms. So too is the focus on professionalising fire engineers and reforming the construction products sector, which the inquiry exposed as riddled with systemic dishonesty from firms such as Arconic, Kingspan and Celotex.

The Green Paper on construction products reform is a promising start, but it must deliver real accountability. Unlimited fines and prison sentences for rogue executives and, where appropriate, Government officials, cannot remain mere rhetoric. Ambition must be matched by urgency and scrutiny. Nearly eight years have passed since Grenfell, yet thousands still live in buildings with unsafe cladding and other fire safety defects. Although I welcome the fact that the Deputy Prime Minister has accepted the majority of the recommendations, why has she not accepted the inquiry's recommendation for a single regulator to oversee the testing and certification of construction products, leaving that instead with conformity assessment bodies? I remind her that the Building Research Establishment, which is itself a conformity assessment body, was strongly criticised for its conflicts of interest.

The remediation acceleration plan is welcome, but its targets of assessing all buildings by July 2025 and completing works by 2027 relies heavily on developers stepping up voluntarily. What actions will the Deputy Prime Minister take if they do not comply? Will she work to deliver solutions for non-qualifying leaseholders and those at risk as a consequence of other fire safety defects? This House needs concrete assurances that no resident will be left behind. I question the phased approach to implementation stretching beyond 2028. Justice delayed is justice denied. The Grenfell community has waited long enough for change. Why must they potentially wait another parliamentary term for full delivery?

What discussions has the Leader of the House had with parliamentary colleagues on the establishment of a public inquiries Joint Committee to monitor the implementation of public inquiry recommendations? What is the timetable for the new publicly available record on all public inquiry recommendations since 2024? On social housing, the extension of Awaab's law and new standards are positive, but the Government must go further to address the inquiry's wider lesson. Residents' voices were ignored. Tenant empowerment must be more than a panel or a campaign; it needs legal teeth to ensure landlords act on concerns swiftly.

Justice demands accountability. The Metropolitan police investigation has our full support, but the pace must quicken. Those who profited from cutting corners or were criminally negligent must face consequences—not just fines but criminal charges where evidence allows. Grenfell must be a watershed—a legacy of safety, transparency and respect for every resident. I make our clear commitment to work with the Deputy Prime Minister and the Government, on a cross-party basis, to meet that promise.

Angela Rayner: I thank the shadow Secretary of State for his comments and the way in which he makes them. I hope genuinely that we can work together to continue this piece of work. I recognised in my statement the

work of the previous Government, through the Building Safety Act and other measures, and we will continue to work in that vein.

I hope that the shadow Secretary of State recognises some of the work that we are already doing. We have brought forward a significant amount of legislation on social tenancy, on empowering tenants through the Renters' Rights Bill, on protecting leaseholders, and on our remediation acceleration plan. The Government will deliver those legislative changes as soon as parliamentary time allows. The legislation commitments are detailed in the plan. That includes creating certainty on buildings that need remediation and on who is responsible for remediating them; making obligations for assessing and completing regulation remediation clearer, with severe consequences for non-compliance; and giving residents greater control in situations of acute harm where landlords have neglected their responsibilities.

The shadow Secretary of State asks about a single construction regulator. We accepted that recommendation in principle, but the single regulator will deliver the functions recommended by the inquiry, with two exceptions to avoid conflicts of interest: setting the rules for construction products and policing its own compliance. We will consult on the design of the regulator in the autumn.

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

Florence Eshalomi (Vauxhall and Camberwell Green) (Lab/Co-op): Today is yet another long, exhausting day for the loved ones of the victims of Grenfell, who are still having to fight for justice nearly eight years on. I welcome the Secretary of State's response and look forward to the Select Committee's scrutiny of the Green Paper and the proposals for the single construction regulator.

If we are honest, however, what the Secretary of State has outlined will not tackle the root cause of the systematic ignorance of tenants' concerns—that toxic stigma at the heart of our social housing sector. What steps is she taking to ensure that tenants have a voice in the social housing sector and are shown respect when they raise concerns for their families?

We must never forget that 41% of the victims of Grenfell were disabled. That figure underlines the collective failure of the system to protect those in need. The Government's commitment to residential evacuation plans for disabled people in high-rise buildings is a welcome step forward, but I would be grateful if the Secretary of State clarified how the Government intend to make residential personal emergency evacuation plans—PEEPs—enforceable if the responsible person fails to identify the vulnerable resident. I am also pleased that funding has been allocated for that in the social sector, but in reality disabled people live in all types of housing. Will she commit to ensuring that disabled people in the private rented sector have the same access to evacuation plans as those in the social sector?

None of the families present in the Public Gallery should have to be here. The tragedy in 2017 happened in the holy month of Ramadan, and as we approach Ramadan this week—a time that should be dedicated to reflection, healing and togetherness—too many families are still fighting for justice. No family member present

should have to spend their time demanding accountability when they should be focused on recovering from their trauma. I pay tribute to them for their tireless efforts, and pledge to continue to be a voice for them in their fight for justice without any more delay.

Angela Rayner: I know that my hon. Friend, as Chair of the Housing, Communities and Local Government Committee, is committed to the rights of social housing tenants. As she outlined, the social housing system has not been fit for purpose, and those failings contributed to the Grenfell tragedy. We are driving up standards in social housing through stronger regulation and enforcement measures, strengthening tenants' voices and improving access to redress. Those reforms will ensure that landlords are held accountable for the quality of the homes and services that they provide.

At the heart of the new regulatory regime is the requirement for all landlords to treat tenants with fairness and respect. Social landlords are required to understand and provide information and support that recognises the diverse needs of their tenants, including those arising from protected characteristics and language barriers. The Government will lay regulations as soon as possible this year on the social housing provider funding made available for residential PEEPs. We will direct the regulator to set standards on the competency and conduct of staff to ensure that tenants are treated with respect.

At a national level, we have extended the social housing residents panel to help ensure that tenants' voices and experiences inform policy development. We will keep a new regulatory system under review. We will evaluate its effectiveness by 2028 to ensure that it is delivering the improvements we need. We will set out further measures to strengthen residents' voices in the long-term housing strategy later this year.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Liberal Democrat spokesperson.

Gideon Amos (Taunton and Wellington) (LD): Liberal Democrats stand firmly with the many bereaved family members, as well as the immediate community, friends and neighbours, as they mourn the 72 people, including children, who tragically lost their lives in 2017. Any steps regarding changes to the building will be a deeply personal matter for that community, and I know that the Secretary of State will approach any decisions about the future of the building with due respect for the local community, survivors and victims. We therefore welcome the Government's decision to work with the Grenfell Tower Memorial Commission to design a memorial, and we urge the Government to approach the discussion with respect and sympathy for those who suffered, as I am sure the Secretary of State will do.

As we approach eight years since the Grenfell fire, Liberal Democrats are concerned that there are still thousands of people in the UK living in buildings with dangerous cladding. The Grenfell inquiry provided a detailed look at the facts leading up to the night of 14 June 2017, including looking at the underlying causes of the fire, where mistakes were made, the condition of the tower and the responses of the public and the emergency services. On the recommendations to the architectural profession, I refer the House to my entry in the Register of Members' Financial Interests—I am a member of the Royal Institute of British Architects.

[Gideon Amos]

There are lessons to be learned by ever authority in the land. We recognise that the previous Government provided funding to start the process of dealing with cladding, which is slowly being allocated, but it is now time to accelerate that vital work to make all buildings safe. We are concerned that too many developers and building owners are passing the cost of remediation work on to tenants and leaseholders, which puts many at serious financial risk.

Liberal Democrats endorse all 57 recommendations of the Grenfell inquiry phase 2 report by Sir Martin Moore-Bick, including the creation of legally enforceable orders to remediate premises so they are safe, on pain of criminal sanction. However, we need to take further steps to guard against commercial interests overriding safety, as they did in both the testing of materials and the enforcement of building regulations. We would like to see more done to ensure that commerciality will not, shockingly and disgracefully, override interests of safety ever again.

It is time to invest in our housing stock so that the cladding is dealt with. It is time for justice for the victims and for all those living in unsafe housing. Lib Dems stand ready to work across parties to do achieve that.

Angela Rayner: I thank the hon. Member for his commitment and support in taking forward the recommendations that came from the inquiry. I thank him for his comments about ensuring that we take decisions about the future of Grenfell in the most sensitive of ways. I absolutely agree with him, and I am committed to taking the next steps respectfully and carefully with the community. I continue to support the independent Grenfell Tower Memorial Commission as the community choose a design team to work with them on designing a memorial.

I agree that it is a priority for us to work at pace because the work is urgent. We are working as quickly as we possibly can. Some of the inquiry recommendations are wide-reaching and some will require further work, including public consultation, before they can be delivered. However, where we can work quickly, such as with the machinery of Government change—moving responsibility for fire to my Department—we are committed to doing that.

I hope the hon. Gentleman heard my words on the acceleration of remediation and our action plan. As I hope was reflected in my response, I agree entirely with his comments about commerciality not taking precedent or having any control over safety. Safety must come first and this Government are committed to that.

Joe Powell (Kensington and Bayswater) (Lab): I thank the Deputy Prime Minister for her statement today and the Prime Minister for his statement on 4 September, which made it clear that the lessons from Grenfell are central to this Government's missions. Today is another painful step towards truth, justice and change for the bereaved families of the 72 people who lost their lives at Grenfell, the survivors and the community in my constituency of Kensington and Bayswater, many of whom have joined us today. I pay tribute again to their strength and resilience.

The fight for justice, now nearly eight years long, will continue after today, and every day, until we have criminal prosecutions and true accountability for those responsible, including those companies referenced in the inquiry report. I know the Government have looked seriously at the inquiry recommendations, and I welcome the commitment to meaningful change across all of them, but too often recommendations from public inquiries fail to be implemented. Indeed, if the lessons from previous fires had been learned, including at Lakanal House in 2009, then lives would have been saved—this was avoidable. Will the Deputy Prime Minister assure me that the Government will consider a strong oversight mechanism to ensure accountability for implementing what has been set out today, so that it lasts beyond any one Government and leads to real change?

Will she also provide further detail on how she plans to ensure accountability for the Royal Borough of Kensington and Chelsea, given their culpability before, during and after the fire? The council's culture desperately needs to change and there needs to be an improvement in the quality of services in our community today.

Angela Rayner: I thank and pay tribute to my hon. Friend for the way he has constructively challenged and worked with us on behalf of his constituents. I know this report has great personal significance for his constituents, and I pay tribute to his dedicated work as an advocate in calling for truth, justice and change for the Grenfell community.

I agree that robust oversight of the Government's implementation of the response is essential for this, and for all public inquiries. The system needs to be improved and we are taking forward the inquiry's recommendations on oversight. We will create a publicly accessible record on gov.uk of recommendations made by public inquiries since 2024, and we will consider making that a legal requirement as part of a wider review of the inquiry's framework.

On the Grenfell inquiry recommendations, my Department will publish quarterly progress updates on gov.uk until they have all been delivered. We will report annually to Parliament to enable Members to scrutinise our progress and hold us to account.

On my hon. Friend's comments about the council, the council failed in some of its most fundamental duties to keep residents safe, to listen to their concerns and to respond effectively when disaster struck. The council was right to apologise, but it is clear that more must be done. I have welcomed the council's commitment to improvement and culture change, and I have set my challenge to the leader of the council to ensure that those improvements are a reality felt by the council's residents. I will continue to engage and keep an eye on that progress.

Bob Blackman (Harrow East) (Con): I welcome the Secretary of State's statement. All our thoughts are with the victims and their families. I know the Secretary of State will keep us up to date about the permanent memorial. However, the big failure that she has not spoken about was the testing regime for the products that were put on Grenfell, and on buildings up and down the country. Firms deliberately cheated the testing regime system, so products were signed off as safe. Will she undertake to overhaul safety mechanisms and the

testing regime for products, so that buildings, both the ones we have already and those built in the future, will be safe for the residents who live in them?

Angela Rayner: I agree with what the hon. Gentleman says. The Government are committed to a system-wide reform of the construction product regime, ensuring that we address the significant gaps that the Grenfell inquiry and the independent review of the construction product testing regime have exposed. The construction products Green Paper that we have published today is a significant step forward towards a construction products regime that has public safety at its heart. I hope we can continue to work across Government and across the House to ensure that we have a system that is fit for purpose for the future.

Andy Slaughter (Hammersmith and Chiswick) (Lab): Will the Secretary of State go a little further than she did in her reply to my hon. Friend the Member for Kensington and Bayswater (Joe Powell)? It is good that she will have a publicly accessible record of recommendations. Will she commit to what the charity Inquest and many others have asked for, which is a national oversight mechanism—a body that collates, analyses and follows up on the recommendations of inquiries and inquests? Otherwise, there is a real danger that these recommendations and others will gather dust on the shelf.

Angela Rayner: I heard directly from members of the Grenfell community their call for the Government to introduce a national oversight mechanism. We recognise that this goes wider than Grenfell and that it is an important issue for other communities and families, such as those affected by covid-19 and the blood scandal. We are considering that in the year ahead as part of measures to strengthen public inquiries, and the Government will listen to the views of the affected families as part of that consideration.

Julia Lopez (Hornchurch and Upminster) (Con): The Grenfell fire was an appalling tragedy, but it also threw a blanket of uncertainty over countless residents in many of our constituencies who are trapped in cladded properties. When I hear the Deputy Prime Minister talk about a new regulatory regime and change, I confess I feel very nervous that any changes to the regulatory regime will throw further uncertainty over those who are still trapped in their homes. Can she assure the House that any move she makes will not create further uncertainty about the standards to which buildings need to be remediated? I also highlight the case of my constituents in Harold Wood, who had their buildings assessed by a fire risk assessor who was subsequently struck off. Those people, who thought they were going to be released from that terrible stasis, are now back to not knowing where they stand, so will she please look into those concerns?

Angela Rayner: I hope that what we are announcing today will bring clarity to the system. One of the things that came out of the phase 2 report was about the system being disjointed. Bringing clarity will hopefully ensure that people understand what they are meant to do—what their legal obligations are—and that we expect them to do it; if they do not do it, there will be serious consequences.

I also point to the remediation acceleration plan. I completely understand that many people are still in buildings that are unsafe, which is unacceptable. That is why this Government are taking action. On the Harold Wood case, I am happy for the hon. Lady to meet the Building Safety Minister about that.

Dawn Butler (Brent East) (Lab): I thank the Secretary of State for her important statement. The people of Grenfell were treated badly because of who they were, what they looked like and how much they earned. We say that 72 people were killed in Grenfell, but the police are holding ashes for which they have no name. Nobody should have to go through this; the families should never have to go through this. This should never happen again. Does she agree that, as well as the chief executive officers of the companies, all the people in the council who treated the residents badly and did not listen to them, because of what they looked like, must be held accountable? Everybody needs to be held accountable.

Angela Rayner: I absolutely agree with my hon. Friend. At the heart of the new regulatory regime is the requirement that all landlords treat their tenants with fairness and respect, and take action so that the services they provide have fair and equitable outcomes. Social landlords are required to understand and provide information and support that recognise the diverse needs of their tenants, including those arising from protected characteristics. That has not been so in the past, and, if I am honest, it does not feel like it is the case today when I speak to residents of the community. That is why I have pushed the council in that particular area and why this Government are bringing forward legislation that says we respect people. Whether they are social tenants or private tenants, they deserve a safe and secure home and to be treated with dignity and respect.

Tim Farron (Westmorland and Lonsdale) (LD): I welcome the Deputy Prime Minister's statement, and the moves towards centralised regulation and improved safety generally. Does the report not serve as a single act of shame for this country? As she just said, it reveals that the safety and quality of social housing has been considered to matter less, because the people who live in social housing have been considered to matter less. Should that point of view, which has been in place since the decline in building standards in the 1960s, not be a matter of deep national repentance?

As the Deputy Prime Minister seeks to tackle that, has she spoken to or is she continuing to speak to her right hon. Friend the Chancellor of the Exchequer? There is a cost to making sure that we build to a high standard, as we did immediately after the war, while also expanding the number of social rented homes, particularly in parts of the country where build costs are more expensive, such as London and the Lake district.

Angela Rayner: I thank the hon. Gentleman for the way in which he articulated that point. I am still dismayed to this day by archaic attitudes towards people in social tenancy. I was a social tenant for a very long time and grew up in a council house. The issue is the way that these people were treated, especially after this report. I ask anyone who works in social housing to read the report—or at least the executive findings, if they do not

[Angela Rayner]

want to go through the chapters that I went through. Sir Martin outlines the horrifying way that people were treated. That is a shame for our country, and we must do better. Hopefully, the legislation we are bringing forward will bring about a cultural change.

I absolutely agree with the hon. Gentleman that social housing should be of high quality, safe, affordable and warm, and this Government will continue to ensure that. Safety will not be compromised in our building 1.5 million homes; nor will building 1.5 million homes compromise our ability to bring up to standard homes that are not up to standard. We have all seen the reports, and we have all seen on television programmes that show people still living in damp, mouldy properties. That has to end.

Ben Coleman (Chelsea and Fulham) (Lab): I also welcome the statement by the Deputy Prime Minister. The people in my constituency of Chelsea and Fulham stand shoulder to shoulder with the people who lived in Grenfell Tower, who have suffered hugely. The pain is still felt throughout the whole community. I am delighted to hear my hon. Friend the Member for Kensington and Bayswater (Joe Powell) highlighting again the culpability of the local council and the contractors. I know from my own experience that there is much for the council to do to improve its respect for, and the way it deals with, people living in social housing.

I pick up on the point made powerfully by my hon. Friend the Member for Vauxhall and Camberwell Green (Florence Eshalomi) about disabled people, 15 of whom died in Grenfell Tower because they had no personal emergency evacuation plan. I, like her, welcome the Deputy Prime Minister's commitment to introducing regulation to improve the fire safety and evacuation of disabled and vulnerable people, but when will we see the details? Will those regulations apply to all disabled residents, wherever they live? What legal weight will they have? Can we be absolutely sure that everything is being done to ensure that disabled people have the evacuation plans that they need in order to escape in the event of a terrible fire, such as that at Grenfell?

Angela Rayner: My hon. Friend is absolutely right. Since taking office, we have ensured that all the outstanding phase 1 recommendations were fully considered and responded to. The Government announced on 2 September 2024 that a residential PEEP policy would be taken forward, and we also committed funding for it. The Government will lay regulations as soon as possible, and social housing providers funding will be made available this year.

This policy aims to improve the fire safety and evacuation of disabled and vulnerable residents in high-rise and higher-rise residential buildings in England by providing residents who have disabilities and impairments with a person-centred risk assessment that identifies appropriate equipment and adjustments. It aims to aid their fire safety and evacuation by ensuring that there is a residential PEEP statement that records what vulnerable residents should do in the event of a fire, and records information for fire and rescue services, in case they need to undertake evacuation. We will continue to keep that under review.

Sir Julian Smith (Skipton and Ripon) (Con): I refer the House to my declaration of voluntary interests. I commend the Deputy Prime Minister for the sensitivity with which she is approaching the issue, both with families and in the House today. As she knows, mediation efforts with residents of Grenfell are being led by Lord Neuberger and others. I genuinely believe that mediation is of massive value in this situation. I realise that much of this is in the legal sphere, but can she and the Government commit in any way to supporting those mediation efforts?

Angela Rayner: It is absolutely right that we look at all options, and I am happy for the right hon. Gentleman to take that matter up with the safety Minister as well. We want to continue to support the community, who have been through so much. I visited the site and met the headteacher of the school; children who were not even born when the tragedy happened are still suffering the effects of the trauma today. We are committed to supporting the community, the bereaved and the survivors for as long as it takes.

Ruth Cadbury (Brentford and Isleworth) (Lab): I thank the Deputy Prime Minister for her response to the report on the Grenfell tragedy. Flats in a large leasehold block in my constituency were given a B2 EWS1 certificate by Adam Kiziak of Tri Fire Ltd. He and Tri Fire are now being investigated for potential malpractice by the Institution of Fire Engineers. One of my constituents, a leaseholder in that block, told me that they do not know whether their certificates are valid, or whether their problems can be remediated through the building safety fund. They do not even know whether their block still has a safety issue, and that is quite apart from the fact that those needing to move cannot sell because mortgage lenders will not lend. How and when can leaseholders such as my constituents get the assurances they need, including the assurance that no more fire inspectors will be allowed to get away with what Adam Kiziak did?

Angela Rayner: I thank my hon. Friend for that very important question, and I am sorry about the situation that her constituents find themselves in. I understand that the relevant professional body is investigating that case, and it would be wrong of me to comment on the specifics, but we are working to encourage mortgage lenders to act proportionately, in order to provide support to leaseholders and buyers in buildings with EWS1 certificates that mortgage lenders are not accepting. Where a building is in a remediation scheme or the leaseholder is protected by the Building Safety Act 2022, we expect the 10 lenders that have signed the industry cladding statement to honour that statement and not require the EWS1. If my hon. Friend wants to speak to the safety Minister about that case, I am sure he would be happy to meet her.

Daisy Cooper (St Albans) (LD): I welcome the Deputy Prime Minister's statement. I particularly welcome the Government's acceptance of the recommendation on professionalising and regulating fire engineers and assessors, not least because five years ago, in the Committee on the Fire Safety Act 2021, I tabled new clause 2, which would have created a public register of fire risk assessors. Had my new clause been accepted, we might have been able to avoid the developing scandal of the issuance of potentially fraudulent EWS1 certificates by Tri Fire,

which could have a devastating impact on thousands of leaseholders, including some in my constituency. In the light of those concerns, which have been raised both in the media and in the Chamber today by Members from all sides of the House, can I urge the Deputy Prime Minister to convene a meeting for all MPs whose constituents are affected, and does she agree that it is time that the police investigated those reports?

Angela Rayner: Let me expand my invitation: I am sure that the safety Minister would be happy to meet the hon. Lady. We will legislate to make it a mandatory requirement that fire risk assessors are competent to perform their critical role, and are certified against approved standards by a certification body accredited by the United Kingdom Accreditation Service. The Government are supporting an industry-led British standard for fire risk assessors; that standard is currently being drafted, and once it is completed, that will create a single, clear definition of competence against which certification and qualification should be mapped.

Mr Clive Betts (Sheffield South East) (Lab): Our thoughts today are obviously with the Grenfell survivors, and the family and friends of those who died. I thank my right hon. Friend for her comprehensive response to the inquiry report. I think I agree with everything she said, but I seek one point of clarification, and there is one area in which I will push her to go a little further, if I may.

First, as my right hon. Friend said, it is really important that we respect and value social housing tenants and treat them equally. Will she give social housing tenants access to the building safety fund on equal terms with private leaseholders? Secondly, the testing of products by construction manufacturers has been a disgrace for many years. They have gone from one testing house to another until they have found one that passes their products. Those products could come on the market, having had several failures and one pass. Will my right hon. Friend pick up a cross-party recommendation made by the Select Committee in the last Parliament—the recommendation that the results of every test done on a construction product be made public, whether the result was failure or a pass, so that we can all see the real strength of products, and whether they are fit for purpose, before they are put on buildings?

Angela Rayner: I thank my hon. Friend for his comments, and I am certainly happy to look at that recommendation. We accepted in full all the recommendations that the phase 2 report came out with; that is an important baseline, but I am happy to look at what more we can do.

Turning to social housing, we will set out plans in the autumn Budget to give councils and housing associations the rent stability that they need in order to borrow and invest in new and existing homes, while also ensuring appropriate protections for existing and future housing tenants. We will bring forward details of future Government investment in the forthcoming spending review, and we will keep that issue under review.

Sir Julian Lewis (New Forest East) (Con): Leaseholders listening to the Deputy Prime Minister's very comprehensive statement will have heard her mention the role of developers in remediation for blocks covered in inadequate and dangerous cladding. Can she explain in more detail

what happens when developers have defaulted in some way and are no longer in existence, and freeholders then seek to visit the costs of remediation on the innocent leaseholders? I think the legislation covers those situations to some extent, but it would be helpful if the Deputy Prime Minister provided more detail.

Angela Rayner: Those freeholders will get access to the cladding remediation scheme. We are really clear that building owners must fix their buildings—there is no doubt about that—and there are already legal powers to force landlords to act. We will make them do so quicker and give them a harder bite, but we also recognise that in some situations, that will not happen. That is why the cladding remediation scheme is available.

Jacob Collier (Burton and Uttoxeter) (Lab): The Secretary of State is right to say that progress has been made on building safety, but that we need to go much further. As she knows, fire and rescue services have already made huge improvements in this area, through both new equipment and improved processes, but we must roll out stronger national standards across the fire and rescue sector. What progress is being made on establishing a national college of fire and rescue?

Angela Rayner: My hon. Friend is absolutely right. The recommendations of Sir Martin's phase 2 report were very clear, and we are taking them forward. We intend to launch a consultation this summer on the college of fire and rescue, including its proposed functions and structures. Delivering a college will require careful planning and investment, as well as legislation to ensure that it has the necessary legal foundations. We are also considering funding models as part of the spending review.

Richard Tice (Boston and Skegness) (Reform): I welcome everything that the Deputy Prime Minister and other right hon. and hon. Members have said, but there is a fatal flaw that has still not been raised. Speaking as someone with 30 years' experience in the real estate sector, I urge the Deputy Prime Minister and her officials to focus on the single staircase. The 2009 Lakanal House report recommended that fire suppression systems—sprinkler systems—be installed retrospectively in buildings above six storeys. That is the best way to save lives, and I think we need to look at that recommendation again for existing buildings. Future buildings above six storeys can still be designed with a single staircase until 2028; I urge the Deputy Prime Minister to say that that is too long.

Angela Rayner: I thank the hon. Gentleman for his contribution to this debate, and for his expertise in this area. The approved document B is now subject to continuous review by the Building Safety Regulator, which has already taken steps regarding this matter, and a wider review of building safety regulations will be undertaken. We will consider what action is needed on all resulting recommendations.

Mike Reader (Northampton South) (Lab): I thank the Secretary of State and her team for their work on the Government's response to the inquiry. Having spent my life in the construction sector, I can tell the House that fixing construction products is incredibly challenging. I really welcome the Green Paper published today, because we have to get that right.

[Mike Reader]

I have two questions for the Secretary of State. First, could she confirm that the new regulator and adviser will work with Government and industry bodies, including the Construction Leadership Council? It is co-chaired by the Minister for Industry and Mark Reynolds of Mace, and has already done some brilliant work on building safety. Secondly, could she set out a bit more clearly what teeth the new regulator will have to tackle dodgy developers and cowboy builders, big and small?

Angela Rayner: I thank my hon. Friend for his question, and yes, those bodies will work together. That is what we want to see. We have granted funding and support to the Building Safety Regulator and the Health and Safety Executive to improve the support that is offered, and we will continue to do that. The bodies will have teeth. We will be looking at what further legislation we may need, but we expect action to be taken where there are issues and where things have been highlighted. When action is not taken, we expect there to be consequences.

Carla Denyer (Bristol Central) (Green): I thank the Deputy Prime Minister for her commitment to the inquiry's recommendations and her commitment to systemic change. Picking up the thread from two Government Members on an oversight mechanism for state-related deaths, I was shocked to discover that it is nobody's job to track recommendations from prevention of future deaths reports and make sure they are enacted. Those have relevance for victims of huge tragedies such as this, but just as much for individual tragedies, such as that of one of my constituents. I have a private Member's Bill on that proposal. Will the Deputy Prime Minister meet me to talk about this idea in detail and how it can be enacted?

Angela Rayner: The hon. Member is absolutely right to raise the oversight mechanism. I think I have addressed some of that and the wider issues, not just in terms of this inquiry, but all the inquiries that we have had. There have been far too many inquiries into tragedies, in the sense that these scandals and tragedies should not be happening in the first place. We are committed to looking at oversight mechanisms, and I have detailed the oversight mechanisms I expect from my Department and the recommendations from Grenfell. I am happy for her to share that information with my Department, and I will take those considerations into account.

Helen Hayes (Dulwich and West Norwood) (Lab): My thoughts today are with the survivors of the Grenfell Tower disaster and the 72 families who are still mourning the loss of a loved one. I pay tribute to their immense dignity, as they continue to fight for justice.

I welcome the Deputy Prime Minister's clear commitment to implement all of Sir Martin Moore-Bick's recommendations. I have constituents living in blocks with fire safety issues. Those are often not cladding-related issues, but issues identified as part of the wider scandal in the construction industry uncovered by fire safety inspections post-Grenfell. In some cases there have been terrifying fires in these blocks, leaving residents feeling unsafe and leaseholders trapped in unsellable flats, as building owners and construction firms argue over who is responsible for the fire safety defects and

fail to resolve the issues. Can the Deputy Prime Minister therefore say, as she moves forward to implement Sir Martin's recommendations, when she would expect my constituents to have a clear plan, with a timescale attached to it, for the remediation work needed in unsafe buildings? Where is the accountability in the meantime?

Angela Rayner: I absolutely agree with my hon. Friend that, nearly eight years on from the tragedy of Grenfell, it is completely unacceptable that people are still living in unsafe buildings. I respect and pay tribute to what previous Governments have done. That legislation has enabled authorities to take action, and we have been supporting them in making sure that action is taken. Our remediation acceleration plan will also outline how we can ensure that those responsible for remediating buildings, whether that relates to fire safety or any other defects, are held accountable, so that we can take those actions and get that remediation done as quickly as possible. I do not want it to take another eight years before people are living in safe and secure homes. I expect to do it as quickly as possible, and action is already being taken.

Dr Al Pinkerton (Surrey Heath) (LD): I thank the Deputy Prime Minister for what she said today and how she said it. I hope that the families of the survivors of Grenfell Tower have heard what she had to say and find some reassurance in the acceptance of all the recommendations. I have residents in my constituency who are trapped in just the latest chapter of the fire safety scandal. These residents have EWS1 forms similarly signed off by the now notorious fire safety engineer Adam Kiziak. They find themselves unable to sell their properties or remortgage. Even more fundamentally, they do not know whether they are living in a dangerous building. Neighbouring buildings, built at exactly the same time and that have been signed off or had their EWS1 forms produced by a different fire safety engineer, have already been stripped of their cladding.

I am incredibly grateful to hear that the Government have accepted recommendations 15 and 16 and that they are looking at a professionalisation of the fire safety industry, greater regulation and a commitment to greater recruitment. We know that those are some of the issues that have underpinned the EWS1 scandal. I urge the Deputy Prime Minister and her team to think about emergency measures. It cannot be right that we just overlook the EWS1 forms that people already have, because people do not know whether they are living in safe buildings. We have to fundamentally and rapidly reassess the safety of those buildings to allow them to be sellable or remediated again.

Angela Rayner: I refer back to what I said to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes): I absolutely accept that people should be in safe and secure homes. The Government remediation funds have a robust audit process in place to assess the quality of fire risk assessments of external walls. The audit process ensures that assessments carried out for buildings in our remediation funding programmes meet the appropriate standards. Where those standards are not met, we will take action to ensure that is addressed.

Mary Kelly Foy (City of Durham) (Lab): The report from the Grenfell Tower inquiry is utterly scathing about the role of central Government and their obsession with deregulation. The drive to scrap so-called red tape was a key failing, which led to such a terrible incident and the avoidable loss of life. Will the Deputy Prime Minister confirm to the House that that approach has been ditched in relation to policies concerning fire safety, building safety and the construction sector?

Angela Rayner: My hon. Friend is absolutely right to highlight that just about every system failed, as I outlined in my statement. Everybody needs to understand what led to what happened on that night in Grenfell. Action has been taken, and the regulatory system is not the same as the one in place back in 2017. There have been a number of Acts of Parliament, which have meant that there is more instruction and more legal requirements for building safety. We will continue to update that, and we have legislation going through at the moment in Parliament to hopefully deal with social landlords and give renters more protection, too. We know there is much more for us to do, and I hope that we will continue to work across the House to put safety at the heart of everything we do. The legacy of Grenfell should be that we take notice and do not just say warm words at this Dispatch Box, but take the action needed to protect people.

Luke Taylor (Sutton and Cheam) (LD): First, may I thank the Deputy Prime Minister for bringing the report forward and the Government for accepting all its recommendations? I echo the points from around the Chamber that our thoughts today are with the survivors and the families of the victims. As is often said, justice delayed is justice denied. Will the Deputy Prime Minister please give a timeline for when the companies mentioned—Arconic, Kingspan and Saint-Gobain or Celotex—and the testing firms, which covered up these failed results, will face justice for their dishonesty and mis-selling, which so tragically contributed to the deaths of 72 innocent residents?

Angela Rayner: I echo what the hon. Gentleman says about where all our thoughts and sentiments are today in the Chamber. I spoke about justice being delayed, and it is awful that people still have not got justice and are fearful that they will never receive justice. The police have said that this will take time. This is one of the largest and most legally complex investigations ever conducted by the Metropolitan police, with more than 180 officers and staff dedicated to it. We will continue to support them in their important work. The police have recently confirmed that they have everything they need to do that work, and we will continue to support their efforts. I spoke in my statement about procurement and making sure that we can do something on construction products. My hon. Friend the Building Safety Minister is taking that forward.

John Grady (Glasgow East) (Lab): In my constituency, tenants in social housing are regularly treated as second-class citizens, and it is a shame and a stain on our society that that is so. Many of my constituents are desperately worried about cladding remediation following the terror of Grenfell. The Scottish Government received about £97 million from the UK Government for remediation, but it was confirmed later last year that virtually none of it had been spent for that purpose.

This year I sent the Scottish Minister responsible a detailed set of questions about progress. I asked how many high-rise buildings—buildings at least 18 metres in height—with aluminium composite cladding had been identified, how many of them had been identified as requiring remediation, and how many had been remediated. My questions continued, but not one of them was answered with data or numbers. These are people's homes, the homes of mums and dads and children. Does the Deputy Prime Minister agree that the Scottish Government must get a grip on this topic, and will she undertake to provide such advice and assistance as her Department is able to supply?

Angela Rayner: As my hon. Friend has said, this is a devolved matter, but I am happy to work with the Scottish Government. I hope that they have looked at what we are doing in respect of the remediation acceleration plan, and also at the reforms that are under way to drive up standards in social housing through stronger regulation and enforcement measures, strengthening tenants' voices and improving their access to redress. My hon. Friend is right to raise these issues, and I hope that the Scottish Government are following in our footsteps and will continue to learn from the legacy of Grenfell so that people in both Scotland and England can feel safe.

Siân Berry (Brighton Pavilion) (Green): I thank the Deputy Prime Minister for, in particular, her comments about the way in which residents were treated. There have been strong recommendations for a review of the Civil Contingencies Act 2004. My former role involved listening to and trying to support the many local community organisations that were dealing with the enormous gaps in the humanitarian response that had been left by the local authority; the problems continued for weeks. Can the Deputy Prime Minister tell us when we will hear about the timing and the format of that review of the Act?

Angela Rayner: We have looked at the Civil Contingencies Act and also at the category 1 training, and we have said that we accept what has been said and will take action. We will work with local partners in scoping progress for local authorities in regard to the training, and we are working with all other Departments to ensure that we can do that as quickly as possible. I commend the hon. Lady for her comments about social housing tenants. Having listened to what has been said by Members on both sides of the House in support of their constituents, I hope that those outside the House have been listening as well.

Chris Vince (Harlow) (Lab/Co-op): I thank the Secretary of State for her statement, and for her continued commitment to securing justice for the victims of this terrible tragedy. I had the opportunity to meet some of the victims' families, and I commend their bravery. Let me also pay tribute to my constituent Rod Wainwright, who was one of the first responders on that dreadful morning. Does the Secretary of State agree that we need to do more to support those in our emergency services—such as Rod and his colleagues, who were also victims of this terrible tragedy—and that we should join my hon. Friend the Member for Brent East (Dawn Butler) in hoping and praying that we never have to see an event like this again?

Angela Rayner: I absolutely agree with my hon. Friend, and I too pay tribute to Rod and his colleagues. Not long after my appointment as Secretary of State, there was another fire in the borough of Barking and Dagenham. The same first responders went out again, and the trauma and the fact that they put themselves in harm's way without question or fear are a testament to the work that they do. We owe them a debt of gratitude, and we also owe them the ongoing support that the Government continue to provide.

Jim Shannon (Strangford) (DUP): I thank the Deputy Prime Minister for her statement, and for the update on phase 2. I think we are all encouraged by her commitment to ensure that those responsible are held accountable under the law of the land, and also to ensure that safety is improved.

Last December, the Government embarked on plans to ban the firms involved in the Grenfell fire from public procurement. That is a welcome step, but what further steps can be taken to make all firms involved in building works liable for ensuring that all materials and other products are fit for purpose? Lessons must be learnt for the future from this awful tragedy.

May I also ask the Deputy Prime Minister to share the conclusions of the report with all regional administrations, especially the Northern Ireland Assembly, so that safety can be improved throughout this great United Kingdom of Great Britain and Northern Ireland and we all gain?

Angela Rayner: My hon. Friend the building safety Minister was in Northern Ireland yesterday. I entirely agree with the hon. Gentleman that we should all work together to improve safety. We must ensure that the Building Safety Regulator, and what we have put in train, produce the results that we need. Hopefully this will be a clearer path, clarifying what people's legal obligations are and making it plain that if they do not do what they will be expected to do, there will be absolute enforcement of the rules.

Vehicle Registration Offences (Review)

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

1.46 pm

Sarah Coombes (West Bromwich) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for a review of certain offences relating to vehicle registration marks; and for connected purposes.

I thank the roads Minister, my hon. Friend the Member for Nottingham South (Lilian Greenwood), for being present today.

When I was elected I did not expect to be a road safety campaigner, but since I became the MP for West Bromwich, family after family have come to me having lost a husband, a mother or a son as a result of other people's dangerous driving. Our roads are used by millions of people every day. They are vital to our communities and our economy, and to keeping us connected. Most people drive safely and are just trying to take their kids to school, get to work or do the weekly shop, but there are some selfish people who use our roads as racetracks, who care nothing about risking other people's lives, and who are evading capture by using dodgy ghost number plates. One of the central missions of our Labour Government is to "take back our streets" and restore a sense of safety to our communities. We have already invested millions in filling potholes to reduce danger, and I hope that we can now take action on something that is making our roads unsafe for all.

The issue of so-called ghost plates was first brought to my attention when I was standing on Kenrick Way, a busy A-road in my constituency, with our local police and crime commissioner and the Secretary of State for Transport. We were talking about the nightmare car races that cause hell for local residents on Friday and Saturday nights, when as many as 50 cars converge on the area to race up and down that long straight road. The police and crime commissioner, Simon Foster, and local roads policing experts explained that it was increasingly hard to catch these dangerous drivers owing to the rise in ghost plates, or "stealth plates". That was the first time I had heard of ghost plates, and I believe that today is the first time that they have been raised in the House. There has been little mainstream media coverage, but it is clear from TikTok and Instagram that they are widely known. I thank the former camera commissioners Tony Porter and Fraser Sampson, as well as Rob Gurney and Stuart Barnes, Chief Inspector Keeley Bevington and West Midlands police for their advice and their hard work over the years in bringing this issue to light.

So what is a ghost or stealth plate? They look like normal number plates to the human eye, but they have a reflective coating, or have been interfered with in some way, which makes them unreadable to the infrared police speed cameras on our roads. Those who Google "ghost plates" will be presented with websites where they can buy a ghost plate online for as little as £30, making the vehicle "invisible" to the automatic number plate recognition cameras that police use to stop drivers speeding and keep our roads safe. Those websites are full of disclaimers reassuring us that they are perfectly legal—as long as we do not use them on the roads. The fact is, however, that they are being used on our roads, by people who want to speed around freely, run red lights, and do much worse.

Right now, if someone has a ghost plate and they speed past a camera at 100 mph, the likelihood is that they will not be caught. It is illegal to use these plates, but the current consequences of being caught with one are far too insignificant. At the moment, the penalty for driving with a ghost plate is just a £100 fine—no points and no driving ban; just £100—and that is if they are caught. It is less than they would get for a speeding ticket. For those wanting to drive around recklessly on our roads, or commit even worse crimes, why would they not do so, when the penalty is so small?

The scale of the use of ghost plates is not yet widely known, although we do know there are major issues with cloned plates and wider forms of dodgy plates. One study found that as many as one in 15 drivers may already be using anti-ANPR technology, but among some groups it could be even higher. One police exercise conducted in London examined more than 1,000 taxi and private hire vehicles, and found that 40% of those vehicles had ghost plates. Wolverhampton council—my hon. Friend the Member for Wolverhampton North East (Mrs Brackenridge) is in her place—is one of the local authorities taking a lead on this issue. It is working with the police to use new types of cameras to find and punish drivers using these ghost plates. Rochdale trading standards has also been among the pioneers in combating these plates. Those organisations have done great work, but it is truly a national problem.

I worry that the supply of ghost plates is making all our roads less safe. In the west midlands, 1,000 people are killed or seriously injured on our roads each year. Across the UK, the figure is 30,000 people. I have been working with the charity RoadPeace, which has helped constituents of mine when they have suffered terrible losses, such as Diane, whose husband was killed by a driver on her phone, and a family in Oldbury who lost their mother and grandmother when she was hit by a car that sped away. A couple of weeks ago, the RAC found that almost half of UK police forces have caught motorists driving more than 90 mph on 30 mph roads, and West Midlands police clocked a driver going at 100 mph on a 30 mph road.

If a driver is using a ghost plate, most current police cameras will struggle to identify the car, and catch and punish the drivers. The police and local authorities are getting wise to ghost plates and investing in new technology to catch them, but right now it is too easy to buy one, and the penalties for getting caught are far too soft. There are also no consequences for the companies that sell the plates online with disclaimers about people not being allowed to use them on the road, when they know full well that that is exactly what they are being used for.

This Bill calls for a review of the penalties for ghost plates. I think we need to see fines of £1,000 as well as six points on someone's licence. The current fine of £100 is hardly a deterrent, but a £1,000 fine, the threat of six penalty points and potentially even vehicle seizure

or licence disqualification would be ways to clamp down on the use and supply of ghost plates. That would not only make our roads safer, but ensure that our roads cannot be used to carry out crime.

This issue also speaks to something wider, which is the immense importance of the little piece of plastic that is a number plate. That little piece of plastic upholds the rules of our roads—from traffic laws and speeding fines to car insurance, road tax and bus lanes. It also enables the police to track and arrest criminals using cars to flee the scenes of crime, and to move drugs and stolen goods. Yet this little piece of plastic is removable, modifiable, cloneable and almost entirely unregulated. The humble number plate, as surveillance camera commissioner Tony Porter called it, is under threat, because the national camera system used to keep our roads safe—ANPR—is being undermined by people using dodgy and ghost plates.

It should be a basic right for all of us to feel safe as we walk, cycle or drive along our streets, but the reality is that too many of us do not feel safe. That is why the new Government have committed to publishing a road safety strategy—the first in over a decade—which I really welcome. The majority of drivers in West Bromwich and around the country just want to get from A to B safely, but a select minority of people think they are above the law, and that by using ghost plates they can get away with running red lights, drink driving, speeding and much worse. It cannot be right that these drivers are not facing the consequences of their actions, and are creating so much danger for everyone else, so I urge the Government to consider this Bill in their road safety strategy. The drivers using ghost plates have gone under the radar for too long, but now they have been rumbled, and it is time to crack down on them.

Question put and agreed to.

Ordered,

That Sarah Coombes, Chris Bloore, Antonia Bance, Mrs Sureena Brackenridge, Sonia Kumar, Shaun Davies, Gurinder Singh Josan, Jacob Collier, Sarah Edwards, Paul Waugh, Rachel Taylor and Leigh Ingham present the Bill.

Sarah Coombes accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 7 March, and to be printed (Bill 188).

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at today's sitting, business in the name of the Leader of the Opposition shall be treated as being taken on an allotted day provided under paragraph (2) of Standing Order No. 14 (Arrangement of public business); such business may be entered upon at any hour and may be proceeded with, though opposed, for up to six hours after the start of proceedings on the Motion for this Order; proceedings shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—
(Lucy Powell.)

Opposition Day

[5TH ALLOTTED DAY]

Family Businesses

Madam Deputy Speaker (Ms Nusrat Ghani): The Speaker has not selected the amendment. I call the shadow Chancellor.

1.56 pm

Mel Stride (Central Devon) (Con): I beg to move,

That this House regrets the Government's decision to introduce a cap on Business Property Relief, meaning that some family businesses passed down upon death will face Inheritance Tax for the first time in 50 years; further regrets the Government's other economic policies that will damage family businesses, namely raising employers' National Insurance contributions, reductions to business rates relief, making employers potentially liable for third-party harassment, the powers in the Product Regulation and Metrology Bill [Lords] that would allow the Government to ban pubs from selling pints, and the provisions in the Employment Rights Bill for guaranteed hours which will make flexible working harder to achieve; and therefore calls on the Government to support family businesses which provide employment for almost 14 million people, and contribute more than £200 billion in taxes each year, by lifting the cap on Business Property Relief, not implementing the increases to employers' National Insurance contributions and business rates, and powers to change units of measurement, and to stop the progress of the damaging Employment Rights Bill.

At the last general election, the Labour party—now the Government—told us that it aspired to become the natural party of business, which is an absurd suggestion given what has happened over the past seven short months. It is as absurd perhaps as the Business Secretary claiming to be a qualified lawyer, as absurd perhaps as the Attorney General claiming to be a patriotic lawyer, or as absurd perhaps as the Prime Minister claiming to be anything other than a lawyer. The economy has tanked. Inflation recently spiked at 3%, and it is to go still higher; it was 2% on the day of the general election, a legacy that we bequeathed to the Labour party. Borrowing is up—substantially up—on the forecasts that the Office for Budget Responsibility produced at the last Budget, and growth has been killed stone dead. The Bank of England tells us that the economy will grow at half the rate it had originally suggested.

It is no wonder that all the business confidence surveys show confidence crashing through the floor as a result of what this Government are doing. Businesses are laying off jobs, businesses are putting up prices, businesses are reducing investment, and businesses are sometimes having to put themselves up for sale or, even worse, are going under.

Wendy Morton (Aldridge-Brownhills) (Con): On that specific point, a local businessman wrote to me:

"I have spent over 50 years building my engineering business from the ground up, only to now face the possibility that my life's work could be dismantled due to an unfair tax burden."

Why on earth would anybody want to start a business in the current climate, which has been created by the Government?

Mel Stride: My right hon. Friend is absolutely right, and we see that in the surveys to which I referred; business confidence is at virtually an all-time low.

Before this whirlwind of disaster visited us, we had a calmer time during the general election. It was a Labour party on best behaviour with business, a Labour party with a manifesto that sought to reassure business—indeed, it explicitly ruled out the possibility of an increase in national insurance—and a Labour party on the prawn cocktail circuit, countenancing canapés and calm, with the breathy seduction of the former shadow Chancellor and the now Business Secretary hopping about in the background dispensing free legal advice to whoever cared to listen. With Labour, everything seemed possible; business would be safe in its tender hands—but it was not. Trust was destroyed, and the wrong decisions were taken. Why? Because those on the Government Front Bench have not a jot of real-world business experience. In fact, fewer than half of those around the Cabinet table have any experience in the private sector whatsoever. Far from being the natural party of business, this is the most anti-business Government in modern political history.

Surveys by the British Chambers of Commerce show that tax is now the No. 1 concern of businesses. According to the Federation of Small Businesses, in the last quarter of last year, business confidence hit the lowest level ever recorded in its surveys, save for the pandemic. It is almost as if the only way that small businesses are created today is through the shrinkage of larger ones.

Firms are being crushed by the wrong policies. Take the national insurance measure, which, despite having not yet commenced—it comes in in April—is already driving down employment and driving up prices and inflation. It is a ticking tax time bomb waiting to go off in early April. It will affect the lowest paid the hardest, with those in part-time work bearing the brunt of this measure, and it will impact those in labour-intensive sectors. UKHospitality found that three quarters of a million more jobs will be subject to national insurance as a direct effect of this Government's plans. According to Young's, the brewer, the policy will add an extra 20p to the price of a pint.

Andrew Lewin (Welwyn Hatfield) (Lab): I am pleased that the right hon. Gentleman has expressed concern for people on lower wages, and I hope he will therefore welcome the decision announced at the Dispatch Box by this Labour Government to increase the living wage by 6.7% from April.

Mel Stride: As the party that increased the personal allowance, doubling it between 2010 and the present day, taking millions of people out of tax altogether, and that brought in the national living wage, we have done a great deal to support the lowest paid in our society in particular.

Dr Luke Evans (Hinckley and Bosworth) (Con): The point is about the culmination of all the changes the Labour Government have brought in. This Government have indeed raised national insurance, and may need to do so again in future. However, the key point is what the ramifications of all these changes will be—the living wage change, the cuts to business rate relief, the red tape being introduced with the Employment Rights Bill and

the national insurance contributions going up. That toxic concoction will kill off growth. That is the problem. Does my right hon. Friend agree?

Mel Stride: My hon. Friend is absolutely right. It is not as if the Government were not warned about these issues. In its reports, the OBR made it extremely clear that while the headline figure to be raised through the national insurance contribution changes is £25 billion, the net figure will be far less because of the behavioural impacts that necessarily follow when jobs are taxed—one does not need to have spent a decade at the Bank of England to know that. National insurance increases lead to fewer jobs, lower wages and higher prices.

Of course, this Government are piling on the regulation with their Employment Rights Bill. We know that this will increase the risk of employing people at a time when the employment market itself is softening and putting an end to flexible working practices, which not only benefit many businesses but suit many people, particularly younger people and those who are more elderly. Given that, it is astonishing that the Chancellor has launched a tax raid on family businesses.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I thank the shadow Chancellor for giving way. Will he spell out the specific rights in the Employment Rights Bill that he and his party believe should not be afforded to working people in this country?

Mel Stride: The hon. Gentleman asks a very fair question. The Bill will create a situation where employers are fearful of taking on new hires because of the consequences that may follow, where trade unions are advantaged in the way the Bill suggests—the trade union paymasters who may, perhaps, support the hon. Gentleman, but who certainly support many of his colleagues—and where the minimum service standards legislation that we brought in will, as I understand it, be overturned. None of those things will be good for jobs, for people searching for employment, for businesses or for the UK economy.

Gareth Snell *rose*—

Hon. Members: Declare an interest!

Gareth Snell: I will happily declare an interest, Madam Deputy Speaker, as a proud member of many trade unions. My declaration is up to date and free for all to see.

I very much enjoyed the shadow Chancellor's answer to my question, but perhaps I could pose it again, taking a lesson from the leader of his party, and say that he might want to answer it this time. What are the specific rights in the Employment Rights Bill that he and his party oppose? The motion says that the Employment Rights Bill should be stopped. Which rights in the Bill does he oppose working people having?

Mel Stride: To paraphrase the leader of the hon. Gentleman's party, I have already answered his questions. I do note his serial offence of being a member of several trade unions at the moment—it is good of him to disclose that.

The changes to business property relief will see the break-up of many family firms. Of course, the Government will say that it will have an impact only on the wealthiest estates because of the £1 million threshold, but how

many of those companies will have the cash available to settle those liabilities? The value of many businesses, of course, lies in their assets. Liquidating those assets to pay those kinds of liabilities, given that the assets are often instrumental to the effective working of the firm, is an absurdity. We also know that the changes will damage businesses' ability to borrow against assets when there is a sword of Damocles hanging over their head by way of a potential future inheritance tax liability.

Research by CBI Economics for Family Business UK suggests that this policy may not even raise any money. The firms that will be impacted have said that on average, they will invest 17% less in their business as a consequence of this measure; in fact, 15% of those businesses have said they would sell their business altogether.

Of course, the rules will be complex. There will be plenty of red tape and legal advice to be taken from solicitors—real ones. Some people will pay through dividends on which they have already been taxed, so they will be taxed twice. Tax on tax, as we know, is the Labour party way. William Lees-Jones of JW Lees, the long-established family brewery and pub operator in the north-west, has said that the family business tax would

“inevitably reduce future investment in the company.”

Importantly, he goes on to say:

“It would also place our business at a considerable disadvantage to our competitors who tend to be listed or owned by private equity, sometimes overseas.”

So it is that British institutions, which, in some cases, have been in the same family for decades, or even centuries, may end up shutting down or being forced to sell to foreign buyers as a result of this single reckless policy.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): What Labour seems not to understand is that every business starts with an idea, a hope or a dream, and the individual then puts their whole heart and soul, and every working hour they have, into building their business, often as a whole family endeavour over many generations. It is that, not just the economics and the jobs, that Labour is destroying.

Mel Stride: My hon. Friend is absolutely right. That is where the dearth of experience of entrepreneurship on the Government Front Bench really shows. We see this not just with BPR, but with agricultural property relief. Family farms will be broken up, with years and generations of people struggling and working hard, whatever the weather, to grow businesses and provide the food that we need torn asunder with a stroke of the Treasury's pen.

Dr Luke Evans: In an interview, the Prime Minister said that the reason for doing this to farmers was to be able to give them the NHS that they might need. Only a week later, the £10 million fund that was there to support the mental health of farmers had been taken away. It must stick in the throat of farmers when they are told that they are not a priority, that food security is not a priority, and that they will now not have the health service in place, despite having to pay the tax that is about to come into force.

Mel Stride: The treatment of our farmers by this Government has been utterly atrocious. Right before the general election, the shadow Secretary of State for Environment, Food and Rural Affairs—now the Secretary of State—looked the NFU in the eye and told them that, at least on inheritance tax, farmers had nothing to fear from a future Labour Government. The point that my hon. Friend makes is telling: they cared nothing about any of them. Within a matter of months of coming into office, they had brought in their agricultural property relief changes to the detriment of thousands of hard-working farmers up and down our country.

Becky Gittins (Clwyd East) (Lab): I thank the right hon. Member for giving way. Were the wellbeing and mental health of our farming communities and the security of our food, which have just been raised by those on the Opposition Benches, a concern of yours when the Conservative Government sold our farmers down the river with dodgy trade deals with Australia and New Zealand? Was that your concern then?

Mel Stride *rose*—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Before the shadow Chancellor responds, let me say that “a concern of yours” would mean a concern of the Chair’s. Let us start off today’s business in good form.

Mel Stride: Madam Deputy Speaker, I think that I should put it on the record that you have always been very pro-farmer, and that should never ever be brought into question by anybody in this Chamber.

I have always been extremely proud of our record of supporting farmers up and down the country. That has been the case ever since I first came into the House in 2010, representing a highly rural constituency right in the middle of beautiful Devon. This party should be very proud of the many schemes, financial support packages and so on that it introduced while in government.

Mike Martin (Tunbridge Wells) (LD): I thought that I would let the shadow Chancellor make a little progress in his speech before intervening on him. It seems odd to hear a speech about the economy from the Conservative party without any mention of Liz Truss. Now we hear mention of trade deals. Let me ask him this very directly: does he think that the policies of Liz Truss—*[Interruption.]* The shadow Chancellor cannot hear what I am saying, because the Members behind him are shouting.

Madam Deputy Speaker: Interventions should be very short. Come to a conclusion quickly.

Mike Martin: Does the shadow Chancellor think that the policies of Liz Truss were good for business investment and confidence in the economy?

Mel Stride: The hon. Gentleman may or may not be aware of this, but, at the time of the mini-Budget, I was the Chair of the Treasury Committee. I had a lot to say about what was being proposed before it happened, I had a lot to say at the time that it happened and I have had a lot to say since then. All of that is a matter of public record. *[Interruption.]* If the hon. Lady wants to intervene on me, I am very happy to give way.

Daisy Cooper (St Albans) (LD): I have been invited to make an intervention, so I will very quickly say that while the right hon. Gentleman was reasonably outspoken on the mini-Budget, the same cannot be said of his colleagues on the Front Bench.

Mel Stride: I have made the position extremely clear. What is very clear is that we actually left the current Government with an excellent inheritance—*[Laughter.]* Well, where has it all gone now? We left the Labour party with the fastest growing economy in the G7. We left the Labour party with a near-record level of employment. We left the Labour party with a near-record low level of unemployment. We left the Labour party with 13 consecutive months of real wage growth. And we left the Labour party with inflation figures, which had gone up to over 11% in October 2022 due to the Ukraine war, of just 2%—bang on target—on the day of the general election. That is a decent inheritance. It has taken the Labour Government seven short months to completely trash it, so we will take no lectures from them.

We would do things very differently, because we recognise that small businesses and family businesses are the backbone of our economy. They are the life and fire of our economy, but there is no life or fire in the Chancellor—just tragic mistakes and miscalculations. The sugar rush of borrowing and spending that we saw in the last Budget further bloated the size of the state and forced taxes ever upwards. We have seen the Government failing to grasp the nettle of productivity, giving into those trade union paymasters, and awarding above-inflation wage settlements with no strings attached whatsoever. They have had absolutely nothing to say on the issue of welfare, the budget for which has been ballooning out of control. When we were in government, we reduced the welfare budget on my watch by £5 billion. The OBR recorded over 400,000 fewer people going on to long-term sickness and disability benefits as a result of the reforms that we brought in.

There was, however, more to be delivered. We went into the last election with a clear plan to save a further £12 billion every year as a result of our welfare reform. Where has the zeal for welfare reform gone? It has evaporated entirely under the Labour Government—in fact, it was never there. Simply, if the Government have the backbone to come forward with some serious proposals to deal with the welfare budget, such that the Chancellor says at the Dispatch Box on 26 March that she will unwind the national insurance increases, the Opposition will support her.

Kanishka Narayan (Vale of Glamorgan) (Lab): I notice that the motion is on family businesses, but 96% of them have either no employees or a very small number. They are unaffected, if not helped, by the doubling of the employment allowance. Only 4% of family businesses have claimed BPR; most are unaffected. Moreover, the shadow Chancellor cannot name a single proposal under the Employment Rights Bill. Will he apologise to family businesses for the total irrelevance of his complaints to the theme that we are discussing?

Mel Stride: With great respect, I think the hon. Gentleman should get out a bit more and speak to some of those businesses.

Politics is about priorities. For all their talk of being the natural party of business, the Government are instead simply reaching for the socialist comfort blanket of tax, spend, borrow and regulate. It has not worked before, it is not working now, and it will never work. The truth is that this Government are totally out of their depth, businesses are reeling, and we are all paying the price.

2.17 pm

The Exchequer Secretary to the Treasury (James Murray): I thank the shadow Chancellor for opening the debate.

In their motion, the Opposition have set out a list of objections to the decisions that the Government have taken—or, in the case of the measurements around pints, decisions that shadow Ministers seem to have entirely imagined. They may be able to list their objections, but they are unable to accept responsibility for the damage that they did to our economy. Crucially, they are unable to offer any credible alternative. The motion makes it clearer than ever that the Conservatives have no vision, no ideas and no plan to deliver the change that our country needs.

In contrast, Labour is the party with a plan for change—a plan to restore economic stability, boost investment and drive growth across the UK to put more money in people's pockets. We know that it is up to the Government to provide stability, security, fiscal responsibility, and to remove unnecessary regulation when it stands in the way of growth. It is businesses large and small—including family businesses and their workforces—that will create jobs and wealth and be the engines of growth in the economy. We know that pubs, shops, traders and services across the country not only play an important role in all our lives, but drive economic growth. Those businesses and their workforces are the backbone of our economy, and they need a Government who will take the right decisions in the national interest, even when they are difficult, to support our security and prosperity.

I briefly remind Conservative Members of the context in which the decisions have been made. That context is, of course, the inheritance that this country faced after 14 years of the Conservative party being in power.

Dr Evans: The context is that back in 2010 the then Government had to borrow £158 billion. Fast forward another decade, and we had something called the pandemic, when we had to borrow £400 billion on top of that. Collectively, that is a great big difficulty. Five years ago, when the pandemic happened, I sat in this Chamber listening to all the interventions asking for more spending. Does the Minister not agree that that is the problem the Conservative Government dealt with?

James Murray: The hon. Gentleman said that we had something called the pandemic; we also had a Prime Minister called Liz Truss and that had a pretty big impact on our economy. I know the shadow Chancellor is distancing himself from it. If his colleagues would like to leap to Liz Truss's defence, I would welcome an intervention. No, they are not seeking to intervene. Funny that, Madam Deputy Speaker. Perhaps, in closing, one of the other shadow Ministers can defend Liz Truss's record.

Dr Evans: Will the Minister give way on that point?

James Murray: Yes—on Liz Truss's record.

Dr Evans: The way I see it, the problem that Liz Truss had with her Budget was that she did not set out her workings. The problem with Rachel Reeves's Budget is that she did, and the country and the world does not believe it. That is far more detrimental to the situation we find ourselves in because she cannot get out of that problem. That is the difference between Liz Truss and Rachel Reeves.

James Murray: Wow. I should let the hon. Gentleman intervene more often if he is going to say that the only problem with Liz Truss is that she did not set out her workings. I think the problem was rather more fundamental than that, as people across this country will attest.

Frankly, it is no wonder that Conservative Members want to bury their heads in the sand and try and pretend the last 14 years did not happen. It was 14 years of mismanagement and decline, along with jolts of disaster, digging ever deeper holes in our public services and our economic resilience. It was their decisions that led to their resounding electoral loss last year and it was their record in office that made necessary the difficult decisions that we had to face on entering government.

Paul Holmes (Hamble Valley) (Con): I thank the Minister for handling this debate in his usual courteous way. May I take him back to something that he said in his remarks about hospitality businesses and pubs delivering economic growth? There is a small pub chain in my constituency that must find a third of its total turnover because of the actions of this Government, with the result that it may have to close a venue that supports a small village in my constituency. Is that the economic growth that he thinks he is delivering?

James Murray: I assume the hon. Gentleman refers to the changes around employer national insurance, to which I will come in my remarks.

Let me be absolutely clear about the context: no responsible Government could have let things carry on the way they were. That was simply not a tenable situation and I think Conservative Members know that. That is why at the autumn Budget, we took the difficult but necessary decisions on welfare, spending and tax, and those decisions were vital steps towards restoring economic stability and fixing and supporting the public finances. As I said earlier, while Conservative Members have taken every opportunity to say they oppose those choices, they have yet to offer any solutions of their own. Difficult decisions were necessary, so let me set out why we made some of the choices that we did.

Nick Timothy (West Suffolk) (Con): The Labour party manifesto said that by the year 2028-29, it would increase spending by £9.5 billion a year. Why, then, did the Budget increase it by £76 billion—eight times more than the Labour manifesto said?

James Murray: As I am sure the hon. Member will know, upon entering Government and speaking to Treasury officials about the state of the public finances, we uncovered a £22 billion black hole, which was known to then Ministers but which the OBR was not informed about.

Nick Timothy: Will the Minister give way?

James Murray: I will give way one more time.

Nick Timothy: The Minister might have noticed that there is a bigger gap between £9.5 billion and £76 billion than £22 billion. His answer is clearly ridiculous. We are talking about such tax rises not because of the £22 billion fictional black hole, but because of the decision to increase spending by eight times more than the Labour party promised at the election. Will he accept that or not?

James Murray: The hon. Member's comments are clearly ridiculous if he thinks the £22 billion black hole was fictional. It has real-terms consequences in terms of the pressure—

Nick Timothy: Will the Minister give way?

James Murray: I will make some progress as I have been very generous in giving way to the hon. Gentleman. He will know that his colleagues who were in government were aware of the in-year spending pressures and they chose not to share that with the Office for Budget Responsibility and thereby not to share it with the British people. That is the truth of what we inherited, and that is why we had to take difficult decisions.

I turn to some of the difficult decisions that we had to take in the Budget last year, because the Opposition motion refers to our decisions on business property relief. I assure hon. Members that the decisions we took on that and on agricultural property relief were not taken lightly. The Government recognise the role that those reliefs play, particularly in supporting small farms and family businesses, and that is why we chose to maintain rather than abolish them, which has meant maintaining significant levels of relief from inheritance tax beyond what is available to others. Indeed, the reliefs will remain more generous than the last time they were changed. The changes we are making mean that agricultural and business property reliefs will be better targeted and fairer.

According to the most recent data from His Majesty's Revenue and Customs, 40% of agricultural property relief benefits the top 7% of estates making claims. It is a similar picture for business property relief, with more than 50% of business property relief claimed by just 4% of estates making claims. Those data bear out the fact that the benefit of the existing 100% relief on business and agricultural assets has become heavily skewed towards the wealthiest estates.

It is neither fair nor sustainable to maintain such a large tax break for such a small number of the wealthiest claimants, particularly in the light of the wider pressures on the public finances. That is why we are changing how we target agricultural property relief and business property relief from April next year. Individuals will still benefit from the 100% relief for the first £1 million of combined business and agricultural assets. On top of that amount, there will be 50% relief, which means that inheritance tax will be paid at a reduced effective rate of up to 20%, rather than the standard 40%. That sits on top of the other spousal exemption and nil rate bands, which apply more widely within the inheritance tax system.

Gregory Stafford (Farnham and Bordon) (Con): Kilnside farm in my constituency, run by Bob Milton, is only 36 acres in total. It is a tiny farm, yet it will be subject to the new taxes. How can the Minister say that only 4% will be affected? Even the smallest farmers in my constituency will be hit.

James Murray: To correct the hon. Gentleman, I did not say that only 4% will be affected. We have set out that up to 520 estates claiming agricultural property relief, including those that also claim business property relief, are expected to be affected in 2026-27. That means that about three quarters of estates will be unaffected and will not pay any more inheritance tax. All the data on that has been set out in a letter from the Chancellor to the Treasury Committee, and if the hon. Gentleman looks at that document, he will see some of the stats that I refer to.

Rebecca Smith (South West Devon) (Con): Of the 500 or so that the Minister has just explained will have to pay inheritance tax, does he have any idea what number are small businesses, compared with the large estates that he seeks to challenge in the legislation?

James Murray: The data that I refer to is based on claims data. This is an important point that comes up frequently when we have debates on agricultural property relief and business property relief. If one were to consider assets owned by farmers or other business owners, the actual value of the asset does not give a guide to what claim might be made against inheritance tax because that will depend on the ownership structure, on debt that might be owned or on what inheritances have happened earlier in people's lives and so on. The only data that can give an indication of what impact the changes will have from April 2026 is the claims data.

The data that I referred to earlier and which I referred to in response to the hon. Member for West Suffolk (Nick Timothy) is the real claims data that HMRC has. That is the data on which we made decisions around this policy and which informs some of the Chancellor's statistics in her response to the Treasury Committee, which the hon. Lady may like to consult.

Carla Lockhart (Upper Bann) (DUP): In Northern Ireland, the Agriculture Department has indicated that almost half of all farms, and 75% of all dairy farms, will be impacted by the inheritance tax. When will the Minister start to speak with, and listen to, industry leaders? Quite frankly, the meeting last week was an outrage. He needs to sit and listen to industry leaders, who know the industry and are speaking on behalf of real farmers on the ground who will be impacted by this inheritance tax.

James Murray: The hon. Lady referred to meetings that I held last week, both with representatives of UK-wide organisations and those that represent other nations within the UK. There is a difference between listening to people and having to agree, because sometimes we listen and we disagree. That is the situation we found ourselves in after that meeting—we listened to concerns but we have a different approach. I have been setting out in this debate exactly why we have taken this decision.

Caroline Voaden (South Devon) (LD): I recently surveyed all the farms in my constituency, and 85% of the people who responded said that they would be affected by this inheritance tax, mainly because of the cost of land in South Devon—practically all farms will be subject to it. When will the Government listen to the evidence that we are collecting from our farmers, which shows that their assessment that only 25% of farms will be affected is not correct?

James Murray: It is important to emphasise that the correct data to work out the impact of these changes is the claims data. That is what is available to HMRC, and it is the basis on which we have established how many farm estates are likely to be affected by the changes.

Wendy Morton: The point that we are trying to make is that the Minister is looking only at one dataset, not the big picture. We have spoken a lot about farmers, but the business property relief is about the whole of the business community. Will he not go away and have another look at this, taking account of all the evidence that, hopefully, he has been listening to since the announcement of this reckless policy?

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Before the Minister continues, let me remind Members who have not understood the etiquette that they cannot just wander into a debate when someone is on their feet and try to intervene. They need to take part in the whole debate.

James Murray: I return to the point that I have made several times today: the way to understand how the policy on agricultural property relief and business property relief will work is to look at actual claims data—the claims as they relate to individual estates. The overall value of farms or businesses does not tell us exactly what the estate value will be through an individual claim. That is the correct way to approach it.

Several hon. Members *rose*—

James Murray: I will make some progress, because I have given way many times on this particular point. I have plenty more to get through and I am sure that other Members would like to contribute.

Depending on people's individual circumstances, a couple will be able to pass on up to £3 million to their children or grandchildren free of any inheritance tax at all. If owners pass on their assets more than seven years before death, no inheritance tax will be due either. Where any payment is due, it can be paid over 10 years interest-free in most circumstances. That benefit is not seen anywhere else in the inheritance tax system.

I recognise, as evidenced today, that the inheritance tax reforms generate strong views, but reform is necessary given the fiscal challenge that confronts us. This is a fair approach that helps put the public finances back on a sustainable footing.

Several hon. Members *rose*—

James Murray: I am going to make some progress.

Let me move on to the changes to employer national insurance contributions, which is another of the difficult decisions that we had to take at the Budget. I recognise that the changes will have impacts, but asking employers

to contribute more is the fairest way to restore fiscal stability and to provide essential services, such as our NHS, with the resources they desperately need. The rate of employer national insurance will increase from 13.8% to 15%, while the per-employee threshold at which employers start to pay national insurance, known as the secondary threshold, will be reduced to £5,000.

At the same time, we firmly recognise the importance of small businesses, and we will protect the smallest businesses and charities by more than doubling the employment allowance to £10,500. That means that next year, 865,000 employers will pay no national insurance contributions at all. More than half of employers will see no change or will gain overall from this package, and employers will be able to employ up to four full-time workers on the national living wage and pay no employer national insurance contributions.

Employers will also be able to benefit from other employer national insurance contributions reliefs, including hiring under 21s and under-25 apprentices, where eligible. These changes broadly return national insurance contribution revenues as a proportion of GDP to the level that they were before the previous Government's cuts to employee and self-employed national insurance, but in a way that does not result in higher taxes in people's payslips.

The Opposition's motion also refers to business rates. We want local shops and high streets to thrive again, which means we must act to support the businesses behind them, which have had to contend with changing consumer habits and significant economic headwinds in recent years. While online shopping is convenient and offers great variety, the high street brings people together. Hospitality businesses have played a key role in bringing people into town centres.

However, at present the business rates burden falls more heavily on property-intensive sectors, which is why business rates need rebalancing. From 2026-27, we therefore intend to introduce permanently lower tax rates for high street retail, hospitality and leisure properties with rateable values below £500,000. This will benefit more than 280,000 properties. At the same time, to make this tax cut sustainable, we will apply a higher rate to properties with a rateable value of £500,000 and above. That group represents less than 1% of all properties, but covers the majority of large distribution warehouses, including those used by online giants, helping to level the playing field for high street businesses.

Damian Hinds (East Hampshire) (Con): The hon. Gentleman and other Ministers have constantly come back to the point about the higher rateable value commercial premises, saying that they include distribution centres for online giants. What proportion are they of the total?

James Murray: Data is being set out by the Valuation Office Agency, which should give the right hon. Gentleman the details that he requests, but I am happy to write to him with the details that are available. In order to sustainably fund a permanent cut for retail, hospitality and leisure properties below £500,000, we have to ensure that it is paid for. We are seeking to increase the rate on properties with a rateable value of £500,000 or more to ensure that it is sustainably funded. That will come in from April 2026.

Andrew Lewin: My hon. Friend is talking about the importance of sustainable funding, and I completely agree. It is fascinating that the last Government had a business rate relief system, which was a good one, but had nothing in the Budget for it at all, so they planned to cancel it entirely. That is why we are now in this situation.

James Murray: My hon. Friend is absolutely right to point out that, under the previous Government, there was a series of cliff edges and one-year extensions that provided no stability whatsoever to businesses trying to plan investment, hiring or expansion decisions. That is why we have decided to extend the relief that the previous Government were due to end in April 2025 for one further year, before introducing permanently lower rates from April 2026.

Dr Johnson: The Minister is talking about planning—I should declare an interest as a farmer's wife—and says that 500 farmers will be affected. Of course, none of us can know who is going to die next year. While 500 farmers will be affected, there may be many, many more who might die and might be affected. There is a discrepancy between how many he thinks will definitely be affected—how many he predicts will die—and the actual number of people who may be affected and cannot plan their businesses accordingly, because they simply do not know. He argues that they can put their assets down a generation, but no one knows if there will be a car accident and the younger generation will be killed. He is simply taxing tragedy.

James Murray: I think I was following the hon. Lady point that in many cases no one knows when inheritance tax will be due, because people cannot predict the sad events that may happen in their lives. But it is clear that, in trying to work out the impact of changes to tax policy, the best source of data is the actual claims data for those reliefs in the past. That is exactly what we have used. We have looked at the HMRC data on actual claims under agriculture property and business property relief. That is what determines the data that I mentioned of up to 520 estates being affected in 2026-27.

Dr Johnson: My point was that the Minister may be correct that 520 estates will be affected, but others who may be affected will need to plan their businesses and lives accordingly. That is why so many more people are affected by his announcement than simply those who will die next year or the year after.

James Murray: I return to my point that three quarters of estates claiming agricultural property relief, or agricultural property relief and business property relief, will not pay any more inheritance tax in 2026-27 as a result of these changes. In terms of the extra inheritance tax liability, which is what the data about claims points towards, the data is clear that the majority of estates will not be affected. As I mentioned to several of the hon. Member's colleagues on Conservative Benches, the data is set out in quite some detail in the letter that the Chancellor wrote to the Treasury Committee. If she has a look at the data in that letter, that might answer some of her questions.

I will briefly finish my comments in relation to business rates. I was thanking my hon. Friend the Member for Welwyn Hatfield (Andrew Lewin) for intervening to

point out what we inherited from the previous Government: a situation where relief for retail, hospitality and leisure was chopping and changing year to year. Indeed, from April this year there was to be a cliff edge, so it would have gone away entirely—according to the plans we inherited from the previous Government, there was to be no relief at all after April. We therefore decided to extend the relief at a fiscally responsible level for a further year, ahead of our permanent reforms coming in.

While we are on the subject of hospitality, let me address the absurd notion in the Opposition's motion—I do not believe the shadow Chancellor mentioned this in his comments—that the pint is under threat. The pint is part of our nation, and we do not need a new law to protect the pint any more than we need a new law to say that the sun must rise in the morning—I wonder whether the Opposition Members who drafted that part of the motion may have been close to a number of points when they did so. In any case, I am proud to reject the insinuation in their motion and to put on record—if it needs to be said—that pints are at the heart of our nation and, under Labour, they will stay that way.

Bradley Thomas (Bromsgrove) (Con): The Government continually talk about how the Chancellor has shaved one penny off a pint, but many publicans in my constituency tell me that they are having to find an extra £2,000 a month for additional costs as a result of the Government's Budget. Does the Minister accept that a penny off a pint is futile if there are no pubs left to drink in?

James Murray: What I accept, as I said earlier, is that our difficult decision on employer national insurance contributions will have impacts on different businesses across the country. But the hon. Member should welcome—businesses across the country will welcome this—the extra support that we have provided through draught relief to support those pubs to succeed. That is an essential part not just of our economic activity across the country, but of our social lives and enjoying pints. I know that enjoying pints matters very much to Opposition Front Benchers.

I will try to make some progress, because there is quite a lot to cover in the Opposition's motion. On employment, the motion seeks to undermine the Employment Rights Bill, so let me directly address those points. The Bill is the first phase in delivering our plan to make work pay, supporting employers, workers and unions to get Britain moving forward to bring greater predictability to the lives of working people. While I recognise that the flexibility offered by zero-hours contracts, zero-hours arrangements and low-hours contracts can benefit both workers and employers, without proper safeguards that flexibility can be one-sided, and it is far too often the workers who end up bearing all the financial risk.

That is why we have committed to ending this one-sided flexibility, to ensure that all jobs provide a baseline of security so that workers can better plan their lives and their finances. That includes ending exploitative zero-hours contracts. We will deliver the commitment through two measures: first, a right to guaranteed hours where the number of hours offered reflects the hours worked by the worker during a reference period; and secondly, new rights to offer reasonable notice of shifts, with proportionate payment for shifts that are cancelled, moved or curtailed at short notice.

I will try to draw this to a close. *[Interruption.]* Opposition Members might not want to hear it but, out of respect to you, Madam Deputy Speaker, I will bring my remarks to a close. The motion exposes a Conservative party that is happy to object to the difficult decisions that we have taken but totally unable to offer an alternative plan of its own. The debate has also allowed me to set out, on behalf of the Government, how we are moving fast to take the sometimes difficult but necessary decisions to deliver our plan for change.

We are taking the right decisions to fix our public finances, to restore stability and fiscal responsibility, and to ensure that both businesses and their employees can work productively and securely to drive economic growth. The changes that we have begun making are essential for economic growth, so we reject the Opposition's motion. We are determined to move further and faster to make people across the UK more secure and better off.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Liberal Democrat spokesperson.

2.45 pm

Daisy Cooper (St Albans) (LD): I am delighted to speak on behalf of the Liberal Democrats about family businesses, because they are so important and make a distinct contribution to our economy and to their local communities. Family businesses are synonymous with quality, trust and reliability. Family businesses have a strong sense of stewardship of their craft, their capital and their customer base. By their very nature, family businesses have the goal of nurturing their business to pass through to the next generation and, as a result, have a vested interest in long-term decisions, the stability of the economy and building a resilient community.

Where family businesses are located on high streets, they are often the anchor stores, bringing back loyal customers time and again. Family businesses are present in every part of the UK. Indeed, they are often the largest employer in a region and the largest philanthropic organisation in those communities, too. But in tabling the motion, the official Opposition do not seek to acknowledge or accept the damage that they have done to family businesses over the years. *[Interruption.]* If the official Opposition are patient, they will realise that I will not pull my punches when addressing the Government, but it is an Opposition day debate, so let me continue to outline the litany of mistakes that have occurred over the years.

The Conservatives scrapped the industrial strategy, which was the bedrock of long-term planning. They failed to reform the broken business rates system, which has hammered family businesses on the high street. They starved family businesses of seasonal workforces, which many of them need. Their botched Brexit deal has deprived many family businesses of access to European markets, raising trade barriers for imports and exports, and wrapped them up in reams of red tape. They wreaked havoc with their mini-Budget, making access to finance too expensive for many, and they failed to address the soaring energy costs and broken energy market that has resulted in many small family businesses suffering from extortionate energy contracts and being frozen out of the best deals.

That is why it is disappointing to see that the Labour Government are making some of the same mistakes.

The national insurance contributions rise is unnecessary. The Government could have raised that £10 billion through other, fairer means such as taxes on big corporations that have raised billions, using that money to put public services back on their feet.

The business rates proposals will be incredibly damaging for small businesses on our high streets. On a number of occasions in the House, I have invited Ministers to look at House of Commons Library research commissioned by the Liberal Democrats that shows that chains will continue to be subsidised by small independents. Of course, there are also the changes to APR and BPR, which will raise a relatively small amount of money for the Treasury but could be devastating to many small family businesses across the UK.

Family Business UK, which I met this morning, is urging the Government to run an impact assessment. It is conducting its own impact assessment in partnership with the National Farmers Union, where it intends to speak to more than 3,000 family businesses about the potential impact of these measures. May I invite the Minister either to intervene on me now or to say in responding to the debate whether the Government will meet Family Business UK to discuss the findings of its survey once it is complete?

We should not just think of family businesses as units for tax revenue. Family businesses are different. Family farms rightly grab the public's imagination, but there is more than that. In my constituency of St Albans, I can think of many. Hedges Farm Shop is a much loved, family run, award winning farm shop, and its delicious meat is often on the menu of our award winning restaurants. Waterers tailors is run by two generations of the Masi family, providing bespoke, high quality tailoring and some especially fancy men's jackets. Burston Garden Centre is a long-established family business with a lovely restaurant and is a fantastic place for a day out. We have beauty companies, building merchants and electric vehicle charger stores, all of which are family businesses. And one of my favourite pubs, too: The Boot, handed down from Will to his son Sean.

On the subject of pubs, what on earth is this absurd idea in the Opposition day motion that the Product Regulation and Metrology Bill will somehow put the British pint at threat? The pint is well and truly safe. *[Interruption.]* The pint is well and truly safe, something I am sure the entire House wants to hear. The pint is enshrined in law in the Weights and Measures Act 1985, so this scaremongering is just total nonsense. I am tempted to call it a load of old Codswallop, but I would not want to insult the makers of that very fine pale ale. I could instead accuse the Conservatives of scraping the barrel. Let us just say that the Conservatives' claim that the pint will be abolished is as fanciful as Labour's claim that punters will see a penny taken off the price of their pint. They won't. Frankly, if the Opposition think they are standing up for pubs they need to think again. I say this not only as the MP for St Albans, where we have more pubs per square mile than anywhere else in Britain, but also, I am proud to say, as the MP crowned last year as pub parliamentarian of the year. *[Interruption.]* I was, yes.

The last Conservative Government proved, unfortunately, that they did not know their firkin from their pin. They could not tell a kilderkin from a craft keg. Their defective attempt to introduce a draught beer relief ended up

[Daisy Cooper]

excluding the very small craft brewers they were claiming to help. When a former Conservative Prime Minister had the audacity to have a photo op with the casks that he had mistakenly left out of the draft duty relief support scheme, it was the Liberal Democrats who worked with publicans and small brewers to force that correction.

If the official Opposition want to pretend to stand up for the great British pub, they will need to do their homework. They should get out and speak to the struggling pubs and hospitality businesses that they have ignored. If the Conservatives want to continue with their pint-sized politics, it will be the Liberal Democrats who will continue to have the official Opposition well and truly over a barrel. Jokes aside, there are changes in the Labour Budget that are no laughing matter: the national insurance contribution changes and the reduction in business rates relief will deliver a hammer blow to our pubs. They will have no choice but to put up prices for punters and many more may be pushed to the brink.

Carla Lockhart: A joint survey by leading hospitality trade associations in Northern Ireland has revealed that 65% of hospitality businesses will reduce their employment levels, 55% will cancel planned investment, and 22% believe they will have to close their doors. The same can be said of retail because of the extra threat around big business and online sales and the fact that they get away in the smoke around taxation. Does the hon. Lady agree that there will be tumbleweed on our high streets, rather than the thriving high streets that the Minister suggested today?

Daisy Cooper: I am grateful to the hon. Member for raising those points. Our high streets are the beating hearts of our communities all over the UK. There is real concern that when the national insurance contribution changes and the reduction in the business rates relief kick in, our high streets will be absolutely hammered and we may indeed see tumbleweed. That matters for two reasons: there will be an impact on our local economies and that could have a knock-on impact on people's confidence. Many people with busy lives do not always get to follow headlines about growth, inflation, interest rates and all the rest, but they do look to their high streets as the primary signal of whether or not the economy is working for them and whether it is working in their local area.

In hospitality, of course, it is not just the increase in the national insurance contribution rates that will have an impact. The changes will also mean that many part-time workers will not be recruited to work in those businesses. That will impact in particular women, people from ethnic minorities and young people. Young people often work in hospitality as their first job. Often hospitality can give them the chance to work after something adverse has happened in their life. I think all of us in this House can say that we support hospitality, and it is vital that we continue to support it.

Sarah Dyke (Glastonbury and Somerton) (LD): My hon. Friend talks about businesses run by women. I have a constituent who runs a nursery in Somerton. She has been struggling to stay afloat for some time, after issues relating to the Conservative Government

and the impact of the increase to national insurance contributions. The announcement on nursery provision could be the last straw for her business. Does she agree that the Government must urgently look at the impact their measures are having on the early years sector?

Daisy Cooper: I am grateful to my hon. Friend for that contribution and I absolutely agree. The House has debated many times the impact of the national insurance contribution rise. Colleagues may remember that the Liberal Democrats tabled a number of amendments to exclude particular groups. We are opposed to the NIC rise full stop, and we put forward alternative ways in which the Government could raise the revenue, but we said that if the Government were intent on pursuing that particular measure, then some organisations should be exempted. We pointed in particular to health and care providers, including social care providers, but we also talked about early years providers, universities, charities and hospices. We have debated such things many times, and we urge the Government once again to look very closely at the impact of the NIC rise and to do the impact assessment that we all so desperately want.

Caroline Voaden: My constituency has a large employer with several sites who is now looking at automation because of the impact of the NIC rise. It will add a quarter of a million pounds to his bottom line, so he is actively looking at how he can make redundancies to keep his business afloat. Does my hon. Friend agree that that is not the way to improve the local economy and make people feel good about jobs and investment?

Daisy Cooper: I am grateful to my hon. Friend for that contribution. Automation can have some value many sectors and industries, alongside employing and training up the next generation, but it would be devastating to other sectors if automation replaces the next generation. That is particularly important in farming, but also hospitality. The very nature of hospitality is that it is hospitable. Going to the pub and being served by a vending machine is not really someone's idea of a good night out. I agree with my hon. Friend that automation, when put alongside investing in the next generation and staff, can be a good thing, but as a replacement it can have devastating impacts on the future of sectors and on people's opportunities.

We have rehearsed on a number of occasions the impact of the Government's Budget on small businesses and family businesses across the land. The Liberal Democrats are incredibly concerned about the impacts on family businesses and on the future of our high streets. We will not be supporting the official Opposition's motion today, which I am sure they will be astonished to hear. [Interruption.] They are astonished, as you can tell, Madam Deputy Speaker, from the chuntering from the Conservative Benches. Notwithstanding, we urge the Government in the strongest possible terms to conduct an impact assessment and to look again at the amendments the Liberal Democrats tabled to exclude key organisations from their hike to national insurance contributions.

Several hon. Members rose—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. As the Front-Bench contributions were so substantial and so many colleagues wish to contribute, there will be a time limit of five minutes.

2.58 pm

Kanishka Narayan (Vale of Glamorgan) (Lab): I will start by doing what the Opposition failed to do, which is to recognise the particular contribution of family businesses. I think family businesses in the Vale of Glamorgan will be disappointed that the shadow Chancellor trotted out a generic business conversation, rather than honing in on what is special about family businesses.

What is special about family businesses can be counted in the Vale of Glamorgan and across the country. Family businesses make up the majority of businesses in the Vale of Glamorgan, but their contribution cannot just be counted, it can be felt. I feel it on a weekly basis in the sandwiches of the Food for Thought deli on Barry high street, where I see the incredible effort that Nathan, Sarah, Leroy and the whole team put in. I felt it on a visit to Clive Edwards Contracts in Colwinston, where Josh Edwards is taking on what his father started. I have felt it in the coffee of the Welsh Coffee Company, best consumed on the coastline of Ogmere-by-Sea. And I have felt it very specifically in the joy delivered by the traders of Barry Island, the primary effort drivers who bring waves of tourists to our shores.

I have mentioned those contributions being felt, because they are the distinct contributions of family businesses. Many family businesses work way over time, putting a huge amount of personal and financial risk and wider collective effort into their businesses, but they make a wider contribution too. The median tenure of a FTSE chief executive officer is around five and a half years, but the tenure of family businesses is multigenerational. They are the drivers of patient capital decisions, they are the drivers often of conviction in those decisions, and they are the drivers often of both philanthropy and values in a number of business decisions, as Opposition Members have mentioned.

Wendy Chamberlain (North East Fife) (LD): The hon. Member is highlighting the value that family businesses have in the community and beyond. I have a constituent who has been investing 80%-plus of all their profits back into their business for many years, but with the changes to business property relief, they are going to have to divest equity in the business. Does he agree that that is not the right way to guarantee growth?

Kanishka Narayan: I thank the hon. Member for her question; let me say something that I was going to come to later. In all my experience of business, the one thing I have learned is that businesses are nothing but collections of people. They are mums and dads who drive their kids to school. They are people who drive through the potholes created by the Tory Government. They are people on our NHS waiting lists who want a decent health service. Of course it is difficult when we have to bear some of the burden of paying for our public services, but the people who run our family businesses benefit as well.

Let me hone in again on the contribution that family businesses make, which I am passionate about in the Vale of Glamorgan. Family businesses are now looking at the fact that employment allowances have been doubled. We know that 96% of them are microbusinesses employing fewer than nine people. In fact, the vast majority are sole proprietorships. They are looking at the fact that the path of corporation tax has been fixed, bringing

stability back after a decade and a half of total chaos. They are looking at the fact that late payments—the fundamental challenge for small and family businesses in the Vale—have now been cracked down on. They will look at today's motion and feel the comfort of their pints being protected, too.

The fundamental decision that family businesses make often comes down to a question of endurance—a question, in particular, of how they can sustain themselves across generations and be productive. In that context, what the Government are doing on late payments is critical. British family businesses are limited in their use of external finance. They often rely on cash flow, so to be able to deliver greater cash flow by tackling late payments is a fundamental contribution by this Government.

Family businesses are also drivers of technological innovation. Almost half the family businesses in this country are users of accountancy software, moving to digital bookkeeping far ahead of many other businesses. I am passionate about what this Government are doing in driving the adoption not just of technology but of artificial intelligence software in businesses.

Let me end where I started in my response to the hon. Member for North East Fife (Wendy Chamberlain). Family businesses are indeed just collections of people. When we make choices on taxation, we are making choices on spending in our public services. Those choices are at the heart of driving the long-term health, prosperity, stability and, indeed, effort of our family businesses.

3.3 pm

Joy Morrissey (Beaconsfield) (Con): It is a privilege to stand here today on behalf of businesses in Beaconsfield, Marlow and the South Bucks villages. These small family businesses are the backbone of our economy. They are the job creators, they play a vital role in helping our communities, and they deserve our support in this House. Yet it is now clear to businesses in my constituency that they find themselves with a Labour Government who simply do not understand business. This is a Government who seem to think that just by saying the word growth over and over again, it will magically happen. The truth is that businesses create growth, not hot air from the Chancellor. This Government are seriously damaging businesses with a national insurance tax raid that will destroy jobs and put at risk thousands of businesses. Time and again, business owners have warned of the consequences, but they have been met with a wall of silence from the Government. Why? Because this Labour Government simply do not understand business or the consequences of their actions.

At the end of last year, I hosted a roundtable of local, family-run, multigenerational businesses. They have been at the heart of our local economy for decades, but now they are struggling not just with the national insurance threshold increase or the differences that the Employment Rights Bill will bring in, but with skills shortages and the economic uncertainty that that will cause. Now, thanks to this Government's tax raid, they are being forced to make impossible choices: to cut back on hiring, reduce investment or close their doors altogether.

Let me give the House just one example. I met the owner of a proud family business that has been serving Marlow for over 88 years. He told me plainly that this Government's policies will make it harder for businesses

[Joy Morrissey]

such as his to survive. His story is one I have heard time and again. This Government do not seem to get that, in lowering the employment national insurance threshold so dramatically, they have made it almost impossible for businesses that employ lots of people to operate in the low-margin sectors.

Richard Tice (Boston and Skegness) (Reform): Does the hon. Lady agree that the Government's policies have created a hostile environment for family businesses to continue to invest in hiring people and equipment? The damage is that that reduces growth in our economy.

Joy Morrissey: The hon. Member makes an excellent point. The policies are damaging; it is a hostile environment for businesses and entrepreneurs who make a difference and who grow the economy and our tax base. That is who this Government are hurting: the people who will make this country great and grow us out of any of the economic issues that we are having now. By hurting entrepreneurs and small businesses, we are cutting ourselves off from growth. Again, growth is not some mythical thing that the Chancellor refers to; it is something delivered by hard-working small family businesses in this country.

Not only small businesses but all service-level jobs in our economy are affected. Care services, retail, hospitality, events—they are just a few of the sectors where businesses increasingly face the impossible choice of cutting jobs or shutting their businesses. Of course, it is not just through national insurance that the Government are raiding businesses or burdening them with over-regulation. Businesses already reeling from the national insurance raid are facing higher business rates, an Employment Rights Bill that is destined to lower employment and the destruction of family farms.

Just yesterday, the British Chambers of Commerce described the stark reality of the “powder keg of costs” facing British businesses. In the avalanche of inconvenient facts for the Government that the British Chambers of Commerce unleashed, one stood out to me: 58% of businesses told the BCC that the costs will impact recruitment, meaning fewer jobs at a time when we need the economy to be growing. This is economic illiteracy on steroids.

I will always stand up for our local family businesses in Beaconsfield, Marlow and the South Bucks villages. Their message to me has been crystal clear: this Government's tax raid is damaging to them, to jobs and to growth for the future. I urge the Government to wake up to the disaster they are unleashing on businesses in my constituency and across this House.

3.8 pm

Mark Ferguson (Gateshead Central and Whickham) (Lab): I refer the House to my entry in the Register of Members' Financial Interests.

I was very taken by the point made by the shadow Chancellor when he talked about the excellent inheritance left by the previous Government. We have had to listen to his views on what his Government have done and been given the benefit of his knowledge and his experience during his time in government. I regret to say that I have spent most of my adult life in the Labour party in opposition, but as a result, I have gained a huge amount

of experience about opposition, which I am more than happy to pass on to the Conservatives. Let me say this very clearly: if they continue to say throughout the next few years up to the next election that they left an excellent inheritance for this country, they will be sent into an even greater electoral oblivion than last July. I urge them to put it on their leaflets, because I will certainly be putting it on mine.

I will also proudly be putting on leaflets the measures in the Employment Rights Bill. Let me talk about some of them: getting rid of zero-hours contracts; introducing day one rights; and getting rid of fire and rehire. I do not think, when the Bill passes and its measures are a success, that Conservative Members will be quite so keen to trumpet what terrible things they think they are, but if they wish to do so, they are more than welcome to say on leaflets at the next election how they want to bring back zero-hours contracts and the ability to introduce fire and rehire, and abolish day one rights.

John Slinger (Rugby) (Lab): Does my hon. Friend recall that the Conservative party back in the 1990s under the previous Labour Government vociferously opposed the introduction of a national minimum wage, and might he reflect on that?

Mark Ferguson *rose*—

Damian Hinds: What about the corn laws?

Mark Ferguson: I thank my hon. Friend the Member for Rugby (John Slinger) for his question. I am afraid I do not remember that, because I am far more youthful than I look but, as with the corn laws, I have read about it in the history books and have no doubt my hon. Friend is correct.

I am also aware from the history books that the Conservative party has often been very worried about the humble pint and what might happen to it. As a proud pint drinker, perhaps sometimes to the detriment of my health and my finances, I can say that the great British pint is going absolutely nowhere, not from the small businesses in Gateshead Central and Whickham and not from anywhere else.

Laurence Turner (Birmingham Northfield) (Lab): My hon. Friend is making a characteristically powerful case. Do the history books not show that Labour has always been the party of the pints? Harold Wilson expressed enthusiastic support for preserving the pint measure. Labour is the party of the pints, while the Conservatives do not serve anything more than small bitter.

Mark Ferguson: I defer to my hon. Friend; he is a learned historian and I dare say knows far more about the history of the pint than I will ever muster. I have probably drunk more than him, but he has probably read about more of them than I have.

The title of this motion is “Family Businesses”. My hon. Friend the Member for Vale of Glamorgan (Kanishka Narayan) has already assiduously made the point to the shadow Chancellor that 96% of family businesses will not be affected by some of the measures mentioned in this motion, but I wish to discuss some of the family businesses in my constituency, a couple of which I have spoken to recently.

Meldrum, for example, is a successful construction business that recently conducted a transfer into employee ownership—a show of confidence in our economy. Savour bakery was set up from scratch under this Government. It was a shell during the general election when I went to visit it. An orthodox Haredi family in Gateshead—generations of the same Gateshead family—have invested hundreds of thousands of pounds of their own money into setting up what some might find slightly unlikely. I admit that when I first heard of it I was not sure that it would be a success. It is a kosher Parisian patisserie in the heart of Bensham in Gateshead, and it has been a tremendous success. There are queues around the block most days and if anyone makes the mistake of going in at 2 o'clock in the afternoon, as I did last week, they will be greeted by a coffee machine and an empty patisserie counter. The idea that someone cannot set up a successful small business under this Government is absolutely for the birds. I have seen it with my own eyes in my own community—people doing something incredibly challenging in a community that is not often supported more widely in Gateshead. I am incredibly proud of them and incredibly proud of other small businesses like them.

I am not astonished that we are discussing this interesting pick-and-mix motion, which might as well be called “Things the Conservative party does not like that the Labour party has done”, because that is the nature of Opposition day debates. I am enjoying this opportunity to talk about the family businesses in Gateshead and about my passion—our passion on the Labour Benches—for the humble British pint.

Paul Holmes: Will the hon. Gentleman give way?

Mark Ferguson: I am having so much fun that I will happily give way.

Paul Holmes: The hon. Gentleman is giving a very entertaining speech and I look forward to visiting the business he mentions, I hope, in the future. He has outlined that businesses are being set up in his constituency and he is perfectly entitled to do so, but did he speak to the new business about the extra £800 per employee that this Government have put on it in the Budget, and what does it have to say about that?

Mark Ferguson: I have spoken to Josh who runs the business about every single aspect of it and I assure Members that he is delighted with how his business is going. I am delighted—[*Interruption.*] Opposition Members are chuntering from a sedentary position, as of course is their right, but my high street in Gateshead, for example, which I am pleased to say the Minister who will be responding later has been to visit, was wrecked under the last Government. The decisions made by the last Government had a profound impact on my high street and those across the country, so the idea that the Conservatives are tribunes of small business is for the birds. This Government are going to rebuild the great British high street and we will do so by supporting small businesses.

I will rightly be voting against the motion because I am afraid, to quote a former leader of the Conservative party, that it is an “inverted pyramid of piffle”.

3.16 pm

Bradley Thomas (Bromsgrove) (Con): It is a pleasure to stand here on behalf of dozens, probably hundreds, of businesses across my constituency, many of which are run by families. It is discomfiting to sit here and hear the sense of sheer denial and arrogance from Labour Members about what actually drives growth in our economy. What makes me most despondent is that the Government's default ideological position and mentality is one where they ask, “What taxes can we raise?” Rather than asking how they as the Government can cut their cloth accordingly and pass on the benefits to the economy in the form of reduced taxes, their default position is to ask, “What taxes can we increase on the businesses that provide the very backbone of our prosperity?”

In that vein, family businesses provide employment for almost 14 million people across the country and contribute £575 billion to the national economy. These businesses are founded on principles of entrepreneurialism, which I am proud that my party has championed for decades. Labour is showing once again that it does not understand the value of business; it knows only how to tax and regulate enterprise, which ultimately makes our economy weaker and poorer.

Simon Hoare (North Dorset) (Con): Labour Members may speak of their support and passion for small business, but they never speak of their experience of setting up and running one. There is very limited experience of that on the Labour Benches. Does my hon. Friend agree that that is part of the problem? Having never set up and run a business, they have no idea of the impact of their policies on one.

Bradley Thomas: I agree wholeheartedly. That strikes at the heart of the Government's lack of appreciation for what fundamentally drives the economy.

Dr Luke Evans: To be fair to the Government, we may not know what their CVs show, so there could be business experience but it is just not on their CV.

Bradley Thomas: My hon. Friend raises a very valid point, but let us look at the facts. The Government will attempt to tarnish the Conservatives' record, but in July Labour inherited the fastest growing economy in the G7, with unemployment at near-record lows and inflation at the Bank of England's target. We have seen a complete reversal of that, in part because the choices the Government made in the Budget have destroyed that progress. The Government's Budget and fundamental overall approach threaten the future of family businesses through new red tape—we have the family business tax, the family farm tax and the national insurance job tax. Businesses know that they are paying more and the Government know that businesses are paying more, and I do not know how some Labour Members have the gall to sit there and think that their position is one of honesty and credibility when it comes to growing the economy.

A business in my patch has got in touch with me. Jack and his family run an apprenticeship training provider. Jack said,

“My parents left school with no qualifications and over the last 50 years have worked hard paying their way getting on and building a good life and business for us as a family. Since 2007, they have been majority shareholders and owners”

[Bradley Thomas]

of a business called Birmingham Electrical Training, for which Jack is also a director. He goes on to say that they

“currently are the 2nd biggest provider of electrical apprenticeships in the UK”

and

“train 700+ apprentices in partnership with 275 local and national...contractors, many of which reside and work within” the west midlands region. They

“hold a department of education contract and are recognised by the Electrical Industry in providing a crucial role in training the next generation of electricians”.

That is a pertinent point when the Government are pursuing policies like the ludicrous clean heat market mechanism, which will require a step change in the number of electrical contractors to deliver on the Government’s net zero folly.

Jack makes this point:

“There is no way that I would be able to afford £800k worth of tax to access the business I have helped build and grow over the past 10 years”

as a result of the changes announced by the Chancellor to inheritance tax. He will personally be liable for £800,000 that he will not be in a position to pay. That jeopardises one of the family businesses that form the backbone of the country’s economy. He asks,

“Why would the government want to destroy family businesses, which are crucial to helping local people and provide the growth in the economy in the years to come?”

That is not an isolated case. The Confederation of British Industry and Family Business UK have warned that changes to business property relief could lead to up to 125,000 job losses and reduce economic output by £9.4 billion, as their analysis found that average family businesses would cut investment by a staggering 16.5%, reduce headcount by 10.2% and lose turnover of 7.4%. That recognises the fact that the Government do not appreciate the fundamental positive benefits to wider society of promoting small businesses and their long-term financial viability. The Government are making the UK a hostile destination for investment, both large and small. They must work to ensure that our country is the most attractive destination possible for businesses to invest and grow and to make us wealthier.

Aphra Brandreth (Chester South and Eddisbury) (Con): For some family businesses like those in my constituency, their main competitors are international companies. Does my hon. Friend agree that the Government have not considered how increasing costs for UK businesses are making some of our family businesses less competitive?

Bradley Thomas: My hon. Friend hits the nail on the head. What rings in my ears are the words from the Chancellor just a few months ago when she said that businesses need to cut their cloth accordingly. I go back to my initial point: Government must also cut their cloth accordingly. The default position of the Government in supporting business should be to spend taxpayers’ money—the funds generated by the very businesses we are talking about—in the most efficient way possible, so that we can have the lowest possible tax base in our economy to make the UK a great destination for inward investment.

Kanishka Narayan: The hon. Member talks of cutting one’s cloth. Perhaps he can tell the 14 million people employed by family businesses how he would cut the public services they rely on to fund the unfunded tax cuts he is talking about making.

Bradley Thomas: The hon. Gentleman’s intervention is a good one, in that he demonstrates that his party believes philosophically that it has to either tax or cut. The Government have no appreciation of the fact that money could be spent more effectively in the first instance. It is a fundamental ideological weakness of the Government.

Lincoln Jopp (Spelthorne) (Con): Will my hon. Friend give way?

Madam Deputy Speaker (Ms Nusrat Ghani): Order. You have 10 seconds left, Mr Thomas. Do you want to finish?

Bradley Thomas: I will finish by saying that I will always be proud to stand up for small businesses in Bromsgrove and the villages, and across the country.

3.23 pm

Laurence Turner (Birmingham Northfield) (Lab): I draw attention to my declarations in the Register of Members’ Financial Interests. It is a pleasure to follow my constituency neighbour, the hon. Member for Bromsgrove (Bradley Thomas). I will just say that the clean heat market mechanism that he spoke about, which is causing concern to a business in his constituency, was of course brought forward by the last Conservative Government.

I will start by talking about the Employment Rights Bill, because some of us have just spent two months in Committee going through it line by line. I thought that the House might want to hear about some of the opinions and positions put forward by the Opposition during that process. The Opposition tried to exempt millions of workers in some of the lowest paying sectors from protection against harassment at work. We heard from the shadow Minister that he does not believe that public sector employers should offer facility time at all. The Opposition attempted to block better contracts for teaching assistants and other low-paid members of school support staff. A witness who was presented as representative of business opinion had previously said that lockdowns would kill far more people than covid. I do not think that the motion or the party putting it forward is a credible voice of economic growth or business.

Dr Luke Evans: The independent Regulatory Policy Committee looked at the Bill back in November and said that eight out of the 23 categories were “not fit for purpose”. Was that discussed? Given that the committee is independent, does the hon. Member give that point any credit when it comes to discussing the Bill?

Laurence Turner: One of the pleasures of the Committee is that we have 970 pages of transcript where those matters were discussed at length, and the Government are indeed bringing forward further impact assessments on those points.

Looking at my constituency and, indeed, the constituencies of all Members of the House, the economic record that we have inherited is one of pallid economic and wage growth. After 15 years, average real wages in Birmingham Northfield are £300 lower a month than they were in 2010. The costs of delayed and cancelled NHS appointments, crime that goes without investigation and shortages in key teaching posts are borne not just by our constituents, but by businesses. We should say this clearly: public services create value. Businesses and the people who work for them need strong public services to sustain themselves and grow.

When I recently met small businesses on Northfield high street, we had—as you would expect, Madam Deputy Speaker—a serious and robust discussion about a whole range of Government policies and policies enacted by the previous Government, but the first issue raised was crime and antisocial behaviour. Anyone who has been a victim of crime can attest to the devastating impacts that it can have on a person or business.

Chris Vince (Harlow) (Lab/Co-op): My hon. Friend makes an eloquent point about the issues of antisocial behaviour and crime on the economy and particularly on small businesses. Does he recognise that small businesses like mine in Harlow have been massively affected by the increase in crime and antisocial behaviour? I am thinking particularly of tool theft and thefts of vehicles.

Laurence Turner: My hon. Friend makes a sensible point, and the issues that he raises are reflected in my constituency. That is one of the major barriers to getting jobs and spending into our high streets.

If the Budget last year had failed to raise money for investment in public services, it would have been like changing the colour of the shovel before continuing to dig a hole in the same old ditch. We could not prolong the failed approach of the past 14 years. We can add to that the disgraceful situation that awaited the incoming Labour Government. For all the sound and fury that we have heard from the Conservatives, there is little mystery about that now. Richard Hughes, the chair of the OBR, told the Treasury Committee:

“When we had a high-trust relationship with the Treasury those things were being well managed, and managed within the total. That system very clearly broke down.”

He said that

“there was about £9.5 billion-worth of net pressure on Departments’ budgets, which they did not disclose to us...which under the law and under the Act they should have done.”

The decisions that awaited the incoming Government on public sector pay, which is the other element of the £22 billion, had been ducked and delayed until after the election. *[Interruption.]* We need to be clear on that. The right hon. Member for East Hampshire (Damian Hinds) indicates from a sedentary position. He will know about the situation with the School Teachers Review Body. Conservative Ministers already knew about the STRB’s recommendations and that the recommendations of the other review bodies tend to be similar.

Given that the pay year starts not in July or even at the beginning of the election period but in April, why were those recommendations delayed? Because Conservative

Ministers and their Departments were late to submit the remit letters and evidence. The Office for Manpower Economics has been clear on that point:

“The work of the PRBs is demand led and essentially non-negotiable—departments set the remits and timetables.”

That is the truth of the matter. The additional costs were always coming, and the only reason they came seven months into an election year is that Conservative Ministers were content for them to be so delayed.

Conservative Members claim that they would not have accepted those recommendations, but they have not said at any point what their offer to public sector workers would have been. I wonder whether any Conservative Member wants to tell us today what their offer would have been, if not 5.5%, had they won the election. It should not be a hard question to answer. What would the difference be in the pay packets of nurses, teachers and members of the armed forces? I would be very happy to take an intervention on that point. *[Interruption.]* They cannot answer the question.

Andrew Lewin: In the absence of an intervention from the Conservatives, I say for the record that this has been a hugely important week for the House with the increase in defence spending, and it was so important that Labour gave a 6% pay rise to members of the armed forces—the biggest in 20 years.

Laurence Turner: My hon. Friend makes his point as well as it could be made, and I thank him for his intervention.

Let us not forget the costs that the previous Government inflicted upon businesses. Their botched EU withdrawal policies have meant up to £7.5 billion in costs from customs checks alone according to HMRC, £1 billion from higher energy trading costs, and a further £1 billion from the cost of chemical regulations in that sector every single year. One former Conservative Prime Minister said something like, “Screw business.” At least we can say that he lived up to his word on that.

The motion is not a serious proposition. I hope that the House rejects it.

3.31 pm

Esther McVey (Tatton) (Con): I must say, I am disappointed—as will be business owners up and down the country—that the Chancellor could not find her way into the Chamber today. If she had done, she might have learned a thing or two.

In Tatton, there are family businesses that go back four or five generations. Before the Budget, some were planning to get ready for the next generation—but not now. Some, founded in the 1800s, have told me that their businesses survived two world wars, the Spanish flu, the high tax and economic lunacy of the 1970s, and even the recent covid lockdowns, but the Chancellor’s Budget will be the death of them. They have told me that on their family business gravestone will be written: “RIP. 1830-2026. Reeves’ budget the fatal blow.” Here we have a Chancellor who wanted her legacy to be that she was the first female Chancellor; in fact, her legacy will be as the grim Reeves reaper who fatally killed off family businesses and destroyed enterprise in the UK.

The Labour Government show no sign of understanding business, let alone family businesses that employ 14 million people and add £575 billion to the economy. The family

[*Esther McVey*]

business is a living entity; it needs to be nurtured, and if it is, it will grow and last hundreds of years, to be passed on to the next generation. It has a unique place in the business ecosystem—it serves a special purpose. Even previous Labour Governments knew that. That is why they introduced the business property relief; they knew that it was required. But not this Labour Government—oh no! Now, the death of a family member could spell the death of the family business, too.

The CBI and Family Business UK have warned that the changes to property business relief alone could lead to 125,000 job losses and reduce economic output by £9.4 billion. Businesses must think about how much money they will put aside for those tax changes. With every £1 put into tax, they can invest £1 less in their business, which will stifle the growth of the company. This Labour Government talk about growth, but these measures will only kill it off. The impact is not just from inheritance tax: we have the family farm tax, the increase to employer national insurance contributions and the minimum wage changes. Every single one of those will add a final nail in the coffins of many of our businesses.

Rebecca Smith: Does my right hon. Friend agree that the myriad Labour attacks on family businesses will have a huge impact on businesses like Vospers vehicle franchise in my constituency? Founded in 1946, it employs 600 people but faces a £1.4 million increase in national insurance contributions and a future business property relief levy on the next generation, in an industry that has seen a 20% reduction in sales in January alone, following the Government's so-called growth Budget.

Esther McVey: My hon. Friend speaks knowledgeably and passionately about the business in her constituency, and she is right. A family business I spoke to said, "We are already working on small profit margins. We do not know how we will cope. The enormity of the changes will change the way we look at our business. What are we going to do? We might have to carve up the business or cut it down. We might end up selling up or we might look for foreign investment, whether we seek that out or they seek us out". They say that their business will not survive and thrive, and there is no doubt that it will shrink or end.

Another essential point, which other hon. Members have mentioned, is that family businesses are the breeding ground of entrepreneurs. Family members will work of a weekend, be trained up and go into the family business. People talk about love and passion—all those things—but it is that entrepreneurial spirit that this Government will kill, along with jobs in local communities, because family businesses have a special place in the heart of communities.

This Chancellor said that the changes would only impact the wealthiest of businesses—have we not heard that before? The Government said that the farm tax would impact only the wealthiest of farms, that the removal of the winter fuel payment would impact only the wealthiest of pensioners, and that VAT on schools would impact only the wealthiest of people: that is utter nonsense. The Labour party is removed from reality, ideologically driven and blinded by jealousy.

Labour's raid on family businesses, worth about £500 million by 2030—that is the Treasury's forecast—will actually lose billions of pounds more. These tax changes are ideologically driven and the Chancellor is killing the geese that lay the golden eggs. There is a vacuum of business know-how and business knowledge among those on the Government Benches. What they are doing to our country is an utter disgrace.

3.37 pm

Deirdre Costigan (Ealing Southall) (Lab): I draw the House's attention to my entry in the Register of Members' Financial Interests.

Unusually, I welcome the motion tabled by the Conservatives because it sets down on the record, loud and clear, that they are no friends of working people, and they are no friends of working women in particular. Their motion calls for an end to Labour's groundbreaking Employment Rights Bill and would allow bad employers to continue to exploit workers, to sack anyone who objects and to continue paying women less than men. That is not a surprise, of course, because the Leader of the Opposition has already made it clear that she thinks maternity pay has "gone too far" and is "excessive". Statutory maternity pay is based on earnings, and for most of the leave period it is set at a maximum of £184 a week or 90% of normal pay, whichever is lower. That translates to about £9,500 a year. I do not think many women, or their partners, would think that is excessive.

I am at least grateful that the Conservatives are being honest: they could not care less about working people. Earlier, the shadow Chancellor was unable to tell us which bit of the Employment Rights Bill they wanted to get rid of. Well, he should read his own motion—it is written in black and white. Their motion explicitly objects to Labour's new law to finally make employers put a stop to sexual harassment in the workplace and to take all reasonable steps to stop sexual harassment of staff by customers, contractors and service users. The Conservatives seem to be especially against that in their motion, which is peculiar, because just two years ago they said that they would bring in exactly the same law. What happened? Oh yes, I know: they abandoned working women, broke their promises and left shop workers, office staff and women managers at the mercy of sexual harassers, and they want to do the same today.

The other new law in Labour's Employment Rights Bill that the Conservatives seem to be especially against—it is in their motion, which the shadow Chancellor has not read—is the ending of exploitative zero-hours contracts. Their motion instead supports the continued mistreatment of often low-paid workers who do not know from one week to the next how much work they will get or if they will be able to pay their bills. Let us be clear: sexual harassment can often go hand in hand with exploitative zero-hours contracts. Imagine how difficult it is for a low-paid woman to complain about her manager's inappropriate sexual behaviour if she relies on him to give her enough hours to feed her family next week. Zero-hours contracts put way too much power in the hands of managers, and, with proper business planning, there is simply no need for them to be forced on workers.

In their motion, the Conservatives seem to have confused knowing what people's hours are in advance with the new right of flexible working, which Labour is also

introducing. They claim that those two things are in conflict—of course they are not. People can still have a zero-hours contract if they want to, but if they want guaranteed hours so that they have a secure income for their family, they will be entitled to that. If people want to work part time because they have kids or elderly parents, they will have a new right to flexible working that will allow that. The Conservatives' motion is not clear on whether they support flexible working, but surely the Leader of the Opposition should understand and embrace Labour's new right to flexible working, given her reported invention of Kemi mean time, or KMT, to explain being half an hour late for everything. Maybe it is one law for her and another for the workers.

In this motion, the Conservatives have squarely and unashamedly set themselves against working people, especially working women, but the British people made a choice on 4 July: they voted for a party that would stand up for working people and keep its promises to outlaw sexual harassment at work and end exploitative zero-hours contracts. That is why Labour will vigorously and vociferously vote down the Conservatives' attempt to stop those changes today.

Madam Deputy Speaker (Judith Cummins): I call Mike Martin.

3.42 pm

Mike Martin (Tunbridge Wells) (LD): Thank you, Madam Deputy Speaker. [HON. MEMBERS: "How do you follow that?"] It will be hard—probably with a lower level of energy.

I recently met with Peter, Kate and Edward, who run the two Basil cafés in Tunbridge Wells; there are four across Kent. They are a family business—the subject of today's motion. [Interruption.] After the damage Conservative Members did to the economy when they were in government, they need to pipe down. The family told me that the combination of the minimum wage and national insurance rises and business rates has them on their knees. The only thing they can do and the only option they have, bearing in mind that they are a family business—their staff are also their friends, and these are hubs in our community—is to lay off staff or, in some cases, not to grow their employment in the way that they had planned.

Zooming out a little, about a month ago I met with the Tunbridge Wells hospitality reps. They are the owners of pubs, restaurants, hotels and bars in Tunbridge Wells, which are all small businesses—most of them are family businesses. As we went around the table, it was the same story from them. The combination of all three measures, coming at the same time, means that they are either looking at laying off staff now or delaying plans for future employment.

Alison Bennett (Mid Sussex) (LD): I thank my hon. Friend for giving way, and for the excellent way in which he is setting out the problems faced by many family businesses in Tunbridge Wells. In Mid Sussex, I recently spoke to the owners of Frank's Diner on Church Road in Burgess Hill, who said exactly what my hon. Friend has said: they are finding this combination of different moves punishingly hard, and are worried that they are going to have to close their business if things do not improve soon and the Government do not think again. Does he agree that the Government really

do need to think again, and think harder, about the impact that their decisions are having on small family businesses?

Mike Martin: I thank my hon. Friend for her intervention. This is not hyperbole; these are real stories from real businesses, from people who stay up at night trying to juggle profit and loss, or looking at how they are going to pay their national insurance contributions or their business rates at the end of the month.

We do not have much time, so I want to zoom out a little bit and make a couple of points, followed by an ask of the Minister. For many of us, our first jobs were in hospitality. My first job was as a dishwasher in a hotel when I was 16, and the question is whether a business would employ me now with these laws, or whether they would invest in equipment that could automate that dishwashing to a point at which they do not need to employ so many 16-year-olds. I came from a relatively privileged background, but working in a hotel as a dishwasher, or working as a gardener or a labourer—all the other things that I did when I was young—were incredibly important experiences in forming me into the person I am now. We want businesses to be able to employ people in their first jobs, because we only ever have one first boss.

My second societal point is that hospitality, in particular, sits in the ecosystem of our town centres. It is hospitality, retail and leisure—one of those things will bring people into a town centre, and then they will often go and visit another business from one of the other three corners of that triangle. As has been mentioned by Members on both sides of the House, hospitality in particular acts as a glue in our society, and one of the things I have noticed since being elected last July is how atomised our society is and how many people struggle with a sense of belonging, particularly after the pandemic. We are looking for communities to belong to, and hospitality provides some of the glue that holds us together, whether that is having a pint, meeting your mates for some chips, or whatever else. If our societies are glued together better, all sorts of other things, such as antisocial behaviour, crime and health—social connection improves our health—get better, which of course costs the Government less money on other budgetary lines.

As such, I would like to ask the Minister just one thing. The Budget increased business rates, and I know that the Chancellor is not going to go back on the national insurance rises or the minimum wage. On business rates, though, the Government have indicated that a consultation is currently ongoing, and they are asking people to contribute to it. I ask that we do not just look at this issue in the context of a spreadsheet, as the Treasury often does. That is important—we must support those businesses financially—but we also have to understand that retail, hospitality and leisure in our town centres contribute to the glue that holds our society together. When we reform business rates, we must consider that as well.

3.49 pm

Joe Morris (Hexham) (Lab): It is a pleasure to follow some measured and passionate speeches from across the House on this important subject. As Members will know, I am very proud to represent England's largest constituency by geographic area, and an area

[Joe Morris]

that was found to be one of the happiest in the country, with one of the best senses of community and belonging.

Over the recent recess, I was able to host a roundtable with the conductors of the “Belonging Barometer”, which was attended by many local businesses and community organisations. As has just been said, family businesses are the glue that binds together many of the strands of our community, particularly across the Tyne valley. In the aftermath of Storm Éowyn, we have seen heartening examples of family-run businesses in particular coming out, helping their community, providing those places to stay and to recuperate for communities that have taken a battering from extreme weather events that are sadly becoming all too common.

I was disappointed to read the Opposition motion. Once again, we are here discussing a kind of hodgepodge of various gripes and groans that the Conservatives have with Government policy. That is absolutely fine, and it is their right so to do—there are Members sitting on the Tory Benches now who I genuinely respect and, in some cases, admire—but they are better than that, and they should be better than that. [Laughter.] They can laugh if they want, although I know that some of them have considerable experience in writing manifestos that perhaps did not play out so well.

Ultimately, we need to achieve an environment in which family businesses and small businesses across the country and across our constituencies are genuinely supported by Government. One of the things that has come to my attention since being elected as the first non-Conservative MP for Hexham in a century is that a lot of businesses have said to me, “It is nice to have an MP who is really connected to the constituency—one who is not complacent.” That compares with some of the treatment that rural communities have received from the Conservative party in years past. We have MPs who are genuinely rooted in their communities, who went to school in those communities and who got their first jobs in local businesses. They can speak to businesses in their constituencies and deliver messages down here.

I have had conversations with businesses such as Brocksbushes farm shop, which did involve some patient disagreement over the Budget, but mainly involved real concerns over local infrastructure, such as the lack of bus stops on the A69 and the difficulties that the young people it employs have in getting to the business to work. The farm shop does a fantastic job. My now fiancée and I went pumpkin-picking there just after the election. It was a wonderful event, although I think Hana probably enjoyed it more than I did. Ultimately, from having those positive conversations and looking at what business needs, we can see that it is infrastructure and investment. They need a Government who listen, not one who embark on some kind of haywire, high-minded ideological crusade, as the Opposition did when in government. [Laughter.] They can laugh.

Laurence Turner: Does my hon. Friend agree that one of the other major challenges that small food businesses face is importing and exporting ingredients? That needs to be a focus for the review of the trade and co-operation agreement next year.

Joe Morris: My hon. Friend is far more well read and well researched than I could ever hope to be, but those barriers to import and export come up whenever I speak to farmers and food businesses. Getting the products made by fantastic businesses in our communities out to consumers is simply not as easy as it used to be.

The main concerns that I hear in my constituency are about infrastructure, bus routes and a lack of roads that are navigable, in some cases. I went out to visit the village of Newton—it has not so much a pothole, but more of a small gorge that has been carved into the road—to hear updates on the parish council’s continued missives to the county council. That is the kind of thing that holds back small and family businesses in my constituency, because they simply do not know whether the delivery driver will be able to get to their premises or they will be able to get to work. That is what is causing real uncertainty and real harm to businesses.

I urge Opposition Members to get a grip of their party and to object to some of the more terminally online things, such as this conspiracy theory over the pint. It is, as I have said, beneath them.

3.54 pm

John Cooper (Dumfries and Galloway) (Con): Britain’s got talent! Right across this great land we have many clever people innovating and working hard. As a member of the Business and Trade Committee, I have been in places as far apart as Exeter and Glasgow, talking with people who make everything from satellites to sausage rolls. The mood, however, is not good. The strivers are still striving, straining every sinew to deliver success, but confidence is not so much on the floor as deep in the cellars below.

In my constituency I spoke to a family firm of bakers who had modest expansion plans—two or three extra staff drawn from the ranks of youngsters who might struggle to find that all-important first job. Those plans are parked; those youngsters, for all I know, are on the dole. Similarly, The Usual Place, a charity in Dumfries that provides wonderful opportunities for youngsters in catering, is making cutbacks. Six people will lose their jobs as the reality of the anti-business agenda—designed in No. 11 Downing Street—bites.

When we, in government, proposed raising national insurance to fund the NHS, one Labour Back Bencher denounced it as the “worst possible tax rise”. Now that same politician is Chancellor, and the tune has changed. And spare us the claim that Labour’s manifesto pledge on national insurance covered only that paid directly by employees, which is sophistry—sheer sophistry.

We lack not for start-ups in Britain, but we struggle for scale-ups—the firms that expand and grow. Family businesses are often among the front rank of successful scale-ups, as their multi-generational nature and the investment, literal and metaphorical, of senior figures imbues stability. The Prime Minister talks a good game, but talk is cheap, and his actions have expensive consequences. He said that he and his Chancellor had made it clear to Cabinet colleagues that in each of their briefs

“growth is the number one mission”.

Well, the Deputy Prime Minister did not hear—perhaps her rave music was too loud—for how is growth compatible with her Employment Rights Bill, which the Government’s

own analysis says will cost businesses up to £5 billion a year. That is £5 billion, when grandparents are in tears as family farms face being split up; £5 billion, when families who have been in business for decades look at their bottom line and despair?

The worst aspect of that Bill is the premise that all trade union organisers are saints and all business owners are robber barons intent on exploiting the workers. *[Interruption.]* The unions are restive. The Secretary of State for Scotland would not attend a reception in his own magnificent Dover House because of a picket line—and how ironic that the meeting was with the Scottish CBI. Now those same strikers have forced the cancellation of a Scotland Office event with National Air Traffic Services. I have said it before, and I make no apology for saying it again: “Unions gonna party like it’s 1979.”

Labour Members see business as a dripping roast to be devoured, taxed to a standstill, and not much mischief if it fails. They perceive a nobility in the public sector when they see only avarice in the private sector, but they are as wrong about that as they are about profit being a dirty word. The drivers of growth are in the private sector. They deserve our admiration and, more important, our support. What can the Government do for them? How about getting out of the way? How about less legislation, not more? How about less petty regulation, and more can-do attitude? How about lightening the tax load, not adding to it? Labour needs to step away from its anti-business policies so that firms in every part of the country can step up with wealth creation, with the private sector leading the charge.

3.58 pm

Becky Gittins (Clwyd East) (Lab): The economy that this Labour Government inherited was a total mess. We had a Conservative Government who, for so long, ignored the problems that were building up. Instead of looking for the solutions, they obfuscated and kicked problems into the long grass. When they did make decisions—such as Liz Truss’s mini-Budget—they led to catastrophic outcomes for our economy, many of which our constituents are still paying off in their mortgages, today and for some time to come. Whether it was for a failed Rwanda scheme or for dodgy covid contracts, the Conservatives wasted money by making bad decisions, and the public paid the price.

Inevitably, inheriting an economy in such a perilous state meant that there were difficult decisions to make: decisions that could not have been anticipated until the true extent of the previous Government’s economic incompetence had been exposed in the summer of last year. What the Budget did last autumn was set out clearly our path to recovery, fixing the foundations, focusing on growth and ensuring that we are giving our economy the stability, the investment and the reform that are required to get us away from the doom loop of the Tories and back to growth.

Yes, there have been tough choices. We on the Labour Benches do not shy away from that. However, these choices mean that we can invest in our public services, including our NHS, driving down waiting lists.

Gregory Stafford: Will the hon. Lady give way?

Becky Gittins: I will not.

The UK Government have prioritised investment in Wales’s future. The result of last year’s Budget is the largest funding boost that Wales has received since devolution—£21 billion of new money—and people in Wales will see the benefits through the Barnett formula, but also through direct spending. The Budget provides a record £1.7 billion spending boost for the Welsh Government to support public services such as our NHS. The investment in our public services means more neighbourhood policing, which again is something our constituents and our local business communities desperately want. More funding will be available to support the delivery of 13,000 more police officers, police community support officers and special constables in our communities, keeping our streets safe and protecting small retail businesses from the shoplifting that was allowed to run rife under the previous Government’s £200 rule.

This is what my constituents want, and they want a Government on their side. The Opposition are more than happy to take all the benefits that this additional investment will provide, but I politely suggest that, by not outlining how they will pay for it all, their position lacks real credibility. I note that the Shadow Cabinet has already racked up about £7 billion in unfunded spending commitments, which again is not serious enough.

I am heartened that the Government are taking concrete steps to protect the smallest businesses and charities. The employment allowance will double to £10,500, meaning that some 250,000 employers will gain, and an additional 820,000 will see no change at all. I know that organisations such as the Federation of Small Businesses have welcomed these changes, as do the many small businesses in Clwyd East that gain from the uplift in the employment allowance.

In north Wales, we have already seen the benefits of two Governments working together, in Wales and at Westminster, with both being utterly focused on investment and growth. We have already seen investments in Airbus, Kellogg’s, Shotton Mill and more in our little corner of north Wales, with the same business confidence as was exemplified by the £63 billion raised at this Government’s investment summit. Green jobs will be critical in north Wales’s future. Last week, the port of Mostyn in my constituency paved the way for some 300 new jobs helping support the offshore wind industry.

When I go out to speak to businesses in my constituency—family businesses such as Jones Brothers and Clawdd Offa Farm—they simply do not make representations like those we have heard from the Opposition. They share the Government’s passion on the skills agenda and apprenticeships, reforming our restrictive planning regime and the need for investment in our NHS, which this Government are already prioritising. This Government are continuing to promote entrepreneurship, attracting billions of pounds of investment and providing the certainty that our businesses need, not least as part of the Flintshire and Wrexham investment zone.

Businesses in Clwyd East deserve better than the faux outrage from the Conservatives, and this Government will not allow them to pretend to be the champions of British business, rather than the Conservative Government who sold our farmers down the river through detrimental trade deals, and the Conservative Government who ran down our economy with Liz Truss’s mini-Budget, short-term thinking and decimated business confidence. It is the

[Becky Gittins]

Labour Government who are committed to providing our economy with the stability and investment it needs to grow, laying the foundations for thriving businesses at the heart of prosperous communities.

4.3 pm

Sir Ashley Fox (Bridgwater) (Con): I am pleased the Opposition are using our time today to debate the importance of businesses large and small. It is the private sector that creates the wealth on which our society depends, and it is the taxes businesses pay that fund our NHS and other important public services. The policies of this Labour Government, from raising taxes to imposing additional regulations, are putting those businesses at risk.

Having promised during the general election not to increase NICs, the Chancellor immediately broke that promise in the Budget. This national insurance hike will cost employers £900 for every employee earning the average salary. The tax rise disproportionately affects employees on low wages. Someone earning £9,000 a year will cost their employer an extra £600 a year in tax. This is not just a tax on businesses; it is a tax on jobs. Labour has introduced a £25 billion jobs tax that will increase the cost of hiring workers. It has also increased business rates by £2.7 billion. Under the Conservatives, businesses in the retail, hospitality and leisure sectors received a 75% relief on their business rates; Labour has reduced this relief to just 40%.

Bradley Thomas: Does my hon. Friend agree that the reduction in hospitality rate relief and the lower earnings threshold, which he has just acknowledged, create a perfect storm for hospitality businesses—not just because of the additional rate pressure, but because they will be less incentivised to recruit part-time workers? As has been acknowledged by other Members, that is often a route for young people into their first employment opportunity.

Sir Ashley Fox: My hon. Friend is right: all Labour's measures will increase unemployment. Although Labour will say it has reduced the multiplier of business rates, this does not fully compensate—it leaves an average pub paying an additional £5,500 a year. This is not a sustainable burden for many businesses that are already struggling with inflation and rising costs. These taxes add up, and will lead to closures, job losses and harm to our communities.

Another troubling decision from the Labour party is the reduction of the cap on business property relief. BPR, introduced in 1976 by Denis Healey, was designed to protect family-owned businesses from being broken up and to ensure these businesses could continue to provide jobs and contribute to the economy across generations. It is extraordinary that Labour has found a Chancellor less sympathetic to businesses than Healey. This decision is a blow to those who have worked tirelessly to build and sustain their businesses, and will force families to sell their businesses or take on crippling debts just to pay the taxman. For many, this will be the end of their family businesses.

The Employment Rights Bill will require employers to spend £150 per employee on additional administrative costs to comply with new rules, including a ban on

zero-hours contracts and potential liabilities for third-party harassment. At a time when businesses are already under strain, this is a further unnecessary cost, especially for small businesses that do not have the resources to navigate the red tape.

Having spent 11 weeks going through the Employment Rights Bill line by line, I know just how damaging it will be to SMEs in Bridgwater and elsewhere. Let us take just one example: the so-called day one rights. These rights would mean that if, after less than a week, it became apparent that a new employee was the wrong fit for a company, a complicated process would have to be followed to dismiss them. Speaking as a former—though fully qualified—solicitor, I know that this will have a disproportionate effect on small businesses without an HR department. If they do not dot all the i's and cross all the t's, they will be left exposed to being taken to court for unfair dismissal.

Laurence Turner: I understand the point the hon. Gentleman is making, but is it not the case that in that specific circumstance, after a week, they would be covered by the new probationary period provision? This provision is writing probationary period into the law for the first time.

Sir Ashley Fox: The hon. Gentleman would be correct if, in fact, there was a written contract that included a probationary period. What he forgets, however, is that many small businesses will conclude that contract on a handshake and a verbal agreement—there will not be a formal probationary period. It is exactly those small businesses that do not use a written contract that will be liable to legal action.

Let us take another example. Should a business fail to notify a new employee of their right to join a trade union in writing, it may be liable to pay an additional four weeks' pay as a compensatory award. In what world is this system really going to work? Do we believe that those running a corner shop, pub or fishmonger are going to give their employees written notice that they have the right to join a trade union? No, they will not—and legal consequences will follow.

We on the Conservative Benches believe that businesses are at the heart of the economy and that they should not be punished by Government policies that stifle growth and investment. It is important to note that, when it comes to business, this Government's track record is deeply troubling. Just one member of the Cabinet has ever started a business. When decisions are made by those who do not understand the pressures faced by small business owners, it is no surprise that the policies are so harmful. The Labour Government that we face is not a new Labour Government in the Tony Blair model. It is very much an old Labour Government of the 1970s, addicted to taxing, spending, borrowing and regulating. I regret to say that we will see unemployment rise. We will support family businesses, safeguard jobs and ensure that the British economy prospers.

4.10 pm

Saqib Bhatti (Meriden and Solihull East) (Con): I refer Members to my entry in the Register of Members' Financial Interests. As a qualified chartered accountant, I spent the best part of a decade in my family business. [Interruption.] I am a fully qualified chartered accountant

with a certificate to match. My family business, which was set up by my father, was a firm of accountants. I wish to reflect on some of the remarks made by those on the Government Benches. I do so with a degree of sadness and anger, which is reflected in what is said by the businesses in my constituency as well as by many family businesses across the country.

We should be in no doubt that the Chancellor's Budget has been deeply, deeply damaging. My hon. Friend the Member for Hinckley and Bosworth (Dr Evans) put it correctly when, in his intervention on the shadow Chancellor, he said that the Budget is a toxic concoction of measures, which means that now, for the first time, many people will be wondering whether it is even worth setting up in business. The decisions that we take in this House matter, because they result in costs. Businesses, and family businesses in particular, are not just some opaque term; they involve individuals with hopes, dreams and aspirations. The political choices and decisions that the Chancellor has made and that Labour Members our now defending will incur costs for businesses, which will then be passed on to consumers and clients. Ultimately, they will feed into the cost of services and therefore the cost of living.

When we see the inflation rate increase from 2%, which it was when we left Government, to 3% now there will of course be consequences, especially given the decisions that the Chancellor is making. I understand that Labour Members may not want to accept that today, but they may well want to reflect on that.

The hon. Member for Hexham (Joe Morris) talked about our motion—I note that he did not name the Tory Members that he respects, and I hope that he does at some point—and I have to tell him that these are not things that we made up; they are things that businesses are telling us. This is what they are talking about every day. *[Interruption.]* I am more than happy to give some examples. The other day, I spoke to a family-run business, which is over 160 years' old and has a subsidiary in my constituency. It has a £400 million turnover. It was looking to be a billion-pound turnover company by 2030, which means more jobs and more products for supply chains. They have had to put a hold on that because if the father of that business now passes away, the inheritance tax bill will come to about £2 million, and, as it is a family business and dividends will have to be found, it will have to find something like £18 million to fund that. The father said that it will probably have to sell about 7% of the business to be able to finance an inheritance tax bill, which is incredibly difficult for it to prepare for.

Eric Lyons, a butcher's shop in my constituency, is over 100 years old. Nick, who I shall be meeting in the coming weeks, says that it is a great family business, which serves many of my constituents. He was very vocal on LinkedIn. I will not repeat everything that he said—it is not all repeatable—but he talked about the rise in national insurance contributions and the impact that that will have on the cost of the products that he is selling.

Rick Cressman from Nailcote Hall has a great hospitality business. What is happening to hospitality businesses is not reflected in the comments from Government Members. Hospitality businesses across the board are up in arms because the reduction in rates relief and the reduction in the threshold of national insurance—not just the increase in national insurance—are having a huge impact.

Fundamentally, it means that young people will not get their first jobs in hospitality. They are the ones who suffer because they end up costing the most—not in terms of their salary, because they will normally be on the national living wage, but in terms of training costs and the time that is taken. Those are real consequences of the decision that the Chancellor is taking. I feel a great amount of sadness when I hear Members on the Labour Benches say that they listen but do not agree and talk about how great their businesses are doing. I just do not believe they are talking to those businesses, because at least 99% of the businesses that will be affected will not be happy about the changes.

When the Government came in, they had decisions to make. If the fictitious black hole is to be believed, they could have fixed the roof when the sun was shining. Now, when we are faced with a changing global scene, with Ukraine where it is, Donald Trump doing what he is doing and Putin coming to the fore, the Chancellor cannot commit to not coming back for more taxation. It is inevitable.

4.15 pm

Sarah Bool (South Northamptonshire) (Con): Since coming into office last July, this Labour Government have launched an all-out attack on businesses in this country—an attack on 5.5 million SMEs that represent more than 99% of our business population, and small businesses in my constituency, of which 88% is agricultural land, are front and centre of that assault. Not only are our farmers being hit by the cut to agricultural property relief and business property relief, but small businesses that sell their produce, such as Barnowl Farm Shop in Evenley and Towbury Court in Towcester, will also be hit by those taxes. My farmers do not deserve that. They have only ever worked hard, day and night, generation after generation.

Small businesses on Brackley high street, such as Defern Beauty, have told me that they might have to cut their highly successful apprenticeship programmes, as the tax hikes mean they can no longer afford to keep apprentices on. This Government are destroying small businesses and our high street. Our local pubs, of which there are more than 90 in my constituency, will also be hurt by the reductions in business rates relief for hospitality businesses—another punitive tax rise at a time when many of our locals are really struggling.

The Conservatives left office with one of the lowest unemployment figures recorded in recent history, but after the Hallowe'en Budget, we are seeing the number of vacancies fall and growth slow down. That is a result of the choices that this Government have made: a choice to give above-inflation pay rises to their union paymasters and a choice to target our farmers and destroy their life's work for 22.5 hours of NHS spending. That was not driven by a growth agenda but by a socialist ideology. It is also a choice to change business property relief and destroy our local pubs. The Government are hiking taxes, and it is the working people across this country—the working people they promised to protect—who will pay the ultimate price. Labour is not working.

4.17 pm

Gregory Stafford (Farnham and Bordon) (Con): Today's debate on the disastrous impact of the Labour Government's policies, including on my constituency of

[Gregory Stafford]

Farnham and Bordon, of which Haslemere, Liphook and the surrounding villages are part, is timely. My inbox is filled with complaints and concerns from small family businesses about that impact.

Small and family businesses are not just places to shop or to buy things, but the backbone of our economy and the lifeblood of our communities. Across the United Kingdom, they provide almost 14 million jobs and contribute an amazing £575 billion to our economy. Yet under this Labour Government, those businesses are under siege. Labour simply does not understand business and sees businesses as nothing more than a cash cow to fund its endless state expansion.

For nearly a century, my grandparents and my great-grandparents before them dedicated their lives to Stafford's shop in Haslemere, and they would be horrified to see this Government's full-scale assault on family businesses. The family business tax—Labour's reckless cap on business property relief—will decimate family-run enterprises, breaking them apart when they should be passed down to the next generation.

In the Surrey side of my constituency, we are fortunate to have two thriving market towns, Farnham and Haslemere, which are hubs of entrepreneurialism and independent enterprise. Businesses such as Hamilton's Tea Room, Borelli's Wine Bar, Farnham Homes, Kilnside Farm shop and Elphicks, one of the last remaining British family-owned department stores, have been the cornerstones of our high streets for generations. Similarly, Haslemere is home to R. Miles & Son, Good Horse saddlery and Davids menswear. Together, these eight businesses have had a presence on our high streets for a total of 439 years. Given that Family Business UK has warned that these policies would cost 125,000 jobs, will the Government reconsider their stance before it is too late?

Meanwhile, on the East Hampshire side of my constituency, Liphook Travel Worldchoice has been a family-run travel agency since 1971 and Hogmoor Distillery, though newer, is an outstanding artisan gin and liqueur company based in the heart of the former military town of Bordon. Those businesses, like so many across the country, are already being squeezed by Labour's misguided economic policies, with increased business rates and tax burdens making it harder to survive.

Although Labour misunderstands business, it actively despises the countryside. This Government are rurally illiterate. They do not care about rural jobs, rural businesses or our rural communities. The family farm tax—Labour's assault on agricultural property relief—is a direct attack on farming families who have worked the land for generations. Bob and Ros Milton of Kilnside farm expanded their business with a farm shop under the support of the previous Government, but it now faces closure due to rising costs. Similarly, Mathias nursery had hoped to pass the business to the next generation, but now fears that that will be impossible.

My campaign for local pubs and heritage clubs has seen me do a pub crawl across the constituency. I have visited 17 of the 56 pubs—everything must be done in moderation. I have had invaluable conversations with landlords. Carl from the Nelson Arms pub in Farnham highlighted the importance of zero-hours contracts for his employees, including a staff member who also works

as a paramedic and relies on the flexibility that these contracts offer. Yet Labour's Employment Rights Bill, which bans them, will impose a £150 cost on his business.

Laurence Turner: Will the hon. Member acknowledge that what the Bill actually says is that no one should be forced on to a zero-hours contract? It is not the case that someone who wants that flexibility will be denied it.

Gregory Stafford: I understand that the hon. Member has gone through the Bill line by line, but the businesses that are reporting to me, and apparently also speak to him, are seriously concerned. In our villages, including Churt, Tilford, Passfield and Headley Down, the village shop and the pub are the heart and soul of our tight-knit communities, but Labour is simply making it harder for them to survive.

Why are the Government, who are supposedly focused on growth, causing businesses in my constituency to downsize, sell up and move out? These policies are not just misguided; they are ideological. Labour's hatred of business and contempt for the countryside are now enshrined in policy. Since their election, the Government have accepted £5.6 million in donations from trade unions. It is no wonder that their policies prioritise union interests over business interests. The Business Secretary apparently met trade unions every three days in his first three months in charge. Where is the same access for small businesses?

Conservatives believe that businesses are the engines of growth. To grow our economy, we must create jobs, drive innovation and foster prosperity. That is why we are calling for the reversal of Labour's family farm tax, crippling jobs tax and the reduction in business rates relief. When will the Government acknowledge that their policies are driving up the cost of living, not reducing it?

While this Labour Government continue their war on businesses and the countryside, I shall finish by extending my deepest thanks to the incredible businesses across Farnham, Haslemere, Liphook and Bordon that truly are at the heart of our community's social and economic fabric. The Conservative party will always stand up for family businesses, farmers and our rural communities, to ensure that they can thrive, create jobs and, importantly, pass on their legacies to future generations.

4.23 pm

Robbie Moore (Keighley and Ilkley) (Con): As we all know, family businesses are the very backbone of our local economy. They are the job creators, the innovators and the entrepreneurs—those that drive the local economy and are at the heart of all our communities. They employ 14 million people and contribute £585 billion to the economy.

Rightly, the Opposition are very concerned about last October's Budget. As the shadow farming Minister, I have heard much noise that has been rightly made about the implications of the family farm tax, but I want to use the opportunity of this debate to focus specifically on the implications of business property relief.

Earlier, I heard the Exchequer Secretary to the Treasury at the Dispatch Box talk about the mechanisms by which the Government have calculated the impact that

business property relief will have. I specifically question how he, and indeed the Treasury, arrived at those decisions. I note that that Minister is not even here to listen to the points I want to make, so I hope that the Under-Secretary of State for Business and Trade, the hon. Member for Harrow West (Gareth Thomas), will specifically address them. The Treasury has calculated that the agricultural property relief and business property relief changes will bring in about £500 million, yet despite the challenges that I and others have raised with Ministers and the Treasury, no economic impact assessment has been provided as a result of those changes.

I want to understand whether any specific detail has been looked at for business property relief and the wider implications that it will have on too many of our family businesses. Only last week, I met Richard Prudhoe, who runs Fibreline and employs 250 people in Keighley. He has commented that the negative implications of business property relief on his business, which is completely owned by him and his family, will be catastrophic. If something happens to him, the dire consequences of tax that will be implemented on his wider family will be catastrophic, potentially putting at risk 250 people employed in Keighley.

Daisy Cooper: Does the hon. Member agree that it would be helpful if the Minister, in his closing remarks, gave assurances that the Government were willing to meet Family Business UK, which is conducting its own survey of the impact of APR and BPR changes on businesses?

Robbie Moore: I absolutely wish that the Government would listen to the many concerns that are consistently raised by Family Business UK, which is doing an excellent job in the amount of data it seems to be providing to the Treasury, yet nobody in the Treasury seems to be listening. Indeed, just last week the Chancellor did not even have the courtesy to turn up to listen to many of our farming organisations. She is not even giving wider family business stakeholders the courtesy of listening to them.

The point is that the associated implications of business property relief will have dire consequences for businesses that are wanting to invest and employ local people. They are now having to face the same challenges as wider farming businesses of how to pay a potential IHT liability coming down the line. They could look at disposing of a shareholding in their business, but many of them do not want to do that—why would they want to sell out to a larger corporate?—as they want to keep their family business in the wider family, or they could sell plant and machinery, which negatively impacts the productivity of their business. The Treasury is not looking at that. Those businesses are saying to me, “What is the point? Why would I want to invest not only my time but my energy in growing that business if there will be negative implications on the wider family structure and the wider people we are employing within that business?”

This Budget is hostile to our family businesses and will have a hugely detrimental impact on them. Family Business UK has already said that the data it has presented to the Government shows that these changes will likely result in a gross value added loss of £9.4 billion and the potential loss of 125,000 full-time equivalent jobs during the period from April 2026 to April 2030 alone.

Bradley Thomas: Does my hon. Friend agree that what we are discussing demonstrates quite a perverse contradiction, in that the sums are huge for the businesses involved—as he describes, they are catastrophic—but the overall net receipt to the Exchequer in the grand scheme of the Government Budget is so small, and that that is further testament to the Government’s lack of economic and political nous?

Robbie Moore: Absolutely. My hon. Friend makes the excellent point that the likely revenue—albeit I challenge the Treasury’s figures—is only £500 million, yet the impact that it will have on many of our family businesses is catastrophic. That includes those in the hospitality sector, and manufacturing, engineering and tech-based businesses in my constituency. Ultimately, the Government need to listen to the concerns being raised about business property relief, because it will undermine the stability and growth of the many family businesses owned by our constituents. The Government need to rethink the policy and axe it, which is what we are calling for. The Conservatives have been very clear that not only will we reverse the changes to agricultural property relief, but we will put back 100% business property relief, providing certainty for many family businesses.

Many other challenges have been brought about by the Budget. The increase in employer national insurance is impacting many family businesses, not least Hi Energy, a gym in Keighley in my constituency, which openly tells me it has calculated that its employer national insurance bill, coupled with the challenges of its business rates bill, which is likely to increase down the line, will have catastrophic consequences. Its overheads will increase, but it will not be able to increase its gym membership fees while keeping the business competitive among the many other gym organisations across Keighley. The same narrative is reiterated by all our family businesses.

For family businesses, the Budget was yet another instance of the Labour Government saying one thing but doing another. They claim to be pro-growth, yet they directly tax employment. They claim to be pro-business, but they tax wealth creators and family firms. Growth cannot be magicked up out of thin air, as the Government stipulate. The Conservative party is on the side of family businesses and I am pleased to support the motion today.

4.31 pm

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): The director of Family Business UK, Steve Rigby, has said that the single most important issue for the family businesses he represents is the retention of business property relief. That has come through loud and clear to me in recent weeks when I have been speaking to local businesses, both individually and collectively through organisations such as the Cairngorms Business Partnership and the local chamber of commerce. Other family businesses, which have never come together before and do not usually lobby their MPs, have come together too. They normally just get on with being hard-working and productive family businesses, but they have come together to lobby because they are so concerned about the impact of BPR.

To give a flavour of the family businesses in my constituency, we have some of the most iconic family businesses in the UK. Many will know Baxters from its

[*Graham Leadbitter*]

food products, and Walker's Shortbread food products can be found in pretty much every airport in the world. Glenfiddich, owned by William Grant & Sons, is another family business, and Johnstons of Elgin produces some of the finest cashmere products in the world. In Scotland as a whole, it alone employs 1,000 people.

Those businesses are not small fry. They put huge amounts of money and investment into those businesses every single year. I met a group of business owners last week who collectively represent 2,500 years of business ownership. They have a phenomenal story to tell. What is incredible about them is the stewardship of those businesses. They invest their time and energy. Family members get trained up and work in all aspects of the business, ready to take on the mantle of running it when it comes to them later in life. If the business was a limited liability partnership and you got rid of the business management of the business, it would not have any kind of inheritance tax to pay. Yet the only choice for family businesses operating on that scale, given the likely tax bill they will be hit with, is to either put away millions of pounds to cover the tax bill, which means they are not investing, or sell off large parts of the business. For manufacturing businesses, there is a very big chance that they will end up abroad rather than in the UK. They could be bought by a multinational or a conglomerate and the jobs would just be shipped abroad. That is not the way to grow the economy.

I was okay with the first couple of bits of the official Opposition's motion, but they would have been better to have a laser-like focus on inheritance tax and national insurance contributions. Their inclusion of trying to stop a workers' rights Bill is frankly ridiculous, and as for adding in the beer measures, it seems as though somebody must have been on a heady brew to come up with that notion. Those things make the motion unsupportable, but I hope the Minister is listening to what I have said about those aspects of the motion that I do support and have concerns about.

Harriet Cross (Gordon and Buchan) (Con): In Scotland, businesses are also battling with the business rates relief not being passed on in full by the SNP Scottish Government. Will the Member be putting pressure on his party in Scotland to pass on those reliefs in full, to help family businesses and businesses across our high streets in Scotland?

Graham Leadbitter: I hear what the hon. Member is saying. There are a number of reliefs in Scotland, and Scotland went further and quicker than the Conservatives did in government when it came to the small business bonus scheme that was in place, so I am not going to take any lessons about what we do with business rates. It is a different system; there are other things going on that make the mix different. Also, that is not the issue that businesses are raising with me.

The first and foremost issue, as has been indicated by Family Business UK, is inheritance tax. That is what is causing the most consternation. The businesses that I met last week were saying that their financial advisers—or their finance directors, if they are big enough to have them—are already advising them to set aside substantial amounts of money to cover off risk. These are businesses

that have never had to value themselves in their lives. They are family businesses that work on a model of working with what they have and getting on with it. They have never had to place an inheritance value on their business. That is yet another headache for them—another bureaucratic maze for them to work their way through—that does not apply to LLPs, which is a very unfair situation. I do not understand why a Labour Government in particular are tackling family-owned businesses in this way and allowing shareholder-owned businesses or LLPs off the hook. That does not make sense to me.

The hon. Member for St Albans (Daisy Cooper) spoke very well and, had her amendment been selected, I would certainly have gone for it. I am sorry that I cannot, but—

Madam Deputy Speaker (Judith Cummins): Order. I call Mike Wood.

4.38 pm

Mike Wood (Kingswinford and South Staffordshire) (Con): It is an honour to rise today to speak on behalf of the very many family businesses in Kingswinford and South Staffordshire, because family businesses are at the heart of our local communities as well as at the heart of our local economies. They provide employment for nearly 14 million people, they contribute £575 billion to the economy and they are founded on solid principles of entrepreneurship and self-responsibility.

I am proud to represent so many fantastic family businesses, ranging from heavy engineering firms in the Black Country to vineyards in Pattingham and Halfpenny Green. They work tirelessly to build and sustain their businesses, creating jobs and prosperity. They offer excellent products and services to customers near and far, and they look forward to their children one day continuing in their footsteps. But their job is being made much harder by Labour's family business tax, a barrage of burdensome red tape, a trade union charter, a family business surcharge and the national insurance jobs tax, which together mean that businesses will pay more in tax and compliance rather than in growth or jobs.

As has been said, the cumulative impact of all these measures is very damaging. I am not going to pretend that most of the family businesses I speak to are absolutely delighted by the increase in the national living wage any more than they were delighted the previous year when the last Government increased it by a higher amount, but they recognised that wage increases for their staff were the right thing to do. However, they do have a problem when those additional wage costs are compounded by payroll taxes in the form of increased national insurance contributions, which hit those sectors that rely on part-time workers particularly hard—they suddenly face enormous increases. That is compounded further by business rate rises for those in retail and hospitality, who are suddenly finding their business rate bills nearly doubling in April compared with what they have paid for the last few years. Also coming in in April is that flurry of additional regulations. If family businesses somehow survive all that and thrive and develop, they will find that they can no longer expect to be able to leave the business intact for future generations of their family to run.

The Confederation of British Industry and Family Business UK have warned that Labour's changes to business property relief could lead to 125,000 job losses and reduce economic output by £9.4 billion. Businesses that have survived economic downturns, global recessions, war on our continent and a worldwide pandemic now face the prospect of being brought to their knees by a tax policy that will force them to break up their businesses when the current owners pass away. This is not just a policy change; it is an existential threat.

The Black Country is a region with a proud history of manufacturing and enterprise. We have always been a place of hard work, innovation and community. In South Staffordshire my constituents are proud of their thriving rural economy built on countless family businesses. Those businesses have not just contributed to our local economy; they have helped to build the United Kingdom, and the idea that a tax change could strip away the future of our local businesses is nothing short of a tragedy.

Fairness would be recognising that family businesses are not just economic units but part of the fabric of our communities. They support local charities, provide apprenticeships and create jobs for those who need them. If these proposals go forward, we risk losing those businesses and with them the local jobs they provide. I have spoken with many family businesses in my constituency. Family-owned businesses that have been operating in the community for generations are fearful and uncertain, and are already having to make decisions about their businesses and their employees because of the Chancellor's damaging Budget. Sadly, some are being forced out of business because of these measures.

The Government's blinkered view that sees business as little more than a source of revenue to offset their spending plans is wrong. I urge the Government to listen to the concerns of the family firms in Kingswinford and South Staffordshire and across the country who will be directly impacted by the changes. These proposals must be scrapped.

4.43 pm

Lewis Cocking (Bromsbourne) (Con): I am proud to represent a constituency with so many fantastic small businesses, and employers in Bromsbourne are more likely to be small businesses than under the national average. Entrepreneurs in the towns and villages I represent are working hard and taking risks day in, day out, growing our local economy and creating jobs.

Earlier this month, I was told by a Government Minister standing at the Dispatch Box that I was "sort of right" that private business creates growth. Let me gently tell the Government that it is not the Government who create economic growth in this country; it is the thousands of business owners outside of this place who work hard day in, day out, creating jobs right across the country, investing in their companies and investing in their supply chains.

We have heard good speeches in this debate from Members on my side of the Chamber explaining how it is business that creates economic growth, not Government. A Labour Member alluded to the £25 billion national insurance increase and £5 billion employment regulation not mattering to family businesses, because they are small and do not employ many people. That is no way

to treat family businesses in this country. We should be telling them that the sky is the limit. We should be saying, "Invest in and grow your business, and we will help and support you. We will create the right environment for you to take those risks," because it is a massive risk when people put their life savings and their blood, sweat and tears into a business that they want to grow, particularly when it is from their home. They are taking an incredibly risk in saying, "Do you know what? I'm going to take that jump. I'm going to make an offer to someone and employ my first employee." We should be creating the environment for people to be able to do that. The more family businesses we have, and the more family businesses that upskill, create local jobs and invest in their business, the more money the Treasury gets to spend on our public services. We should not be hampering businesses. The Minister was making a ludicrous point.

Gregory Stafford: My hon. Friend makes a powerful point. Having listened to most of the debate, I make the allied point that while Labour Members have justified the need to raise taxes—which, like him, I entirely disagree with—we have heard not a single word from them about the impact of tax rises on family farms, family businesses and employers.

Lewis Cocking: My hon. Friend makes an important point. I go out and speak to farmers and small business owners, as he does in his constituency, and I have met not one who thinks the Government are on the right path. I do not know who Labour Members speak to in their constituencies because—

Jack Rankin (Windsor) (Con): Trade unions.

Lewis Cocking: What my hon. Friend says from a sedentary position is probably correct. Businesses and farmers in my constituency think that the Government have sold them down the river and led them up the garden path—they are doing things that they did not think they would do when they were trying to get into power. We have not heard from the Government what they are doing to support businesses and family businesses.

Dr Scott Arthur (Edinburgh South West) (Lab): The hon. Member speaks with great passion about his constituency, and I understand some of the concerns he has raised. He asks what the Government are doing. Apart from all the money we are putting into the NHS and all the money going into education, what are we doing? He earlier gave the example of a single person running a business about to employ their first person, which is a big step for any business—I accept that. But is it not the case that those small businesses will be paying less national insurance as a result of this Budget?

Lewis Cocking: Businesses in my constituency are putting off investing and employing local people because of the jobs tax and the Government's proposed new regulation. I hope that when the Minister winds up, he will say what the Government will do to create the next generation of entrepreneurs.

We could turbocharge the education system. There are lots of fantastic teachers in my constituency and across the country who do a sterling job for young people. We could say to people who have created businesses, "We will give you some money off your tax bill if you go back to your secondary school and teach not from

[*Lewis Cocking*]

a textbook, but from real life experience about how to create growth, jobs and businesses and enthuse those students about creating their own businesses.” People do not have to go to a maths class to understand maths. Someone who has run a business could come in and say, “Right, we’ve got to do your accounts now. You’ve got to see how much you are going to pay people and how much tax you will pay.” We could get people in from the creative industries. They could say, “Right, now you have to design your logo. How are you going to do that? You’ve got to design a TV advertisement for your product, for what you are going to sell.” We could be doing that. We could be thinking outside the box.

I have not heard what support the Government are giving to create the next generation of entrepreneurs. If we do not unlock their aspiration and continue to allow people to take risks and invest in their ideas, there will be no taxes coming in or money for public services. We must do this, and we must do it more regularly. I hope the Minister will tell the House how he will unlock the next generation of entrepreneurs and how we will support people to take what is, as I said, a massive risk.

Joe Morris: Does the hon. Gentleman agree that if the next generation of young people cannot get to work because of broken public transport, potholes or illness, it will ultimately hold them back? We are taking steps to fix those problems.

Lewis Cocking: The hon. Gentleman’s party is actually cutting the capital budget for transport. I have made this point time and again, but the Government could take on the utility companies that endlessly dig up the roads so that my constituents and many others across the country have to sit in traffic. That costs the taxpayer and the economy billions of pounds. If we get people to the shops and to work quicker, and traders, electricians and builders get to their sites quicker so that they can do their jobs, that will unlock growth, put more pounds in their pockets to spend on local high streets, which we need to protect, and enable them to take risks and employ people. But I have not heard that from the Government—I have not heard that we will take on the utility companies; I have not heard that we will unlock the aspiration of this country’s next generation through the education system.

Labour Members said in their manifesto and during the election campaign that they were the party of economic growth. I gently say to them that that is not working because fundamentally they do not understand that it is private business and our hard-working constituents in family businesses who create economic growth—not this disastrous Labour Government.

4.51 pm

Llinos Medi (Ynys Môn) (PC): Small and medium-sized businesses account for 99.3% of all businesses in Wales. It is not simply their economic value that we measure, but the social and cultural value they create in our communities. Those businesses employ local people, keeping wealth in their area, and are a crucial part of a thriving community.

Small businesses have been under enormous pressure for several years. The Chancellor’s decision to increase employer national insurance contributions has placed

huge financial strain on small businesses—a damaging decision that will cost jobs. The cuts to business property relief will also damage local businesses in Ynys Môn. Lewis Forecourts, a family-run business on the island for over 40 years, says that the change will have huge implications for its business. As a key employer, it will be restricted in job creation and growth. In a letter to the Prime Minister, it noted that that will mean less investment in infrastructure at their sites.

The Brexit deal pursued by the UK is particularly damaging for Welsh businesses. Wales is more reliant on trade with Europe: 58.6% of total goods exports from Wales go to the EU, compared with 50.3% for the UK as a whole. The Government must start removing those damaging trade barriers, a simple step that would help struggling smaller businesses.

As if that was not enough pressure, the Welsh Labour Government continue to charge higher business rates than anywhere else in Great Britain. The recent closure of Holyhead port for nearly six weeks had a significant impact on many small family businesses in Holyhead and Ynys Môn. Footfall in the town was down 40% to 60%, and businesses tell me that that is having a direct impact on their sustainability. It will clearly take time for Holyhead and the surrounding area to recover from Storm Darragh. The UK Government must recognise the huge long-term impact of the closure of the port on business and the economy in Ynys Môn, and I call on them yet again to establish a hardship fund to support businesses directly affected by the closure of the port.

We have wonderful businesses on the island. Last week, I visited Mr Holt’s chocolate factory in Llangefni, which makes magical and delicious Welsh chocolate with a colourful packaging. Mr Holt is giving a boost both to the local economy and to our rich culture. Finney’s, from Benllech, is today competing in the national fish and chip awards final, and I wish it the best of luck. There are so many hard-working family businesses on Ynys Môn, but after years of neglect in Government policy, many are questioning their future. I fear that the Government are prioritising large corporations over the small family businesses that are the backbone of the Ynys Môn economy. If the Government want growth, they must change track and prioritise our hard-working small and local family businesses.

4.54 pm

Peter Fortune (Bromley and Biggin Hill) (Con): Like many Conservative Members who have started a small business, I draw the House’s attention to my entry in the Register of Members’ Financial Interests. It has been fascinating to listen to stories about businesses from across the country during the debate. I was particularly moved by my hon. Friend the Member for Keighley and Ilkley (Robbie Moore) who talked about the pressure facing a local gym. It made me feel better as I am contributing to my local gym by paying the membership fees and not using any of the facilities.

Seven months ago, when Labour came to power, the new Government proclaimed that economic growth was their first mission. For all the doom-mongering, Labour inherited an economy that had turned a corner, following the pandemic and the energy crisis. The economy was growing, energy bills were falling, inflation was back on target and employment was high. However, in seven short months, economic growth has stalled, the Bank

of England has halved its growth forecasts, the cost of living is rising again, with high inflation and energy bills, and unemployment is increasing, as businesses brace for tax rises.

Britain's economy is stuttering because of this Government's failing policies: a family business tax to break up thriving enterprises, a jobs tax to make it more expensive for businesses to employ people, a business rate hike to squeeze the already struggling British high street and more employment red tape to tie businesses' hands. But Labour is not content with cutting jobs and closing businesses—it is giving Ministers the power to shrink the great British pint. While they say they will never do it, who could trust a word this Government say? Not pensioners, not working people and certainly not farmers. On an issue of such vital national importance, can we take that risk?

Every employer I speak to in my constituency tells me that they have no choice but to cut jobs, wages and investment. That is true whether the employer is a nursery in Bromley Common, a large franchisee on Bromley High Street or a charity serving our borough. That is what an anti-business Government look like, not a pro-growth Government.

The policies are all the more bizarre as the Prime Minister once said:

"Wealth creation is our number one priority."

In reality, he does not know how to create wealth, only tax it. The Government are taxing family farmers who will be forced to sell off their land, family businesses that will be forced to sell and high street businesses that will be forced to close, taking jobs so that working people face redundancy.

It is not too late for Labour to spare family businesses. Those businesses employ 14 million people and contribute £575 billion to the economy. Labour's decision to cap and cut the business property relief risks breaking up long-running family businesses. Instead of continuing those businesses, the next generation will be forced to sell. The Government's policies will not grow the economy, but hollow it out. Britain simply cannot afford Labour's assault on our nation's economic future.

4.58 pm

Nick Timothy (West Suffolk) (Con): This debate has been held against the absurd backdrop of a Chancellor of the Exchequer writing to Government colleagues and begging regulators, desperately seeking advice on how to find economic growth, while the Department for Energy Security and Net Zero is deindustrialising the economy, the Home Office is welcoming fiscally negative immigration and the Department for Business and Trade is adding more than £5 billion a year in new costs to business in a single Act of Parliament. And the Government are whacking up taxes, including through the change to business property relief, because they broke their election promises as soon as they got into office.

In its manifesto, Labour promised the country that by 2028-29, it would increase spending by only £9.5 billion a year. It knew all the facts at that point, as the Chancellor of the Exchequer told the *Financial Times*, but just a few months later, Labour increased spending in the Budget by £76 billion a year, eight times more than promised in the manifesto. That is the reason for Labour's broken tax promises, the higher taxes and the extra borrowing, not the poor excuses offered by the Minister earlier.

Dr Arthur: The hon. Gentleman makes the point that public spending is increasing faster than he expected. Perhaps he could outline where he thinks it should now be cut to make that good, starting with public services in his own constituency.

Nick Timothy: The hon. Gentleman is a little confused. Public spending is not increasing faster than I expected; it is increasing faster than his party told the country. That is the point.

The Treasury might not be what it once was, but even if we believed what the Minister said about the fictional black hole, which the Office for Budget Responsibility has disowned, £9.5 billion plus £22 billion does not reach even half of the £76 billion in extra Labour spending. I am not sure whether the Minister is listening, but he can intervene if he wants to explain himself at this point—he clearly is not.

What do we get for these extra taxes? The Home Office budget is being cut by 2.7% in real terms compared with last year. The Department for Transport budget is being cut by 2.5%, and its capital budget is being cut by 3.1%. That is economic illiteracy. This amounts to taxsterity—tax rises and spending cuts—to go with stagflation, or stagnation and inflation. That is Labour economics.

Dr Evans: To be fair to the Labour Government, they have seen a surplus in self-assessment tax receipts, at £15 billion. The problem is that the OBR was expecting that to be £21 billion. We therefore have the prospect of them trying to find where we get that extra money from. The Government need to set out whether they are going to break their fiscal rules, cut public spending again, or increase taxes. Does my hon. Friend have any inclination on what they might choose, because I certainly have not heard anything?

Nick Timothy: Based on Labour's track record, one would always bet on tax rises rather than fiscal responsibility.

The bond markets have taken a single look at the Chancellor's fiscal plans and increased Britain's borrowing costs, which means another Labour tax rise for all of us. Not one word in the speeches we have heard from Labour Members today recognised the cumulative damage caused by their Government's policies. There is the national insurance jobs tax, hiking the cost of hiring staff by £900 for an employee on the average salary and costing businesses £25 billion in total. There is the business rates relief cut, from 75% to 40%, meaning that businesses will spend £2.7 billion extra a year by 2026-27.

There is the Employment Rights Bill, which, as I said, will cost businesses £5 billion a year, and probably more once the Government finally get their impact assessments right—normally Governments produce an impact assessment before a Bill is published, not after it has passed through all its stages in the House of Commons. There is the Energy Secretary, who wants to increase the carbon price higher than Europe's and, according to the National Energy System Operator report that he constantly endorses, up to as much as £147 per tonne of carbon dioxide by 2030. As industry is lining up to tell the Government, that is yet another jobs killer. There are also, of course, the changes to business property relief that we have discussed today, which will cost £1.25 billion in lost revenue and mean 125,000 jobs lost by 2030.

Charlie Dewhirst (Bridlington and The Wolds) (Con): Does my hon. Friend agree that the impacts of the changes to agricultural property relief and business property relief are already being felt by businesses across the country? Farmers are simply having to shelve investment for fear of a huge inheritance tax bill. That is affecting the wider rural economy, because no new machinery is coming and no new buildings are being built. It means fewer tax receipts for the Treasury, fewer jobs and a poorer United Kingdom.

Nick Timothy: I absolutely agree. I was baffled by the speeches of Labour Members; they were lining up to say that they had been meeting local businesses that were desperate to congratulate them on the tax rises that their Government are imposing on them. That is clearly ridiculous.

In my constituency of West Suffolk, I am proud to represent so many family businesses that contribute to the economy. The Hadley shipping group, owned by James Warwick, is one of the last remaining family-run shipping companies in Britain. The Claydon family has manufactured and exported world-class agricultural machinery since the 1980s. Wedge Group Galvanising in Haverhill is a leading business in hot-dip galvanising in Europe and beyond. We need those vibrant and successful family businesses to help us build again and, as my hon. Friend the Member for Bridlington and The Wolds (Charlie Dewhirst) has just said, they are telling us the same thing: that because of the policies of this Government, they are confronted with a choice between selling their business altogether, selling parts of their business or cutting much-needed investment.

I will conclude by saying that repeating the word “growth” in press releases, ministerial speeches and tweets does not make growth magically appear. Pummelling business, as this Government are doing, is the fastest route to killing growth and our prosperity.

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

5.5 pm

Andrew Griffith (Arundel and South Downs) (Con): When he was seeking the votes of small business owners last summer, the Prime Minister said:

“Small businesses are the lifeblood of our communities.”

He said that business is

“the beating heart of our economy”

and told small business owners in Southampton that Labour would deliver the stability that businesses need to thrive. The Prime Minister, the Chancellor and the Business Secretary all looked businesses in the eye and said that they had their back, but at the very first opportunity, Labour unleashed the biggest attack on business in a generation. It gave its union paymasters a blank cheque to craft an employment Bill that will make it impossible for businesses to grow. It gave us the jobs tax, the family business death tax, and business rate hikes up and down the high street. Business owners across this country are enduring a horror show reminiscent of the darkest days of the 1970s.

It is no wonder how we got here. Not one single person around the Cabinet table has serious experience of business. They do not understand what it means to take the risks that create growth. They do not understand

the responsibility that business owners take on when they decide to employ people; what it is like to worry, day and night, about whether they can make payroll at the end of next month. They just do not get it.

Today we have heard some excellent contributions from Conservative Members, my colleagues, who do get it—who understand what it takes. My hon. Friend the Member for Beaconsfield (Joy Morrissey) reminded us that it is businesses that create jobs, not warm words from the Government. My hon. Friend the Member for Bromsgrove (Bradley Thomas) told us that the Government are in denial about the impact of the changes, the choices they have made and the tax increases—we have heard that again and again today.

My right hon. Friend the Member for Tatton (Esther McVey) reminded us that family businesses are the breeding grounds of entrepreneurs—how right that is. My hon. Friend the Member for Dumfries and Galloway (John Cooper) reminded us that when it comes to business, Britain’s got talent. Businesses provide so many people, including myself, with their all-important first job, but they are being crushed by what my hon. Friend the Member for Hinckley and Bosworth (Dr Evans) rightly called today’s toxic concoction of changes.

My hon. Friend the Member for Bridgwater (Sir Ashley Fox), as a former and fully qualified solicitor, reminded us of the devastating impact of the employment Bill, which he has studied. My hon. Friend the Member for Meriden and Solihull East (Saqib Bhatti) talked about how family businesses are people’s hopes, dreams and ambitions. My hon. Friend the Member for South Northamptonshire (Sarah Bool) reminded us that, right now, businesses are cutting apprenticeships, pubs are closing and high streets are being damaged, and that once again, Labour is not working. My neighbour and hon. Friend the Member for Farnham and Bordon (Gregory Stafford) reminded us that Labour sees business as nothing more than a cash cow to fund its spending sprees, and my hon. Friend the Member for Keighley and Ilkley (Robbie Moore) talked about how growth cannot be magicked out of thin air, however much this Government try.

Family businesses are founded on solid principles and self-reliance. My hon. Friend the Member for Kingswinford and South Staffordshire (Mike Wood) brought his experience of business to bear on this debate—it is not Government that create, but business owners working hard, day in and day out. My hon. Friend the Member for Bromley and Biggin Hill (Peter Fortune) reminded us that, just seven short months in, the Bank of England is halving growth forecasts, the cost of living is rising and unemployment is going up, all on this Government’s watch.

Finally, my hon. Friend the Member for West Suffolk (Nick Timothy) reminded us why we are really here today. We are here today because Labour broke its election promises. It has increased spending by £76 billion a year—eight times what was in its manifesto—and it is business that is paying the price. Business is not an abstraction; it is our pubs, our cafés, our restaurants and bars, our clothes shops and our newsagents. They are very real, and they are in very real danger. For many of them, the choices the Government have made will be terminal. The British Retail Consortium, the British Chambers of Commerce, UKHospitality, the Federation of Small Businesses and Family Business UK are all

ringing the alarm bells, but this Government are not listening, and we have heard that across this House, including from the other parties here today.

The Institute for Fiscal Studies has said that Labour's job tax will hit the lowest-paid the hardest, as firms are forced to make the toughest of decisions to survive, but for what end? It is to fund pay rises for train drivers, to give away the Chagos islands and to finance Red Ed's mad windmill obsession.

Gurinder Singh Josan (Smethwick) (Lab): Will the shadow Minister give way?

Andrew Griffith: I will not, as time is limited.

Yesterday, the Conservatives successfully amended the national insurance Bill in the other place to mitigate the worst of Labour's job tax. In winding up, will the Minister confirm that the Government will respect that amendment to exempt hospices, care providers, GPs, pharmacies, small charities and special educational needs and disabilities providers from the worst ravages of Labour's job tax?

Let me be entirely clear, for the benefit of every one of our constituents, that these are choices that Labour has made, and they are not choices that will lead to growth. One archetypal small business is the family-owned pub, and we can all think of a family-owned pub that we have come to love. Thousands of them will fall victim to this Government's anti-business agenda. That is not to mention the Government's tax on the staff behind the bar, a Bill to ban banter, a threat to end even those cheeky cigarettes outside and even a power for the Business Secretary to shrink the size of the British pint.

The Government are giving themselves unchecked powers that could see the great British pint vanquished as part of their Trojan horse, EU surrender product regulation Bill. The hon. Member for Ealing North (James Murray), who has returned to his place, says that the Government have no plans to ban the pint. If that is the case, will they support our amendment 38 to save the pint?

Daisy Cooper: The shadow Minister was in the Chamber when I spoke earlier. Does he not agree that it is the Weights and Measures Act 1985 that protects our pint and that we should not be scaremongering that our pint is in anyway at risk?

Andrew Griffith: I deeply regret that if the hon. Lady reads the Bill, she will find that it precisely confers those powers on the Secretary of State, but she can join with those on our Benches in the other place by supporting the amendment. The Government can make clear today whether they are scaremongering or whether we should all be deeply concerned. By backing the amendment, they can remove that live risk to the British pint. *[Interruption.]* They can back the amendment any time they want.

The bravery—I will be kind—of those sat on the Government Benches is impressive. Every single one of them will have to look their constituency business owners in the eye. Every single one will have to face constituents as they lose their livelihoods. The choices that this Government have made will put thousands of employers in the red and some out of business for good. Hundreds of thousands of jobs will be lost. For just one second,

I ask Labour Members to put themselves in the position of an employer, telling their long-standing staff that they can no longer afford to keep them on.

Those on the Government Benches do not understand business. Their interests are with their union paymasters, not the workers who will lose their jobs. They are petrified of celebrating success and supporting wealth creators. This is a Government who are taking business for granted. It is devastating our economy, and we will all pay the price.

5.14 pm

The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas): I thank Members on both sides of the House for their contributions to what has been an interesting debate. We heard, in particular, excellent speeches from my hon. Friends the Members for Vale of Glamorgan (Kanishka Narayan), for Gateshead Central and Whickham (Mark Ferguson), for Birmingham Northfield (Laurence Turner), for Ealing Southall (Deirdre Costigan), for Hexham (Joe Morris) and for Clwyd East (Becky Gittins). We also heard interesting speeches from the Liberal Democrat hon. Member for St Albans (Daisy Cooper) and her colleague the hon. Member for Tunbridge Wells (Mike Martin), and from the hon. Members for Beaconsfield (Joy Morrissey) and for Bromsgrove (Bradley Thomas), the right hon. Member for Tatton (Esther McVey), the hon. Members for Dumfries and Galloway (John Cooper), for Bridgwater (Sir Ashley Fox), for Meriden and Solihull East (Saqib Bhatti), for South Northamptonshire (Sarah Bool), for Farnham and Bordon (Gregory Stafford), for Keighley and Ilkley (Robbie Moore), for West Suffolk (Nick Timothy), for Bromley and Biggin Hill (Peter Fortune), for Broxbourne (Lewis Cocking) and for Kingswinford and South Staffordshire (Mike Wood), as well as Scottish National party and Plaid Cymru speeches from, respectively, the hon. Members for Moray West, Nairn and Strathspey (Graham Leadbitter) and for Ynys Môn (Llinos Medi).

As my hon. Friend the Exchequer Secretary to the Treasury emphasised in his opening remarks, we are taking the tough decisions now to support family businesses. We recognise that they are the backbone of our economy, our communities and, indeed, our society. Unlike the Conservative party, who crashed the economy, we are determined to champion those family businesses. While the shadow Chancellor, the right hon. Member for Central Devon (Mel Stride), was sitting at the Cabinet table, the cost of loans to family businesses were going through the roof. He was part of a Cabinet that left this Government with a huge £22 billion black hole in the public finances. It is always interesting to listen to the shadow Secretary of State for Business and Trade, the hon. Member for Arundel and South Downs (Andrew Griffith), who never seems to mention any more that he was once in the Treasury helping to write the Liz Truss Budget. Any time he wants to intervene and apologise for that, he will find me willing to let him do so. He finished his time in Government as a business Minister, when a record number of family businesses went bust. *[Interruption.]*

Madam Deputy Speaker (Judith Cummins): Order. I am interested, and my constituents will be very interested, to hear what the Minister is saying.

Gareth Thomas: We know that there are just over 5 million family businesses in the UK, the vast majority of them small businesses. We are determined that, for the first time for a decade and more, those small businesses will be placed at the front and centre of the Government's plan to kick-start the economy. In our first almost eight months, we have already taken significant steps to begin to reverse the decline of the last 14 years, all of which will help to create a stronger business environment for family businesses to grow and develop—for instance, an investment summit that raised £63 billion and created 38,000 jobs; starting our programme to build 1.5 million new homes; kick-starting Great British Energy to bring fuel prices down; major reforms to the planning system; record research and development spending; and significant investment in new infrastructure. In the Budget, more than £1 billion was announced for the British Business Bank over the next two years, with more funding for start-up loans and the growth guarantee scheme—precious capital to help entrepreneurs to take ideas from design to development, and to build the next generation of family businesses.

Robbie Moore: I am not entirely sure whether the Minister himself believes what he is reading. Has any economic impact assessment been made of the collective impact that all the Budget changes will have on many of our family businesses, including the reduction in the agricultural property and business property reliefs?

Gareth Thomas: I am grateful to the hon. Gentleman for mentioning those reliefs, and I will come to them in due course.

The Budget also set out practical support for small businesses, especially those on the high street. Many family businesses are affected by shoplifting, and no one should underestimate the scale of the problems that we inherited in that regard. Out-of-control shoplifting has plagued family businesses, and businesses generally, for years, with both staff and store owners feeling powerless and police forces, cut to the bone under the last Government, inadequately resourced to respond properly. Just yesterday, the Home Secretary confirmed that in the Crime and Policing Bill we are tackling this issue head-on by scrapping the effective immunity for low-value shoplifting, thus helping all family businesses. At the Budget, my right hon. Friend the Chancellor also announced additional funding to crack down on the organised gangs who target retailers.

Gurinder Singh Josan: For my entire working life I have been self-employed in the family business which was established by my dad and my uncle in 1975. Does the Minister agree with my experience that family businesses do not operate in isolation? Lots of things matter to family businesses. If someone is ill in the morning, they cannot join the 8 am merry-go-round for a GP appointment—the state that the Tories left this country in—because they have to get to work, open up and get people through the door. If the buses do not work, staff cannot get in. If potholes are not fixed—

Madam Deputy Speaker (Judith Cummins): Order.

Gareth Thomas: I do agree with my hon. Friend. As he rightly alludes to, in the Budget we had to take tough decisions to fix the foundations of our economy, to

restore stability and to begin to rebuild the crumbling infrastructure and address the terrible state of our public services. While we have raised employer's national insurance contributions, we have mitigated the impacts by increasing the employment allowance to £10,500—a record amount—which means that 1 million small businesses will be paying either the same or less in national insurance contributions than they do now.

Several hon. Members rightly pointed out during this debate that a lot of family businesses are high street businesses. Many of them have been run for successive generations, and they are part and parcel of our communities. The Conservative party did next to nothing to help family businesses on Britain's high streets. It allowed thousands of bank branches to close and thousands of pubs and other high street family businesses to go, too. That is why this Government are focused on our five-point plan to breathe life back into Britain's high streets.

Laurence Turner: As the Minister knows, the Nationwide Caterers Association, which represents small independents and family-run street food businesses, is based in Kings Norton in my constituency. I thank him for the recent positive meeting we held. Does he not agree that one of the previous problems it faced was that, under the previous Government, it struggled to get a seat at the table?

Gareth Thomas: I was pleased to see my hon. Friend and those from the business organisation he brought in to see us, and I hope to have the opportunity to come to his constituency to see very directly the action we discussed at that meeting.

Our five-point plan to breathe life back into Britain's high streets, as well as to address antisocial behaviour and retail crime, means reforming the business rates system, working with the banking industry to roll out banking hubs, stamping out late payments and empowering communities to make the most of vacant properties. We are already delivering in all those areas.

To support high street family businesses and other SMEs further, we have frozen the small business multiplier and extended business rates relief for the retail, hospitality and leisure sectors. We are permanently reducing tax on properties for those businesses, too. One of the many reasons why the Conservative party lost the confidence of British business is that, despite promising many times to reform business rates, it never did. We are determined to do so. Even at this late stage—and I hope the House will join me on this—I hope the Scottish Government will agree to cut business rates for the retail, hospitality and leisure sectors in Scotland, echoing what we are doing here.

Hon. Members will know that, since Christmas, high street rental auctions have allowed councils to tackle persistently vacant properties by putting leases up for auction. This right to rent for businesses is paving the way for further regeneration and growth, for new family businesses to emerge and for current family businesses on the high street to benefit from the extra footfall.

We are also determined to tackle the scourge of late payments. Over 50% of small businesses have reported problems with late payments. After years of tough talk and little action from the Conservative party, we have already taken decisive steps to protect family businesses in this regard. We have already announced measures to

tackle late payments in contracts with long payment terms, so that small firms are not waiting months on end for big firms to pay up. We will bring forward secondary legislation in this parliamentary Session to make further changes, and will shortly launch a public consultation on potential primary legislation measures that go further still to tackle this problem.

To further help family businesses, we are creating a new business growth service, which over time will bring together under one national banner a whole array of business support services throughout the UK. However, we are not stopping there. Later this year, we will be launching our small business strategy. From boosting scale-ups to regenerating the high street, supporting the adoption of new digital technologies and further addressing the access to finance challenges that businesses face, this paper will set out the Government's vision for all small businesses. We have set out a whole series of measures to tackle the situation facing family businesses in this country.

In his opening remarks, the shadow Chancellor failed—remarkably, perhaps—to acknowledge that according to the latest PwC chief executive survey, the UK is the second best place in the world to invest, behind only the US. He also failed to mention that the International Monetary Fund and the OECD both predict that Britain will be Europe's fastest-growing G7 economy in the coming years, and omitted the fact that the UK was the only G7 economy, other than the US, to have our growth forecast upgraded last month by the IMF, which credited the decisions we made in our Budget.

That is the kind of change the British people voted for at the last general election. There is still a lot more to do, and we on the Government Benches are determined to get on with the task.

Question put.

The House divided: Ayes 108, Noes 313.

Division No. 107]

[5.26 pm

AYES

Anderson, Lee	Cross, Harriet
Anderson, Stuart (<i>Proxy vote cast by Mr Mohindra</i>)	Davies, Gareth
Andrew, rh Stuart	Davies, Mims
Argar, rh Edward	Dewhurst, Charlie
Atkins, rh Victoria	Dinenage, Dame Caroline
Bacon, Gareth	Dowden, rh Sir Oliver
Badenoch, rh Mrs Kemi	Duncan Smith, rh Sir Iain
Baldwin, Dame Harriett	Evans, Dr Luke
Barclay, rh Steve	Farage, Nigel
Bedford, Mr Peter	Fortune, Peter
Bhatti, Saqib	Francois, rh Mr Mark
Blackman, Bob	Freeman, George
Bool, Sarah	French, Mr Louie
Bradley, rh Dame Karen	Fuller, Richard
Brandreth, Aphra	Gale, rh Sir Roger
Burghart, Alex	Garnier, Mark
Cartlidge, James	Glen, rh John
Chope, Sir Christopher	Griffith, Andrew
Cleverly, rh Mr James	Griffiths, Alison (<i>Proxy vote cast by Mr Mohindra</i>)
Clifton-Brown, Sir Geoffrey	Harris, Rebecca
Cocking, Lewis	Hayes, rh Sir John
Cooper, John	Hinds, rh Damian
Costa, Alberto	Hoare, Simon
Coutinho, rh Claire (<i>Proxy vote cast by Joy Morrissey</i>)	Holden, rh Mr Richard
Cox, rh Sir Geoffrey	Hollinrake, Kevin
	Holmes, Paul

Huddleston, Nigel
Hudson, Dr Neil
Hunt, rh Jeremy
Hussain, Mr Adnan
Jenkin, Sir Bernard
Jenrick, rh Robert
Johnson, Dr Caroline
Jopp, Lincoln
Kearns, Alicia (*Proxy vote cast by Joy Morrissey*)
Kruger, Danny
Lam, Katie
Lamont, John
Leigh, rh Sir Edward
Lewis, rh Sir Julian
Lopez, Julia
Mak, Alan
Malthouse, rh Kit
McVey, rh Esther
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Robbie
Morrissey, Joy
Morton, rh Wendy
Mullan, Dr Kieran
Murrison, rh Dr Andrew
Norman, rh Jesse
Obese-Jecty, Ben
O'Brien, Neil
Patel, rh Priti
Paul, Rebecca

Philp, rh Chris
Raja, Shivani (*Proxy vote cast by Mr Mohindra*)
Rankin, Jack
Reed, David
Shannon, Jim
Shastri-Hurst, Dr Neil
Simmonds, David
Smith, Greg
Smith, rh Sir Julian
Smith, Rebecca
Spencer, Dr Ben
Spencer, Patrick
Stafford, Gregory
Stephenson, Blake
Stride, rh Mel
Swayne, rh Sir Desmond
Thomas, Bradley
Timothy, Nick
Trott, rh Laura
Tugendhat, rh Tom
Vickers, Martin
Vickers, Matt
Whately, Helen
Williamson, rh Sir Gavin
Wilson, rh Sammy
Wood, Mike
Wright, rh Sir Jeremy

Tellers for the Ayes:

Sir Ashley Fox and
James Wild

NOES

Abbott, Jack
Abrahams, Debbie
Ahmed, Dr Zubir
Alaba, Mr Bayo
Aldridge, Dan
Alexander, rh Heidi
Alexander, rh Mr Douglas
Al-Hassan, Sadik
Ali, Rushanara
Ali, Tahir
Allin-Khan, Dr Rosena
Anderson, Callum
Antoniazzi, Tonia
Arthur, Dr Scott
Asato, Jess
Asser, James
Athwal, Jas
Atkinson, Catherine
Atkinson, Lewis
Bailey, Mr Calvin
Bailey, Olivia
Baines, David
Baker, Alex
Baker, Richard
Barron, Lee
Barros-Curtis, Mr Alex
Baxter, Johanna
Beavers, Lorraine
Begum, Apsana (*Proxy vote cast by Zarah Sultana*)
Bell, Torsten
Betts, Mr Clive
Billington, Ms Polly
Blake, Olivia (*Proxy vote cast by Chris Elmore*)
Blake, Rachel
Bloore, Chris
Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)
Bonavia, Kevin
Botterill, Jade
Brackenridge, Mrs Sureena
Bryant, Chris
Buckley, Julia
Burgon, Richard
Burke, Maureen
Butler, Dawn
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Caliskan, Nesil
Campbell, rh Sir Alan
Campbell, Juliet
Campbell-Savours, Markus
Carden, Dan
Carling, Sam
Carns, Al
Charalambous, Bambos
Clark, Feryal
Coleman, Ben
Collier, Jacob
Collinge, Lizzi
Collins, Tom
Conlon, Liam
Coombes, Sarah
Cooper, Andrew
Cooper, Dr Beccy
Costigan, Deirdre
Cox, Pam
Coyle, Neil
Craft, Jen
Creagh, Mary
Creasy, Ms Stella
Crichton, Torcuil
Curtis, Chris

Daby, Janet
 Dakin, Sir Nicholas
 Darlington, Emily
 Davies, Jonathan
 Davies, Paul
 Davies, Shaun
 Dean, Josh
 Dhesi, Mr Tanmanjeet Singh
 Dickson, Jim
 Dixon, Anna
 Dixon, Samantha
 Dodds, rh Anneliese
 Dollimore, Helena
 Dowd, Peter
 Downie, Graeme
 Duncan-Jordan, Neil
 Eagle, Dame Angela
 Edwards, Lauren
 Edwards, Sarah
 Efford, Clive
 Elmore, Chris
 Entwistle, Kirith
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Fahnbulleh, Miatta
 Falconer, Mr Hamish
 Farnsworth, Linsey
 Fenton-Glynn, Josh
 Ferguson, Mark
 Ferguson, Patricia
 Fookes, Catherine
 Foster, Mr Paul
 Foxcroft, Vicky
 Foy, Mary Kelly
 Francis, Daniel
 Frith, Mr James
 Gardner, Dr Allison
 Gelderd, Anna
 Gemmell, Alan
 German, Gill
 Gilbert, Tracy
 Gill, Preet Kaur
 Gittins, Becky
 Glindon, Mary
 Gosling, Jodie
 Gould, Georgia
 Grady, John
 Greenwood, Lilian
 Hack, Amanda
 Hamilton, Fabian
 Hamilton, Paulette
 Hardy, Emma
 Harris, Carolyn
 Hatton, Lloyd
 Hayes, Helen
 Hayes, Tom
 Hazelgrove, Claire
 Healey, rh John
 Hillier, Dame Meg
 Hinchliff, Chris
 Hinder, Jonathan
 Hopkins, Rachel
 Hughes, Claire
 Hume, Alison
 Huq, Dr Rupa
 Hurley, Patrick
 Hussain, Mr Adnan
 Hussain, Imran
 Ingham, Leigh
 Irons, Natasha
 Jameson, Sally
 Jermy, Terry
 Jogee, Adam
 Johnson, Kim
 Jones, Gerald
 Jones, Lillian
 Jones, Louise
 Jones, Ruth
 Jones, Sarah
 Josan, Gurinder Singh
 Joseph, Sojan
 Juss, Warinder
 Kane, Chris
 Kaur, Satvir (*Proxy vote cast by Chris Elmore*)
 Kendall, rh Liz
 Khan, Afzal
 Khan, Naushabah
 Kinnock, Stephen
 Kirkham, Jayne
 Kitchen, Gen
 Kumar, Sonia
 Kyrke-Smith, Laura
 Lamb, Peter
 Lavery, Ian
 Leadbeater, Kim
 Leishman, Brian
 Lewell-Buck, Mrs Emma
 Lewin, Andrew
 Lewis, Clive
 Lightwood, Simon
 Long Bailey, Rebecca
 MacAlister, Josh
 Macdonald, Alice
 MacNae, Andy
 Madders, Justin
 Maskell, Rachael
 Mayer, Alex
 McAllister, Douglas
 McCarthy, Kerry
 McDonagh, Dame Siobhain
 McDonald, Chris
 McDonnell, rh John
 McEvoy, Lola
 McFadden, rh Pat
 McKee, Gordon
 McKenna, Kevin
 McMorris, Anna
 McNally, Frank
 McNeill, Kirsty
 Midgley, Anneliese
 Minns, Ms Julie
 Mishra, Navendu
 Moon, Perran
 Morden, Jessica

Morgan, Stephen
 Morris, Grahame
 Morris, Joe
 Mullane, Margaret
 Murphy, Luke
 Murray, Chris
 Murray, rh Ian (*Proxy vote cast by Chris Elmore*)
 Murray, James
 Murray, Katrina
 Myer, Luke
 Naismith, Connor
 Narayan, Kanishka
 Nash, Pamela (*Proxy vote cast by Chris Elmore*)
 Newbury, Josh
 Niblett, Samantha
 Nichols, Charlotte
 Norris, Alex
 Onn, Melanie
 Onwurah, Chi
 Opher, Dr Simon
 Osamor, Kate
 Osborne, Tristan
 Owatemi, Taiwo
 Owen, Sarah
 Paffey, Darren
 Pakes, Andrew
 Patrick, Matthew
 Payne, Michael
 Pennycook, Matthew
 Perkins, Mr Toby
 Pinto-Duschinsky, David
 Powell, Joe
 Powell, rh Lucy
 Poynton, Gregor
 Qureshi, Yasmin
 Race, Steve
 Rand, Mr Connor
 Ranger, Andrew
 Rayner, rh Angela
 Reader, Mike
 Reid, Joani
 Rhodes, Martin
 Riddell-Carpenter, Jenny
 Rigby, Lucy
 Rimmer, Ms Marie
 Robertson, Dave
 Roca, Tim
 Russell, Mrs Sarah
 Rutland, Tom
 Ryan, Oliver
 Sackman, Sarah
 Sandher, Dr Jeevun
 Scrogham, Michelle
 Sowards, Mark
 Shah, Naz
 Shanks, Michael
 Siddiq, Tulip
 Slaughter, Andy
 Slinger, John

Smith, Cat
 Smith, David
 Smith, Jeff
 Smith, Nick
 Smith, Sarah
 Smyth, Karin
 Snell, Gareth
 Stainbank, Euan
 Stevenson, Kenneth
 Stone, Will
 Strathern, Alistair
 Streeting, rh Wes
 Strickland, Alan
 Sullivan, Dr Lauren
 Sultana, Zarah
 Swallow, Peter
 Swann, Robin
 Tami, rh Mark
 Tapp, Mike
 Taylor, David
 Taylor, Rachel
 Thomas, Fred
 Thomas, Gareth
 Thompson, Adam
 Tidball, Dr Marie
 Timms, rh Sir Stephen
 Toale, Jessica
 Tomlinson, Dan
 Trickett, Jon
 Tufnell, Henry
 Turley, Anna
 Turmaine, Matt
 Turner, Laurence
 Twigg, Derek
 Twist, Liz
 Uppal, Harpreet
 Vaughan, Tony
 Vince, Chris
 Wakeford, Christian
 Walker, Imogen
 Ward, Melanie
 Waugh, Paul
 Welsh, Michelle
 West, Catherine
 Western, Andrew
 Wheeler, Michael
 White, Jo
 White, Katie
 Whittome, Nadia
 Williams, David
 Witherden, Steve
 Woodcock, Sean
 Wrighting, Rosie
 Yang, Yuan
 Yasin, Mohammad
 Yemm, Steve
 Zeichner, Daniel

Tellers for the Noes:

**Kate Dearden and
 Martin McCluskey**

Question accordingly negated.

British Indian Ocean Territory

Madam Deputy Speaker (Caroline Nokes): I advise the House that Mr Speaker has not selected the amendment in the name of the Liberal Democrats.

5.40 pm

Priti Patel (Witham) (Con): I beg to move,

That this House regrets the reported multi-billion pound cost of the UK-Mauritius deal; notes the risk the deal presents to the UK's strategic interests; further notes that it was a policy choice, not a legal necessity, and the concerns held by Chagossians over the Government's failure to engage comprehensively with them; and calls on the Government to—

(1) lay before this House a chronology of the negotiations between the UK Government and the Government of Mauritius, since 4 July 2024;

(2) confirm whether the account of Prime Minister Ramgoolam given to the Mauritius National Assembly on 4 February 2025 is correct that (a) there has been a change in the sovereignty arrangements over Diego Garcia from those previously agreed, (b) changes have been made to the terms of the lease on Diego Garcia, and (c) changes have been made to the costs of the deal since it was first agreed and announced in the UK-Mauritius joint statement on 3 October 2024;

(3) confirm from which departmental budgets the costs of this deal will come and what they will be, including whether any of the proposed increase in defence spending, as announced by the Prime Minister on 25 February, will be used to pay for this;

(4) explain what involvement the Attorney General has had with this deal;

(5) set out the negotiating objectives established by the Prime Minister's Special Envoy for BIOT negotiations and the reasons the Government sought to accelerate negotiations and conclude them before the Mauritian elections.

When Labour negotiates, Britain loses. Nowhere is that more obvious than in Labour's botched, embarrassing, humiliating and secretive deal with Mauritius to surrender the sovereignty of the British Indian Ocean Territory. In a world that is increasingly dangerous and uncertain, where threats from both state and non-state actors are growing and our national economic and security interests face threats from new technology, it is inconceivable that a Government, whose first concern and priority must be the defence of the realm, would give away one of the most important strategic military assets that we hold, let alone pay a foreign Government for its continued use. It is like handing over your house to someone else, and having to pay for the privilege of continuing to live there.

This socialist Government are committed to the principles of redistributing wealth—Government Members were cheering about that—but redistributing the sovereignty of key strategic and military assets in this way is not just socialism but recklessness. It is incompetent and, quite frankly, irresponsible. We cannot afford to gamble in any way when it comes to our national security and defence.

Mike Martin (Tunbridge Wells) (LD): I am a little confused—[*Interruption.*] If the Conservative party wants to take back Tunbridge Wells at the next election, its Members would do well to listen. Will the shadow Foreign Secretary clarify why she is criticising a deal for which the negotiations were started by the Conservative party?

Priti Patel: I cannot speak to the hon. Member's confusion, but let us be clear that it is not the Conservative party that is putting forward a surrender deal. Let me be crystal clear: we are not surrendering our territory or sovereignty in any way whatsoever.

While the Labour Government, inspired by their dogmatic commitment to misguided—

Mr Andrew Mitchell (Sutton Coldfield) (Con): Will my right hon. Friend give way?

Priti Patel: Of course I give way.

Mr Mitchell: Let me help the confused Liberal Democrat Member. I was in the Foreign Office during the whole of the Tory negotiations. I witnessed exactly what my right hon. Friend the Member for Braintree (Mr Cleverly) and the noble Lord Cameron did in those negotiations. I can tell my right hon. Friend, the House and the Liberal Democrats that the deal that has been done by the Labour party is one that Tory Ministers would never have countenanced.

Priti Patel: My right hon. Friend is fast-forwarding to some of my wider remarks, but he is absolutely right. I thank him for his time in the Foreign Office. It was under Lord Cameron when all this was stopped. It was an advisory opinion. In 2019, it was the Conservative Government and Conservative Foreign Office Ministers who made that point and stopped all this nonsense from going on in the first place.

Conservative Members stand in support of the national interest. I pay tribute to my colleagues in previous Conservative Governments for resisting the efforts of some countries, including China and Argentina, who voted at the UN General Assembly in May 2019 to demand that the UK withdraw from its administration of the Chagos archipelago within six months. The former Foreign Secretary Lord Cameron deserves credit for resisting the claims made by Mauritius and for ensuring that our sovereignty was not surrendered while he was Foreign Secretary.

How have we got here? As you will know, Madam Deputy Speaker, from the sheer volume of urgent question applications that you and Mr Speaker have presided over on the issue, the Government have acted in a secretive manner, providing little information on the deal agreed and how it was reached. Getting facts and information out of the Government has been like extracting water from a stone, but after asking many questions we have managed to secure some information.

What do we know? [*Interruption.*] I can tell Government Front Benchers who are chuntering away—perhaps they would like to listen to some of the information—that less than three weeks after taking office, on 23 July, the Prime Minister and the Foreign Secretary prioritised this issue by meeting the then Prime Minister of Mauritius, Pravind Jugnauth. We do not know what was discussed at that meeting, but on 6 September the Foreign Secretary announced that Jonathan Powell would be the special envoy. On 3 October—less than three months after coming into office and when the House was not sitting—the Foreign Secretary confirmed that he had waved the white flag of surrender. He confirmed that the Labour Government would hand over the sovereignty of the British Indian Ocean Territory, pay a lease for the use of

[Priti Patel]

the base at Diego Garcia—the amount has been kept secret—and pay towards an economic development partnership with Mauritius and a Chagosian trust fund.

Not only was the deal put together in haste and in secret, but serious concerns were raised about the timing of the agreement. The then Mauritian Prime Minister called a general election the following day—4 October 2024—and, of course, the presidential election of our ally and partner in Diego Garcia, the United States of America, was held the following month. The result of both those elections led to changes in Administrations; I will touch on that shortly. The decision over the future of this key strategic military and security asset has been taken in advance of the strategic defence review being completed, the spending review and the China audit. How can the Government justify giving away the Chagos islands and losing control of this asset before they have thoroughly assessed the threats we face and our long-term defence and security needs?

Unlike lawyer-led Labour—

Hon. Members: Not qualified lawyers.

Priti Patel: If I may caveat my remarks, unlike those unqualified, pretend lawyers—not even actual lawyers—Conservative Members believe that decisions over the future of key strategic military assets cannot be taken on advisory opinions issued and by motions agreed in international organisations, especially when such votes have been cast against us by nations, and indeed judges, who may pose a threat to us and have their own interests.

Britain is a global power, and we face global threats. The base of Diego Garcia is one of the most important strategic and military assets in the Indo-Pacific for us and for our US partners. If our sovereignty over the base and the Chagos islands is lost, diluted or compromised, we are weaker, and our rivals, competitors and enemies grow stronger.

Sir Jeremy Wright (Kenilworth and Southam) (Con): Does my right hon. Friend agree that those who are led by lawyers—there is nothing wrong with that—should at least get the law right? If there is legal jeopardy here, does she agree that we should understand what that jeopardy is? She knows that the International Court of Justice cannot make a binding ruling against the UK on this matter because Mauritius is a member of the Commonwealth and we have not accepted its jurisdiction in those circumstances. If there is legal jeopardy that makes a deal necessary, does she agree that this is a good moment for the Minister to explain to us precisely what that legal jeopardy is?

Priti Patel: My right hon. and learned Friend absolutely speaks sense on this issue and that is exactly why I enjoyed working with him so much on some of the challenges we faced in government. That is exactly the point.

Turning to the substance, or proposed substance, in the proposed treaty, the Labour Government failed to provide any transparency over plans, but we are fortunate that the new Prime Minister of Mauritius, Navin Ramgoolam, and his Government have been

much more open and candid about the negotiations, sharing the details of the humiliating concessions that Labour Ministers have made in this epic failure of diplomacy.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I just wanted to prompt my right hon. Friend to pursue one other matter, which is quite important. I was looking at the list of the judges who sat on the ICJ panel. It is quite interesting. Apart from there being a Russian who was fully supportive of the invasion of Ukraine, it turns out that Vice-President Xue, who wrote the whole case, also voted to support the Russian invasion of Ukraine and was heavily involved in the Chinese Government previously. To what degree does that represent balanced and informed judgment—here internationally—as we would have in the UK?

Priti Patel: My right hon. Friend is spot on and makes a point that I have made. There are people—judges in particular—who clearly are undermining our integrity, sovereignty and the decision making in our own Government. They are pursuing their own interests and that is why we have to call out this deal.

Sir Julian Lewis (New Forest East) (Con): On that point, did my right hon. Friend see the report in *The Daily Telegraph* on 26 February that one of the other judges who took part in that judgment, Patrick Robinson, believes that the United Kingdom should be repaying at least £18 trillion in reparations for slavery in the past?

Priti Patel: I did read that report. I have to say that that is exactly why we questioned the deal. It is the wrong approach, it really is. For all the lawyers sitting on the Labour Benches and in the Government—well, supposed lawyers—why are they not effectively looking at the integrity of the proposed deal and providing the scrutiny that is needed?

We need Ministers to confirm when they decided that the proposed deal should be shared with the new American Administration, because there are so many questions as to how we got into this position. For weeks, Ministers refused to say—here at the Dispatch Box—that they would wait until President Trump took office, including failing to answer questions directly on 14 January. While they were refusing to say anything, the Mauritius Government suggested that Ministers here were not just eager but desperate to complete the deal by 20 January. But on 15 January, through a Downing Street briefing—not a statement to this House, Madam Deputy Speaker—we learnt that the Government would now wait to brief the new President and that the Prime Minister of Mauritius told his Assembly that it was a unilateral decision of the United Kingdom to postpone matters. When the Minister responds to the debate, will she finally confirm on which date the Government policy towards consulting the new US Administration and delaying the deal was agreed?

Sir Oliver Dowden (Hertsmere) (Con): My right hon. Friend makes an excellent point. The attitude of the Government of the United States is absolutely central. There has been a profound change in the stance taken by the Government of the United States, with the election of the new President. Instead of embracing that and seeing it as an opportunity, the Labour party

seems determined to railroad through a deal that does not, it appears, command the support of the Government of the United States. It is a preposterous position to be in.

Priti Patel: My right hon. Friend is absolutely right. It is shameful, because these are exactly the questions that we on the Opposition Benches were putting forward to the Government, and they were simply refusing to be transparent and answer any questions whatsoever. The fact of the matter is that the credibility and integrity of the Government is at stake. If they cannot come clean on these simple questions, what else are they hiding?

Dr Luke Evans (Hinckley and Bosworth) (Con): This was compounded even further only yesterday, when the statement was handed to the Leader of the Opposition with redacted information. That is absolutely shameful. The duty of His Majesty's Opposition is to hold the Government to account. How can they do that if they do not get the information needed to make the best decisions for the country?

Priti Patel: My hon. Friend is absolutely right. I am afraid that the Government need to reflect on their own conduct. The British public are about to have to fork out huge amounts of money for a deal that has had no scrutiny or public airing whatsoever. The lack of transparency is one thing, but when we see this being repeated across every Government Department and even in a Prime Minister's statement, it is simply unacceptable. There is something deeply shameful about the conduct and the lack of transparency of this Government.

Secondly, on the negotiations, the Mauritius Prime Minister has publicly given a chronology of the counterproposals his Government have put forward to change the agreement reached and announced by his predecessor and the UK Prime Minister. He has stated to his National Assembly that, upon taking office in November, he had—guess what?—reviewed the deal. This is exactly the same deal that the Foreign Secretary has described as “a very good deal”, and one he was “confident” that the Mauritians were still really sure about, yet the Mauritian Prime Minister concluded that the deal

“was so bad that we said, no way!”

There is video footage of that as well. It is available online for everyone to see. He claimed that he subsequently submitted a counterproposal to the UK and that the UK Government responded on 16 December.

Then, on 31 December, Mauritius submitted its response and requested a meeting in January, which was quickly arranged and held. That meeting took place. The Mauritius Cabinet then met on 15 January and, soon after, its delegation, led by its Attorney General, Gavin Glover, came to London to meet the Minister and the Attorney General, Lord Hermer. So, according to the Mauritians, a series of counterproposals and responses were exchanged, but when we have asked the Government about whether counterproposals were received and what they were, including at questions yesterday, Ministers have continually refused to say.

I find it astonishing that this House has had to rely on *Hansard* from the Mauritius National Assembly. It is very good; I recommend that colleagues read it. We have

had to rely on that *Hansard* to find out what UK Government Ministers are up to. That is why our motion demands the publication of a chronology so that we can know what has happened. When we hear from the Minister, perhaps she can confirm whether this account from the Prime Minister of Mauritius is correct.

The Minister should also explain to the House the role that the Attorney General has been playing in these negotiations, because written answers have stated that his meeting with the Mauritius delegation last month was a “courtesy meeting”. But the Prime Minister of Mauritius has stated that when his Attorney General met his British counterpart, Lord Hermer, and the Under-Secretary of State in the Foreign Office, they both assured him of the commitment of the UK Government to signing the agreement between Mauritius and the United Kingdom. Giving that assurance seems to demonstrate that the Attorney General was actively playing a part in the negotiations, rather than attending a “courtesy meeting”, and in view of that previous interest in the British Indian Ocean Territory, questions will rightly be raised about his involvement. So can the Minister confirm whether the Attorney General has recused himself from these matters?

Thirdly, we know from the account given by the Prime Minister of Mauritius that concessions have been made over sovereignty, even though Ministers here have refused to confirm or admit it. The joint statement of 3 October said:

“For an initial period of 99 years, the United Kingdom will be authorised to exercise with respect to Diego Garcia the sovereign rights and authorities of Mauritius required to ensure the continued operation of the base well into the next century.”

When we asked yesterday whether a change had been made, the Minister of State, Foreign, Commonwealth and Development Office, the hon. Member for Cardiff South and Penarth (Stephen Doughty) said:

“The fundamentals of the deal remain the same”.—[*Official Report*, 25 February 2025; Vol. 762, c. 618.]

But if the fundamentals of the deal remain the same, why has the Mauritius Prime Minister said that

“there have been changes. The British agreed. We insisted that the sovereignty issue is the crucial and the most important issue... We insisted that it be clear that we have complete sovereignty on the Chagos, including Diego Garcia. The British agreed to that and this has been changed.”

And why is it that, in a letter sent to me this week by the Foreign Secretary, he does not use the word “sovereignty” in relation to the lease, only stating:

“The UK would retain all the rights and authorities we need to ensure the long-term, secure and effective operation of the base.”

The difference in the language between the joint statement from October and this letter to me matters. The Minister, the Foreign Secretary and the Prime Minister might not realise it, but removing sovereignty is a fundamental change, and it matters for the defence and security of our country.

Sir John Hayes (South Holland and The Deepings) (Con): My right hon. Friend's point is not merely semantic, because in international law—which I know holds great sway on the Labour Benches—those who interpret our entitlements will look closely at whether we have sovereign power or only power by means of an agreement that can be torn up by Mauritius.

Priti Patel: My right hon. Friend is absolutely correct. Sovereignty matters, and the Minister could not admit it to the House yesterday in the Chamber, but perhaps when a Minister sums up today they can confirm that change in position. We need to know whether we have lost sovereignty and lost control.

Fourthly, it is clear there has been a change in the lease agreement—this letter makes that crystal clear. When the Foreign Secretary made his statement to the House on 7 October 2024, he stated that the lease

“is initially for 99 years, but the UK has the right to extend that.”—[*Official Report*, 7 October 2024; Vol. 754, c. 46.]

The impression given was that this could be unilaterally extended, as he would not say at the time that both parties needed to agree.

Sir Iain Duncan Smith: The reality is that the present Prime Minister of Mauritius has publicly stated—by the way, he also mentioned that the cost would be up to £18 billion—“Interestingly, we would have happily looked at joint sovereignty where it was clear, but the British Government did not want it.”

Priti Patel: My right hon. Friend is absolutely correct, and I am afraid it shows the lack of commitment to even understanding the sovereignty of the territory.

Sir Desmond Swayne (New Forest West) (Con): Is my right hon. Friend aware that there is already a campaign, led by local celebrities in Mauritius, to ensure that once sovereignty is restored to Mauritius, the treaty is reneged on and an attempt is made to close the airport?

Priti Patel: My right hon. Friend makes an important point, and that is why we on the Opposition side of the House will be scrutinising the Government even further on this. We will be holding them to account. They simply do not value sovereignty and they are about to give away control, and that is simply unacceptable.

Sir Oliver Dowden: This issue of sovereignty is crucial. First, it is not about restoring sovereignty to Mauritius; Mauritius never had sovereignty in the first place. Moreover, the moment at which the United Kingdom Government concede the point of sovereignty, all else is lost in the negotiation; we will have not a leg to stand on. So clarity on this point is essential.

Priti Patel: My right hon. Friend is absolutely right, and the Government seem to have a complete disregard for this. He is absolutely right that Mauritius never had sovereignty in the first instance, and now look at this terrible mess. This is a complete surrender and an epic failure of diplomacy.

Sir Bernard Jenkin (Harwich and North Essex) (Con): Will my right hon. Friend give way?

Priti Patel: I will give way shortly.

We also know from the Mauritius Prime Minister that the lease extension provisions have—guess what—been changed and diluted. He told his National Assembly, talking to their Leader of the Opposition, that

“the agreement was for an agreement of 99 years, and then, unilaterally, the British would decide on an extension of that agreement for 40 years. We had no say in it. We disagreed

completely! It cannot be that an agreement is signed for 99 years, and then the British on their own would decide that they will renew the agreement and we have no say in it.”

He went on to say that he has got this changed:

“The extension has to be agreed with both parties. It cannot be unilateral from the British. And I am glad to inform the Leader of the Opposition that the British have agreed to that also.”

The Foreign Secretary, in his letter to me, remarked that the 99-year lease

“can be extended if both sides agree. We will have the right of first refusal, meaning it can’t be given to any other country at the end of the treaty without us first agreeing.”

That is, frankly, an astonishing response to receive, and an astonishing concession for the Labour Government to make. This deal was bad enough at the outset, but now we know that, despite the Minister’s claim that the “fundamentals of the deal remain the same”,—[*Official Report*, 25 February 2025; Vol. 762, c. 618.]

we have gone from the UK being able unilaterally to extend the lease by 40 years to now being able to extend it only with the agreement of Mauritius, and there is a “right of first refusal” caveat in that lease too.

The House should be shocked by this, and we need answers. I urge the Minister to answer these questions when she responds. What happens at the end of the 99-year period if both parties cannot agree? What happens if we want to extend and Mauritius does not? What will happen to the base and the equipment under those circumstances? What if, at the end of 99 years, the price that Mauritius asks for is too high? If we cannot unilaterally extend the lease, then—guess what—we have lost control. The Labour Government may not realise this, but Mauritius knows it very well. The British taxpayer knows this extremely well, and of course our enemies know it—they are sitting back and watching, rubbing their hands with glee, because on all the key negotiation points, Labour has backed down and Britain is losing control.

Mr Richard Holden (Basildon and Billericay) (Con): My right hon. Friend makes an incredibly important point about how the Government are giving this away, but we only know that because of what Mauritius is saying to the public. We in this House have been constantly left in the dark—so much so that even when I was recently on “Politics Live” with the Leader of the House, she refused point blank and totally lost the plot when I started to question her about what this Government are doing. Is transparency not absolutely at the core of what we need to hear from the Government?

Priti Patel: My right hon. Friend is absolutely right. I have already made the point—Madam Deputy Speaker, you will have heard many of us say it—that there is a failure to be transparent. The fact that I have quoted so much from the Mauritius National Assembly’s *Hansard* speaks volumes about the conduct of this Government. It has been a great read, and the video clips are absolutely astonishing, but I certainly think that the Government should learn some lessons on high standards and raising the bar.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): What my right hon. Friend describes is truly shocking. This Labour Government are going to give away British sovereign territory, and they are going to charge the poor elderly pensioners and our businesspeople

to do so. They are going to fundamentally fail in their first duty to keep Britain safe by making our country less safe. What on earth is motivating them to do this dreadful thing?

Priti Patel: There is plenty of speculation as to why the Government wish to go down this course, and it is not in our national interest. I will say it: Labour does not represent the national interest when it comes to sovereignty and fighting for the real freedoms that the British people believe in.

I have spoken already about the terms of the lease. The Labour Government have also made concessions on the cost—the price that British taxpayers will be forced to pay because of this shambolic, economically illiterate Government. For weeks we have been asking about the cost and any changes made from the position in October, and for weeks Ministers have failed to give answers, but the Prime Minister of Mauritius has confirmed that concessions have indeed been made. He told his National Assembly that

“we also wanted to do front loading; some of the money had to be front loaded,

—he said that with a lot of enthusiasm—

“and that also is being agreed to”.

It was only after I wrote to the Foreign Secretary to highlight this that he finally accepted that this has happened and that changes have been made. He wrote in his letter to me:

“There have been some changes to the financial arrangements to enable a limited element of frontloading, but the overall net present value of the treaty payments (which accounts for the impact of indexation) has not changed since”.

That change was not announced to the House, and nor did the Minister, or any Minister, mention that in this Chamber or when I raised it in the House yesterday.

We know that the costs will be front-loaded, but we still do not know what they will actually be. The Foreign Secretary told me in his letter that the £18 billion figure reported

“is false and significantly exceeds the quantum.”

So what is the figure? Is it £9 billion, £12 billion, £15 billion? Is it higher or lower? The Minister need only nod to give us clarity on that, but perhaps she does not even know the cost.

Dr Evans: The Defence Secretary was asked this morning on LBC where the funding was coming from. He said:

“There will be no payments unless and until the deal is struck.”

That does not answer the question. Who would go into a deal without knowing how they will pay for it? Which budget is the funding coming from—the Foreign, Commonwealth and Development Office budget or the Defence budget? Is it included in the new defence spending or not? Those are questions that the Prime Minister refused to answer today. Does my right hon. Friend have any thoughts on how we can get those answers now?

Priti Patel: I thank my hon. Friend for that essential question, which remains unanswered. At the end of the day, the Government must be clear about which budget that money is coming from, because we need to know. We do not even know the sums, but this is taxpayer's money. How can any Government justify those extraordinary sums?

Nigel Farage (Clacton) (Reform): What is agreed universally is that the cost is £9 billion—the Government do not question that at all. Whether there is front-loading or not, we do not yet know, but let us assume that the cost is £90 million a year for 99 years. A lot of people in the media and in politics seem to have a problem with basic arithmetic and compounding: £90 million a year, index-linked at 3%, is £52 billion—a completely eye-watering sum. I am very surprised that His Majesty's loyal Opposition are not using that number, or perhaps they are just so embarrassed about having begun the negotiations themselves—I do not know.

Priti Patel: The bottom line in all this is that there is no transparency at all from the Government. We will absolutely press and hold them to account on that.

I come back to the point we have just heard from the Opposition Benches, which is that no Minister—not even the Defence Secretary today—has told us where that money is coming from. Perhaps this Minister does not know the cost, or maybe she needs permission from the Attorney General, or from Rachel from accounts, even to comment on the numbers, but the House must know. Labour has sought to hide behind the real reason for what is going on. It is constantly using the fig leaf of national security to avoid telling British taxpayers how much the deal will cost. That is simply not acceptable.

If the Government will not tell us the numbers, they should at least tell us where the budget has come from. In a written parliamentary answer of 22 November, the Chief Secretary to the Treasury confirmed to me that he had engaged in discussions and reached an agreement with Cabinet colleagues on the financial elements of the proposed lease of the military base on Diego Garcia, as part of the UK-Mauritius agreement announced on 3 October. Will the Minister confirm—she can intervene now if she would like to—whether that funding will come from the defence budget? If it does, will it count towards the new 2.5% target announced by the Prime Minister yesterday? It would be a stain on the Government if they reached that target as a result of wasting money—hard-pressed taxpayers' money—on that unnecessary lease. The British public deserve accountability and transparency.

Dr Andrew Murrison (South West Wiltshire) (Con): Will my right hon. Friend give way?

Priti Patel: I will give way one more time.

Dr Murrison: She is being very generous in giving way. Does she agree that the Government stand accused of perhaps being guilty of some creative accounting? If they are transferring money from the international development budget to defence, and then transferring the self-same money from defence to Mauritius, allowing Ministers to benefit from the fiction of an uplift in the defence budget, the public are entitled to smell a rat.

Priti Patel: My right hon. Friend is absolutely right. It is completely duplicitous. That is no way for any Government to conduct themselves, particularly in relation to such a matter.

To conclude, in negotiating this deal and agreeing to surrender—

Sir Bernard Jenkin: Will my right hon. Friend give way?

Priti Patel: I am sorry, Madam Deputy Speaker, but I did say that I would give way to my hon. Friend.

Sir Bernard Jenkin: I hope my right hon. Friend will forgive me if she was coming to this point in her final words, but is it not extraordinary that we should be doing something that so many people in Washington profoundly object to, when the Prime Minister is about to have an extremely delicate discussion with the President of the United States about whether he will reaffirm his guarantees for the security and peace of our whole continent, and indeed of our country? Is this not a kind gift that the Government should take to Washington and say, “We will drop this if you have the slightest objection”?

Priti Patel: My hon. Friend is absolutely right. This is a critical time for our two countries when it comes to both our place and our standing in the world. All we have seen from this Government is an epic failure in diplomacy, and concession after concession. The Labour Government have shown themselves to be weak. Not only have they undermined our strategic defence interests and our very close relationship with our dear ally, but they are putting our territories at risk and wasting taxpayers’ money. We need a Government who stand tall in the world and who fly the Union flag with pride rather than the white flag of surrender.

The deal is an epic failure in diplomacy and it is causing our standing in the world to fall. The House must vote for our motion to defend our national interests and Britain’s standing in the world.

Madam Deputy Speaker (Caroline Nokes): Order. Before I call the Minister, I must inform the House there will have to be an immediate five-minute time limit on Back-Bench contributions, which obviously excludes those from the Front Benches.

6.15 pm

The Minister for Development (Anneliese Dodds): I am grateful to the right hon. Member for Witham (Priti Patel) for bringing this Opposition debate to the House. As she knows, for over 50 years the UK-US base on Diego Garcia has been a bulwark in the Indo-Pacific, supporting critical missions against terrorists, countering hostile states and keeping us, and the rest of the world, safe. This Government are committed to protecting our base, protecting our position and capabilities in the Indian ocean, and protecting national security. The deal that we have negotiated achieves all of those goals. It is rooted in a rational and hard-headed determination to protect our country’s security, which is the first duty of any Government. It is this Government who are delivering on that and not ducking questions, as the right hon. Lady well knows.

Several hon. Members rose—

Anneliese Dodds: I will make progress and then I will be very happy to take interventions.

The status quo is not sustainable. It imperils UK and US strategic interests. A deal, as the right hon. Lady knows, is necessary. This deal will ensure the continued,

uninterrupted operation of the base on Diego Garcia, well into the next century. It will cement UK and US presence in the Indo-Pacific for generations to come. I did not hear a single suggestion in the right hon. Lady’s lengthy speech about how she would secure that base at all. Base operations have been under increasing threat for decades—[*Interruption.*] The right hon. Lady knows that and many Members on the Conservative Benches also know it.

Several hon. Members rose—

Anneliese Dodds: Claims that there were no legal necessities to negotiate are absolutely wrong; they misunderstand the legal jeopardy and immediate operational challenges that the base faces. [*Interruption.*] I will come on to that; I am well aware of that. Ever since the legal certainty of the base was called into doubt, its ability to operate in practical terms, as it should be able to operate, given that it is such a critical facility, has been undermined. I know that the right hon. Lady is aware of that.

Sir Iain Duncan Smith rose—

Anneliese Dodds: The 2019 International Court of Justice advisory opinion might be the most eye-catching of the legal developments in recent years—

Sir Iain Duncan Smith: Is the Minister going to give way or not?

Anneliese Dodds: I will happily give way to the right hon. Gentleman.

Sir Iain Duncan Smith: Okay, excellent. I want to bring the right hon. Lady back to her statement that there was an imperative to resolve the situation. She knows very well that in the original advisory opinion by the ICJ it is very clear, as has been made clear by the ex-Attorney General, my right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright), that nothing regarding the Commonwealth falls within the directive, so by definition it is advisory. At the bottom of that agreement, the Government have a waiver that says that if they want to dismiss the advisory opinion, they can go ahead on that basis, so I ask the right hon. Lady: have this Government issued a waiver on the provision that nothing has to be a directive from that court? Have they issued a waiver?

Anneliese Dodds: The right hon. Gentleman is well aware that of course we know about that ICJ carve-out in relation to the Commonwealth. That is common knowledge. I find it slightly strange that he is presenting that as something that the House is not aware of—that is very peculiar indeed. He would have done well to wait for the rest of what I was going to say in relation to legal jeopardy, because this is by no means—

Mr Mark Francois (Rayleigh and Wickford) (Con): Will the Minister give way?

Anneliese Dodds: No, I will make progress.

Mr Francois: Will the Minister give way?

Anneliese Dodds: No, I said that I would make progress.

Madam Deputy Speaker (Caroline Nokes): Order. As the shadow Minister will know, the Minister is not obliged to take interventions from the Dispatch Box.

Anneliese Dodds: Thank you, Madam Deputy Speaker. Let me explain to Conservative Members, because I feel they are perhaps unaware of the fact that the ICJ advisory opinion is simply the most eye-catching of a huge number of legal concerns around the present situation. Those who had the genuine security of that base at the front of their minds would be determined to secure its future. Without a deal, it is inevitable that Mauritius would pursue a legally binding judgment against UK sovereignty.

Since 2015, 28 international judges and arbitrators have expressed views on the sovereignty of the Chagos archipelago. *[Interruption.]* Conservative Members are keen to shout. I wonder if they can tell me how many have agreed with the UK's position. They are very quiet. That is because not a single one of those arbitrators and judges have expressed support for the UK claim about sovereignty. That lack of legal certainty would have real-world impacts on base operations and create space for our enemies. Some of those impacts would be on simple but crucial things, such as securing contractors and getting overflight clearances. I regret that the Opposition said not a single word about the issue of securing contractors and getting overflight clearances. There were other matters that they did not talk about.

Sir Jeremy Wright: The right hon. Lady is absolutely entitled to explain the Government's position, but if her argument is that there is legal uncertainty, she had better get used to it, because there is legal uncertainty about a lot of things. If her argument is that lots of people disagree with the UK's position, she had also better get used to that. As I have understood the Government's position, it has thus far been that the advisory opinion we have received may one day become a binding judgment against the UK, obliging the UK Government to act as they now seek to do. I want to know from where that binding judgment may come, and I have not yet heard an answer.

Anneliese Dodds: I note that when the right hon. and learned Gentleman talked about the potential for real-world consequences coming from legal uncertainty, some on the Conservative Benches laughed. We do not find this subject amusing; we view it as incredibly serious. If we do not have a deal with Mauritius, Conservative Members know that it would have every incentive to do a deal with someone else. We would face the risk of joint military exercises around the base—I did not hear a single word about that from Opposition Members. We would face the risk of other countries setting up outposts on surrounding islands, which appears not to be a concern for Opposition Members. We would also have the risk of hostile actors trying to interfere with crucial communications, and crucial communications they are. That is what is in our strategic defence interest, which the shadow Foreign Secretary mentioned. Without a negotiated solution—

Mr Francois: Will the Minister give way on exactly that point?

Anneliese Dodds: No, I will make progress.

Mr Francois: Will the Minister give way?

Anneliese Dodds: No, I will keep speaking, as is my right. Without a negotiated solution with Mauritius, it would pursue its legal campaign; it has made that very clear, as the shadow Minister knows. That would lead to an inevitable, legally binding judgment, which would be—*[Interruption.]*

Madam Deputy Speaker (Caroline Nokes): Order. I will not have this level of shouting at the Minister. I will hear her, and of course, it is within her right not to take interventions. Please can Members approach this debate in an orderly fashion?

Anneliese Dodds: Thank you, Madam Deputy Speaker.

As I was saying, in that kind of situation, we would unfortunately see international organisations following that determination, such as the International Telecommunication Union. *[Interruption.]* I heard from the Opposition Front Bench, "Let them have a go." The consequences of letting them have a go could be that critical spectrum for telecommunications that is essential for our security is compromised, another issue about which I sadly heard nothing from the right hon. Member for Witham.

The legal necessity of this deal has rightly been recognised by successive Governments.

Mr Francois: This is absolutely risible.

Anneliese Dodds: I agree with the chuntering; it is risible that the Conservatives undertook 11 rounds of negotiations on this subject, and they simply will not admit to having done so. The right hon. Lady herself stated that that was something she could not speak about.

Paul Holmes (Hamble Valley) (Con): I am grateful to the Minister for giving way on that point, because she is at risk of not necessarily being accurate in her remarks. She is absolutely right that the Conservative Government went into negotiations with Mauritius, but she seems to think that starting negotiations means that the end result must be capitulation and abiding by Mauritius's ideas. Before other Members stand up and read out the Labour party briefing, can I remind the Minister that under a Conservative Foreign Secretary, Lord Cameron, it was deemed that those negotiations were going in a direction that was not in the British national interest, and they were ended?

Anneliese Dodds: I find the approach of Opposition Members to this subject to be very confusing. *[HON. MEMBERS: "Shocking."]* Some say shocking—I say confusing. Some Opposition Members have said that they cannot speak about those 11 rounds of negotiations. A moment ago, we heard an intervention stating that those negotiations must have been completely different in content, without spelling out why they were different. I find this a peculiar situation. Of course, there are many things that the Conservatives started that Labour did not want to continue—economic chaos and damage to our public services are some—but the Conservatives began those negotiations, and indeed had 11 rounds of them.

Tom Tugendhat (Tonbridge) (Con) rose—

Dr Caroline Johnson (Sleaford and North Hykeham) (Con) rose—

Anneliese Dodds: I am happy to give way to the hon. Member for Sleaford and North Hykeham (Dr Johnson).

Dr Johnson: Unlike some of my esteemed colleagues, I am not a learned lawyer or a former Attorney General, but to an ordinary layperson like me, it sounds very much like the right hon. Lady and her Government are prepared to give away sovereign British territory and billions of pounds of taxpayers' hard-earned income, simply in case somebody brings a court case sometime in the future that may or may not be successful. Can she please reassure me that that is not true?

Anneliese Dodds: I think that the ordinary general public would be pretty concerned about a situation in which we had the risk of joint—*[Interruption.]* Opposition Members laugh. They laugh about the risk of joint military operations around the base. They laugh about the risk of other countries setting up outposts on surrounding islands, and they seem unconcerned about the threat of hostile actors trying to interfere with crucial communications. Those matters are of concern to the public, and they are of concern to the Government.

Mr Francois: On a point of order, Madam Deputy Speaker. I apologise, but to prevent the Minister from inadvertently misleading the House, in answer to a parliamentary question, we have it from Sir Chris Bryant, ironically—

Madam Deputy Speaker (Caroline Nokes): Order. Mr Francois, you know that you must not refer to Members by their name.

Mr Francois: We have it from the telecoms Minister that the International Telecommunication Union has no power to veto the use of military spectrum, so it could not interfere with satellites. That is the Government's official position; does the Minister now wish to correct her remarks?

Anneliese Dodds *rose*—

Madam Deputy Speaker: Order. I think I will respond to the point of order first. The shadow Minister will know that that was not a point of order, but a point of debate.

Anneliese Dodds: I do not want to embarrass the right hon. Gentleman, but he surely understands the difference with access to spectrum, which is the key issue here. It is critical. I find it strange that he allots that issue so little consideration, when it could be of such strategic importance to our country.

The right hon. Member for Witham talked about remarks from Mauritian Prime Minister Ramgoolam. It appears that she has been spending a lot of time looking him up at length on the internet. I therefore find it rather strange that she did not see what he stated on 5 February, where he set the record straight about the terms of the deal. Perhaps she does know about this, but chose not to refer to it in her remarks. He confirmed what this Government have been saying with clarity and consistency since the announcement of a political agreement in October, so let me spell out what we have said about the duration and terms of the treaty and what Prime

Minister Ramgoolam confirmed, which appears to have been missed in previous comments.

The deal will be for 99 years and can be extended if both sides agree. The UK will additionally have a right of first refusal, meaning that the islands cannot be given to any other country at the end of the treaty without us first agreeing, and there are no changes to the rights and authorities that we will have to operate the base. Parliament will have the opportunity to scrutinise the details of the treaty after signature, when it is laid for scrutiny under the Constitutional Reform and Governance Act 2010 process before ratification. We would be delighted to have the right hon. Lady's scrutiny, as would be usual.

To suggest that there was an acceleration of the negotiations before the Mauritian election flies in the face of the facts, as has been the case with many comments from the Opposition on this matter. When we took office, the negotiations had been ongoing for two years. We continued to engage with the Mauritian Government and to work in lockstep with the United States. While we recognise that it was in the interests of all sides to finalise the deal quickly, we did not put a completion date on the negotiations. We did not do so then and we do not intend to do so now. We are of course engaging with the new US Administration, including discussing the full details of the agreement, just as we engaged with the previous US Administration. I find it rather strange that the Opposition are confused about the nature of modern negotiations.

As we and Mauritius have said repeatedly, 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 joint UK-US base on Diego Garcia, continuing the practice of the previous Government. As is usual in these circumstances, negotiations have been led by officials with clear guidance and oversight from Ministers.

Tom Tugendhat *rose*—

Dr Luke Evans *rose*—

Anneliese Dodds: I give way to the hon. Member for Hinckley and Bosworth.

Dr Evans: I have a feeling that if I had an invisibility cloak like my right hon. Friend the Member for Tonbridge (Tom Tugendhat) seems to have, it might well help us win in Ukraine. I simply ask this: negotiators have been given a negotiation to do, so in the name of transparency, can the Government tell us which budget the funding will come out of? They must know when they go to negotiate what they are actually negotiating.

Anneliese Dodds: I am more than happy to go into the financial question in a few moments, because this too, sadly, is an issue about which the Opposition have been deeply confused.

As for the question regarding the Attorney General, he met his Mauritian counterpart for a courtesy call. As was stated when he was in the UK in January, that meeting did not constitute part of the formal negotiations. I find it strange that the term "formal negotiations" is not understood by the Opposition; again, they are confused. On the broader question, the Attorney General

has been clear that, as has been the case with every other Attorney General, whenever a conflict might be identified in any hypothetical circumstance, it would be dealt with as part of the proper process and he would recuse himself, if that were needed.

Tom Tugendhat: Will the Minister give way?

Anneliese Dodds: I am happy to do so.

Hon. Members: Hurray!

Tom Tugendhat: I appreciate that the Minister's budget has been cut so much that she is now put on suicide watch to defend the indefensible for the Government—*[Interruption.]* And I appreciate that the howls of outrage from Labour Members will be confected when it comes to this issue, for the simple reason that the Minister has nothing to add on a budgetary question that has gone from \$13 billion to \$6 billion and is now coming out of her budget. Will she make it absolutely clear to the House that there is no way that she will take hard-earned taxpayers' money that should be going to support the poorest in the world and instead pay off a Government who actually have no legal claim?

Anneliese Dodds: I know that the right hon. Gentleman is honourable, and he may wish to reflect on his opening remark, because that was not his normal style at all. As for his question about finances, it is clear that a financial element was vital to securing a deal to protect the operation of such a vital base over the course of 99 years. If we do not pay—I will say it again—someone else will. Our adversaries would jump at the chance to establish outposts on the outer islands. There has been a lot of inaccurate speculation about the cost of this treaty.

Mr James Cleverly (Braintree) (Con): I genuinely appreciate the opportunity that the Minister has given me to speak about this matter, but I want to clarify a point. She has said this a couple of times now, and I want to understand. She keeps saying that if we do not pay, someone else will. Who would be the recipient of that payment, given that the Chagos islands are British sovereign territory? Is she suggesting that another country would pay us? Why would another country pay Mauritius? The Chagos islands do not belong to Mauritius.

Anneliese Dodds: I know that the right hon. Gentleman understands full well that this is because of the legal uncertainty that is created by the current situation. That has been recognised time and again. It was the reason his Government engaged in 11 rounds of negotiations, and it is why there is this problem. I am surprised that Conservative Members are so unconcerned about the contestation that we see in that part of the world, and the need for our country's interests to be put first.

Mr Cleverly *rose*—

Anneliese Dodds: No, I will not take another intervention from the right hon. Gentleman. My response was very clear.

On the subject of inaccurate speculation about the cost of the treaty, Prime Minister Ramgoolam has confirmed that the reports of a doubling in value are completely false. The overall cost of the deal has not

changed from that negotiated with the former Mauritian Prime Minister. There have been some changes in the financial arrangements—

James Cartlidge (South Suffolk) (Con): Why?

Anneliese Dodds: I was just about to come on to that. There have been some changes to enable a limited element of front-loading, but the overall net present value of the treaty payments, which accounts for the impact of indexation, is not higher than it was. I will not press this point, because it would be very unfair to Opposition Members, but surely, when they talk about economic illiteracy, they are not falling into the trap of confusing timing with magnitude, because there is a pretty obvious difference between the two.

We will provide more information on the departmental budgetary impacts in due course. The details will be set out when the treaty is laid before Parliament. We are seeing more bizarre claims about this issue even just within this debate. Frankly, we heard wild enough ones earlier when the Leader of the Opposition had her say, and the Prime Minister explained that she was wide of the mark. Of course, as colleagues would expect, any funding arrangement and the departmental split of any costs arising from the treaty with Mauritius will be finalised through the spending review. I have to say that I am used to hearing some pretty wild maths from the Conservatives, and we had the true Tory kamikaze Budget of course, but they are surpassing themselves, because it is ridiculous to compare—

James Cartlidge: Will the Minister give way or tell us how much?

Anneliese Dodds: I will continue to explain why the Conservatives cannot compare speculative figures for the lifetime cost of a 99-year-long agreement to protect our national security with an annual uplift to defence spending that is the largest since the cold war. There is clearly a difference of many orders of magnitude, and I feel that they really need to reflect on the bizarre claims they are making.

Although this has necessarily been a state-to-state negotiation, with our priority being to protect the base, we recognise the importance of the islands to Chagossians, and we have worked hard to ensure that this agreement reflects the importance of the islands to Chagossians. Some may say that it is farcical to talk about Chagossians, but I do not believe it is farcical. As we have already announced, we will finance a new trust fund for Mauritius to use in support of the Chagossian community. We will work with Mauritius to start a new programme of visits for Chagossians to the Chagos archipelago, including to Diego Garcia, and Mauritius will be free to develop a programme of resettlement on the islands, other than Diego Garcia.

Sir Bernard Jenkin: I have to say that the Minister is putting up a very loyal and heroic defence of her Government's policy. However, I predict that if the Government persist with this proposal, it will become a running sore for the governing party, and they will rue the day. The British people will know that they have just given away a sovereign territory unnecessarily, and what is more, they have put the icing on the cake with billions

[*Sir Bernard Jenkin*]

of pounds of taxpayers' money. They will never live it down, so my advice to the Government is to quit while they can.

Anneliese Dodds: I do appreciate the kind tone in which the hon. Gentleman expressed his remarks. However, I would say, respectfully, that the running sore is the situation that has led to our country's national security being subject to legal jeopardy because this issue had not been resolved. The Conservative Government, on whose Benches he sat, had 11 rounds of negotiations with Mauritius on this subject, and this Government have been determined to make progress for the sake of our national security.

Mr Calvin Bailey (Leyton and Wanstead) (Lab): What was the point of the Conservatives starting a negotiation if there was no intent to reach an agreed solution? If there was a red line, which they are now saying there was, where is it published?

Anneliese Dodds: I could not have said it better myself. That is indeed the nub of the point.

I want to inform the House that, separate from the agreement, we will increase our support to Chagossians who are living in the UK and around the world through new and existing projects.

Another issue that has been of considerable interest to Members is the environment. We have secured a deal that will help to protect the unique environment of the Chagos archipelago—one of the world's most important marine environments—to which both the UK and Mauritius have committed. The agreement will be supported by an enhanced partnership between the UK and Mauritius, under which the UK will support Mauritius's ambitions to establish a marine protected area that protects the globally significant ecosystems in the Chagos archipelago. That is particularly important when it comes to protecting the islands' biodiversity and ensuring they are protected against threats such as illegal, unreported and unregulated fishing activities.

Dr Al Pinkerton (Surrey Heath) (LD): I am struck by the fact that it has taken nearly an hour of discussion and debate in this Chamber for Chagossians to be mentioned for the first time—not a single member of His Majesty's loyal Opposition chose to mention Chagossians in their multiple interventions. I have spoken to Chagossians over many months and years, and they have told me they are genuinely fearful of being traded from the United Kingdom to Mauritius, a Government who have—

Madam Deputy Speaker (Caroline Nokes): Order. I am sure the hon. Gentleman is getting to his point, but interventions really should be shorter. He could have put in to speak in the debate, had he wished. He has a few more moments—that is all.

Dr Pinkerton: I would simply ask the Minister: what role have Chagossians played in the negotiations thus far? She mentions a marine protected area—I know for a fact that Chagossians have not been consulted on that particular point.

Anneliese Dodds: The hon. Gentleman is right to raise this issue. Of course, he will understand that the negotiations were between the UK and Mauritius, and that our priority was to secure the full operation of the base on Diego Garcia, as we have been discussing. We do recognise the importance of the islands to the Chagossians, which is why they were engaged with after this deal. It is important to respect the fact that there are different views within the Chagossian community. They do not speak with one voice; no community does. The Chagos Refugees Group, for instance—one of the largest Chagossian groups—has welcomed the agreement. We will continue to have those discussions with the Chagossian community, particularly those based in the UK.

On the environment, I will lastly mention that the agreement, with its environmental focus, has been welcomed by instrumental conservation non-governmental organisations, including the Zoological Society of London.

Jeremy Corbyn (Islington North) (Ind): Will the Minister for a moment acknowledge the hardship and horrors that all Chagossians have been through since they were illegally expelled from their islands many years ago? They all deserve recognition, the islands themselves should never have been separated from Mauritius anyway, and what we are doing now is correcting an historical wrong. I ask her not to be invited down a neo-colonial route by the Conservative party.

Anneliese Dodds: I will not be invited down any route by the Conservative party. We all know where that leads—to rack and ruin.

Of course, the situation for many Chagossians has been very difficult. I know this is an issue of concern to many Members, particularly those who represent UK-based Chagossians. That is why, as I said, that engagement has been important.

Sir Julian Lewis *rose*—

Anneliese Dodds: I will take one last intervention.

Sir Julian Lewis: The Minister is putting up a gallant fight in a very difficult situation. For the avoidance of doubt, is she saying that there is another court—other than the ICJ—that could compel this country to give up the Chagos islands? If so, will she identify that court?

Anneliese Dodds: What I have said is that there is clear risk to critical functions of that base on Diego Garcia because of legal jeopardy. Conservative Members do not appear to be aware of those issues for contractors, insurers and communications and from the risk of hostile states when it comes to the outlying islands, while the Government are concerned about that risk. I detailed earlier the 28 different judges and arbitrators who have expressed an opinion on this. To suggest that there is no legal jeopardy is, I am afraid, for the birds.

To conclude, this deal has had support across the US national security apparatus. The previous US Administration supported the deal. The new US Administration is rightly ensuring that they are satisfied. The deal has been welcomed by India and the UN Secretary General. The shadow Foreign Secretary mentioned China in her remarks. Again, I know that Conservative Governments have been confused about China. They have oscillated all over the place in their relationship, but can she or anyone tell me whether

China has welcomed this deal. No? A pin could drop, Madam Deputy Speaker. China has not welcomed it because it knows that it will strengthen our country's position in the region for the foreseeable future. Security must be our priority, but we have also negotiated an agreement that protects the unique marine environment and reflects Chagossians' demand. This deal will protect the base, solidify our relationship with our closest ally and reinforce the UK's global leadership. Anyone who values UK national security and that of our allies should back this deal.

Madam Deputy Speaker: I call the Liberal Democrat spokesperson.

6.51 pm

Calum Miller (Bicester and Woodstock) (LD): Before I address the position of the Government, I feel obliged to respond to the comments of the shadow Foreign Secretary, who has so kindly spent her evenings reviewing the proceedings of the Mauritian Parliament for all our benefit. She has pressed the Government on why they have advanced this deal, yet she had no answer to my hon. and gallant Friend the Member for Tunbridge Wells (Mike Martin) on why her Government began talks with Mauritius.

The pronouncements of the right hon. Lady about lawyers and the judiciary are consistent with a party that has long since given up on upholding the rule of law. The right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) is a lone voice in standing up for the force of law. He rightly observes that the UK does not subject itself to the rulings of the International Court of Justice in respect of contentious cases with Commonwealth countries, yet he raises two points that the right hon. Lady did not address. First, the UK has subjected itself to the jurisdiction of the ICJ and its predecessors since 1929. Secondly, as this discussion flows from an advisory opinion of the ICJ, which she now says is unjustified or irrelevant, why did the Conservative Government feel compelled to begin talks and conduct more than 10 rounds of negotiations?

The Liberal Democrats, unlike the Conservatives or Reform, believe that the UK is stronger when it works co-operatively with other countries, stronger when it supports the rule of international law, and stronger when it takes action to support international institutions. That is why we believe that the UK should take seriously the advisory opinion of the ICJ and other legal opinions on this question and why the Conservative Government were right to open negotiations and the Labour Government were right to continue them.

All that said, the process of agreeing a treaty over the past few months has been nothing short of shambolic. There are three critical issues in this sorry tale and I regret to say that the Government have failed on each of them. First, on the security of the United Kingdom, for decades, Diego Garcia has been a key strategic asset. Its importance has only increased over time, in light of the changing threat picture and the increasing aggression shown by China. The chaos of this negotiation has not given any reassurance that our security is being safeguarded. Secondly, on the rights of the Chagossian people, since the 1960s, they have been displaced and decisions taken about them without them—to use a phrase that the Foreign Secretary and the Prime Minister have recently adopted.

In October, outside Parliament, I met Chagossians who live in the UK and want to have a say in the future of their islands. They were highly critical of not being a part of the negotiations.

Thirdly, on the role of Parliament in the negotiations, Liberal Democrats have long argued that international treaties should come to this House before signature so that parliamentarians can scrutinise the Government's proposals. In this case, the Government rushed to an agreement with Mauritius that promptly unravelled. Why have the Mauritian Parliament and Donald Trump been given a say about British sovereign territory, but this Parliament has not?

The Government have repeatedly obfuscated and refused to provide detail of the deal to Parliament. If it is true that the cost is in excess of £9 billion, UK taxpayers will want to know how the Government have found that funding when winter fuel payments have been scrapped, family farms are being threatened and charities and health providers are being hit with national insurance increases. Will the Minister please answer the following questions? What security guarantees are contained in the draft treaty? Will Parliament be given a vote on the treaty before it is signed? How much will be paid to Mauritius as part of the deal? Finally, will Chagossians be included in the future process of agreement?

6.55 pm

Mr Calvin Bailey (Leyton and Wanstead) (Lab): The Conservative party pretends to recognise the serious threats that we face, but bringing forward yet another debate on the topic, just as our Prime Minister heads out to Washington to broker a just peace for Ukraine, is an act of blatant sabotage against our national interest. Yesterday, we saw a superficial and unconvincing performance of consensus from Opposition Front Benchers, who cannot bring themselves to recognise that this Government are delivering on national defence and security commitments in a way that they could not for the past 14 years, in particular regarding increasing defence spending to 2.5% of GDP to protect our country.

Let us face it: the Leader of the Opposition is so desperate for shares on X that she is incapable of engaging with sobering geopolitical realities, just when national consensus is needed. The truth is that none of us yet knows the exact details of the financial or security components of the proposed deal with Mauritius, which means that the purpose of the debate is clear. It is not intended to enable an honest and informed debate about how we can best secure our UK defence and security interests in the Indian ocean over the next century. Instead, it is designed to maximise the chance of a damaging dispute about this with our US allies, just when all our energy and diplomatic capital needs to be brought to bear to persuade the US of the need for continued commitments to European security and security guarantees for Ukraine. That is why certain voices have turned up today, when they have been absent in all our national security discussions or discussions on Ukraine. If the Opposition succeed, they will do enormous damage to our national security and that of our European allies.

Another aspect of the issue, which the Opposition are determined to disregard, is the fundamental importance of the rule of international law for our national interests and security. First and foremost, that is critical to our diplomacy in support of Ukraine. Russia's invasion is a

[Mr Calvin Bailey]

clear breach of the UN charter and it is on that basis that many countries around the world continue to vote with us, including earlier this week and in cases where countries are non-aligned. I fully understand that there are a range of views about legalities, but the direction of travel is clear and we cannot uphold the principle of a rules-based international order on the one hand while completely disregarding the multiple findings of international courts on the other.

Finally, as I have said many times in this place, my experience of discussions with US defence colleagues shows a clear and settled preference for legally binding and secure agreements, particularly around the basing arrangements. Those preferences are important for long-term relationships with the US and so is the clear support for the deal from India, whose partnership we must prize highly in this increasingly fragmented world. These live diplomatic questions should be dealt with sensitively and in a way that seeks cross-party consensus, most of all at this critical time when we need to present a united face to a bitterly divided world.

Ultimately, if a treaty with Mauritius is delivered, it will ensure the continued ability of UK and US defence and security assets to operate in the region for many decades to come. That objective is vital for our national security, in contrast to the Opposition's motion, which does nothing but undermine it.

7 pm

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): We are short of time and other Members wish to speak, so I will try to be as brief as possible. I follow my constituency neighbour, the hon. Member for Leyton and Wanstead (Mr Bailey), whom I know and respect very much. I do not agree with him fully on this, but he made his point forcefully. I want to come back to legal uncertainty. The point is whether it is unclear if the original ICJ judgment stood as an absolute judgment. We know very well that the agreement said clearly that any dispute with a Government of any other country that has been a member of the Commonwealth is therefore beyond it.

When the court made its ruling, it was clear from the very beginning that it was an advisory judgment and not based on a legal position. I remind Members of what I said earlier: many of those who were part of that judicial process are not the long-standing judiciary in the sense that we would understand it here in the UK. Many of them are political. Vice-President Xue wrote this from the word go. She has been heavily engaged with the Chinese Government for some considerable time. The Chinese are not so stupid as to publicly welcome something, to give us an excuse to say that it is terrible—I say that as someone who is sanctioned by them—but the reality is that they are the major threat. China watches and knows that it is in a far better and stronger position if there is considerable doubt here about what is going on with ownership. We faced that problem from the word go.

I asked the Minister a very important question. I do not believe that the last Government, when they entered into discussions, waived the requirement that Commonwealth issues cannot be touched by this court. Under that agreement, they have to waive submitting

themselves to the judgment of that court. I ask her again, and I will happily take an intervention—[*Interruption.*] Before she starts giving us that lecturely look, let me say to her—[*Interruption.*] No, she does. Instead of putting on the “tut-tutting” face, could she just answer this question? Did this Government, at any stage during these negotiations, waive their right for the ruling to be seen as anything other than advisory? Have they waived that exemption?

Anneliese Dodds: I have made that very clear previously. That carve-out for the Commonwealth is very clear within the ICJ. I think I looked at the right hon. Gentleman with a smile. If that is somehow looking at him in a “lecturely” way, I am terribly sorry.

Sir Iain Duncan Smith: If she is not careful, I might ask her to share a drink with me later. [*Interruption.*] I know, it's irresistible, isn't it? The main point is that she did not. That is as clear as mud. I asked a very specific question: did they waive their right over this particular agreement? That makes this, from the word go, not inconclusive and not, therefore, a mysterious judgment. It is an advisory judgment and the Government are under no pressure to accept it.

Dr Kieran Mullan (Bexhill and Battle) (Con): Does my right hon. Friend agree that it is ironic that we are apparently willing to give in to a judgment from a judge from China who oversaw the erosion of rights of the people in Hong Kong, in violation of our agreement with them? That is shocking and shows the weakness of slavishly adhering to international law.

Sir Iain Duncan Smith: The interesting point, which I raise because the hon. Member for Leyton and Wanstead said that we should remember that this is also about the security of Ukraine and others—I fully agree—is that three of those judges voted against censure of Russia when it invaded Ukraine. We have to be very careful, because that ulterior motive is quite different from what he claims, quite legitimately, is part of our reasoning; I fully agree with him on that basis.

On obeying the law, this is the law, and we do not have a judgment from a court that can be held by other United Nations bodies as standing. If that is the case, all the other legal points, which the Government started raising only after they realised that the ruling was advisory, do not stand either. It would be ultra vires of bodies such as the International Telecommunication Union suddenly to claim that there was a judgment against us and to act on that basis, as that would be a transgression of the original agreement.

The hon. Member for Bicester and Woodstock (Calum Miller), who spoke for the Liberal Democrats, made some of these points, but I want to raise this quickly with the Minister. The Chagossians I have spoken to have all said that they would rather be UK passport holders, and they just want to go home—and “going home” means turning around that bad judgment from the '60s so that they can go back to their territory. I would love that to have happened from day one; that would have solved this. The Chagossians do not want to be under the suzerainty of any country other than the UK; and they want their possessions back. The reality is that we did not really ask them about that, but we should have done from day one.

It would help the Government's argument that they are acting in the public interest if they were much more open about what has been going on in these negotiations. There is a legitimate question about that. We all unite behind the idea of the Prime Minister raising defence spending, and we wish him the best when he goes to Washington; that is in our public interest. As I made clear at the statement yesterday, I would stand behind nobody in my support for him on that.

I therefore ask the Government why they simply will not answer the question about where any money in the agreement is going to be taken from. Surely that would end the debate. They do not have to say what the amount is; they simply have to say that it will come from the defence budget, or whatever budget it is. If they said that, that would look open. Will they please also open up about what they have been discussing? It is all stalled now, so maybe they should reflect on the difficulties.

The reality is that this whole process has been ill-thought through. What we need to do now is ensure that the Government stop, rethink the process and do not search for excuses that are not legal at all, but accept that our security and that of all the trade routes that cross through the area are under threat if they proceed with this process.

7.7 pm

Lillian Jones (Kilmarnock and Loudoun) (Lab): I am pleased to speak in the debate. However, it is disappointing that His Majesty's Opposition felt the need to use part of their Opposition day to debate this issue, given that important negotiations continue between His Majesty's Government and Mauritius on the future of the Chagos islands. It is never wise to give a running commentary on complex negotiations—perhaps the Opposition should have been more patient.

I understand that the negotiations so far have been productive, with both countries reiterating their commitment to finalising a treaty as soon as possible, with terms agreeing to ensure the long-term, secure and effective operation of the existing base of Diego Garcia and Mauritian sovereignty over the archipelago. I believe that the deal will protect UK and US national security interests by ensuring long-term, effective operations of the base.

Since its creation, the British Indian Ocean Territory and the UK-US military base have had a contested existence. It was only a matter of time before the UK would have to choose between breaking international law and negotiating from a position of weakness and risking national security. It was therefore necessary to pursue an agreement to ensure the stability of the base. It is right to give the new US Administration the chance to consider the full agreement properly.

I am pleased that the Government will finance a new trust fund for Mauritius to use in support of the Chagossian community. Together, Mauritius and the UK will also work to start a new programme of visits to the Chagos archipelago for Chagossians. This is a bilateral agreement between the UK and Mauritius. We are mindful that the future of the islands is an important issue for the Chagossian community. Their interests have been an important part of the negotiations. As the UK has previously made clear, the way Chagossians were removed from the Chagos archipelago and the way they were treated thereafter was wrong. The Government have restated their commitment to supporting Chagossians

in the UK, with all Chagossians remaining eligible for British citizenship and making a home in the UK. The FCDO has also declared that officials will continue to engage with different Chagossian groups over a range of issues.

The agreement also shuts down any possibility of the Indian ocean being used as a dangerous illegal migration route to the UK, with Mauritius taking responsibility for any future arrivals. I am reassured that Parliament will have the ability to scrutinise the treaty under the Constitutional Reform and Governance Act 2010, as is standard for international agreements.

I am also reassured that this will be a unique agreement. The Government have stressed that it has no bearing on wider UK Government policy regarding the overseas territories. The agreement does not signal any change in policy to Britain's other overseas territories and past press speculation was factually wrong. The Chagos islands are a very different issue with a very different history. We stand 100% behind the right to self-determination for the people of the Falklands and Gibraltar.

The military base on Diego Garcia is vital to our national security and I welcome the Government taking on the negotiations as the best way to secure the future of the base. The Government inherited a situation where the long-term future of the military base was under threat. I am therefore glad that the Government have secured a deal that protects the base for at least 99 years, a period that can be extended. Within the deal, there will be clear commitments for robust security arrangements. That, along with our guarantees to the Chagossian people, gives me confidence that the Labour Government are doing the right thing.

7.11 pm

Mr Gagan Mohindra (South West Hertfordshire) (Con): I thank Nick Coombes from my office for helping me draft a long speech, most of which I will not be using, given the time constraints.

May I try to lower the temperature in what has been a very passionate debate? I have immense respect for the Minister. She has had a very difficult outing today and she has held her head up high. Her former career as a lecturer will hopefully hold the House in good stead and perhaps she can educate us on some basic questions, because this is the second time this week I have asked questions about the Chagos islands and I am still confused.

The Conservative Government entered into negotiations 11 times. [*Interruption.*] I know the junior Parliamentary Private Secretary is very eager, but please do let me say a few more words. My Government entered into negotiations 11 times. As anyone with any semblance of business experience will know, you enter negotiations but you do not always achieve an end result. The Labour Government won on 4 July. Within three months, they decided to do things differently from what my Government did 11 times, when Lord Cameron closed the negotiations.

Can the Minister explain the rationale and what materially changed—we have heard about the advisory judgment by the ICJ; I am not a lawyer and have never claimed to be—to help us to understand, and to better educate me and my constituents, why they are giving our sovereign islands away when the world is becoming increasingly dangerous? Various media reports suggest that there will be increased lobbying from the Mauritius

[Mr Gagan Mohindra]

Government, and those they listen to, to revisit the terms of whatever deal we do to their benefit. The frustration heard from the Conservative Benches is about the lack of detail.

Josh Fenton-Glynn (Calder Valley) (Lab): I welcome the hon. Member's interest in the Chagos islands and his desire for detail. It is obviously an issue he is very passionate about, but he has not mentioned it previously in his time in Parliament. I wonder whether, given his desire for detail, he could let us know the names of the four main Chagos islands?

Mr Mohindra: I have not been to that part of the world but, as the new Member will learn the longer he is in this place, certain positions do not give us the ability to speak in the Chamber, and one of those is that of a Government Whip. I was also the Parliamentary Private Secretary to the Foreign Secretary, and again, we do not speak about our own Department.

Going back to the substance of the debate, I have tried to approach this issue with a modicum of decency in order to get the reasonable answers that we all want to hear. One of the concerns we have on the Opposition Benches is the "bull in a china shop" way in which this Government are choosing to force through a deal that we will not have sight of until after it is signed. There are also continuing questions about money. I know that the Prime Minister's redacted statement that was shared with those on my Front Bench yesterday was quickly amended. It did not allow those on our side enough time to scrutinise it properly.

I would say to the hon. Member for Leyton and Wanstead (Mr Bailey), whom I thank for his gallant service, that we are in a democracy and the ability to debate and disagree is what makes us stronger. I hope the Minister for Development, or whoever is winding up on behalf of the Government, will be able to clarify some of the reasonable questions we have consistently asked. Given her former academic background, I hope she understands that if a student says that they do not understand something, she should find a different way of explaining it. If she could do that, we on this side would have a better rationale of what the Government are trying to achieve.

The frustration we have heard from my right hon. Friend the shadow Foreign Secretary about information coming from the Mauritian *Hansard* reflects a discourtesy to this House. I know that if Mr Speaker were in the Chair, he would want the House to be informed of any details that were in the public domain, and he is rightly going to investigate why certain details were in the public domain yesterday before they were put forward to this House. I urge those on the Government Front Bench to share information that is in the public domain with us so that we can properly analyse and scrutinise it. The role of any parliamentarian is to be a critical friend of legislation and the future of our country.

I think Mr Speaker and the Speaker's Panel continue to allow debates on this issue because not only us on the Conservative Benches but the great people in the Chair are not satisfied. There will continue to be urgent questions and statements. I would prefer Foreign Office Ministers to be out in the world flying the British flag on our behalf,

but I will continue to lobby for UQs on this topic, because I think that having basic details of what the Government are trying to achieve is perfectly reasonable.

7.17 pm

Louise Jones (North East Derbyshire) (Lab): The fact that the Opposition have picked this topic again is very symbolic to me. They have decided that their outright rejection by the electorate last year is based not on the fact that they had not done a good job of delivering improvements to what my constituents care about, but on their making the mistake of getting the vibes wrong. So they spend their time putting out little pictures online, vowing to defend western civilisation, informing us that they are Conservative realists and again debating the Chagos islands. We could have chosen to discuss health and the NHS. My constituents in Killamarsh frequently have issues accessing GP appointments, because we simply do not have enough GPs. NHS dentist appointments for adults are almost non-existent, so I welcome the recent announcement of several thousand extra appointments in Derbyshire. Perhaps we could have heard what the Conservatives' solution to those issues would be—

Mr Mohindra: I am a bit confused, once again. I thought this debate was about the British Indian Ocean Territory, rather than about GP surgeries.

Louise Jones: The hon. Gentleman need not worry. The night is young, and I will come to that.

Perhaps we could have heard what the Conservatives' solution to those issues would be, now that they have had time in opposition to reflect on the many ways they caused the issues in the first place. Instead, we are talking about the Chagos islands. Perhaps we could have discussed what other measures are desperately needed in constituencies like mine, such as better buses, investment in transport infrastructure such as light and heavy rail, a step change in educational opportunities for our young people, energy security and how we can provide affordable houses.

Josh Fenton-Glynn: I pay tribute to my gallant and hon. Friend for her service and pay tribute to my hon. Friend the Member for Leyton and Wanstead (Mr Bailey) for his. Will she look back to that experience and say what kind of support those in the forces want? Did they want more funding for our defence or did they want another debate about the Chagos islands?

Louise Jones: My hon. Friend is exactly right. Those in the armed forces would have liked to have heard about the support they need to do their jobs, the improvements to their accommodation, what we are doing to improve their forces and of course how we are ensuring the future of a very important base that many of them are relying on.

Tom Tugendhat: I am grateful to the hon. Lady for giving way—not only an hon. Lady but an honourable comrade, as we both formerly were. We both heard the announcements yesterday and today of the extra money going to defence and I think we both welcomed that. The thing that troubles me and my party colleagues, about which I am sure she shares concern, is that if we look at the way the maths seems to be working out, particularly given the comments made by the Prime

Minister's spokesman today, it appears that this is not a rise in defence spending but, once these issues are taken into account, a cut in defence spending. Does she agree that that is a matter of some concern? When we factor in the cost of the Chagos, the single intelligence account and the other elements, this increase actually looks like a decrease.

Louise Jones: I thank the right hon. Gentleman for his opinion and remind him that this is the largest increase in defence spending for a long while. I am sure he is aware of the considerable damage done to the armed forces over the last 15 years, which I and others who served saw at first hand.

We are talking about the Chagos islands again when we could have been discussing antisocial behaviour and other crime in my constituency. In Dronfield we struggle with car theft, gangs exploiting county lines and issues with off-road bikes, as well as mobile phone theft.

David Reed (Exmouth and Exeter East) (Con): Does the hon. and gallant Member not think that her constituents have a right to know how much this deal is going to cost them before it is negotiated and finished?

Louise Jones: There have been many questions, as recorded in *Hansard*, about the projected cost, and I look forward to seeing the final result of the negotiation in due course.

It is already well documented in *Hansard* that these negotiations were started by the Conservative Government and we all deserve to know why they decided to start them. They said they were necessary to

"ensure the continued effective operation of the joint UK/US military base on Diego Garcia".—[*Official Report*, 3 November 2022; Vol. 721, c. 27WS.]

They knew that the status quo was untenable and a poor choice. This deal is the only way to ensure legal certainty for a vital base. Like it or not, doing nothing has left us under the threat of legal challenges which jeopardised the future of the base.

In my corner of the military I was well aware of the vital importance of this base and I am glad that we are now securing it. I assure Members that, unlike the Leader of the Opposition, who as of a couple of weeks ago had, I understand, refused a classified briefing on the base—Members can correct me if I am wrong—I know what I am talking about. If the Conservatives would like to suggest a better idea that is not just to do nothing, I would be interested to hear a credible point of view; otherwise, forgive me but I will support what will actually work.

When I go back to the constituency and have my surgeries and knock on doors, as I will tomorrow, I will be happy to tell my constituents that answer, but I know that it will not be needed, because they will not be asking about the Chagos islands. Instead my constituents rightly prioritise health, transport, education, immigration and housing. They would rightly wonder why these are not also the priority of a political party interested in their vote. Doing nothing was the hallmark of the previous Conservative Government. It looks like irrelevance will be the hallmark of this Conservative Opposition.

7.24 pm

Nigel Farage (Clacton) (Reform): As an elected representative of a very young political party, I watch this game going on between the two old parties and find it difficult not to conclude that it is anything other than a complete and utter charade. Although I agree with the right hon. Member for Witham (Priti Patel), who made the argument that this is British sovereign territory and that there is nothing—literally nothing—to be gained by giving it away, and I see those on the Benches behind her cheering, as we heard earlier, this was the party that went through 11 rounds of negotiations. The Conservative Government were happy to surrender the sovereignty of the Chagos islands, but did not like the final shape of the deal.

Then the Government tell us that this deal has to be done because of legal uncertainty, but of course there is no legal uncertainty whatsoever. Labour Members can shake their heads if they want, but they know I am right. The International Court of Justice has no jurisdiction over this whatsoever, so why are we doing it? I guess that it is because of post-colonial guilt and a Government run by human rights lawyers. Beyond that, I really do not understand it.

I made a comment earlier about the cost. I promise the House that £90 million a year for 99 years with 3% compounded inflation is £52 billion. That of course is madness. Members of this House have been saying, "Why are we not debating health or other issues?" Well, 50 billion quid is a very good reason to debate this.

I have tried in this House and elsewhere to make these arguments. I have explained that China already has a smart city right next to Port Louis. I have explained that Huawei is the communications system. We see now that Prime Minister Modi is worried about missing out on the action. There is a 200-mile marine park, which potentially has cobalt and other mineral resources that could be worth tens, perhaps even hundreds, of billions of pounds over the next few years, and we are prepared to give it all away.

The timing of the debate is perfect, because the Prime Minister is mid-Atlantic as we speak. I have spoken in the course of the last week to American Cabinet Ministers. While they are concerned about Chagos, they are even more concerned about bringing an end to the war in Ukraine, which I think we are all very keen to see, provided that it is on the right terms. There is also going to be a big debate about tariffs. Here is the point: Chagos is not especially high on the American agenda at the moment. I would love to see the American Administration veto this terrible deal, but I am not even sure then that this Government would move their position. They are clearly hellbent on giving away the Chagos islands, whatever the risks to global security or our own budgetary constraints, completely ignoring the will of the majority of the Chagossian people.

If that is the case, I would rather see America have the sovereignty of the Chagos islands than a corrupt Mauritius. If we are going to give up this sovereignty, we should sell and get a few billion quid for the Chagos islands. Mauritius has no legal basis and no legal claim. Investment would come, and the Chagossians could go back and get well-paid jobs. I want us to keep sovereignty, but if the Government are prepared to give away this country's interests, they should sell the territory to America, not give it away to corrupt Mauritius.

7.28 pm

Anna Gelderd (South East Cornwall) (Lab): We have all seen what disregard for international law looks like when it plays out on the world stage, and that is why it is right and necessary to take a deliberate, considered approach when taking decisions that affect our national security and our global standing. Decisions must protect us here at home and be in step with our allies. With an agreement on the future of the Chagos islands, we have upheld our commitments and protected our interests in the Indian ocean.

As someone who has sat around diplomatic tables over the years, I would caution anyone against reading meaning into a look or, indeed, a smile. It is the words on the page at the end of the day that matter.

National defence always comes first. It is important to recognise the strategic role of ensuring a stable environment. As the Minister has highlighted, the Chagos marine protected area, which was established in 2010, demonstrates UK leadership. It is a crucial and shining example of marine protection, covering over 640,000 sq km—more than eight times the size of the UK. As a fully protected marine protected area, the site is of global significance, providing an important refuge for many and playing a crucial role in building resilience.

The Conservatives started these negotiations. Eleven rounds of talks later, they failed to deliver. We have reached an agreement that safeguards the long-term future of the base, strengthens our relationship with Mauritius, and protects our strategic interests in the region. This Government have delivered where the previous Government failed—an outcome that the Opposition must start to get used to.

7.30 pm

Tom Tugendhat (Tonbridge) (Con): May I start by paying tribute to Henry Smith, a former Member of this House? He did an enormous amount of work over many years to represent the Chagossian voice in our country, ensuring that it was heard in these important debates. I agree with Henry that we, as a country, did a huge wrong to those people in not allowing them to return to their country. Sadly, this deal embeds that wrong in perpetuity. It is a wrong that should have been righted on many occasions; a wrong that should never have been done in the first place. To embed it in this treaty is genuinely shameful. This country, and those people, deserve better than that.

We have heard the debate about security. It is a bizarre argument that to swap a freehold for a leasehold is somehow to guarantee security in the long term. If any Labour Members would like to sell me their house and then rent it back from me, I would be delighted to enter those negotiations. Clearly, that seems to be the way they believe property ownership works.

Louise Jones: I am reminded of the Annington Homes deal under a previous Conservative Government, but that is not the point of my intervention. If the right hon. Gentleman believes that there was absolutely no reason to have started the negotiations, would he say that the Conservative Government made a mistake in doing so?

Tom Tugendhat: The hon. Lady will be aware, because I have been on the record on this, that I was entirely critical of the beginning of those negotiations when I was in government.

Sir John Hayes: I am grateful to the former Security Minister for giving way. I put this question to him:

“How can the base—which serves as an indispensable naval, air, and intelligence asset—be more secure under the sovereignty of another nation, rather than under our own?”

Not my words, but the words of another former Security Minister, Lord West.

Tom Tugendhat: As my right hon. Friend knows, the noble Lord, a former Labour Security Minister—and, of course, a former First Sea Lord—knows well that those bases occupy a crucial part not just in our airbases, with strategic reach into the middle east and south-east Asia, but in the intelligence collection business that sadly we need to engage in to keep our people safe. The idea that we should hand over those bases in order somehow to satisfy an advisory ruling is, I am afraid, wrong.

Bradley Thomas (Bromsgrove) (Con): My right hon. Friend touches on the point about the ICJ. Does he agree that the ICJ decision is not only non-binding but perverse? Two of the judges on the court—Kirill Gevorgian, who is a key acolyte of Putin, and Xue Hanqin, a Chinese official—voted against condemning Russia's invasion of Ukraine, and do not represent anything other than the interests of our adversaries.

Tom Tugendhat: The point that my hon. Friend makes correctly is that this is a political judgment. It is a rational and reasonable political judgment for Moscow and Beijing to make; the problem is that it is being made in Westminster.

This is an error. It is an error for which we will pay for generations; an error that will haunt us and cost us. On that basis, I urge the Government to do what they know is right, and not to continue with the argument that the hon. Member for North East Derbyshire (Louise Jones) made in pointing out that the Conservatives should never have started the talks. If that is true, why is Labour finishing them? Drop these talks and end this argument.

Several hon. Members *rose*—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. Time is short, so I will now call the Front-Bench spokespeople. I call the shadow Secretary of State for Defence.

7.34 pm

James Cartlidge (South Suffolk) (Con): I am grateful to all colleagues who have participated in today's debate.

In a week when the biggest domestic issue has been defence spending, there was one thing that we needed from the Government today: transparency. Every penny involved in this terrible Chagos deal will be public money, taken from the pockets of hard-pressed taxpayers. The Government must be straight with the British people about how much money is being spent and on what. The fact is that after the Opposition have raised the cost of the Chagos deal and all the related issues in

six separate Defence and Foreign, Commonwealth and Development oral questions, six urgent questions and multiple written questions, points of order and Prime Minister's questions, we are still none the wiser about how much Labour's terrible Chagos deal will cost and what its impact will be on the defence budget.

The Prime Minister has led from the front on the complete failure to be open with taxpayers about where their hard-earned money will go. Yesterday, before the Prime Minister made his statement on defence spending, the Leader of the Opposition was, as is the convention, given a copy of his speech in advance. However, as Mr Speaker made very clear is definitely not the convention, all the key financial information was completely redacted. As an Opposition, we had no chance before the statement to do the sums that would have shown that the claim of a £13.4 billion increase to defence spending was, in the words of Paul Johnson of the Institute for Fiscal Studies, "playing silly games with numbers."

The Prime Minister continued to make that claim about defence spending today, despite the Secretary of State for Defence—who, after all, has to spend that budget—saying this morning that the figure is actually £6 billion. Even if the Prime Minister and the Secretary of State for Defence are at odds on overall defence spending, they are united with the rest of their Government in total silence about the cost of their Chagos deal.

The Prime Minister was asked by the Leader of the Opposition and my hon. Friend the Member for Bexhill and Battle (Dr Mullan) three straight yes-no questions today about whether the cost of the Chagos deal would come from the defence budget. Three times, the Prime Minister refused to give a straight answer. Why can the Government not answer that question? Is it because reports in the press are right that the total cost is between £9 billion and £18 billion, not including indexation—potentially three years' worth of the entire additional defence increase, using the Secretary of State for Defence's figure, not the Prime Minister's figure? Or is it much simpler, and the Government know that if the truth about the actual spending figure came out, the public would be aghast? The public understand one basic truth: to lease back a military base for billions of pounds that we currently own freehold makes no sense at all.

Mark Sewards (Leeds South West and Morley) (Lab): Does the hon. Gentleman not accept that the Government have said that they will bring the full details of the deal to the House for discussion and consideration, and that that will include the cost? Does he also not accept that the deal is with President Trump's team, and that it is right that our US allies consider the details of the deal before they come to the same conclusion as the previous Administration?

James Cartlidge: The hon. Gentleman is doing well on getting a role as a Parliamentary Private Secretary. This is Parliament. Ever since it started, Parliament's constitutional role has been to approve money for the Executive, but it cannot carry out that role unless the Government tell Parliament the truth about how much money they are going to spend.

Dr Luke Evans: As the shadow Defence Secretary is aware, it was the Prime Minister who came forward and said how he was going to spend that funding.

The Opposition need to know if the defence increase he announced includes the Chagos deal. The Government have made that decision but they have to put it to the House first. It does not make any difference if the announcement has already been made to Parliament, because we are talking about the defence budget.

James Cartlidge: My hon. Friend is right. Why can the Government not tell us whether the Chagos deal will come from the defence spending uplift? It is public money, not the Government's money. It comes from taxpayers who are already overtaxed, so the Government could at least tell them where the money will come from.

The Chagos deal may make sense through the eyes of internationally focused lawyers and officials responding with utmost caution to the advice they are given, but the Opposition believe fundamentally that sovereignty is not something to be lightly surrendered, including to the United States of America, if I may say so to the hon. Member for Clacton (Nigel Farage).

Sir John Hayes: What we do know about the financial deal is that it is linked to inflation. It is therefore inconceivable that Ministers will not have had that modelled. They will have a view about the likely increase in inflation and the total sum involved, and it will be astronomical, which is why they are trying to disguise it.

James Cartlidge: My right hon. Friend is spot on. They know how much it will cost; they are just not being transparent with public money.

I turn to the speeches made by my hon. Friends. My right hon. Friend the Member for Rayleigh and Wickford (Mr Francois) made an excellent point of order earlier, in which he made the point that the Minister had said—this is the crucial argument that they depend on—that the ITU could somehow threaten our spectrum at Diego Garcia. Yet, as my right hon. Friend pointed out, the Telecoms Minister was very clear in a written answer dated 12 February:

"The ITU cannot challenge the UK's use of civilian or military spectrum."

That is bang to rights.

The most extraordinary point that we have heard today from a galaxy of Government Back-Bench speakers is that somehow the Opposition should not be calling for this debate. The hon. Member for Kilmarnock and Loudoun (Lillian Jones), the hon. and gallant Member for Leyton and Wanstead (Mr Bailey) and the hon. Member for North East Derbyshire (Louise Jones) all said that somehow we should be debating important issues, such as buses and so on, yet the argument from Ministers is that this is critical to national security. If that is the case, surely we should be debating it in Parliament. We are going to keep on debating it until we finally get some answers.

My right hon. Friend the Member for Tonbridge (Tom Tugendhat) made an excellent point. Along with the shadow Foreign Secretary, I recently had a wonderful and very moving meeting with many Chagossians up in one of the Committee Rooms, and they were clear that they have had no meaningful consultation with the Government and no face-to-face meetings. That is absolutely shameful.

Sir Iain Duncan Smith: I made this point earlier: the Government's position throughout all this has moved. First, we were told that this was an absolute legal requirement under international law. When it was demonstrated that there was a get-out for Commonwealth issues, they moved to talking about legal uncertainties, but there can be no legal uncertainties unless they have waived their right to have the Commonwealth overrule the judgment and it becomes an advisory position. Does that not make one understand that they simply do not know what they are doing?

James Cartlidge: My right hon. Friend puts it brilliantly. He put the question about the waiver and it was ignored, like all the other questions we have asked. We have asked point-blank questions repeatedly—UQs, oral questions and debates—and the Government never answer any of them.

I conclude with this:

“Surrendering sovereignty over the Chagos Islands would be an irresponsible act, which would put our strategic interests—and the interests of our closest allies—in danger.”

Those are not my words, but those of the former Labour Security Minister, Lord West. As Ed Arnold of the Royal United Services Institute put it so rightly on Monday, the Prime Minister

“should shelve his Chagos Islands deal—it is peripheral to the UK's current security challenges and the money could be better spent on defence.”

The Opposition 100% agree. We believe that this deal is bad for our security and that of our closest ally, the United States. It undermines a military base that is strategically crucial, particularly in the face of the growing threat from China, and above all, it involves the unacceptable notion of paying billions to lease back land we currently own.

It is time that Ministers told us the truth about how much this deal will cost and where the money will come from. They cannot keep redacting when it comes to the cost of Chagos. This is public money, and the public have a right to know the truth.

7.43 pm

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Catherine West): We have heard some really interesting contributions during this debate. We have had some wild maths, which Carol Vorderman would have had a word or two to say about. We have had some insulting comments from the right hon. Member for Tonbridge (Tom Tugendhat), who was downright playing the man—or the woman—and not the ball, earlier in the debate. However, I will try to respond to some of the points raised, and certainly those that the Minister for Development did not answer. I think she did a pretty good job in opening the debate.

As my hon. and gallant Friend the Member for Leyton and Wanstead (Mr Bailey) said, the Chagos islands deal is paramount for our national security. It secures the joint UK-US base on Diego Garcia; without it, the operation of that base is at risk. Once finalised, the deal will ensure that the base can operate as it has done well into the next century. As Members know, Diego Garcia is a joint UK-US base, and it is only right that the new US Administration has the opportunity to review the agreement—that point has been made on a

number of occasions tonight. We will continue to hold constructive discussions with the US on the deal. As my hon. and gallant Friend the Member for North East Derbyshire (Louise Jones) said, we will only agree a deal that is in the UK's best interests and protects our national security. She, of course, has extensive experience in security and defence matters.

Many colleagues have asked about the cost of the deal and whether payments have increased. The claims being circulated in the media are categorically untrue. The overall cost of the deal has not changed from that negotiated under the former Mauritian Prime Minister. The initial political agreement signed in October was clear that the annual payment would be indexed, and that position has not changed. As the right hon. Member for Braintree (Mr Cleverly)—who is no longer in his place—has said, this was a policy of the previous Government, one that had long been agreed in writing with the previous Mauritian Government. Once the treaty is signed, it will be laid before both Houses for scrutiny in the usual way.

This deal has not been rushed. In fact, it was the subject of several—

Dr Mullan: Will the Minister give way?

Catherine West: I will just finish this point.

The new UK Government inherited a situation in which the long-term future of the base was under threat. The previous Government obviously agreed with this Government that there was a need to act, and rightly so—otherwise, the two years of negotiations would not have taken place. Successive Conservative Prime Ministers, Foreign Secretaries and Defence Secretaries recognised this and gave instructions to begin negotiations in 2022, holding 11 rounds before July 2024.

Dr Mullan: If the Government are so confident that this deal offers excellent value for money and that taxpayers will welcome it, why do they not just tell us how much they are going to pay?

Catherine West: What this debate has shown is that some Members are finding it difficult to deal with the fact that a treaty is between two sovereign Governments, and that when a Government are operating, they have the right to make negotiations in their own way, particularly with the sort of majority that was achieved last July. Of course, we have to have parliamentary debates and questions have to be asked.

James Cartlidge: On a point of order, Madam Deputy Speaker. Are there any rules whereby the amount of transparency from a Government should be determined according to the size of their majority?

Madam Deputy Speaker (Ms Nusrat Ghani): I think the Member knows that that is not a matter for the Chair. Let the Minister continue.

Catherine West: That was the second point of order that was not really a point of order. It is quite fun to be in opposition, but what we have seen in the past 24 hours is genuine leadership on defence matters, as opposed to some very high jinks.

Louise Jones: Does the Minister agree that what is important is assuring the security of this base's future, and that until the Opposition put forward a credible alternative, they should support the Government, who are fixing this issue?

Catherine West: I rest my case.

Jeremy Corbyn: Before the Minister concludes, will she put it on record that this debate is about the most grotesque injustice that was done to people under colonial subjection by this country? Since the 1980s, they have fought for their right to return to their islands. Righting the historic wrong done to the Chagossian people should be central to our thoughts.

Catherine West: The right hon. Member has a long history of being active in the all-party parliamentary group with the hon. Member for Romford (Andrew Rosindell), who is not in his place but is on the shadow Foreign Office team. It goes to show that across the House, there has long been a desire, including from the former Member for Crawley, to bring the true situation of the Chagossians to light. I pay tribute to all Members from all parts of this House who have fought for a long time for the Chagossians to be treated properly.

As my hon. Friend the Member for Kilmarnock and Loudoun (Lillian Jones) said—in a sensible contribution, as opposed to some of the other contributions to the debate—we regret how the Chagossians were removed from the island and how they were treated thereafter. The negotiations were between two states, and our consistent priority and that of the previous Government has been to protect the base, and we have not necessarily always focused on the needs of those people. I thank those Members this afternoon who have brought forward the interests of the Chagossians, including some Lib Dem Members.

The Government will finance a new trust fund for the support of the Chagossian community. We will also take forward visits to the archipelago. For the first time, Mauritius will be free to implement a programme of resettlement to the islands other than Diego Garcia. I know that that will also be a positive development for my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane), whose community includes an active group of Chagossians.

Sir Julian Lewis: I have a lot of respect for the hon. Lady, and that is why I will have one more go at this: is there any court, other than the ICJ, that could come to a judgment against Britain over the sovereignty of the islands?

Catherine West: As the right hon. Member is aware, given his long background in intelligence, the lack of legal certainty is why we have acted. The base cannot operate in practical terms as it should. It is bad for our national security, and a gift to our adversaries, if we fail to secure legal certainty for the base.

To continue the point on the Chagossians, there are many different views within the Chagossian community. To give one example, the Chagos Refugees Group, often represented by Olivier Bancoult, is one of the largest Chagossian groups. It has welcomed the agreement.

On the environment question, my hon. Friend the Member for South East Cornwall (Anna Gelderd) mentioned the unique environment around the Chagos islands. The most important marine environments need to be protected. While security is paramount, we have also secured a deal that will help protect the unique environment of the Chagos archipelago. There will be an enhanced partnership between the UK and Mauritius, under which the UK will support Mauritius's ambitions to establish a marine protected area that protects the globally significant ecosystems in the Chagos archipelago.

John Slinger (Rugby) (Lab): Does my hon. Friend the Minister agree that it is somewhat unfortunate that, after some consensus in the Prime Minister's statement yesterday on matters of national security, we are now seeing, sadly, Opposition Members reverting to type by flirting with populism on important issues?

Catherine West: I thank my hon. Friend for his intervention.

I will conclude our debate—I am looking at you, Madam Deputy Speaker—by saying that—

Joy Morrissey (Beaconsfield) (Con) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 147, Noes 298.

Division No. 108]

[7.55 pm

AYES

Amos, Gideon	Cooper, Daisy
Anderson, Lee	Cooper, John
Anderson, Stuart (<i>Proxy vote cast by Mr Gagan Mohindra</i>)	Costa, Alberto
Andrew, rh Stuart	Coutinho, rh Claire (<i>Proxy vote cast by Joy Morrissey</i>)
Aquarone, Steff	Cross, Harriet
Argar, rh Edward	Darling, Steve
Atkins, rh Victoria	Davey, rh Ed
Babarinde, Josh	Davies, Gareth
Bacon, Gareth	Davies, Mims
Badenoch, rh Mrs Kemi	Dean, Bobby
Barclay, rh Steve	Dewhurst, Charlie
Bedford, Mr Peter	Dinenage, Dame Caroline
Bhatti, Saqib	Dowden, rh Sir Oliver
Bool, Sarah	Duncan Smith, rh Sir Iain
Bradley, rh Dame Karen	Evans, Dr Luke
Brandreth, Aphra	Farage, Nigel
Braverman, rh Suella	Forster, Mr Will
Brewer, Alex	Fortune, Peter
Brown-Fuller, Jess	Francois, rh Mr Mark
Burghart, Alex	Franklin, Zöe
Cane, Charlotte	Freeman, George
Carmichael, rh Mr Alistair	French, Mr Louie
Cartlidge, James	Fuller, Richard
Chadwick, David	Gale, rh Sir Roger
Chamberlain, Wendy	Garnier, Mark
Chambers, Dr Danny	Gibson, Sarah (<i>Proxy vote cast by Anna Sabine</i>)
Chope, Sir Christopher	Glen, rh John
Cleverly, rh Mr James	Glover, Olly
Clifton-Brown, Sir Geoffrey	Goldman, Marie
Cocking, Lewis	Gordon, Tom
Coghlan, Chris	Green, Sarah
Collins, Victoria	Griffith, Andrew

Griffiths, Alison (*Proxy vote cast by Mr Gagan Mohindra*)
 Harding, Monica
 Harris, Rebecca
 Hayes, rh Sir John
 Heylings, Pippa
 Hinds, rh Damian
 Hobhouse, Wera
 Holden, rh Mr Richard
 Hollinrake, Kevin
 Holmes, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Jardine, Christine
 Jenkin, Sir Bernard
 Johnson, Dr Caroline
 Jones, Clive
 Jopp, Lincoln
 Kearns, Alicia (*Proxy vote cast by Joy Morrissey*)
 Kruger, Danny
 Lam, Katie
 Lamont, John
 Leigh, rh Sir Edward
 Lewis, rh Sir Julian
 Lopez, Julia
 MacDonald, Mr Angus
 Maguire, Ben
 Maguire, Helen
 Mak, Alan
 Malthouse, rh Kit
 Martin, Mike
 Miller, Calum
 Milne, John
 Mohindra, Mr Gagan
 Moran, Layla
 Morgan, Helen
 Morrison, Mr Tom (*Proxy vote cast by Mr Will Forster*)
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Munt, Tessa
 Murray, Susan
 Norman, rh Jesse

Obese-Jecty, Ben
 Olney, Sarah
 Patel, rh Priti
 Paul, Rebecca
 Perteghella, Manuela
 Philp, rh Chris
 Pinkerton, Dr Al
 Raja, Shivani (*Proxy vote cast by Mr Gagan Mohindra*)
 Rankin, Jack
 Reed, David
 Reynolds, Mr Joshua
 Roome, Ian
 Sabine, Anna
 Savage, Dr Roz
 Shannon, Jim
 Shastri-Hurst, Dr Neil
 Simmonds, David
 Slade, Vikki
 Smart, Lisa
 Smith, Greg
 Smith, rh Sir Julian
 Smith, Rebecca
 Sollom, Ian
 Spencer, Patrick
 Stafford, Gregory
 Stephenson, Blake
 Stone, Jamie
 Swayne, rh Sir Desmond
 Taylor, Luke
 Thomas, Bradley
 Timothy, Nick
 Trott, rh Laura
 Tugendhat, rh Tom
 Vickers, Martin
 Vickers, Matt
 Voaden, Caroline
 Whately, Helen
 Wilkinson, Max
 Wright, rh Sir Jeremy
 Young, Claire

Tellers for the Ayes:
 Sir Ashley Fox and
 James Wild

NOES

Abbott, Jack
 Abrahams, Debbie
 Ahmed, Dr Zubir
 Alaba, Mr Bayo
 Aldridge, Dan
 Alexander, rh Mr Douglas
 Alexander, rh Heidi
 Al-Hassan, Sadik
 Ali, Rushanara
 Ali, Tahir
 Allin-Khan, Dr Rosena
 Anderson, Callum
 Arthur, Dr Scott
 Asato, Jess
 Asser, James
 Athwal, Jas
 Atkinson, Catherine
 Atkinson, Lewis
 Bailey, Mr Calvin
 Bailey, Olivia
 Baines, David
 Baker, Alex
 Baker, Richard

Barron, Lee
 Barros-Curtis, Mr Alex
 Baxter, Johanna
 Beavers, Lorraine
 Begum, Apsana (*Proxy vote cast by Zarah Sultana*)
 Bell, Torsten
 Berry, Siân
 Betts, Mr Clive
 Billington, Ms Polly
 Blake, Olivia (*Proxy vote cast by Chris Elmore*)
 Blake, Rachel
 Bloore, Chris
 Blundell, Mrs Elsie (*Proxy vote cast by Chris Elmore*)
 Bonavia, Kevin
 Botterill, Jade
 Brackenridge, Mrs Sureena
 Bryant, Chris
 Buckley, Julia
 Burgon, Richard
 Burke, Maureen

Butler, Dawn
 Byrne, Ian
 Cadbury, Ruth
 Caliskan, Nesil
 Campbell, rh Sir Alan
 Campbell, Juliet
 Campbell-Savours, Markus
 Carden, Dan
 Charalambous, Bambos
 Chowns, Ellie
 Clark, Feryal
 Coleman, Ben
 Collier, Jacob
 Collinge, Lizzi
 Collins, Tom
 Conlon, Liam
 Coombes, Sarah
 Cooper, Andrew
 Cooper, Dr Beccy
 Corbyn, rh Jeremy
 Costigan, Deirdre
 Cox, Pam
 Coyle, Neil
 Craft, Jen
 Creagh, Mary
 Crichton, Torcuil
 Curtis, Chris
 Daby, Janet
 Dakin, Sir Nicholas
 Dalton, Ashley
 Darlington, Emily
 Davies, Jonathan
 Davies, Paul
 Davies, Shaun
 Dean, Josh
 Denyer, Carla
 Dhesi, Mr Tanmanjeet Singh
 Dickson, Jim
 Dixon, Anna
 Dixon, Samantha
 Dodds, rh Anneliese
 Dollimore, Helena
 Dowd, Peter
 Downie, Graeme
 Duncan-Jordan, Neil
 Eagle, Dame Angela
 Edwards, Lauren
 Edwards, Sarah
 Elmore, Chris
 Entwistle, Kirith
 Esterson, Bill
 Evans, Chris
 Fahnbulleh, Miatta
 Farnsworth, Linsey
 Fenton-Glynn, Josh
 Ferguson, Mark
 Ferguson, Patricia
 Fookes, Catherine
 Foster, Mr Paul
 Foxcroft, Vicky
 Foy, Mary Kelly
 Francis, Daniel
 Frith, Mr James
 Gardner, Dr Allison
 Gelderd, Anna
 Gemmell, Alan
 German, Gill
 Gilbert, Tracy
 Gill, Preet Kaur
 Gittins, Becky
 Glindon, Mary
 Gosling, Jodie

Gould, Georgia
 Grady, John
 Griffith, Dame Nia
 Hack, Amanda
 Hamilton, Paulette
 Hardy, Emma
 Harris, Carolyn
 Hatton, Lloyd
 Hayes, Helen
 Hayes, Tom
 Hazelgrove, Claire
 Hillier, Dame Meg
 Hinchliff, Chris
 Hinder, Jonathan
 Hughes, Claire
 Hume, Alison
 Huq, Dr Rupa
 Hurley, Patrick
 Hussain, Mr Adnan
 Hussain, Imran
 Ingham, Leigh
 Irons, Natasha
 Jameson, Sally
 Jermy, Terry
 Jogee, Adam
 Johnson, rh Dame Diana
 Jones, Gerald
 Jones, Lillian
 Jones, Louise
 Jones, Ruth
 Jones, Sarah
 Josan, Gurinder Singh
 Joseph, Sojan
 Juss, Warinder
 Kane, Chris
 Kaur, Satvir (*Proxy vote cast by Chris Elmore*)
 Khan, Afzal
 Khan, Naushabah
 Kinnock, Stephen
 Kirkham, Jayne
 Kitchen, Gen
 Kumar, Sonia
 Kyle, rh Peter
 Kyrke-Smith, Laura
 Lavery, Ian
 Law, Noah
 Leadbeater, Kim
 Leishman, Brian
 Lewell-Buck, Mrs Emma
 Lewin, Andrew
 Lewis, Clive
 Lightwood, Simon
 Long Bailey, Rebecca
 Macdonald, Alice
 MacNae, Andy
 Madders, Justin
 Malhotra, Seema
 Martin, Amanda
 Maskell, Rachael
 Mayer, Alex
 McAllister, Douglas
 McCarthy, Kerry
 McDonald, Chris
 McDonnell, rh John
 McEvoy, Lola
 McKee, Gordon
 McKenna, Kevin
 McMorris, Anna
 McNally, Frank
 Midgley, Anneliese
 Miliband, rh Ed

Minns, Ms Julie
 Mishra, Navendu
 Moon, Perran
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Morris, Joe
 Mullane, Margaret
 Murphy, Luke
 Murray, Chris
 Murray, rh Ian (*Proxy vote cast by Chris Elmore*)
 Murray, James
 Murray, Katrina
 Myer, Luke
 Naismith, Connor
 Narayan, Kanishka
 Nash, Pamela (*Proxy vote cast by Chris Elmore*)
 Newbury, Josh
 Niblett, Samantha
 Nichols, Charlotte
 Norris, Alex
 Onn, Melanie
 Opher, Dr Simon
 Osamor, Kate
 Osborne, Tristan
 Owatemi, Taiwo
 Owen, Sarah
 Pakes, Andrew
 Patrick, Matthew
 Payne, Michael
 Pennycook, Matthew
 Perkins, Mr Toby
 Pinto-Duschinsky, David
 Powell, Joe
 Powell, rh Lucy
 Poynton, Gregor
 Qureshi, Yasmin
 Race, Steve
 Ramsay, Adrian
 Rand, Mr Connor
 Ranger, Andrew
 Reid, Joani
 Rhodes, Martin
 Riddell-Carpenter, Jenny
 Rigby, Lucy
 Rimmer, Ms Marie
 Robertson, Dave
 Russell, Mrs Sarah
 Rutland, Tom
 Ryan, Oliver
 Sackman, Sarah
 Sandher, Dr Jeevun
 Scrogham, Michelle
 Sowards, Mark
 Shah, Naz
 Shanks, Michael
 Slaughtera, Andy

Slinger, John
 Smith, Cat
 Smith, David
 Smith, Jeff
 Smith, Nick
 Smith, Sarah
 Smyth, Karin
 Snell, Gareth
 Stainbank, Euan
 Stevens, rh Jo
 Stevenson, Kenneth
 Stone, Will
 Strathern, Alistair
 Streeting, rh Wes
 Strickland, Alan
 Sullivan, Dr Lauren
 Sultana, Zarah
 Swallow, Peter
 Tami, rh Mark
 Tapp, Mike
 Taylor, David
 Taylor, Rachel
 Thomas, Fred
 Thomas, Gareth
 Thompson, Adam
 Timms, rh Sir Stephen
 Tomlinson, Dan
 Trickett, Jon
 Tufnell, Henry
 Turley, Anna
 Turmaine, Matt
 Turner, Laurence
 Twigg, Derek
 Twist, Liz
 Uppal, Harpreet
 Vaughan, Tony
 Vince, Chris
 Wakeford, Christian
 Walker, Imogen
 Ward, Melanie
 Waugh, Paul
 Welsh, Michelle
 West, Catherine
 Western, Andrew
 Wheeler, Michael
 White, Jo
 White, Katie
 Whittome, Nadia
 Williams, David
 Witherden, Steve
 Woodcock, Sean
 Wrighting, Rosie
 Yasin, Mohammad
 Yemm, Steve

Tellers for the Noes:
Martin McCluskey and
Kate Dearden

Question accordingly negated.

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Orders Nos. 15 and 41A),

That, at this day's sitting

Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of Lucy Powell relating to Estimates (Liaison Committee Recommendation).—(*Chris Elmore.*)

Question agreed to.

Business without Debate

Motion made, and Question put forthwith (Standing Order No. 145(3)),

ESTIMATES (LIAISON COMMITTEE RECOMMENDATION)

That this House agrees with the Report of the Liaison Committee of 25 February:

That a day not later than 18 March be allotted for the consideration of the following Estimates for the financial year 2024–25: Department for Health and Social Care; Foreign, Commonwealth and Development Office; and Department for Business and Trade.—(*Chris Elmore.*)

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TOWN AND COUNTRY PLANNING

That the draft Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment and Transitional Provision) Regulations 2025, which were laid before this House on 13 January, be approved.—(*Gen Kitchen.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft Social Security (Scotland) Act 2018 (Scottish Adult Disability Living Allowance) (Consequential Modifications) Order 2025, which was laid before this House on 13 January, be approved.—(*Gen Kitchen.*)

Question agreed to.

PETITION

Repairs to Whitebarns Lane in Furneux Pelham

8.9 pm

Chris Hinchliff (North East Hertfordshire) (Lab): I rise to present this petition on behalf of the residents of Furneux Pelham in my constituency, where Whitebarns Lane has been left in a state of disrepair for years, despite being the only access road for many social housing tenants and others in the village. Hertfordshire county council has refused to adequately maintain this road, forcing residents, including schoolchildren, the elderly and the disabled, to endure unsafe conditions.

The petition states:

"The petitioners therefore request that the House of Commons urge the Government to work with Hertfordshire County Council to ensure that a proportion of the £1.6bn in increased funding for pothole repairs is used to repair and maintain Whitebarns Lane."

Following is the full text of the petition:

[The petition of residents of the village of Furneux Pelham, North East Hertfordshire,

Declares that Whitebarns Lane is the sole pedestrian and vehicle access for residents in social housing in Furneux Pelham; however, it is unfit for purpose and has been in a near constant state of dangerous disrepair for many years as a result of Hertfordshire County Council's refusal to maintain the route as a road; further declares that this refusal to carry out repairs after many years of lobbying has led to vulnerable residents of Whitebarns, including the disabled and elderly, suffering from falls and other

[Chris Hinchliff]

injuries; and furthermore expresses dismay at the ongoing neglect and mis-treatment of social housing tenants in rural communities.

The petitioners therefore request that the House of Commons urge the Government to work with Hertfordshire County Council to ensure that a proportion of the £1.6bn in increased funding for pothole repairs is used to repair and maintain Whitebarns Lane and, to ensure that social housing tenants are never again placed in a situation whereby they have no substantive access to the main highway, to urge the Government to take action to ensure that the development in Furneux Pelham and all future developments have such access as standard.

And the petitioners remain, etc.]

[P003047]

Child Maintenance Service

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

8.9 pm

Ian Sollom (St Neots and Mid Cambridgeshire) (LD): This evening I want to address a system that is failing thousands of families across our country: the Child Maintenance Service. In doing so, I hope that this House will send a clear message to every parent struggling with that system and every affected young person that their MPs are listening and that we are determined to act.

I am pleased to see that the Under-Secretary of State for Work and Pensions, the hon. Member for Stretford and Urmston (Andrew Western), is responding for the Government, and I look forward to working with him to achieve the meaningful transformation that families desperately need.

Before my election last July, I confess that the Child Maintenance Service had not been on my radar as such an important issue. That changed almost immediately upon my taking office, as constituents came to me with accounts of their experiences with the CMS, and appeals for help. These were not isolated incidents or minor inconveniences; they revealed systemic failures, enforcement mechanisms that seem to exist in name only, loopholes exploited by those seeking to evade their responsibilities, inadequate protections for survivors of domestic abuse, and an impersonal bureaucracy that overwhelms those it should be there to help. Failures to correct even basic errors grind down those unfortunate enough to be let down by the system.

I want to share one constituent's story that exemplifies those failings. For nearly two decades, dating back to the days of the old Child Support Agency, she has fought for what her child should have been entitled to. In all that time, her ex-partner has made consistent payments for just six months. After courageously leaving an abusive relationship, she had turned to the CMS for support. Instead, she encountered a system powerless to act when her ex-partner began gaming the system. He claimed to be unemployed while there was evidence that he was working. Missed payments would coincide with birthdays and Christmas, depriving her of the means to make those occasions special for her child. He refused to engage unless she contacted him directly, knowing full well how traumatic that would be given the history of abuse. Her mental health, understandably, deteriorated.

Yet in all her desperate calls to the CMS, rarely did she speak to the same person twice—someone familiar with her case and invested in its resolution. In her words, support consisted of someone

“who read from a screen, then said they will transfer me to someone who can help but really just put me back in the queue.”

She has spent years feeling that she is going around in circles, without receiving all the payment that she should have received for the care of her child. Madam Deputy Speaker, I hope that the Minister agrees that this falls well short of what vulnerable families deserve.

Mrs Sarah Russell (Congleton) (Lab): I thank the hon. Gentleman for giving way. Does he agree that we need more enforcement, more accurate assessment of

non-resident parent income, and better joined-up working between His Majesty's Revenue and Customs and the Department for Work and Pensions? Furthermore, if we saw that, it would help not just his constituents, to whom he has referred so passionately, but parents such as my constituent whose ex-partner is avoiding paying any ongoing child maintenance despite owning multiple properties.

Ian Sollom: I absolutely agree; that is exactly the sort of reform we need to see in the system, and I will come to those points later.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman for bringing forward this matter. I spoke to him before the debate. I would love to say that things are better in Northern Ireland, but they are not better one bit. Hon. Members can see that I have no hair, and one reason for that is that I find this matter incredibly stressful, and he has referred to things that I and my staff deal with regularly. The statistics for Northern Ireland show that in March last year only 54% of parents were paying more than 90% of what they owe. That means that 46% of those who should be paying are not. It is quite clear to me that the system falls down. Single-parent families are struggling. Does he agree that we need a UK-wide overhaul to address such worrying statistics—not just in Northern Ireland, but everywhere in this great United Kingdom of Great Britain and Northern Ireland?

Ian Sollom: I will come to the national statistics later in my speech, but those mentioned by the hon. Gentleman absolutely speak to the need for reform.

The constituent I mentioned is far from alone, and it is not all one way, with paying parents often finding themselves let down by the CMS too. Another constituent has spent months battling the service after experiencing a genuine drop in income. Despite providing every piece of documentation that he has been asked for, he has been left waiting and waiting for an adjustment to his payment schedule. He said:

“I received a letter that said my request was not valid. No explanation was given. The letter said I would be referred to an unnamed team that could help me. Almost two months later, I have received no contact.”

That is just another story that embodies the failures at the CMS.

I recently attended the parliamentary event hosted by Gingerbread, the charity for single-parent families, and the all-party parliamentary group on single-parent families. The testimony shared that day echoed many of the fundamental problems: enforcement failures, dehumanising customer service, the resulting financial hardship and, in too many cases, continued abuse.

Josh Fenton-Glynn (Calder Valley) (Lab): I thank the hon. Member for securing this important debate. I note that I am an officer of the APPG on single-parent families. The recent excellent report from Gingerbread on fixing the CMS noted that where child maintenance is paid, child poverty is 25% lower in those families. Does he agree that Gingerbread's work is absolutely vital, but that it is also vital, as an important step towards solving the problem of child poverty, that we fix the Child Maintenance Service?

Ian Sollom: Gingerbread's report on fixing the CMS is excellent. It has a lot of pointers and a lot of excellent statistics about how single-parent families are being let down. I will come on to some of those now.

The Government's own child maintenance statistics paint a damning picture: 31% of all paying parents made no maintenance payments whatsoever, and a further 12% paid less than 60% of what they owed. Those are not just statistics; they represent thousands upon thousands of children going without. I therefore ask the Minister directly: how do the Government intend to strengthen the CMS's enforcement powers to prevent systemic abuse? Further, following the recent consultation on improving payment collection and transfer, when can we expect to see the Government's response?

More than a million children nationwide depend on CMS arrangements. Many of those children and their single-parent families lack the financial security they deserve and need. That brings me to the wider issue of child poverty. That is an area that this Government claim to prioritise, yet it is hard not to question the depth of that commitment when they have so far refused to abolish the two-child benefit cap and when reform of the CMS seems barely to have featured in policy discussions.

The evidence is stark. According to Save the Children, almost half of all children in single-parent families live in poverty, compared with one in four children in two-parent households. Gingerbread's "Fix the CMS" report revealed that over 50% of parents not receiving their entitled maintenance struggle to pay essential bills. Nearly half cannot afford basic necessities for their children, such as clothes, shoes and school uniforms.

It should be self-evident that any serious strategy to tackle child poverty must include fundamental reform of the CMS. What progress has been made on the Government's child poverty strategy, and have they given appropriate consideration to reform of the CMS? The challenges for the CMS are numerous and complex, and they beg further questions. Will the Government consider reviewing the CMS funding formula to ensure that it truly reflects the cost of raising a child? Will they commit to amending service charges, including the 4% fee for receiving parents who use collect and pay, and the initial £20 enrolment charge? How can the Government improve staff recruitment, retention and training, to ensure that the workforce can properly support those who depend on this vital service?

Those are just some of the questions that the Government must consider if they want to reform the CMS. The answers will not be easy, so I thank the Minister in advance for his response, and Mr Speaker for granting this important debate. Finally, I acknowledge the contributions and presence of all Members who have stayed for this debate. They understand the gravity of the issue. I hope the Minister is about to show us that the Government do too.

8.21 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Andrew Western): Let me begin by congratulating the hon. Member for St Neots and Mid Cambridgeshire (Ian Sollom) on securing this debate, which is incredibly important to him and his constituents. I hope that I will assure him in my contribution that it is important to the Government too.

[*Andrew Western*]

Far too many children are growing up in poverty. A key priority for this Labour Government is to reduce that number as soon as possible. That is why child maintenance is incredibly important. It is estimated that child maintenance payments keep around 160,000 children out of poverty each year. That has involved the CMS arranging around £1.4 billion in child maintenance payments in the 12 months to September 2024.

Tackling child poverty is an urgent priority for the Government, which is why we have already announced our commitment to triple investment in breakfast clubs to over £30 million, to roll out free breakfast clubs at all primary schools, to create 3,000 additional nurseries and to increase the national living wage to £12.21 an hour from April to boost the pay of 3 million workers, many of them parents.

The ministerial child poverty taskforce, to which the hon. Gentleman referred, is working to publish a child poverty strategy later this year, which will deliver lasting change. In developing the strategy, the taskforce is exploring all available levers for reducing child poverty across four key themes: increasing incomes, reducing essential costs, increasing financial resilience and better local support, especially in the early years.

Tom Gordon (Harrogate and Knaresborough) (LD): The Minister mentioned that the taskforce would look at all options. Would that include scrapping the two-child benefit cap?

Andrew Western: The hon. Member will have heard me say that we are looking at all available levers across those four areas. We rule nothing in and nothing out, but I understand his point.

We are aware of the challenges that the CMS faces and recognise that there is scope for improvement. The ministerial team as a whole is committed to making those improvements. On what we are doing about those issues, I will turn to the recent direct pay consultation, which the hon. Member for St Neots and Mid Cambridgeshire referred to, and offer some background to the proposed reforms. My party has long called for reforms to the direct pay service, stating that it does not work for all parents. For that reason, this Government extended the direct pay consultation launched by the previous Government, with the express purpose of gathering as much feedback from stakeholders as possible. We are looking closely at the feedback received and will publish the Government response in due course. I appreciate that the hon. Member for St Neots and Mid Cambridgeshire would ask for a more specific timeline, but I hope he will appreciate that in what is an incredibly delicate area—dealing with vulnerable children, vulnerable families and strained relationships—we want to take our time and ensure that we get the changes right.

Josh Fenton-Glynn: My hon. Friend will know that getting it right for the most vulnerable children is important, but we are increasingly seeing post-separation abuse and post-separation financial abuse coming to light. Indeed, the report from Gingerbread that I cited earlier said that 45% of people who report post-separation financial abuse say that it gets worse when the CMS is involved. I hope that any report into the work of the

CMS and supporting vulnerable families will look at that question and help us get some answers on that issue.

Andrew Western: I thank my hon. Friend for his intervention. He has a long history of working not just on CMS issues but on child poverty more broadly, and his expertise is of great value to the House. I will say a little more about domestic abuse and financial abuse later in my contribution, but I reassure him that the focus we had in the consultation on the proposed abolition of direct pay was intended as a specific response to that issue. I have seen appalling examples in cases that have crossed my desk as a Minister of people who can message their former partner in the form of a comment on a bank transaction. They will transfer a penny—they have a direct payment in place—along with an abusive term or some form of triggering harassment of a former victim of theirs. That shows that while a parent may have moved away from that unsafe and dangerous environment, they are never fully away when direct pay is engaged.

Jim Shannon *rose*—

Andrew Western: I can see the hon. Member for Strangford (Jim Shannon) trying to come in. I will beat him to it and give way.

Jim Shannon: I thank the Minister. I expect that we will have a positive response from him to the hon. Member for St Neots and Mid Cambridgeshire (Ian Sollom) and all the queries, because that is what we get from the Minister we have in front of us.

One of the things that really frustrates me—it frustrates us all—is whenever one of my constituents comes to me and says, “I get a different person every time I phone up. I have to tell them the same story over and over again, and then you go back two weeks later and the person you were speaking to is away as well.” There must be some way in the Department for Work and Pensions that we can have a specific case officer who looks after something, and they need to respond to that person. I know that the Minister understands these things, but, honestly, it is so simple to sort out—at least, it seems to me to be simple. We really need something on behalf of all our constituents.

Andrew Western: I absolutely understand the point that the hon. Gentleman is making. With specific reference to named caseworkers, initially for victims of domestic abuse, I will have something further to say that I think he and all hon. Members will welcome, but I take his more general point.

If I may make some progress, turning to direct pay and domestic violence, financial abuse and so on, the proposals also sought views on collection fees and explored how victims and survivors of domestic abuse can be better supported. That is so important given the issues raised by the hon. Member for St Neots and Mid Cambridgeshire and the case he cited of his constituent. Overall, work is ongoing to establish the steps needed to really improve the service, taking account of the views of parents. Those will be set out in the response to the consultation. I appreciate that he would like that to be as soon as possible; I will take that away.

To drill down on the issue of domestic abuse, the scale of violence against women and girls in our country is intolerable, and the Government will treat it as the national emergency that it is. Our manifesto included the mission to halve violence against women and girls in a decade—we were right to do so—and I and all Ministers are focused on making that a reality. If I may, I will therefore say a little about the support that should be available. If the hon. Member wants to share specific details of the case that he referenced with me, I will take that away. The support that should be available is extensive and runs contrary to what clearly happened in the case that he outlined.

We have overseen progress in providing support, with the continued roll-out of an operational team to deliver targeted support to parents subjected to the most challenging and complex domestic abuse. The team provide a tailored and discrete service to customers, which is incredibly important, giving regular progress updates. They can and do assign a named caseworker to prevent customers having to re-tell their story at each interaction. As the hon. Member for Strangford (Jim Shannon) was saying, that can be incredibly stressful for parents using the service. Caseworkers are trained to identify and refer appropriate cases within the collect and pay service to that team. More generally, the CMS consulted on a diverse range of stakeholders to review its domestic abuse training for all frontline CMS staff to ensure that caseworkers understand, recognise and respond appropriately to customers who are experiencing domestic abuse or who are survivors of domestic abuse.

Adam Jogee (Newcastle-under-Lyme) (Lab): I am very grateful to the Minister for giving way and I congratulate the hon. Member for St Neots and Mid Cambridgeshire (Ian Sollom) on securing the debate. Like him, I have had a number of people come to me with stories of being ignored, let down or left behind by this agency. The sooner the failures of the agency are dealt with, the better for people not just in my constituency but up and down the United Kingdom. With that in mind, will the Minister find time to meet me to talk about the specific examples faced by my constituents? He touched on the point that this is an equality and safety issue. That is very much the situation in my patch for the people who come to my surgery. I would therefore be grateful, in the spirit he has approached the debate so far, if he could find time to meet me to discuss those points.

Andrew Western: I should have known that my hon. Friend would be in his place. He is keen on an Adjournment debate—we all know that. This is where I put myself as an imposter, because I am not the Minister with direct responsibility for the CMS, but I am very happy to put him in touch with the Department's Minister in the House of Lords, who I am sure would be happy to have a conversation with him.

Turning back to the hon. Member for St Neots and Mid Cambridgeshire and the points he made about calculation reforms, a broad review of the child maintenance calculation is being conducted. It is examining the scope for change and improvements, while maintaining the simplicity of the calculation. It can be very frustrating

for paying parents who are waiting to have income reassessed, and for receiving parents when they are aware that a paying parent has received a substantial income increase. The calculation at present generally looks at income from the previous tax year and it is only when somebody's income has changed with a divergence of more than 25% in either direction that it triggers an in-year evaluation. We are looking at ways we can change that, while recognising that we need to encourage payment compliance and more sustainable arrangements in all that we do.

The hon. Gentleman will be pleased to hear that the £20 application fee he referred to was removed in 2024, getting rid of a financial barrier to parents wishing to access the CMS. Proposals to include more types of taxable income held by HMRC within the standard maintenance calculation are being considered, alongside the review of the child maintenance calculation.

Turning to enforcement—my hon. Friend the Member for Congleton (Mrs Russell) also raised this issue—I can understand that for some receiving parents there are frustrations with how quickly the CMS secures payment from non-compliant paying parents. We have seen significant improvements to speed up action when payments first break down and to target enforcement action more effectively. We are changing the process at present to make direct deductions something we can do more swiftly where issues emerge. We have a range of strong enforcement powers that can be used against those who consistently refuse to meet their obligations to provide financial support to their children, and in the past year to September 2024 the CMS has collected £16.8 million from paying parents with civil enforcement actions in process. Collections through civil enforcement have followed a general upwards trajectory in recent years. For comparison, the equivalent figure in 2021 was £10.3 million.

I would like to finish by talking about the improvements to customer experience and digital services that the Department has been introducing. Since 2020, as part of the DWP service modernisation programme, the Department has transformed the ways in which customers can interact with the CMS, providing customers with the choice to make contact with digital routes and reducing the time taken to action change of circumstances. We continue to develop our digital offer, evaluating through user research and customer feedback, but we are committed to retaining a non-digital telephony service to ensure that no customer is excluded.

As I said earlier, I recognise that the hon. Gentleman is rightly impatient, as are other Members, to see change and to see the details of our reform package following the conclusion of the recent consultation, but getting the right solution will take a little time. It is right that the changes that we make are properly considered and robust so that the CMS can continue to play not just an important role but an ever-more effective and increasingly important role in supporting children and tackling child poverty.

Question put and agreed to.

8.35 pm

House adjourned.

Westminster Hall

Wednesday 26 February 2025

[GRAHAM STRINGER *in the Chair*]

Online Safety Act: Implementation

9.30 am

Sir Jeremy Wright (Kenilworth and Southam) (Con):
I beg to move,

That this House has considered the implementation of the Online Safety Act 2023.

It is a great pleasure to serve under your chairmanship, Mr Stringer, and I am grateful for the opportunity to open the debate. Let me start with some positives. The Online Safety Act 2023 is certainly not the last word on the subject, but it is, in my view, a big step forward in online safety, providing a variety of tools that allow the regulator to make the online world safer, particularly for children. I remain of the view that Ofcom is the right regulator for the task, not least because it can start its work sooner as an existing regulator and given the overlap with its existing work—for example, on video-sharing platforms. I also have great regard for the diligence and expertise of many at Ofcom who are now charged with these new responsibilities. However, I am concerned that Ofcom appears unwilling to use all the tools that the Act gives it to make the online world a safer place, and I am concerned that the Government appear unwilling to press Ofcom to be more ambitious. I want to explain why I am concerned, why I think it matters and what can be done about it.

Let me start with what I am worried about. There was a great deal of consensus about the passing of the Online Safety Act, and all of us involved in its development recognised both the urgent need to act on online harms and the enormity of the task. That means that the eventual version of the Act does not cover everything that is bad online and, of necessity, sets up a framework within which the regulator is required to fill in the gaps and has considerable latitude in doing so.

The architecture of that framework is important. Because we recognised that emerging harms would be more clearly and quickly seen by online services themselves than by legislators or regulators, in broad terms the Act requires online services to properly assess the risk of harms arising on their service and then to mitigate those risks. My concern is that Ofcom has taken an unnecessarily restrictive view of the harms it is asking services to assess and act on and, indeed, a view that is inconsistent with the terms of the Act. Specifically, my conversations with Ofcom suggest to me that it believes the Act only gives it power to act on harms that arise from the viewing of individual pieces of bad content. I do not agree, and let me explain why.

With limited exceptions, if an online service has not identified a risk in its risk assessment, it does not have to take action to reduce or eliminate that risk, so which risks are identified in the risk assessment really matters. That is why the Act sets out how a service should go about its risk assessment and what it should look out for. For services that may be accessed by children, the relevant risk assessment duties are set out in section 11 of the Act. Section 11(6) lists the matters that should be

taken into account in a children's risk assessment. Some of those undoubtedly refer to content, but some do not. Section 11(6)(e), for example, refers to

“the extent to which the design of the service, in particular its functionalities”

affects the risk of adults searching for and contacting children online. That is not a risk related to individual bits of content.

It is worth looking at section 11(6)(f), which, if colleagues will indulge me, I want to quote in full. It says that a risk assessment should include

“the different ways in which the service is used, including functionalities or other features of the service that affect how much children use the service (for example a feature that enables content to play automatically), and the impact of such use on the level of risk of harm that might be suffered by children”.

I think that that paragraph is talking about harms well beyond individual pieces of bad content. It is talking about damaging behaviours deliberately instigated by the design and operation of the online service, and the way its algorithms are designed to make us interact with it. That is a problem not just with excessive screen time, on which Ofcom has been conspicuously reluctant to engage, but with the issue of children being led from innocent material to darker and darker corners of the internet. We know that that is what happened to several of the young people whose suicides have been connected to their online activity. Algorithms designed to keep the user on the service for longer make that risk greater, and Ofcom seems reluctant to act on them despite the Act giving it powers to do so. We can see that from the draft code of practice on harm to children, which Ofcom published at the end of last year.

This debate is timely because the final version of the code of practice is due in the next couple of months. If Ofcom is to change course and broaden its characterisation of the risks that online services must act on—as I believe it should—now is the time. Many of the children's welfare organisations that we all worked with so closely to deliver the Act in the first place are saying the same.

If Ofcom's view of the harms to children on which services should act falls short of what the Act covers, why does it matter? Again, the answer lies in the architecture of the Act. The codes of practice that Ofcom drafts set out actions that services could take to meet their online safety duties. If they do the things that they set out, they are taken to have met the relevant safety duty and are safe from regulatory penalty. If in the code of practice Ofcom asks services to act only on content harms, it is highly likely that that is all services will do because it is compliance with the code that provides regulatory immunity. If it is not in the code, services probably will not do it. Codes that ignore some of the Act's provisions to improve children's safety means the online services that children use will ignore those provisions, too. We should all be worried about that.

That brings me to the second area where I believe that Ofcom has misinterpreted the Act. Throughout the passage of the Act, Parliament accepted that the demands that we make of online services to improve the safety of their users would have to be reasonable, not least to balance the risks of online activity with its benefits. In later iterations of the legislation, that balance is represented by the concept of proportionality in the measures that the regulator could require services to take. Again, Ofcom has been given much latitude to interpret

[*Sir Jeremy Wright*]

proportionality. I am afraid that I do not believe it has done so consistently with Parliament's intention. Ofcom's view appears to be that for a measure to be proportionate there must be a substantial amount of evidence to demonstrate its effectiveness. That is not my reading of it.

Section 12 of the Act sets out the obligation on services to take proportionate measures to mitigate and manage risks to children. Section 13(1) offers more on what proportionate means in that context. It states:

"In determining what is proportionate for the purposes of section 12, the following factors, in particular, are relevant—

(a) all the findings of the most recent children's risk assessment (including as to levels of risk and as to nature, and severity, of potential harm to children), and

(b) the size and capacity of the provider of a service."

In other words, a measure that would be ruinously expensive or disruptive, especially for a smaller service, and which would deliver only a marginal safety benefit, should not be mandated, but a measure that brings a considerable safety improvement in responding to an identified risk, even if expensive, might well be justified.

Similarly, when it comes to measures recommended in a code of practice, schedule 4(2)(b) states those measures must be

"sufficiently clear, and at a sufficiently detailed level, that providers understand what those measures entail in practice",

and schedule 4(2)(c) states that recommended measures must be "proportionate and technically feasible", based on the size and capacity of the service. We should not ask anything of services they cannot do, and it should be clear what they have to do to comply. That is what the Act says proportionality means. I cannot find in the Act support for the idea that we have to know something will work before we try it in order for that action to be proportionate and therefore recommended in a code of practice. Why does that disagreement on interpretation matter? Because we should want online platforms and services to be innovative in how they fulfil their safety objectives, especially in the fast-moving landscape of online harms. I fear that Ofcom's interpretation of proportionality, as requiring evidence of effectiveness, will achieve the opposite.

There will only be an evidence base on effectiveness for a measure that is already being taken somewhere, and that has been taken for long enough to generate that evidence of effectiveness. If we limit recommended actions to those that have evidence of success, we effectively set the bar for safety measures at current best practice. Given the safe harbour offered by measures recommended in codes of practice, that could mean services being deterred from innovating, because they get the protection only by doing things that are already being done.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I thank the right hon. and learned Gentleman for securing this incredibly important debate. He has described in his very good speech how inconsistency can occur across different platforms and providers. As a parent of a 14-year-old daughter who uses multiple apps and platforms, I want confidence about how they are regulated and that the security measures to keep her safe are consistent across all platforms she might access. My responsibility as a parent is to match that. The right

hon. and learned Gentleman rightly highlights how Ofcom's interpretation of the Act has led to inconsistencies and potential grey areas for bad faith actors to exploit, which will ultimately damage our children.

Sir Jeremy Wright: The hon. Gentleman makes an interesting point. We have to balance two things, though. We want consistency, as he suggests, but we also want platforms to respond to the circumstances of their own service, and to push the boundaries of what they can achieve by way of safety measures. As I said, they are in a better position to do so than legislators or regulators are to instruct them. The Act was always intended to put the onus on the platforms to take responsibility for their own safety measures. Given the variety of actors and different services in this space, we are probably not going to get a uniform approach, nor should we want one. The hon. Gentleman is right to say that the regulator needs to ensure that its expectations of everyone are high. There is a further risk not that we might just fix the bar at status quo but that, because of the opportunity that platforms have to innovate, some might go backwards on new safety measures that they are already implementing because they are not recommended or encouraged by Ofcom's code of practice. That cannot be what we want to happen.

Those are two areas where I believe Ofcom's interpretation of the Act is wrong and retreats in significant ways from Parliament's intention to give the regulator power to act to enhance children's online safety. I also believe it matters that it is wrong. The next question is what should be done about it. I accept that sometimes, as legislators, we have no choice but to pass framework legislation, with much of the detail on implementation to come later. That may be because the subject is incredibly complex, or because the subject is fast-moving. In the case of online safety, it is both.

Framework legislation raises serious questions about how Parliament ensures its intentions are followed through in all the subsequent work on implementation. What do we do if we have empowered regulators to act but their actions do not fulfil the expectations that we set out in legislation?

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): Does the right hon. and learned Gentleman agree that this is not only about Ofcom but regulators more widely, and their ability to be agile? Does he believe them to be more risk-averse in areas such as digital technology, relying on traditional consultation time periods, when the technology is moving way faster?

Sir Jeremy Wright: The hon. Gentleman identifies a real risk in this space: we are always playing catch-up, and so are the regulators. That is why we have tried—perhaps not entirely successfully—to design legislation that gives the regulators the capacity to move faster, but we have to ask them to do so and they have to take responsibility for that. I am raising these points because I am concerned that this particular regulator in this particular set of circumstances is not being as fleet of foot as it could be, but the hon. Gentleman is right that this is a concern across the regulatory piece. I would also say that regulators are not the only actor. We might expect the Government to pick up this issue and ensure that regulators do what Parliament expects, but in this area the signs are not encouraging.

As some Members in Westminster Hall this morning know because they were present during the debates on it, elsewhere in the Online Safety Act there is provision to bring forward secondary legislation to determine how online services are categorised, with category 1 services being subject to additional duties and expectations. That process was discussed extensively during the passage of the Act, and an amendment was made to it in the other place to ensure that smaller platforms with high incidences of harmful content could be included in category 1, along with larger platforms. That is an important change, because some of the harm that we are most concerned about may appear on smaller specialist platforms, or may go there to hide from the regulation of larger platforms. The previous Government accepted that amendment in this House, and the current Government actively supported it in opposition.

I am afraid, however, that Ofcom has now advised the Government to disregard that change, and the Government accepted that advice and brought a statutory instrument to Committee on 4 February that blatantly contravenes the will of Parliament and the content of primary legislation. It was a clear test case of the Government's willingness to defend the ambition of the Online Safety Act, and I am afraid they showed no willingness to do so.

If we cannot rely on the Government to protect the extent of the Act—perhaps we should not, because regulatory independence from the Executive is important—who should do it? I am sure the Minister will say in due course that it falls within the remit of the Science, Innovation and Technology Committee. I mean no disrespect to that Committee, but it has a lot on its plate already and supervision of the fast-moving world of online safety regulation is a big job in itself. It is not, by the way, the only such job that needs doing. We have passed, or are in the process of passing, several other pieces of similar framework legislation in this area, including the Digital Markets, Competition and Consumers Act 2024, the Data (Use and Access) Bill and the Media Act 2024, all of which focus on regulators' power to act and on the Secretary of State's power to direct them. Parliament should have the means to oversee how that legislation is being implemented too.

Many of these areas overlap, of course, as regulators have recognised. They established the Digital Regulation Co-operation Forum to deal with the existing need to collaborate, which of course is only likely to grow with the pervasive development of artificial intelligence. Surely we should think about parliamentary oversight along the same lines. That is why I am not the first, nor the only, parliamentarian to be in favour of a new parliamentary Committee—preferably a Joint Committee, so that the expertise of many in the other place can be utilised—to scrutinise digital legislation. The Government have set their face against that idea so far, but I hope they will reconsider.

My final point is that there is urgency. The children's safety codes will be finalised within weeks, and will set the tone for how ambitious and innovative—or otherwise—online services will be in keeping our children safe online. We should want the highest possible ambition, not a reinforcement of the status quo. Ofcom will say, and has said, that it can always do more in future iterations of the codes, but realistically the first version will stand for years before it is revised, and there will be

many missed opportunities to make a child's online world safer in that time. It is even less likely that new primary legislation will come along to plug any gaps anytime soon.

As the responsible Secretary of State, I signed off the online harms White Paper in 2019. Here we are in 2025, and the Online Safety Act is still not yet fully in force. We must do the most we can with the legislation we have, and I fear that we are not.

Given the efforts that were made all across the House and well beyond it to deliver the best possible set of legislative powers in this vital area, timidity and lack of ambition on the part of Ministers or regulators—leading to a pulling back from the borders of this Act—is not just a challenge to parliamentary sovereignty but, much more importantly, a dereliction of duty to the vulnerable members of our society, whose online safety is our collective responsibility. There is still time to be braver and ensure that the Online Safety Act fulfils its potential. That is what Ofcom and the Government need to do.

Graham Stringer (in the Chair): I remind hon. and right hon. Members to bob if they wish to speak. I intend to call the Front-Bench spokespeople at half-past 10 so I will impose a four-minute limit on speeches. That gives very little scope for interventions though it is up to hon. Members whether to take them, but I may have to reduce the time limit.

9.51 am

Jess Asato (Lowestoft) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright), the former Secretary of State, for securing today's important debate.

I am proud to have worked on the Online Safety Act alongside colleagues in the women's and children's sectors, and to have successfully pushed, in particular, for stronger age verification measures to stop children from accessing harmful pornography. Given the abundant harms within the online world and the detrimental impact they have on young people's development, the need for strong regulation was always going to be necessary. Tech companies have no incentive to care for children when their profit motives compel them to create addictive content, purposely designed to keep kids hooked.

However, regulation is only ever as good as its ability to be enforced. It is clear from my conversations with those who care about children's online safety that the regulator, Ofcom, needs to do better in many areas. Adequate regulation has never been needed more than now, in an era of a roll-back in online giants' desires to protect and safeguard their users—from X to Meta—given changing political winds. Self-regulation has clearly failed and we must ensure that Ofcom's implementation of the Online Safety Act is not loose enough to allow that to continue. I agree with the concerns raised by the right hon. and learned Member for Kenilworth and Southam; what we have seen so far from Ofcom demonstrates that Parliament needs to be doing more to ensure that its will is stamped on the regulatory framework that Ofcom has been forming.

There are many areas where we need to go further. One of the most concerning trends online that we have witnessed has been the rise of extremist misogyny and a

[*Jess Asato*]

culture that incites violence against women and girls more generally. Last year, 77% of girls and young women aged seven to 21 experienced online harm; that includes things such as revenge porn, which affects one in 14 adults. The revenge porn helpline has experienced an average 57% increase in cases each year since it was founded a decade ago. It has also witnessed a 400% rise in cases involving deepfake images. AI is powering today's misogyny and abuse and more must be done.

That is why I have been campaigning for a ban on nudification apps that create deepfake pornography, by and large, of women and girls without their consent. Issues such as those need to be tackled now and not stewed over for another decade. I am concerned that Ofcom's age assurance and children's access codes of practice for part 5 providers—that is, dedicated pornography sites—do not include a clear and measurable definition of what highly effective age assurance means in practice. Without a stringent definition, pornography sites will likely shirk responsibility for implementing a robust system, and Ofcom's ability to enforce action will be made more difficult. Moreover, we know that the Act did not look at content regulation. That is why we are all eagerly anticipating Baroness Bertin's pornography review, which I believe is due to be published this week by the Government. Ensuring that online content is aligned with that of offline, regulated by the British Board of Film Classification, will be key.

We must look to expand age assurance to the level of the app store. App stores were not included in the Online Safety Act. Indeed, Ofcom has been given two years to conduct a review into app stores. I strongly believe that that needs to be brought forward. App stores are not adequately ensuring that apps are age-appropriate, and more needs to be done to stop children downloading apps that can lead them to dark and harmful places. As a Parliament, we must be willing to bring forward legislation that complements and builds on the Online Safety Act, to ensure that Ofcom acts to protect our women and children.

9.55 am

Dame Caroline Dinenage (Gosport) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate my right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright) on securing this vital debate. When he introduced the online safety White Paper in 2019, it was because we could not rely on big tech to regulate what was hosted on their platforms; it simply wasn't working. Under the previous Government, we saw the tragic death of Molly Russell in 2017 and the complete failure of tech firms to adequately police illegal content on their sites, let alone the lawful but awful content that was being fed to our children from dawn till dusk.

Here we are, six years later, to discuss how the Online Safety Act is being implemented. In the meantime, virtually every Minister who has held the baton for this issue, including myself for a couple of years, has used this piece of legislation as almost a silver bullet for every harm that is encountered in the online world. I have often said that if ever there was a piece of legislation for which the phrase, "We mustn't let the perfect be the enemy of the good" was invented, it is this one. We now need to hit the ground running and ensure

that the legislation is implemented fast and effectively, in line with the sentiment that gave rise to it, as my right hon. and learned Friend the Member for Kenilworth and Southam suggested. Every day that Ofcom does not enforce its age assurance requirements for porn providers and illegal harms codes is a day that young children across the country are at serious risk of having their childhood stolen.

The Online Safety Act was a complicated and groundbreaking piece of legislation. No other Government in the world at the time had attempted to regulate the internet so effectively. I was pleased that when the Bill came back from the House of Lords, it was not just the size of the platforms that was taken into account when deciding the category of service, but the level of risk they represented, which is also really important. It is important to recognise that other countries and the EU have legislated while we have refined, and now we need to act.

I am glad that since the Act was passed in October 2023, Ofcom has worked at pace to bring forward codes on areas such as children's safety duties, illegal harms and age assurance, which will have a massive and tangible impact. Ofcom intends to consult on further proposals to strengthen the codes this spring, and it is really important that that focuses on the issues we are seeing, such as hash-matching for terrorist and intimate image abuse content. That is particularly important considering the emergence of deepfakes as the new front in the war against women and girls—99% of pornographic images and deepfakes are of women.

In the light of this increasingly agile, polarising and inventive online world, I am concerned by reports in the media that the Government have decided to put the drive to keep protections up to date with tech developments on ice. There are reports in *The Telegraph* that Elon Musk is pushing for the Act to be watered down as part of a bargain to avoid trade tariffs. We are all looking for reassurance that, after so many years of work on this legislation by so many people, the Government will not water down or somehow filter its protections.

The Government have acknowledged that there has been an increase in suicides among young people, with suicide-related internet use found in 26% of deaths in under-20s. They made a manifesto commitment to build on this Act, and they must not row back on that. We cannot give up the fight to make the digital world a more pleasant and user-friendly place. We must never forget that if internet companies were doing what they say they are to implement their own terms and conditions, this legislation would not even be necessary, and the Government need to hold them to account.

9.59 am

Gregor Poynton (Livingston) (Lab): It is a pleasure to serve under your chairship, Mr Stringer. My congratulations to the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) on securing this important debate.

Online safety and the wellbeing of our children and young people in digital and online spaces are issues that guide many of us in the House, across the parties, and across the country. I speak only on my own behalf, but as chair of the all-party parliamentary group on children's online safety, I believe that the Online Safety Act is landmark legislation that has the potential to transform

the safety of children and young people in the online world and I applaud the Government's commitment to creating the safest possible environment for our children, especially in the face of the growing dangers that lurk in the online space.

The Act is designed to tackle the pervasive issues of child sexual abuse material and online grooming. With provisions such as the requirement for platforms to scan for known child sexual abuse material, it has the potential to reduce significantly the availability of such content. Platforms will now have a legal obligation to take action, including by adopting measures such as hash matching, which will prevent the sharing of known CSAM. This is a major step forward and will undoubtedly save countless children from exploitation.

However, there are some concerns that I wish to raise to ensure that the full potential of the Act is realised. Hon. Members have raised many of them already, but I hope that this will give weight to them, and I hope that Ofcom will be listening to our concerns about the Act's implementation. One of the most pressing issues raised by experts, including the Internet Watch Foundation, is the interpretation of "technically feasible" in Ofcom's illegal harms codes. Although the Act requires platforms to take steps to remove illegal content, the codes suggest that services are obliged to do so only when that is deemed technically feasible. That could lead to a situation in which platforms, rather than taking proactive steps to safeguard users, simply opt out of finding innovative solutions to prevent harm.

I do not believe that that is the ambitious, risk-based regulatory approach that Parliament envisaged when it passed the Online Safety Act. These are the same platforms that have spent billions of pounds on R&D developing highly sophisticated algorithms to solve complex technical problems, and effectively targeting ads to drive revenue and serve audiences content that they want to see. They have a global reach: they have the tools, the people and the budgets to solve these problems. Therefore, we must ensure that platforms are incentivised to go beyond the bare minimum and truly innovate to protect our children. I echo the calls from multiple civil society organisations working in this area for us to require platforms to take a safety-by-design approach.

Another serious concern is the potential for platforms to use the safe harbour provision offered by the Act. That would allow companies to claim that they are compliant with the codes of practice, simply by following the prescribed rules and without necessarily addressing the underlying harms on their platforms. As the Internet Watch Foundation has rightly pointed out, it risks leaving platforms operating in a way that is compliant on paper but ineffective in practice.

I also ask Ofcom to look more quickly, as my hon. Friend the Member for Lowestoft (Jess Asato) has suggested, at Apple and Google's app stores. They have a wealth of data and can be effective gamekeepers, particularly on age verification, if they are pressed into service. Finally, I encourage the Government and Ofcom to address more fully the issue of private communications. Many predators exploit private messaging apps to groom children, yet the Act's provisions on private communications are limited. It is vital that we ensure that private spaces do not become safe havens for criminals and that platforms are held accountable for the spread of CSAM, regardless of whether that occurs in private or public spaces.

I hope that my hon. Friend the Minister can address those points in her response and that they will be kept front of mind by Ofcom, the Government and the tech giants as we all seek to ensure that digital and online spaces, which are increasingly important in all our lives, are safe and secure for our children and young people.

10.3 am

Monica Harding (Esher and Walton) (LD): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) for organising this important debate and for his continued work scrutinising this legislation.

The Online Safety Act was a landmark step towards making the internet a safer place, particularly for our children, but its implementation has fallen far short of what Parliament intended, hampered by Ofcom's slow pace and limited ambition. Initially, the Act was designed to ensure that tech companies take responsibility for protecting users, especially children, from harmful content, but the current approach taken by Ofcom undermines that intent in several ways.

We have waited more than a year for Ofcom to complete its consultation on the illegal content codes of practice, but those codes fail to enforce a robust safety-by-design approach. Instead of proactively mitigating risks, many of its measures focus only on responding to harm after it has already occurred, and the children's safety codes, which are still in draft, appear to follow a similarly disappointing trajectory. Features such as livestreaming, ephemeral content and recommender algorithms—tools that are frequently exploited for the purpose of online abuse—are also not meaningfully addressed in the current framework.

The Act has significant shortcomings in that it also allows companies to be deemed compliant simply by following Ofcom's codes, regardless of whether their platforms remain unsafe in reality. This means that tech giants are permitted to hide behind a regulatory shield rather than being forced to address known risks on their platforms; all the while, children continue to be exposed to harm. The Act also explicitly requires protections tailored to different age groups, but in its implementation of it, Ofcom treats a seven-year-old and a 17-year-old as if their online safety needs are identical. In doing so, it has fundamentally failed to recognise how children's development affects their online experiences and their vulnerabilities.

The action on fake and anonymous accounts has been slow and weak. This was a huge area of focus for parliamentarians before the Act was passed, and Ofcom itself identified it as a major risk factor in crimes such as terrorism, child sexual exploitation, harassment and fraud. As we approach 18 months since the passage of the Act, there has been no change for UK users. Instead of prioritising verification measures, Ofcom has pushed them to a later phase of implementation, delaying real action until at least 2027. That is unacceptable, especially when Ofcom's own research shows that over 60% of eight to 11-year-olds are active on social media, despite existing age restrictions prohibiting it.

The Government's and Ofcom's delays in introducing user identity verification measures are unacceptable. The harms associated with fake and anonymous accounts are deeply personal and painfully real, with millions of

[*Monica Harding*]

Britons suffering from online abuse, scams and harassment each year. I hope the Minister can provide a robust explanation for the timidity and delay, and rule out any suggestion that the delays were a result of lobbying pressures from platforms. The best assurance she could give today would be a commitment that the introduction of verification measures will be brought forward to 2026, so that UK internet users are better protected.

In short, I ask the Minister to recognise the urgency of taking the following action. Ofcom must revise its codes to require proactive risk mitigation; tech companies should not be allowed to claim compliance with the regulatory framework, all the while continuing to expose users to harm; platforms must be held accountable if they fail to meet the real safety standards; and protections need to be specific to different age groups, so that younger children and teenagers receive appropriate levels of safety and access.

10.7 am

Alistair Strathern (Hitchin) (Lab): It is a pleasure to serve under your chairship, Mr Stringer. I thank the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) for securing this important debate. His contribution highlighted why he will continue to be an important voice as we go forwards as a Parliament in doing everything we can to keep young people safe online.

For a long time now, Parliament has regulated to keep young people safe from a whole host of harms, which are often tangible and physical. The precautionary principle has been front and centre of our efforts—almost to a fault sometimes, people might argue—to keep young people safe from harms that they simply should not be exposed to. When we look at online harm, however, it is clear that the precautionary principle has not always been there.

There is a range of reasons for that. I hope hon. Members will not mind me highlighting that, for many of us, the online world was not quite such a big presence in our lived experience growing up. Therefore, when it comes to legislating for the online world, the more recent nature of some of the developments means that the evidence base is inherently slightly more limited. We have to be confident in the principled, risk-based approach to acting, and act when we know it is right to do so.

We have to know that more urgent action in this space is the right thing to do. It is impossible not to be moved by the testimony of parents who have gone through some of the most heartbreaking tragedies as a result of our historical inaction, just as it is impossible for me not to be stirred to act when I visit schools and pupils of all ages consistently raise their own fears and concerns about what they are being exposed to online and its impact on them and their mental health.

Other Members have rightly highlighted some of the shortcomings of the Online Safety Act, but, as the right hon. and learned Member for Kenilworth and Southam pointed out, it is important to note the urgency of using the tools available to us now, given our historical inaction. We must ensure that we have the strongest possible implementation of the Act, which means that the strongest possible children's code from Ofcom will be front and centre.

As other colleagues have highlighted, there is a whole host of ways in which Ofcom has been far too conservative and limited in its interpretation of the powers that Parliament has given it in bringing forward the children's code, as well as its wider approach to the Act. As 5Rights and others have highlighted, the approach of focusing purely on content, rather than on design and features, means that a whole host of harms, which are explicitly called out in the Act, are not affected.

There is nothing more tragic than the story of Molly Rose. The foundation set up in her name is very clear on the role that algorithms, doom spiralling, and young people consistently being pushed towards some of the most harmful content for them at their age played in what happened to her, and to far too many young people right across the country. In section 11(6)(f) of the Act, Parliament very explicitly made it clear that those features should be considered. Ofcom needs to make sure that that is brought forward, and that the code explicitly considers how technology companies can ensure that safety of features and design is considered right across the age range.

Alongside that, Internet Matters and many other groups have been really clear in pointing out that the current approach to age appropriateness—the flattening when it comes to people over and under 18—and the weak guidance on age verification risks not doing justice to Parliament's very clear steer in section 12 that content and features should be considered from a risk-based perspective right across the age range. Again, that is a clear area where I think Ofcom could and should do a lot more.

As others including the IWF have pointed out, while some consideration of technical feasibility is obviously needed, the carve-out, as currently drafted, risks being an opt-out and a dilution of the ambition of tech companies in stepping up to the plate and making sure they are playing their part in keeping young people safe online.

There is a lot more we will need to do, and I have no doubt that the curriculum review—that is a separate matter—will be important in making sure we are playing our part in empowering young people to feel more confident and safe in these spaces. I am very glad to be doing this work in a Parliament where there are so many strong voices on this issue. Given its urgency, I really do hope that we can make progress between now and the upcoming children's code to ensure that we are meeting the need of this moment fully.

10.11 am

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Mr Stringer. I congratulate the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) on introducing the debate. I thank him for all that he has done over the years. We all recognise that. His deep interest in the subject matter was illustrated by the way he set the scene with lots of effect—not that anybody else did not, but he did it exceptionally well.

The Office for National Statistics revealed that 83% of 12 to 15-year-olds now own a smartphone with full internet access. They use them for school, and parents use them to keep an eye on their children through location services. There is a world of good that can be done with a phone; however, we are all aware that there is also a world of harm. When I was a boy, the bullies'

power left them when we left the school gates; now, their reach is vastly extended, and children's mental health is the price to be paid.

I have spoken on many occasions in the House on this issue and on the Act, and I believe that we absolutely need a new, safe online world for our children. Cyber-bullying, grooming and online exploitation are real. As I highlighted in November, in the last debate on this topic, the Police Service of Northern Ireland revealed that in 2023, crimes involving children being contacted online by sexual predators rose by nearly a third in Northern Ireland. That is a very worrying figure. The scale of this issue is astronomical. I think of how vulnerable and precious our children are, and my heart aches at the number of children whose innocence has been taken from them at an early age. The joy of childhood comes from the magic of innocence, and anyone who takes that, whether by touch or online, is guilty of a crime. The entire purpose of the Act is to protect children, and we must see its full implementation.

More than three quarters of people saw self-harm content online for the first time at the age of 14 or younger, and individuals with a history of self-harm report being 10 years old or younger when they first viewed such content. Without very strict controls, children of any age can view things that simply are not appropriate for their wee minds. I am a great believer that it is parents' job to do all they can to provide for their child: the love, safety, food, and clothing. That is harder than ever to do in a world that parents cannot access.

I speak as a grandparent who does not have the ability to do the things that others can do. I know that there is this unlimited world of access to unknown things. I am thankful that back home, the Minister of Education, my colleague Paul Givan, is attempting to send the message that online access needs to be curtailed, by investing in a pilot scheme for pouches that children put their phones into while in school. That prevents online access, and it means less distraction too. More than that, it ensures that children begin to learn that their phone does not need to be at their fingertips or at their ear. In fact, perhaps we adults need to remember that as well. Let us be honest: at Prime Minister's questions, when we look across the Chamber, what will we all be doing? Probably looking at our phones. We should not be doing that; we should be concentrating on the Chamber. The most important thing is the message being sent to children—hopefully it is something that they can take into their working lives, too—that they can switch these things off and learn to reconnect with the real world in front of them. I congratulate the Northern Ireland Minister for doing that.

I commend the right hon. and learned Member for Kenilworth and Southam for the continued and solid work that he has put into this legislation. Children throughout the United Kingdom of Great Britain and Northern Ireland will be safer and happier for it. I often feel we have one job as a parent: to protect our children and their future. This legislation will hopefully play a part in helping parents to protect the most treasured part of their life, and I will always support that.

10.15 am

Lola McEvoy (Darlington) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I pay tribute to the right hon. and learned Member for Kenilworth

and Southam (Sir Jeremy Wright) for his exceptional work and for his collegiate approach to this issue. In the interests of time, I will dive straight into the detail of what Ofcom is at risk of failing on in the implementation of its children's safety codes.

As a trade union organiser, I know more than most about risk assessments and how they can be used in practice to protect people. A static risk assessment, as is required by the Act, will be used to assess the risk at that point in time; there will be a legal requirement to update or check that assessment within a year of its first iteration. A static risk assessment will assess the risk broadly, and if the online platforms adhere to the assessment, they will be in keeping with the legislation and will be given safe harbour, as has already been covered. That is not sufficient for the cohort of people using the platform at this time. The protection of children codes that are being published in April must require the use of a dynamic risk assessment.

Dynamic risk assessment is used by the Ministry of Defence, the NHS and several other work environments where the cohort they work with is vulnerable or at risk of injury or harm, and/or where the staff are at risk of injury from the work they do. Dynamic risk assessments are updated in real time. If the risk cannot be mitigated in real time, the activity must be stopped. I cannot fathom why these assessments are not being incorporated in the first iteration of the children's codes. They would require the platforms to act in real time when they see children coming to harm, engaging in harmful behaviours or being exposed to harmful content. We know that myriad problems will arise when the codes are implemented. I believe strongly that if a dynamic risk assessment is included for those who say that they have children on their platforms, children will be safer in real time.

This is important not only because a dynamic risk assessment is enhanced, but because it makes sure that there is a point person responsible for that work. A point person at the platforms is already included in the Online Safety Act, responsible for being in touch with the Government and Ofcom and for implementing the measures in the Act. A DRA would mean that there was a responsible point person looking in real time to protect children. That is the first point.

I have several other points to make, but only a tiny amount of time. First, it is clear to me that functionalities should be included in the scope of the Act. I have spoken to Ofcom and to the platforms about it. The platforms are already including functionalities in their preliminary risk assessments, so their reading of the Act is that functionalities must be included. If they are going further already, I do not know why Ofcom would not stipulate that they continue to do so. Ofcom's desire to include a toggle on and off mechanism for some of the functionalities is not sufficient to protect children because, as many of us who have been involved in these debates for a long time know, children will just switch them on. It is not sufficient to have a default off option either.

I will also touch on Jools' law. As we have previously discussed in the Chamber, we need an amendment to make sure that in the tragic event of a child's death, a notice is automatically issued to the regulated online platforms to freeze the child's accounts to protect them from deletion and to protect the data for the families going through an inquest. I pay tribute to the bereaved

[Lola McEvoy]

families who have worked on this. Finally, on timing, we have heard that any changes to the codes will delay implementation. I do not agree with that.

10.19 am

Bobby Dean (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship, Mr Stringer. Social media has the power to provide spaces for connection, free speech and content creation that were unimaginable just a few decades ago. I remember what it was like to be a part of the first generation of teenagers to use social media. I hear the likes of MSN, Myspace and Bebo are no longer a thing among the youth, but I understand the joy of platforms like them and why we would not want our parents involved and snooping around on them. None the less, exactly how much space and freedom we should afford teenagers as parents and as society is the subject of intense debate.

When I speak to parents or teachers about social media, they tell me that they are concerned about how much time children spend on their devices, who they are speaking to and the fear that comes from not knowing what they are watching and reading. That is no surprise, because we as adults are struggling on the same platforms in the same way, and there is very little reassurance that the experience that young people get is much different from our own. The violence, the pornography, the hate—we all see it, and they see it too.

Just a few weeks ago, there was a horrific stabbing in my constituency involving a teenage boy. The video was posted all over social media within minutes. It kept popping up in my feed on Facebook, as it was shared across local groups, and I was tagged in the video on X. The video depicted the whole scene, unfiltered, without a warning. My thoughts went to the victim's family and to the young teenagers at the college around the corner, who I am sure will have been watching it, too. I do not think I am imagining it when I say that, not long ago, a video like that simply would not have got around as quickly or been seen as frequently as that one. It would have been taken down, at least eventually, but with the purposeful rolling back of moderation by giants like Meta and X, violent content is not just becoming more frequent, it is becoming normalised.

How have we got here? Ultimately, it is because we have allowed the tech giants to become too powerful, with regulation arriving too slowly and without enough teeth. Once upon a time, the greatest minds took up careers in law and medicine, but now the big money and prestige is in big tech, an industry that, on the face of it, sells us nothing, but while we do not pay for their services with money, we pay for it with our attention. The longer they can keep us looking at their platforms; the more ads we see, and the more money they make, so we have the world's most talented people working out the circuitry of our brains and creating products that are, by design, addictive. What we look at does not matter, only that we are looking, so there is no inherent commercial incentive to fix the problem of dangerous and harmful content.

Just imagine if all that energy and talent was directed into fail-proof age verification, taking fake accounts down, and other safety-by-design measures. Tough law and regulation is our only answer. The concern expressed in this debate is that the Online Safety Act was watered

down on its way through Parliament, and further weakened by Ofcom's guidance; my fear now is that it is under further threat, as in trade negotiations with the US this tech bro-fuelled Trump presidency may demand a further weakening.

As it stands, small companies are already off the hook. It does not matter how harmful the content is as long as its user space is small. The large companies have the legal representation and increasing soft power in practice to avoid compliance, and we are already seeing the consequences of that. Will the Government give us assurances in this debate that, as the mood music in America is to backslide on protections, the UK will stand strong? Will the Government commit to do the opposite of backsliding, to engage with children's charities and other campaigners who have deep concerns about the gaps in the existing legislation and regulation by Ofcom, and to work to strengthen those protections further in the coming year?

It sounds very obvious, but the kids of today will soon become adults. The world that surrounds them as children will shape their views as adults. One of the most depressing things I have read recently is that teenage girls are the group most likely to be victims of domestic abuse. That is attributed in part to the rise of misogynistic content. If we fail to get the most profitable companies in the world to act, we fail everybody.

10.23 am

Kirsty Blackman (Aberdeen North) (SNP): I thank you for chairing this debate, Mr Stringer, and I congratulate the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) on bringing this debate to Westminster Hall. It is a subject we have talked about many times.

I want to make a number of points. The first is about safety by design. Page 1 of the Act states that the internet should be "safe by design", yet everything that has happened since in the Act's implementation, from the point of view of both Ofcom and the Government in respect of some of the secondary legislation, has not been about safety by design. It has been about regulating specific content, for example, and that is not where we should be. Much as I was happy that the Online Safety Act was passed, and I was worried about the perfect being the enemy of the good and all that, I am beginning to believe that the EU's Digital Services Act will do a much better job of regulating, not least because the Government are failing to take enough action on this issue.

I am concerned that Ofcom, in collaboration with the Government, has managed to get us to a situation that makes nobody happy. It is not helpful for some of the tech companies. For example, category 1 is based solely on user numbers, which means that suicide forums, eating disorder platforms, doxing platforms and livestreaming platforms where self-generated child sexual abuse material is created are subject to exactly the same rules as a hill walking forum that gets three posts a week. In terms of proportionality, Ofcom is also failing the smallest platforms that are not risky, by requiring them to come to a three-day seminar on how to comply, when they might be run by a handful of volunteers spending a couple of hours a week looking after the forum and moderating every post. It will be

very difficult for them to prove that children do not use their platforms, so there is no proportionality at either end of the spectrum.

In terms of where we are with the review, this is a very different Parliament from the one that began the conversations in the Joint Committee on the Draft Online Safety Bill. It felt like hardly anybody in these rooms knew anything about the online world or had any understanding of it. It is totally different now. There are so many MPs here who, for example, have an employment history of working hard to make improvements in this area. As the right hon. and learned Member said, we now have so much expertise in these rooms that we could act to ensure that the legislation worked properly. Rather than us constantly having to call these debates, the Government could rely on some of our expertise. They would not have to take on every one of a Joint Committee's recommendations, for example, but they could rely on some of the expertise and the links that we have made over the years that we have been embedded in this area to help them make good decisions and ensure some level of safety by design.

Like so many Members in this place, I am concerned that the Act will not do what it is supposed to do. For me, the key thing was always keeping children safe online, whether that is about the commitments regularly given by the Government, which I wholeheartedly believe they wanted to fulfil, about hash matching to identify grooming behaviours, or about the doxing forums or suicide forums—those dark places of the internet—which will be subject to exactly the same rules as a hill walking forum. They are just going to fill in a risk assessment and say, “No children use our platform. There's no risk on our platform, so it's all good.” The Government had an opportunity to categorise them and they choose not to. I urge them to change their mind.

10.28 am

Martin Wrigley (Newton Abbot) (LD): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) on securing this debate.

We have heard some consistent themes coming through. We have heard about Ofcom perhaps misinterpreting what the House intended with the Act. We have heard about the importance of the Ofcom code of practice, how it is constructed and how it drives online platforms' behaviour. We have heard from the hon. Member for Stoke-on-Trent Central (Gareth Snell) about the importance of conformity across different platforms. We have heard that regulators might not be fulfilling the expectations of this House. We have also heard from the hon. Member for Gosport (Dame Caroline Dinenage) about lawful but awful content and about how we should not let the perfect be the enemy of the good.

I think there is a feeling that the Act does what it does, but that the interpretation has not been what was hoped for and that there is still much more to do. We heard from the hon. Member for Livingston (Gregor Poynton) about the “legal but feasible” loophole, and also about bringing in safety by design, which became a consistent theme throughout the rest of the conversations. My hon. Friend the Member for Esher and Walton (Monica Harding) talked about the design to protect

children and the framework's lack of mitigation on livestreaming, and said that seven-year-olds and 17-year-olds are treated the same. That is clearly not right.

The hon. Member for Hitchin (Alistair Strathern) impressed upon us the urgency and importance of the children's safety codes. The hon. Member for Strangford (Jim Shannon) cited the astonishing fact that 83% of 10 to 15-year-olds have phones—that is an amazing proportion—and also mentioned cyber-bullying.

Other hon. Members spoke about other areas, but the same things came up. As a member of the Science, Innovation and Technology Committee and, until recently, a tribunal member with the telecoms regulator—that responsibility has now moved to Ofcom—I have seen the importance of the codes of practice and how long it takes to revise them. Thirty years in the telecoms industry showed me how tough age assessment can be. I have also spent time delivering app stores, but before the age of Google and Apple phones.

It is clear that the hard-won amendment to include smaller sites with harmful content has been lost through its exclusion from the statutory instrument. In the Bill Committee, the Minister said that we must do everything in our power, and that there is much more to do. We have heard a lot about what needs to be done, and we urge the Government to do it. We urge them to look again at the exclusion of small but harmful sites and to continue to look at how we can improve the implementation of safety by design.

10.31 am

Ben Obese-Jecty (Huntingdon) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank my right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright) for securing this timely debate. His wealth of knowledge on this topic is clear, and his voice in pursuing the most effective iteration of the legislation has been constant.

The previous Government passed the world-leading Online Safety Act, which places significant new responsibilities and duties on social media platforms and search services to increase child safety online—aims that all Members can agree upon. Platforms will be required to prevent children from accessing harmful and age-inappropriate content, and to provide parents and children with clear and accessible ways to report problems online when they arise.

The evidence base showing that social media is adversely impacting our children's mental health is growing stronger. The Royal Society for Public Health says that about 70% of young people now report that social media increases their feelings of anxiety and depression. It is for those reasons that Conservative Ministers ensured the strongest measures in the Act to protect children.

The Act places duties on online platforms to protect children's safety and put in place measures to mitigate risks. They will also need to proactively tackle the most harmful illegal content and activity. Once in force, the Act will create a new regulatory regime to significantly improve internet safety, particularly for young people. It will address the rise in harmful content online and will give Ofcom new powers to fulfil the role of the independent regulator. Fundamentally, it will ensure services take responsibility for making their products safe for their users.

[Ben Obese-Jecty]

I note that the Government have said that they are prioritising work with Ofcom to get the Act implemented swiftly and effectively to deliver a safer online world, but I recognise the concerns of parents and campaigners who worry that children will continue to be exposed to harmful and age-inappropriate content every day until these regulations come into force. Will the Minister acknowledge those concerns in her remarks?

The Act places new duties on certain internet services to protect users from illegal content on their platforms. The purpose of those illegal content duties is to require providers of user-to-user and search services to take more responsibility for protecting UK-based users from illegal content and activity that is facilitated or encountered via their services.

In December, Ofcom published its finalised illegal harms codes of practice and risk assessment guidance. The codes of practice describe the measures that services can take to fulfil their illegal content duties, and they recommend that providers of different kinds and with different capacities take different steps proportionate to their size, capacity and level of risk.

The codes recommend measures in areas including user support, safety by design, additional protections for children and content moderation or de-indexing. Many of the measures in the draft codes are cross-cutting and will help to address all illegal harms. Certain measures are targeted at specific high-priority harms, including child sexual abuse material, terrorism and fraud. Those include measures on automated tools to detect child sexual abuse material and for establishing routes so that the police and the Financial Conduct Authority can report fraud and scams to online service providers. The included measures will also make it easier for users to report potentially illegal content.

Ofcom has also published guidance on how providers should carry out risk assessments for illegal content and activity. Providers now have three months to complete their illegal content risk assessment. Can the Minister update the House on whether the completion of the risk assessments will coincide with the codes of practice coming into force?

Another important milestone was the publication of Ofcom's children's access assessment guidance last month. Services will have to assess whether their service is likely to be accessed by children and, once the protection of children codes have been finalised by the summer, must put in place the appropriate protections, known as age assurance duties.

All services that allow pornography must implement by July at the latest highly effective age assurance to ensure that children are not normally able to access pornographic content. Together, the illegal harms and child safety codes should put in place an important foundation for the protection of users. For example, children will be better protected online with services having to introduce robust age checks to prevent children seeing content such as suicide, self-harm material and pornography, and having to tackle harmful algorithms. Illegal content, including hate speech, terrorist content and content that encourages or facilitates suicide should be taken down as soon as services are aware of it. Women and girls will be better protected from misogyny, harassment and abuse online.

The Government have said they are keen for Ofcom to use its enforcement powers as the requirements on services come into effect to make sure that the protections promised by the Act are delivered for users. Samaritans has called on the Government and Ofcom to

"fully harness the power of the Online Safety Act to ensure people are protected from dangerous content".

Will the Minister confirm that the Government will fully back Ofcom in its enforcement of the illegal harms and child safety codes?

There are concerns that Ofcom appears to be relying on future iterations of the codes to bring in the more robust requirements that would improve safety. Relying on revision of the codes to bring them up to the required standard will likely be a slow process. The requirement to implement initial codes and guidance is significant and is unlikely to allow capacity for revision. Furthermore, the Secretary of State's ability to stipulate such revisions could hamper that. To that end, it is essential that the first iteration of the codes of practice is robust enough to endure without the need for revision in the short term. Although that might be difficult to achieve in an environment that moves as quickly as the digital space, it must be strived for, lest we end up with legislation that does not hold online platforms to account and does not protect victims of online harms as it should.

As legislators, we have a responsibility to ensure that the online world is a safe place for our children. We also have a responsibility to ensure that online platforms take their obligations seriously. I am pleased that the previous Government's Online Safety Act delivers on both those points. I urge the Minister to ensure that it is fully implemented as soon as possible.

Graham Stringer (in the Chair): We have gained a considerable amount of time because of disciplined interventions and short speeches. I ask the Minister to ensure that there is a small amount of time at the end for the Member in charge to wind up.

10.37 am

The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Feryal Clark): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) for securing this debate on the implementation of the Online Safety Act. I know that he has been following the Bill throughout its passage and has been a critic of every Minister, even his Government's Ministers, whenever the Bill was watered down or delayed, so I expect him to hold all of us to account. I am grateful to him and all the hon. Members who have spoken this morning. The Government share their commitment to keeping users safe online. It is crucial that we continue to have conversations about how best to achieve that goal.

The Online Safety Act lays the foundations for strong protections against evil content and harmful material online. It addresses the complex nature of online harm, recognising that harm is not limited to explicit content and extending to the design and functionality of online services. We know that the legislation is not perfect. I hear that at every such debate, but we are committed to supporting Ofcom to ensure that the Act is implemented quickly, as this is the fastest way to protect people online. 2025 is the year of action for online safety, and

the Government have already taken a number of steps to build on Ofcom's implementation of the Act. In November last year, the Secretary of State published the draft "Statement Of Strategic Priorities for online safety". That statement is designed to deliver a comprehensive, forward-looking set of online safety priorities for the full term of this Government. It will give Ofcom a backing to be bold on specific areas, such as embedding safety by design, through considering all aspects of a service's business model, including functionalities and algorithms.

We are also working to build further on the evidence base to inform our next steps on online safety, and I know that this issue was debated earlier this week. In December, we announced a feasibility study to understand the impact of smartphones and social media on children, and in the Data (Use and Access) Bill, we have included provisions to allow the Secretary of State to create a new researcher access regime for online safety data. That regime is working to fix a systemic issue that has historically prevented researchers from understanding how platforms operate, and it will help to identify and mitigate new and preventable harms. We have also made updates to the framework, such as strengthening measures to tackle intimate image abuse under the Online Safety Act, and we are following up on our manifesto commitment to hold perpetrators to account for the creation of explicit, non-consensual deepfake images through amendments to the Data Bill.

We are also building on the measures in the Online Safety Act that allow Ofcom to take information on behalf of coroners. Through the Data Bill, we are bringing in additional powers to allow coroners to request Ofcom to issue a notice requiring platforms to preserve children's data, which can be crucial for investigations into a child's tragic death. My hon. Friend the Member for Darlington (Lola McEvoy) raised Jools' law, of which I am very aware, and I believe that she is meeting Ministers this week to discuss it further.

Finally, we recently announced that, in the upcoming Crime and Policing Bill, we are introducing multiple offences to tackle AI sexual abuse, including a new offence for possessing, creating or supplying AI tools designed to generate child sexual abuse material.

Members have raised the issue of the Act's implementation being too slow. We are aware of the frustrations over the amount of time that it has taken to implement the Online Safety Act, not least because of the importance of the issues at hand. We are committed to working with Ofcom to ensure that the Online Safety Act is implemented as quickly and effectively as possible.

Lola McEvoy: On implementation, would the Minister give clarity about the watermark for re-consultation and the point of delay of implementing the children's codes under the Act? Amendments could be made to the children's codes and I do not think they would trigger an automatic re-consultation with platforms. Could the Minister elaborate on where the delay would come from and how much scope Parliament has to amend those codes, which will be published in April?

Feryal Clark: Ofcom has had to spend a long time consulting on the codes to ensure that they are as proofed against judicial review as possible. Any re-consultation or review of the codes will result in a delay, and the best way to ensure that we can protect

children is to implement the Act as soon as possible. My hon. Friend referred to the fact that both Ofcom and the Secretary of State have said that this is not a done deal; it is an iterative process, so of course we expect those codes to be reviewed.

As I said, Ofcom is moving forward with implementation of the Act. In a matter of weeks we will start to see, for the first time, safety duties making a material difference to online experiences for adults and children. Platforms are already duty-bound to assess the risk of illegal content and, with a deadline of 16 March, to complete risk assessments. Once legal harm codes come into effect from 17 March, Ofcom will be able to enforce legal safety duties. Shortly following that in April, Ofcom will publish the child safety codes and associated guidance, starting the clock for services to assess the risk of content harmful to children on their platforms. The child safety duties should be fully in effect by the summer.

My hon. Friend the Member for Darlington also raised the issue of dynamic risk assessment. I understand that she is in conversation with Ofcom and Ministers on that. I will await the outcome of those discussions. The implementation of the Act will bring in long overdue measures, such as preventing children from accessing pornography and legal content encouraging suicide, self-harm or eating disorders.

I have heard concerns raised by hon. Members regarding Ofcom's approach, particularly to harmful functionalities and safety by design. We understand there is still a lot of work to be done, which is why the Secretary of State's statement of strategic priorities places a high importance on safety by design. However, it is important not to lose sight of the positive steps we expect to see this year under the Act. For instance, Ofcom's draft child codes already include specific measures to address harmful algorithms, among other safety recommendations. We expect Ofcom will continue to build on those important measures in the codes.

Questions were asked about whether the Government have plans to water down the Act. I can categorically state that there are no plans to water down the measures. The Secretary of State has made it very clear that any social media company that wants to operate in our society will have to comply with the law of the land. Whatever changes are made in other jurisdictions, the law of the land will remain.

Sir Jeremy Wright: The Minister might be about to come to the point I want to raise with her, which is about proportionality. Will she say something about that? I am keen to understand whether the Government accept Ofcom's understanding of the term—that proportional measures are those measures that can be evidenced as effective. I gave reasons why I am concerned about that. I want to understand whether the Government believe that that is the correct interpretation of proportionality.

Feryal Clark: I was about to come to the point that the right hon. and learned Member raised about the digital regulation Committee. I have had a brief conversation with him about that, and agree about the importance of parliamentary scrutiny of the implementation of the Online Safety Act. I welcome the expertise that Members of both Houses bring. Select Committees are a matter for the House, as he is aware.

[*Feryal Clark*]

We will continue to work with the House of Lords Communications and Digital Committee and the House of Commons Science, Innovation and Technology Committee to support their ongoing scrutiny, as well as other parliamentary Committees that may have an interest in the Act. The Act requires the Secretary of State to review the effectiveness of the regime, two to five years after the legislation comes into force. We will ensure that Parliament is central to that process. I encourage the right hon. and learned Member to continue to raise the matter with the right people.

Most hon. Members raised the issue of apps. Ofcom will have a duty to publish a report on the role of app stores and children's accessing harmful content on the apps of regulated services. The report is due between January '26 and January '27. Once it is published, the Secretary of State may, if appropriate, make regulations to bring app stores into the scope of the Act. The timing will ensure that Ofcom can prioritise the implementation of child safety duties. I will write to the right hon. and learned Member for Kenilworth and Southam on the issue of proportionality, as I want to ensure that I give him the full details about how that is being interpreted by Ofcom.

We fully share the concerns of hon. Members over small platforms that host incredibly harmful content, such as hate forums. These dark corners of the internet are often deliberately sought out by individuals who are at risk of being radicalised.

Martin Wrigley: If the Government fully support our concerns about small but harmful sites, will the statutory instrument be reworked to bring them back into category 1, as the Act states?

Feryal Clark: The Government are confident that the duties to tackle illegal content and, where relevant, protect children from harmful content will have a meaningful impact on the small but risky services to which the hon. Gentleman refers. Ofcom has created a dedicated supervision taskforce for small but high-risk services, recognising the need for a bespoke approach to securing compliance. The team will focus on high-priority risks, such as CSAM, suicide and hate offences directed at women and girls. Where services do not engage with Ofcom and where there is evidence of non-compliance, Ofcom will move quickly to enforcement action, starting with illegal harm duties from 17 March, so work is being done on that.

The comprehensive legal safety duties will be applied to all user-to-user forums, and child safety duties will be applied to all user-to-user forums likely to be accessed by children, including the small but high-risk sites. These duties will have the most impact in holding the services to account. Because of the deep concerns about these forums, Ofcom has, as I said, created the small but risky supervision taskforce. For example, Ofcom will be asking an initial set of firms that pose a particular risk, including smaller sites, to disclose their illegal content risk assessment by 31 March.

The Government have been clear that we will act where there is evidence that harm is not being adequately addressed despite the duties being in effect, and we have been clear to Ofcom that it has the Government's and

Parliament's backing to be bold in the implementation of the Online Safety Act. We are in clear agreement that the Act is not the end of the road, and Ofcom has already committed to iterating on the codes of practice, with the first consultation on further measures being launched this spring. The Government remain open minded as to how we ensure that users are kept safe online, and where we need to act, we will. To do so, we must ensure that the actions we take are carefully considered and rooted in evidence.

Lola McEvoy: Will the consultation this spring for the next iterations of the codes include consultation with parliamentarians, or is it solely with platforms?

Feryal Clark: I expect any consultation will have to go through the Secretary of State, and I am sure it will be debated and will come to the House for discussion, but I will happily provide my hon. Friend with more detail on that.

I am grateful to all Members for their contributions to the debate. I look forward to working with the right hon. and learned Member for Kenilworth and Southam, and hopefully he can secure the Committee that he has raised.

Monica Harding: Can the Minister explain what she meant when she said that Ofcom had to ensure that the codes were as judicial review-proofed as possible? Surely Ofcom's approach should be to ensure that the codes protect vulnerable users, rather than be judicial review-proofed.

Feryal Clark: The point I was trying to make was that Ofcom is spending time ensuring that it gets the codes right and can implement them as soon as possible, without being delayed by any potential challenge. To avoid any challenge, it must ensure that it gets the codes right.

10.56 am

Sir Jeremy Wright: I am grateful to everyone who has spoken in the debate. We have talked about the consensus there was in the passage of the Online Safety Bill. I think it is fair to say that that consensus is broadly still present, based on what Members have said this morning, and I am grateful for it.

There is a need to get this Act implemented. I accept what the Minister says about that, and others have made the same point: we do not want to make the best the enemy of the good, and there is always a trade-off between, on the one hand, getting the particular mechanisms that we know will protect people online in place as swiftly as possible, and on the other hand, making them as extensive and effective as possible.

However, given how long it takes for Parliament to make change—I make no apologies for repeating this point—we need to make the best use of the legislation that we have. I have not made a case this morning for extending the parameters of the legislation; I have made a case for using the parameters we already have, which Parliament has already legislated into being and which we have passed over to the regulator for it to use.

I accept that regulation and legislation is not passed for effect; we do it so that it can work. We do it not to make ourselves feel better, but to make the lives of our constituents better, so the Minister is right to say that the usability of all this should be at the heart of what we

are interested in. I accept the point made by the hon. Member for Esher and Walton (Monica Harding) that Ofcom should not be predominantly focused on insulating itself from judicial review. As a former Law Officer, I think that is an impossible task anyway. This legislation and the regulation that follows it will be challenged—the online platforms have every incentive to challenge it. We cannot be so terrified of that prospect that we are unwilling to extend the parameters of the regulation as far as we believe they should go. That is why I think everybody needs to be a tad braver in all this.

Finally, I simply want to repeat the point that many of us have made, which is that we need as Parliament to have a way of keeping our eye on what is happening in this space. These debates are great, but shouting at Ofcom through the loudhailer of Westminster Hall is not as effective as a Committee set up to do this in a more structured and, frankly, a more productive and consensual way. That is the gap that exists in the landscape of parliamentary oversight, and as we develop more and more digital regulation, as we have to, and as AI advances, we will have to fill that gap. I simply say to the Government that filling it sooner rather than later would be wise.

Question put and agreed to.

Resolved,

That this House has considered the implementation of the Online Safety Act 2023.

High Street Bank Closures

11 am

Ian Lavery (Blyth and Ashington) (Lab): I beg to move,

That this House has considered high street bank closures and banking hubs.

It is always a pleasure to serve under your chairmanship, Mr Stringer. I want to bring to the Chamber a really important issue: high street banking, which in my view, has been in absolute crisis with the precipitous decline in branches operating in communities up and down this country for the past four decades. Data from the British Banking Association shows that the number of branches in 1986 was more than 21,000; at the beginning of 2025, there were fewer than 5,000. Many smaller communities no longer have a high street bank.

Banking habits have clearly changed, with many people now using internet banking, but the loss of high street banks is a bitter blow to many people, particularly vulnerable groups in our communities, such as the aged, the frail and people with disabilities, all of whom are at serious risk of financial exclusion. For example, according to the Royal National Institute of Blind People, in my Blyth and Ashington constituency there are 3,420 people living with sight loss. That is extraordinary. For blind and partially sighted people who struggle with online access, bank closures are—at the least—devastating, and that is just one prime example of the groups of people affected by the disappearance of banks from the high street.

Jim Shannon (Strangford) (DUP): This is a very important subject for the hon. Gentleman and for me as well. We have lost 11 banks in my constituency. They put forward the idea of banking hubs; well, we have got one, and there is a second one on the way, but the fact is, it takes ages for them to arrive. Does he agree that what we need is urgency on the substitutions, whether they are banking hubs or alternatives, such as in post offices? If we do not have that for rural communities, then we do not have anything at all.

Ian Lavery: I agree. I have already mentioned the number of closures; I am not sure whether a post office can act as a back-up, because we have seen closure after closure of post offices, until eventually a number of the constituencies up and down the country have no facilities whatever.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The towns of Stoke, Longton and Fenton in my constituency will soon have no banking facilities at all. Link's assessment of a banking hub is that it considers an hour's bus journey, and a return cost of almost £5, to be acceptable parameters to say that my constituents can access banks in Hanley. Does my hon. Friend agree that, further to what the hon. Member for Strangford (Jim Shannon) said, we need not only to roll out banking hubs more quickly, but have the criteria change so that every town in every community can access a banking hub or high street banking facility?

Ian Lavery: That was the whole idea of bringing the debate to this Chamber. The issue is the inflexibility of Link and of the Financial Conduct Authority regulations, which means that even the smallest, most minute detail

[*Ian Lavery*]

can mean that people are not going to have a banking hub. That really needs changing, for the sake of our communities. It impacts local businesses, which are also at risk of adverse effects as a result of bank closures, with reduced ability to manage their cash flows and, of course, reduced productivity due to time spent away while accessing banking services.

In my constituency, the coastal village of Newbiggin-by-the-Sea was left without a bank in 1999, meaning that for more than 25 years, local people have been forced to travel in order to access banking facilities. That is the point I make to the hon. Member for Strangford (Jim Shannon). I want to use Bedlington as an example in my contribution, too. It is Northumberland's fourth-largest town, and in May this year, it will be left without a bank, following TSB's decision to close its branch on Front Street West. In recent years, bank branches in Blyth and Ashington, the two largest towns in my constituency, have also closed. While they are both currently served by banking providers, I can only wonder how long that will last.

The case of Bedlington is particularly worrying. It is a proud community with a rich and in many ways unique history. During the flight northwards from William the Conqueror's army, the body of St Cuthbert is said to have been rested at what is now St Cuthbert's church. The town and its surrounding areas were once an exclave of County Durham, then it developed into an industrial centre, with its ironworks and multiple coal mines. The loss of heavy industry has left a huge legacy, similar to that in many other post-industrial communities. When passing through that lovely place, Bedlington, people might not understand that unique history, with its traditions and cultures, because it has got a picturesque high street. The town contains pockets of significant deprivation, and the erosion of services in Bedlington makes the lives of those who are struggling ever more difficult.

Following the announcement that the final high street bank would close, my office triggered a review with Link into access to cash. Immediately after that, Link contacted my office to apologise about the fact that a review had not been automatically triggered, as would be the normal process. We were told that the review had been fast-tracked through the initial stages and a visit was arranged by one of the Link community assessment managers.

I met with the community assessment manager in Bedlington prior to the general election, following his assessment, and I could not have felt more positive about his reflections. He was an excellent ambassador for Link and, indeed, a good, intelligent man. He had been up Bedlington's main street and spoken to the people there long before I arrived. He was gushing in his praise for Bedlington high street, describing it as a handsome high street that was well frequented, with a mixture of local businesses. He was unable, at that stage, to confirm that a banking hub would 100% be recommended, but it was heavily suggested that that would be the preferred solution.

I was absolutely delighted at that because, as I think everybody will agree, there is a great place for banking hubs. They are a good, progressive move forward. It is inflexibility that is the huge problem.

Esther McVey (Tatton) (Con): The hon. Gentleman is making a powerful speech. We all understand that when a business is struggling, it has to cut costs, but these banks are closing branches despite making billions of pounds of profit. By pulling out of towns and the high street, those banks no longer provide a service for their customers—for the elderly, the disabled and local businesses. Knowing that banks need a licence to operate, does he agree that, to solve this growing problem, there needs to be a condition that, to get that licence, banks need to serve all of their customers and actually remain on the high streets?

Ian Lavery: That is absolutely reasonable, is it not?

The decision by Link or the Financial Conduct Authority is basically transactional. It does not really look at the community factors—it looks at a lot of different factors, but those do not count as points toward the overall result or announcement that there will be the go-ahead for additional services. That must change. It must embrace everything that is happening; it cannot be because the banks are leaving, which they have been on pace because of the profit margins. We have to start looking after communities and vulnerable people—the frail, the elderly and the disabled—in places like that and we need to change the regulations.

Jas Athwal (Ilford South) (Lab): I commend my hon. Friend on securing such an important debate and for his powerful points. On the point that the right hon. Member for Tatton (Esther McVey) just made, in recent years my constituency has become a banking desert—literally deprived of banks on high streets. For my neighbours living in Chadwell Heath, the nearest branch is some 40 minutes away and that is probably how long it takes to go from one end of my constituency to the other. Banks are not just profit-making organisations; they also offer a valuable service, and that has to be recognised. Does my hon. Friend agree that local banks as well as post offices and bank hubs have to be left on our high streets because of the service they provide, particularly to deprived communities?

Ian Lavery: Absolutely. It is essential and that is the whole reason behind this debate. I will get back to that.

I was more or less guaranteed, unofficially, that we had qualified in Bedlington. I was dumbfounded to see, when Link's assessment was published some months later, that it suggested no additional services—no action to support the elderly woman from Bedlington station who banked in person on a weekly basis on Front Street, used the opportunity to speak with trusted members of staff without worrying about falling prey to scammers, met her friend for a coffee on Bedlington Front Street and took the opportunity to visit some local shops and spend a few pounds in the process.

There was no assessment of the impact on that woman, on other residents or on local businesses of allowing high street banking to be lost with no banking hub provided; no assessment of the impact on people like her who are now travelling to a neighbouring town and spending their money there instead. On inspection, it appeared that we had been turned down because there was a bank in Cramlington located 0.1 km closer to Bedlington Front Street, as the crow flies, than the regulations suggested were appropriate. That is why we were declined—because of 0.1 km—and it is time that that sort of thing was addressed.

We need to look at issues in the community such as deprivation, elderly people and those who, as the hon. Member for Strangford mentioned, are in desperate need of facilities on the high street. I immediately applied to Link and, as advised by its parliamentary liaison officer, I submitted an appeal, which was summarily dismissed without much discussion. I emphasised that Bedlington, as the fourth-largest town in Northumberland, should not need to use facilities in other towns.

Joe Morris (Hexham) (Lab): My hon. Friend is making a powerful speech about a corner of the county that we share, and I am interested to hear his reflections on the communities that lose out on access to banking services. Does he agree that, with the shameful decision to close three branches in my constituency, there is a real risk that businesses in the Tyne valley, as well as elderly and vulnerable people, will lose access to those face-to-face services? Does he also agree that we need to consider the rural hinterland that is served by these larger towns when making these decisions so that rural businesses are not crippled by bank closures.

Ian Lavery: I fully agree with my hon. Friend from the neighbouring constituency to mine. Urban and rural areas face the same issues; we are being abandoned on the high street by these large banks. That is why we need to get the criteria changed to make sure that we allow Link—

Ellie Chowns (North Herefordshire) (Green): Will the hon. Gentleman give way?

Ian Lavery: It will have to be very brief.

Ellie Chowns: On the specific point of the criteria, I could not agree with him more. It is really problematic. In my constituency of North Herefordshire, we have a banking hub opening in Leominster, now that Lloyds bank has left. However, in Kington, which does not have a bus service to Leominster, there is a fantastic post office that could be a banking hub, but it has been told that it does not fit the criteria. I do not understand why. Does the hon. Member agree that we need to ask the Government to make sure that these criteria are reassessed, because banking, especially in remote areas, is such an important function for businesses and individuals. We cannot continue with the system as is.

Ian Lavery: I agree totally about the transport hubs. We cannot say to an elderly, frail or disabled person, “Get that bus to the next town. It’s only three mile.” As my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) mentioned, is it reasonable to say to somebody, “If you can get there within an hour, that means you don’t need a facility.”? The criteria need to be changed.

I will ask the Minister a number of questions that I hope he will consider. I am fully aware that 100 Link hubs have been set up already, 200 are in the system, and it is hoped that there will be 350. That is really positive, but it would still leave behind and abandon lots of communities such as mine in Bedlington. The dealings I have had with Link and the FCA have been perfectly cordial, but wholly and utterly transactional. It is, basically, “Computer says no”. The legislation cannot simply focus on access to cash and ignore the loss of banking services.

I hope the Minister will agree that the current rules leave Northumberland’s fourth-largest town with no bank and no banking hub, and that they are too inflexible. It is within the power of the Government to change the regulations. Will the Minister consider asking Link to look at other community factors when assessing the suitability of a banking hub? Does he agree that all areas are unique, and should not be shoehorned into a rigid process that does not fit them? Does he agree that measuring the distance as the crow flies from the doors of the last bank to close is not reasonable, and takes no account of the distance vulnerable people already have to travel?

Alison Hume (Scarborough and Whitby) (Lab): My hon. Friend is making a powerful speech. On the subject of vulnerable people, I want to say that the last two branches in Whitby have announced that they will close, and an adult gaming centre is already looking at the Halifax site. We are getting a temporary banking hub, but does my hon. Friend agree that vulnerable residents rely on having a branch, and that, somewhere along the line, the words “providing a service”, seems to have been lost to banks?

Ian Lavery: Unfortunately, my understanding is that high street banks want to centralise in much bigger places and make much higher profits, and do not consider the communities that the two of us serve. Does the Minister agree that the demographics of an area should be of paramount importance when assessing the need for a banking hub, and will he take steps to include that in the criteria? Does he agree that banks should commit to a local service before putting profits before communities? Does he agree that the Government should have the means to intervene in decisions such as the one I described in Bedlington and other Members described in their constituencies? If Northumberland’s fourth-largest town is being failed, something is sadly wrong. The current criteria are simply not fit for purpose. They abandon many of our most vulnerable constituents. A wholesale, root-and-branch review is required, to make life easier, not more difficult, for those we proudly represent.

11.20 am

The Exchequer Secretary to the Treasury (James Murray): It is a pleasure to serve with you in the Chair, Mr Stringer. I thank my hon. Friend the Member for Blyth and Ashington (Ian Lavery) for securing this important debate. We can see from the number of Members who have intervened to raise concerns about their constituencies that this issue is widely felt across our country, and the issue resonates deeply with our constituents.

It is a priority of this Government to ensure that all citizens have appropriate access to banking across the UK. As hon. Members have alluded to, banking has changed significantly in recent years thanks to digital innovations, and many people can now bank more conveniently, at any time and in any place, without needing to go to a bank in person. In 2017, 40% of UK adults regularly used banking branches, but by 2022 that figure had fallen to 21%, and in the same year nearly nine in 10 adults used online banking or mobile apps, including, notably, 65% of those aged over 75.

However, the Government are committed to ensuring that everyone can benefit from banking services. At the autumn Budget 2024, the Chancellor announced funding

[James Murray]

of more than £500 million in 2025-26 to deliver digital infrastructure upgrades through Project Gigabit and the shared rural network. Those initiatives will drive the roll-out of broadband and 4G connectivity to support access to good internet and to plug connectivity black holes across the UK by 2030. More than 86% of UK premises can now access gigabit-capable broadband, which is a huge leap from July 2019, when coverage was just 8%.

Investing in digital infrastructure will improve access to digital banking services, but I assure hon. Members that the Government also understand the importance of face-to-face banking services in communities and high streets across the country. Many of our constituents are particularly concerned about the availability of cash and access to in-person banking services, so the Government are committed to ensuring that people and businesses across the UK have access to those banking services and that everyone can contribute to economic growth in local areas and thriving local high streets.

Gareth Snell: I thank the Minister for that point. His brief reference to access to cash is vital, but the word that was missing was “free”: access to free cash. One of the by-products of the closure of high street banks is that the cashpoints that remain tend to have a transaction fee, and that is particularly the case in the communities that can least afford it. That means that people in some parts of my constituency pay up to £3 simply to withdraw their money. For people who do not have a lot to start with, that is a huge barrier to getting the cash they need.

James Murray: My hon. Friend makes an important point about the barriers to people accessing cash—not merely the location of banking hubs or facilities, but financial barriers. There may also be transport barriers to people getting to banking hubs in the first place. I hope to address that briefly in the remainder of my remarks.

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): On that point, will the Minister give way?

James Murray: Very briefly.

Graham Leadbitter: On the point of geographic vulnerabilities, Aviemore, which many people will know as a major ski resort in Scotland, is pretty remote: it is on a major A-road, but it is in the middle of the Cairngorms. It has lost its last bank, and the nearest is Inverness, which is a 40-minute drive away—if someone has a car and it is not minus 10°, which is quite common in the middle of winter. Does the Minister agree that a degree of common sense needs to be applied by Link when looking at banking hubs—because that common sense is critical in making that assessment and it should not just be a tick-box exercise, as has been alluded to?

James Murray: The hon. Gentleman’s point relates to transport links and the accessibility of banking hubs. It links well to the comment from my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell), which is that a banking hub or banking service on its own might need further infrastructure around it to ensure that people can get there. I hope to address that briefly in just a moment.

The Economic Secretary to the Treasury is working closely with the industry to roll out 350 banking hubs—as my hon. Friend the Member for Blyth and Ashington mentioned—by the end of this Parliament. Banking hubs allow people and businesses to withdraw and deposit cash, deposit cheques, pay bills and make balance inquiries. Importantly, they also contain rooms where customers can see community bankers to carry out wider banking services, such as registering a bereavement or getting help with changing a PIN. The Government are committed to working with the industry to ensure that banking hubs meet customers’ needs.

Following rules laid out for the Financial Conduct Authority, the roll-out of banking hubs is determined in accordance with legislation. When a bank announces the closure of a branch or a material change of cash access, an assessment will be carried out by Link, which we have heard hon. Members refer to today and is the operator of the UK’s largest ATM network. That is an impartial assessment of a community’s access-to-cash needs. Where Link recommends a banking hub, Cash Access UK, a not-for-profit company funded by major UK banks, will provide it. The assessments take into account criteria such as population size, the number of small businesses, and levels of vulnerability. They also consider the distance to the nearest bank branch and the cost and travel time to get there on public transport. Importantly, where the announcement of a bank closure triggers an assessment, the branch cannot close until recommended services have been installed. Any member of the public—including Members of this House—can request an access-to-cash review directly, through the Link website.

My hon. Friend the Member for Blyth and Ashington and others have put on record their concerns about the criteria that Link uses to make the assessments. Those concerns are on record through this debate. Any decisions on changes to Link’s assessment criteria are a matter for Link, the financial services sector and the FCA, which oversees the access-to-cash regime. The FCA is required by law to keep its rules under review. It monitors the impact of those rules on an ongoing basis to ensure that they deliver the right outcomes for businesses and consumers.

Darren Paffey (Southampton Itchen) (Lab): I thank my hon. Friend the Minister for giving way and my hon. Friend the Member for Blyth and Ashington (Ian Lavery) for securing the debate. On the point about the criteria, it is difficult to match some of what we know about our own constituencies with some of the criteria that Link deals with, which seem restrictive. Does the Minister agree that the Government have set a target of opening banking hubs, but the Link criteria are not meeting community needs and need to change? Does he agree that that is a priority?

James Murray: I thank my hon. Friend for his intervention. As I set out, the Government have committed to 350 banking hubs in the course of the Parliament, but any changes to Link’s assessment criteria are a matter for Link, the financial services sector and the FCA, under the rules set out in legislation.

I will also point to the fact that customers have other options to access everyday banking and cash services. In particular, the Post Office deserves a mention for its extensive presence on the country’s high streets, which

ensures that 99% of the UK population live within 3 miles of a post office. Through the Post Office banking framework, 99% of personal banking and 95% of business banking customers can access vital cash withdrawal and deposit facilities at 11,500 post office branches across the country.

We talked a lot about some of the issues with accessing banking services and banking hubs when they are open. It is important to note that in the autumn Budget, we announced £1 billion of investment in support of bus services, which will be crucial in connecting rural areas and small towns and helping people to get to their nearest banking services. In recognition of the fact that each community has individual needs, we have introduced the Bus Services Bill, which will put power over local bus services back in the hands of local leaders. We continue to take action to make sure that high streets and communities across the country can realise their full economic potential.

I again thank my hon. Friend the Member for Blyth and Ashington for securing this important debate. I welcome the support from him and other hon. Members for the Government's important work to ensure access to banking for all, and to support our commitment to unlocking the full potential of high streets across the country.

Question put and agreed to.

11.30 am

Sitting suspended.

High Street Rental Auctions

[MARTIN VICKERS *in the Chair*]

2.30 pm

Jessica Toale (Bournemouth West) (Lab): I beg to move,

That this House has considered Government policy on high street rental auctions.

It is a pleasure to serve under your chairmanship, Mr Vickers. As many Members know, our high streets are the beating heart of our communities. They are not simply places where people shop. They are gathering points and cultural centres and they serve as symbols of local identity. They fuel local economies, support countless small businesses and provide many thousands of jobs. They inspire confidence in our communities and encourage residents to stay connected to the areas they live in.

For too long, our high streets have been neglected. They have become defined by the number of empty shop fronts and “to let” signs they sport, rather than by the vibrancy and the footfall that once sustained them. When people stop visiting town centres, antisocial behaviour and crime are allowed to flourish, creating vicious cycles that benefit only those looking to create disorder and discord in our communities.

Town centres were once a great source of pride for our communities, but their decline has had real consequences. We cannot deny that the retail landscape has changed, and it is a challenge to adapt to this new reality. The rise of online shopping, out-of-town retail parks and over a decade of austerity have left town centres struggling to adapt. This is a national story that I am sure Members across the House will recognise, and it is one that characterises our experience in Bournemouth West.

My constituents are rightly frustrated by the state of our town centre. It is the No. 1 issue that people bring up on the doorstep and in conversation. Time and again, I hear that people feel unsafe—they are worried about reports of drug use and homelessness—or that there is nothing for them to do in the town centre. Empty shops, a lack of variety and overall decline have led many people to change the way that they interact with Bournemouth, and sadly, many of my constituents have not visited the town centre in many years due to its falling reputation.

Bournemouth was once known for its vibrant shopping streets, its summer tourism and its cultural heritage. Long-time residents yearn for the days when we could walk down the old Christchurch Road and pop into Beales or Dingles, or head over to the Westover Road, which was often referred to as the Bond Street of Bournemouth, with its luxury brands and high-end goods. That is the Bournemouth I remember from my childhood—a town that was thriving and safe. My parents never thought twice about letting me get on the bus or the train to spend the day in Bournemouth with my friends.

Over the past decade, we have seen an increasing number of shop closures and long-term vacant premises, with no apparent plan for repurposing or reuse. Changes in consumer behaviour, the arrival of Castlepoint—an out-of-town shopping centre—and the cost of living crisis have all had their part to play, and we currently

[Jessica Toale]

face a staggering 15% vacancy rate of shop fronts, which is far above the national average. The failure to revitalise these spaces has more than just economic consequences; it has major implications for the way people feel about our town.

Leigh Ingham (Stafford) (Lab): I thank my hon. Friend for securing a debate on an important issue that is raised regularly with me in Stafford. I have spoken to a local small business owner, Alison, who is concerned about the vibrancy of Stafford high street and told me that a shop nearby had been closed for over two decades. Does my hon. Friend agree that these powers are long overdue and that by giving local authorities greater control, the Government have taken a vital first step towards revitalising our high streets?

Jessica Toale: The story my hon. Friend tells about the shop in her constituency is one that I am sure many of us recognise from our own. High street rental auctions can have a transformative effect in many towns around the country, and I will come on to that.

Despite the challenges we face, Bournemouth has much potential and so much to offer. Its beach was recently rated the 12th best in the world by Tripadvisor users. It has amazing examples of heritage architecture just waiting to be repurposed. If we were to design the town of the future, it would have the beautiful gardens that run like a central artery through our town, connecting the beach to the town hall.

I am pleased to say that there are lots of green shoots to celebrate. Bobby's, in the Square, has been repurposed into a multi-use space, including Patch, a collaborative workplace for small businesses and start-ups. That has huge potential to serve as a community hub, hosting local events—including one that I am hosting next week on women's safety in the town centre—and providing support to new entrepreneurs. The former House of Fraser building is also being converted, into student accommodation, and its large commercial space is being converted into smaller units, making them more accessible to a wide range of businesses.

The Ivy has arrived. Home-grown businesses such as Bad Hand Coffee and Naked Coffee have transformed unused spaces and are supporting an ecosystem of retail and hospitality. We have a burgeoning tech and creative industries sector, supporting the town and making use of the talent coming out of our world-leading universities and colleges. I will also namecheck Trove, Calabrese, Revival café and Brazilian Snacks. They are all local businesses making an outsize contribution to our high street. I encourage as many of my local residents as possible to rediscover and to champion all the good things that are happening in Bournemouth.

However, the scale of the challenge is still enormous. For too long, Governments have left it to the market, which has seen the managed decline of our high streets. To tackle that challenge, we require urgent action, collaboration between central and local government as well as the private sector, and creativity in how we imagine our high streets and town centres of the future—with a mix of culture, retail, hospitality and community spaces.

That is why I welcome the Government action to introduce high street rental auctions. They are taking the action that the last Government failed to take and giving local authorities the power to bring vacant commercial properties back into use. I am proud that Bournemouth, Christchurch and Poole council has been selected as an early adopter for the scheme.

Catherine Atkinson (Derby North) (Lab): We are seeing some really exciting investment in Derby city centre, with a new performance venue, a new business school and the reopening of our market hall, but like so many city and town centres, we struggle with too many empty shops. Does my hon. Friend agree that high street rental auctions could be a really important tool in tackling empty shops, and how does she think that councils can be supported to use these new powers?

Jessica Toale: Yes, these auctions are a promising step forward and could be transformational for many towns across the country. I will come on to the local authority points in a moment.

The auctions require landlords to lease properties within a certain timeframe, preventing them from leaving spaces empty for years on end. The time restriction of 365 days in a 24-month period will help to tackle the persistent problem of vacant properties, which is a huge opportunity for communities such as mine in Bournemouth West. By enabling councils to take action, we can reintegrate those spaces into our high streets and bring them back to life.

However, it is crucial that we think about the long-term sustainability of this approach. I have been assured by landlords and agents in my constituency that there is a genuine desire to fill empty commercial properties, but business rates, antisocial behaviour and even parking charges constitute barriers, so to landlords it is important to say that the approach should be a tool of last resort. It is clear that such measures should be used only once a genuinely collaborative and good-faith approach between landlords and councils has been exhausted. The auctions should be seen in the context of other measures to which this Government have committed, ranging from supporting small businesses and tackling crime and antisocial behaviour in our town centres to the long-term reform of business rates. I am pleased that we are making progress on all these issues.

High street rental auctions are not just about filling vacancies. They are about creating vibrant, sustainable environments for businesses, residents and visitors alike, so can my hon. Friend the Minister provide assurances that high street rental auctions will not see our high streets filled with more vape shops and American candy shops? [HON. MEMBERS: "Hear, hear."] They can often be fronts for money laundering and other criminal activity. Additionally, we need to ensure that our local authorities have the resources and capacity to manage these changes.

Neil Duncan-Jordan (Poole) (Lab): I thank my hon. Friend and constituency neighbour for securing this important debate. Our local authority, Bournemouth, Christchurch and Poole council, is part of the early adopters programme for this scheme, but when I contacted it recently to ask about the number of properties that it had identified in our area that were going to be part of

the scheme, it told me that it was just one. Does my hon. Friend agree with me that we need to see a more ambitious approach from local authorities for the scheme really to be worth while?

Jessica Toale: I thank my hon. Friend and neighbour from Poole for the intervention. I certainly hope that our local authority will take an ambitious approach and I am working very closely with it to help it to identify areas within Bournemouth town centre. BCP council has expressed concern about the cost of having to implement such measures, and the potential for expensive legal challenges it may face as a result. I would be grateful if the Minister would outline how we can mitigate some of those issues, and how the £1.5 million that has been set aside is intended to be used.

I underline that this is a moment for action. The powers granted to local councils are a great step forward, but we need to ensure that the changes are not simply superficial. We must think about how we can make our high streets and the commercial offering work for everyone—for businesses, our communities and the economy as a whole. I will continue to champion the revitalisation of our high streets in Parliament; by working together, we can ensure that our high streets become the thriving, vibrant centres that they were always meant to be.

It is fantastic to see my hon. Friends the Members for Bassetlaw (Jo White) and for Mansfield (Steve Yemm), and my hon. Friend the Member for Darlington (Lola McEvoy) was meant to be here as well. Their local authorities are also early adopters of the scheme. I look forward to hearing their contributions and to continuing this important conversation. I also encourage other Members to speak to their own local authorities and push them to join this initiative.

We have a real opportunity to break the vicious cycles that I mentioned at the beginning of this speech, and to turn them into virtuous circles, where we fill our shops, increase footfall, reduce antisocial behaviour, and again build pride in our town centres and high streets across the country.

Several hon. Members *rose*—

Martin Vickers (in the Chair): Order. I remind Members to bob if they wish to speak. If we are to accommodate all those who have given advance notice, we need to restrict contributions to about six or seven minutes. Members should bear that in mind. I call Gideon Amos.

2.41 pm

Gideon Amos (Taunton and Wellington) (LD): I congratulate the hon. Member for Bournemouth West (Jessica Toale) on bringing this key issue for our town centres to Westminster Hall.

I was elected on a platform that focused in part on bringing inward investment to Taunton and Wellington, and that passion is close to my heart. Taunton and Wellington town centres are already attractive and vibrant places to visit, to shop and for leisure. Occupancy rates in Taunton town centre have increased from 85% to 90%; more new businesses are moving in. *Somerset County Gazette* reports seven new businesses in the town centre in the past 12 months: Cornish Bakery, Kootaan, Desparia, Somerset Bakehouse, Toys “R” Us, Drippy Bear and Islands Caribbean restaurant—not a vape shop among them, which is good to see for our town centre.

In Wellington, street food and food festivals bring people in from far and wide, and a new banking hub has opened. My only objection to the new banking hub, which is great news for Wellington, is that it is run by the Post Office, with a sign above the door saying “Post Office”, but there is no post office inside. Wellington still needs a post office, and we hope that the Government will see the light and decide that buildings with “Post Office” on the outside should contain a post office. We will continue working on that as hard as we can.

On Sundays, Taunton has a fantastic new independent market, which brings people in from far and wide. However, one building is a particular issue for our town centre. It was built as a W & A Chapman department store in 1938, and was substantially remodelled in the ’60s, just after Debenhams took it over in 1959. It is a large, handsome building, and a real landmark in the centre of our town—one of the biggest buildings in the heart of our town centre, if not the largest. However, it has stood empty, sadly, for around four years now.

I welcome the high street auction provisions in the Levelling-up and Regeneration Act 2023, which could be extremely useful. However, the powers to allow councils to carry out high street rental auctions are subject to a number of restrictions. Auctions apply to commercial premises that have been vacant for at least one year out of the past two, which is a reasonable requirement—so far, so good. They must also meet a suitability requirement—this is getting a bit doubtful. Then there are process and landlord obligations: local authorities can issue a final letting notice compelling a landlord to rent the property via auction, which is obviously a good move. The property must also be offered at a fair market rent, which is reasonable. Then there is an appeal mechanism, so there are more catches. One potential challenge is that the auction’s success depends on tenant demand. Who will define tenant demand? If we do not attempt an auction, how will we discover what tenant demand is? The appeal process provides a number of areas for challenge by the landowner.

Whether or not high street rental auctions are suitable for that particular Debenhams building, I am concerned about the number of exceptions from the powers. The guidance says:

“High Street Rental Auctions will not be suitable for all high street premises; for instance, large former department stores may be subject to long-term, complex redevelopment plans which may be negatively impacted by being subject to inclusion.”

Presumably, any owner of a former department store could say, “My department store is subject to complex, long-term redevelopment plans, which could be negatively impacted by a high street auction.” A whole class of town centre buildings—some of the biggest we have—therefore seem to be excluded from high street rental auctions, which is a real drawback and a real shame.

The guidance also says that auctions will not be appropriate

“should the local authority consider that there is not likely to be a sufficient tenant base and demand for the premises”.

As I said, how do we know what the demand for the premises is if we have not attempted to market them through high street auctions? I urge the Government to look at the guidance and the powers, and to see whether they could be applied to some of the biggest, most iconic buildings in our town centres, which are of course empty department stores.

[Gideon Amos]

Even in a healthy town centre such as Taunton's, the presence of one large building that remains empty can be a real problem. Whether or not it is suitable for a high street auction, the building in question in Taunton really needs attention; it needs to be dealt with, because it has been empty since 2021. Planning permission was sought in 2020 to demolish it and build apartments. That application was withdrawn, but it could have been refused. The Twentieth Century Society praised the building's architecture and made it subject to a listing application, although it did not quite make the grade. It has an important place in the hearts of people in Taunton. It has 7,000 square metres of floor space, so it is a big building. Many believe that it could be saved and reused. It occupies a fantastic location, with the River Tone on one side, one of the key town centre streets on the frontage, and our fantastic Taunton castle on a third side, which has been the historic seat of government in the county of Somerset for hundreds of years.

One reason why the building might be suitable for refurbishment is that demolishing it would bring a requirement to carry out archaeological investigations. During the previous application, Historic England produced one of the lengthiest representations I have ever seen, which suggested that investigations would be required. If the building is not demolished, that work would not be needed, which would potentially be a much cheaper operation for the owners.

We have tried to engage with the owners of the building, but it has been challenging. The town council and groups of architects have brought forward schemes for the building, but they have been unable to get floor plans or really engage with the owners. I reached out and wrote to the owners via recorded delivery, email and all the other methods I could think of, and I was pleased that Ropemaker Properties recently came back to me. I am grateful to the company for offering to meet me and Taunton town council to discuss how this important building can be brought back into use, and for putting that meeting in the diary.

Finally, I urge the Government to think about the extent of these powers and whether big department stores should be completely excluded from them.

2.49 pm

Steve Yemm (Mansfield) (Lab): It is a pleasure to serve under your chairmanship, Mr Vickers. I thank my hon. Friend the Member for Bournemouth West (Jessica Toale) for securing this important debate.

It was the honour of my life last summer to be elected as the local Member of Parliament in Mansfield, partly because some of my earliest memories are of my older cousins taking me into the thriving, beautiful town centre, which at that time hosted a bustling local business scene. My favourite was the Miss Candy sweet shop—it was not the American kind—which my cousins would take me to before we went to the Granada cinema in Mansfield town centre.

Sadly, over the years, our high streets have lost a great deal of the sparkle I remember as a child. They have become a shadow of their former selves, with one in seven high street shops closed across the country. Mansfield

is no exception, with one in six closed, which is not very different from what we see in other parts of the country. Many of the big-name anchor retailers mentioned today—Beales, Woolworths and Debenhams—have all gone from Mansfield. Unfortunately, many of the small businesses that have been in the town for generations have also disappeared in recent years. Antisocial behaviour remains an issue, with vacant, boarded-up shops becoming an eyesore, often attracting those who want to loiter and sometimes cause trouble. Police cuts under the former Government also meant that local officers were less able to patrol and intervene.

It is not inevitable that our towns will continue this degree of decline and deterioration. In Mansfield, we of course want a thriving town centre with a mix of traders, facilities and community assets that attract people to the town. I therefore thank local organisations, such as Mansfield district council, which is working hard with organisations like the Mansfield BID—the business improvement district—to improve our town, including by converting the former Beales department store into a new community and civic hub. This once-in-a-lifetime opportunity for renewal will transform the former Beales into a hub hosting a range of organisations—including educational institutions—public services and opportunities for enterprise, health and wellbeing amenities.

I very much welcome that, but we need to do more. That is why I stood as an MP, making it one of my missions to revitalise our town centre as part of my deliverable local plan. I am therefore proud to support a Government who have already taken decisive action to support that effort, including by committing to a £20 million investment for Mansfield as part of the long-term plan for towns, permanently lowering business rates and providing more money to tackle retail crime.

The Government are also introducing—this is the topic we are discussing today—powers to establish high street rental auctions. As has been mentioned, that new and creative policy will help to regenerate our high streets. Having engaged with the Government, I am delighted that Mansfield has been chosen as one of the first areas to participate in this initiative. These trailblazing new powers will allow Mansfield district council to tackle persistently vacant properties by putting leases up for auction, preventing disengaged landlords from sitting on empty properties, and bringing vacant commercial properties back into use.

That will have a transformational impact on our town centre, making units available for all manner of organisations, from local entrepreneurs to community groups. It will help to re-energise our town centre in a way we have not seen for a generation or more. Although the project is in its early days, the Government recently made funding available to Mansfield district council, which is currently engaging to deliver on this new approach.

Having spoken to officers involved in delivering the policy in Mansfield, I understand that they have concerns about how the scheme will be implemented—notably around the council's flexibility in spending the money allocated to deliver the policy. In the council's opinion, some minor changes could make a significant difference in supporting it to deliver this important policy. As such, I would be grateful if the Minister could meet me and officers from Mansfield district council to discuss those changes further in a constructive manner.

To conclude, I thank the Government for supporting Mansfield in this way, and I look forward to us working together so that we can support our town centre. That shows what a Labour Government, a Labour MP and a Labour council, working hand in hand, can deliver for people across the country, including in Mansfield.

2.55 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Mr Vickers. I thank the hon. Member for Bournemouth West (Jessica Toale) for securing today's debate. She has been extremely busy today: she asked a question at Prime Minister's questions, and now she is leading this debate, so well done to her. I should just say that I have not had a PMQ in five years, so she has done really well—[*Laughter.*] Not that I am disappointed, by the way.

It is a pleasure to participate in the debate, because I am really keen on this scheme. When I saw the title for the debate, I said, "What exactly are they after?" We do not have the scheme in Northern Ireland, but I think I am going to present it to my Minister at the Northern Ireland Assembly and make my local council aware of it, because it could benefit my constituency of Strangford and other constituencies right across Northern Ireland. It shows a way forward; the hon. Lady referred to that, as did the hon. Member for Mansfield (Steve Yemm), and others will do the same.

I very much respect the steps the hon. Lady has taken to rejuvenate local high streets and town centres. Those places are the pillars of our communities, and we must ensure that they are protected. I am probably fortunate to have a fairly thriving town centre in Newtownards, although I have recently noticed an increased number of vacancies, which we have not had for a great many years. That tells me that there is a trend starting, and one that we need to be aware of. That is why I want to take this debate a wee bit further, and I will do so.

The Government's high street rental auction initiative is a great way to improve high street footfall. In my constituency of Strangford, for example, many wonderful community groups and small businesses could really benefit from having a central space to undertake their work. I have some ideas on how we could bring that about through community initiatives, and perhaps with other groups that would be keen to do something in the town.

Of course, as others probably have, I have written to Chick-fil-A, to Popeyes and to some carry-out stores to introduce them to my constituency. They make plans three or four years ahead, so I am hoping that my letters from the last year will bring those names to Newtownards—they are something Northern Ireland has very little of—and that we can advance things. The HSRA scheme does not apply directly to Northern Ireland, or to the devolved nations, but we have a different way of selling our residential and commercial properties. I am therefore keen to hear how this scheme works.

One change I have seen, probably in the last three or four years, has been the increase in online sales. We have many family stores, and one—I will not mention the name of the owner or the store—is a modern clothes store for the modern shopper. It used to sell everything across the counter, but 40% of its business is now across the counter, while 60% is online. Is that one of the things that will be promoted—ensuring that the shops

stay and can run their online business from where they are? Again, that is something that I am particularly glad to see.

The hon. Member for Taunton and Wellington (Gideon Amos) referred to banking hubs. Again, that is something I have been involved with as well. We have lost 11 banks in my constituency. We have lost every bank in Ballynahinch and in Comber—two of our major towns—but, along with the Government, we have been supporting the banking hub initiative. One of the new banking hubs has opened in the middle of Comber, which will bring people to the town centre again from elsewhere in the town and from the countryside. There is another hub planned for Ballynahinch. As I said in a debate this morning, my frustration with banking hubs is that it takes so darn long for them to happen. Banking hubs are a really important alternative to a bank, and we have done some work on that.

When I look back, the negative trend probably started with the covid-19 pandemic, which is terribly frustrating. I understand that Newtownards and Bangor, which are in Ards and North Down, have a 21% vacancy rate on commercial property. That is really worrying, and we have to address it. The vacancies are not all in the town centre—some of them are out of town—but they add to a scenario that is quite worrying.

I will follow up with my council and my Minister about introducing the scheme that the Government have put forward and how that could help, because I believe that the projects that other hon. Members have referred to are worthy of designated funding. I have a special request of the Minister, as I always do of Ministers: could she make contact with the Minister back home, who I am pretty sure would be Gordon Lyons at the Department for Communities, so that Westminster and the devolved Assembly can work together?

The high street rental auctions scheme has many benefits; I have heard about some of them today, and I will hear about more before the debate is over. I look to how we can work together. As I always say—and I say it with genuine sincerity—we might have different ideas in the regions we come from, but we have a united interest in this great United Kingdom of Great Britain and Northern Ireland, and we can share ideas. This is an opportunity to share ideas to help my constituents and help my major town of Newtownards, as well as Comber and Ballynahinch, to do better. If we can do that, this will have been a very good debate.

3.2 pm

Melanie Omm (Great Grimsby and Cleethorpes) (Lab): It is a pleasure to serve under your chairmanship, Mr Vickers. I congratulate my hon. Friend the Member for Bournemouth West (Jessica Toale) on securing this important debate on high street rental auctions and everything that that means for representatives of towns in particular around this country.

I was elected on a commitment to help to fix our town centres and get them back to being places where people want to spend time and enjoy spending time, bringing back a sense of community. These increased powers for local authorities are a fantastic opportunity to unlock the full potential of high streets across the nation, including the ones in my constituency of Great Grimsby and Cleethorpes. The Labour Government's

[Melanie Onn]

announcement on high street rental auctions is a welcome and much-needed intervention to give greater control of the state of our high streets back to local people, to empower them and their local authorities, and to give them the opportunity to play a part in revitalising our high streets.

We have had levelling-up funds, towns funds, future high streets funds and many more—too many for me to remember. They were fragmented and piecemeal initiatives offered by previous Governments, generally characterised by competitive funding pots that pitted towns against one another. Ultimately, they have failed to deliver the changes that were promised, and they have left communities like ours—I am guessing from the supportive groans behind me that Members agree—frustrated at the many promises but little or delayed delivery.

This proposal is a substantial change that will give power back to local areas, putting them in charge of their own destinies and how they want to meaningfully revive their high streets. As a case in point, the redevelopment of the shopping centre in Grimsby is very controversial, with £25 million spent by the local authority on purchasing Freshney Place, which has long had significant leaks in its roof. It is causing concern for local residents—is it a white elephant? That is only one of the changes that has been taken on in an attempt to repurpose Grimsby town centre for 21st-century habits, while recognising the increase in online shopping.

The redevelopment has laudable aims, but seven years after signing a purported £67 million town deal and a further four years after local growth funding, the most that anybody visiting the town centre could say is that the Conservative council has managed to repave the old bus station area again. As you know, Mr Vickers, that is a source of contention locally, with some seating and landscaping, but also shingle that unfortunately spreads itself all over—that has created another mess and another problem. Even that work was over time and over budget. People look at those headline figures and wonder where on earth all the money has gone because they cannot see any evidence of it in the delivery.

We can contrast that effort, which has taken a very long time, with the redevelopment of St James House, a long neglected and derelict building opposite our historic minster in the heart of the town centre. A local business support organisation called E-Factor has taken that building on and, after intense work, is due to open its doors of brand-new business suites, completely revitalising the building and turning what was a bit of a monstrosity into a place that people want to work out of. The empty building drew antisocial behaviour to it—undesirables gravitated to the old car parking spaces that were neglected and left—but now people are pleased and proud to be part of the new development. That is an indication of what can come from expanding the powers of local authorities.

On Grimsby's commercial vacancy rate at the end of 2023, I see Bournemouth's 15% vacancy rate and raise it to Grimsby's 27%, which is over double the national average. My hon. Friend the Member for Bournemouth West used the word "staggering", which I echo, because it really is. Even in the attractive and bustling St Peter's Avenue in Cleethorpes, the vacant shop fronts seem to be staying vacant for much longer.

Such properties leave high streets with lengthy stretches of nothingness at risk of vandalism and, frankly, are a bit depressing to walk down when going to the shops. The fact that they are vacant for long periods does not seem to incentivise landlords in any way to reduce their rental asking prices. It seems that they would rather leave them vacant until the right client comes along, although I am not sure who those right clients are. Supporting our high streets also means championing the fantastic businesses that we already have.

In north-east Lincolnshire, the dedicated 2025 Group is committed to seeing our town flourish, and I am sure it will welcome the legislation. We have brilliant independent businesses in the constituency doing their best and playing their part. They are the backbone of our local economy and they will all benefit from the new powers, as they will no longer be sandwiched between derelict or empty premises.

I urge my local authority, North East Lincolnshire council, to take full advantage of the high street rental auctions when they are fully rolled out to maximise the ongoing work, complement it and aid its sustainability. They are a fantastic opportunity to tackle those empty shops and support local businesses, entrepreneurs, youth creatives and budding new organisations that have been crying out for affordable and central spaces to support their ideas and businesses, and they will help to restore pride in our community. By bringing those spaces back into use, we can create more jobs, attract more visitors and make our town centres the thriving spaces they deserve to be.

3.9 pm

Dave Robertson (Lichfield) (Lab): It is a pleasure to serve with you in the Chair, Mr Vickers. I thank my hon. Friend the Member for Bournemouth West (Jessica Toale) for securing this debate. It is an important debate, because when we talk to people in towns such as Burntwood in my constituency, they see their town centre—their high street—as a physical representation of how well the economy is doing. For obvious reasons, much of the conversation in politics at the moment is about growth, which the Government have placed at the heart of what they want to do, but the line about growth being felt everywhere needs to be demonstrated through a revival of our high streets and town centres.

I look around at hon. Members present in this debate, and we are town MPs by and large. It is town centres that have really struggled over a number of years of Government inaction, as well as the bluff and buster about levelling up that failed to do anything. When I talk to my constituents about what levelling up means, it is very difficult to tie down, but if growth is to be felt everywhere in the country, it needs to come back to those high streets and town centres.

I am pleased that the new Government are giving councils the powers to act on the issue and revitalise our high streets, such as the power to take an empty shop and get a business in there, so that somebody can visit and buy something, or they can spend their time and invest themselves in their town. Within that, I am particularly pleased that Lichfield district council is an early adopter and will be acting quickly to use those new powers to ensure that landlords are leasing those properties in Lichfield city centre and Burntwood.

Lichfield is lucky to have a thriving city centre, and we are fortunate to have great cafés and a wonderful set of pubs and restaurants, including the only Michelin star ever awarded in Staffordshire. Although my constituents are happy to have that café culture, they would also like to go into town and buy more than a vape. They are happy to support charity shops, but they would also like something that did not have the word “charity” before “shop”. Hopefully, the introduction of this new policy, as well as the district council following it through, will change the economics to support those traditional retailers, such as clothes retailers, to come back to our cities so that people can patronise those shops.

Up the road in Burntwood, it is a different story. Burntwood is a town of around 35,000 people. It developed from a number of villages growing into each other during the last century, but it has been starved of investment for decades. The town centre in Burntwood, which is almost ready to go, is great and there are wonderful businesses at Sankey's Corner, but it has not had the investment to make that really kick on. This new Government policy is a wonderful opportunity to ensure that, where there are great shops, the gaps in the middle are filled.

People in Burntwood are sick and tired of being told to wait their turn. For too long, under the previous Government, that was the policy for such places: “Wait your turn. Keep bidding for these £20 million pots, and one will come to you eventually, but we can't tell you when. It might come down the line”—but it never came. People in the town do not want to wait for a handout. They do not want someone to ride in on a white charger and say, “I am bestowing upon you your £20 million. It will solve everything for you!” That is not how our economy works. We do not have a planned economy in the UK—it is not Soviet Russia.

We want to support genuine, real local businesses to start up and deliver services for our residents. I looked forward to coming to this debate to discuss this issue and say how important this policy is for councils to make sure that people have venues to access.

Chris Bloore (Redditch) (Lab): I congratulate my hon. Friend the Member for Bournemouth West (Jessica Toale) on securing this excellent debate. The good people of Lichfield and Redditch share a lot of common themes, particularly the pride in our town centres and high streets. My businesses, like those of my hon. Friend the Member for Lichfield (Dave Robertson), have spent so much money on doing up their shops, and they have worked with the Redditch business improvement district and the council to do all they can to bring people in. They have been let down because we do not have the powers to support them by closing those vacant shops and getting more people in. I strongly welcome these powers, but does he agree that we can make the difference that our high streets and towns deserve if the Government work together with our excellent councils—such as the newly Labour-elected Redditch borough council, which is about to reopen the outdoor market for the first time in five years under the leadership of Councillor Joe Baker—instead of pitting town against town?

Dave Robertson: I thank my hon. Friend from the end of the railway line for his intervention—it is a long railway line and the busiest outside London. He is right

that towns should never be pitted against each other. Far too often, even in my constituency, which has two towns of around 35,000 people, it is sometimes felt that one of them gets the cheese and one of them does not. That is unfortunate for the town that is considered to have got the cheese, because everyone deserves the support, but it is really unfair for the town that feels like it does not have it. Every single town deserves that kind of town centre; every single high street deserves that vibrancy. They deserve to thrive, and the people who live there deserve to have that centre—a place they can invest themselves in in their local area.

On that basis, I am very happy to support the policy that the Government are introducing. However, that absolutely cannot be the end of this. I will keep fighting for Burntwood town centre. I will keep fighting for high streets, and not just in towns—I could get on to village high streets, but somebody will punch me in a minute. I will continue to fight for more for Burntwood and continue talking to developers, working with the council and working with any stakeholder that I can to drive investment into our town centres. This is a great start from my Government, but there is always more to do.

3.16 pm

Jo White (Bassetlaw) (Lab): It is a pleasure to serve under your chairmanship, Mr Vickers. I thank my hon. Friend the Member for Bournemouth West (Jessica Toale) for securing this welcome debate. Our high streets were once the beating heart of our communities, but the years of decline have hit towns such as Worksop, Harworth and Retford in my constituency hard. The immense sadness and frustration that I feel as I walk through my towns is shared by many of my constituents. In my view, the death knell started with the shift to out-of-town shopping centres in the '80s and '90s, but since then, the ease and habit of online shopping has caused the closing down and boarding up of shops on a massive scale. The pandemic put that on steroids, and for many, the habit of using the town centres to shop in is now long forgotten.

The value of community and pride in where we live is recognised and valued by everyone, and the commitment to revitalising our town centres rides above the politics in this place and elsewhere. I therefore welcome the new powers for local authorities to require landlords to rent out persistently vacant commercial properties to new tenants, such as local businesses or community groups.

Connor Naismith (Crewe and Nantwich) (Lab): My hon. Friend is right to point out that these powers exist to tackle persistently vacant shop units, but does she share my concern about the scandalous practices undertaken by some landlords, including in my constituency? Those landlords register empty shop units as occupied in an effort to avoid paying business rates, thereby placing them outside the scope of this policy, because in policy terms they are registered as occupied. That, in turn, leaves shop units that are vital to our civic pride to rack and ruin. Will she join me in asking the Minister to look at those practices with a view to tackling them?

Jo White: I thank my hon. Friend so much for his intervention. Like him, I can identify properties on my high streets that do exactly that—they have furniture and equipment inside, but never open their doors and are clearly empty—in order to avoid paying business rates. That definitely needs to be tackled, and I hope that the Minister has heard his concerns.

[Jo White]

I welcome the fact that my local authority, Bassetlaw district council, has been proactive about this challenge and has applied to be an early adopter of the scheme. The town centres of Harworth, Worksop and Retford would all be beneficiaries of that proposal as defined designated areas for this intervention. The local authority is a trailblazer for the programme, but as with all new projects and proposals—this is similar to the issues that my hon. Friends raised regarding Bournemouth, Christchurch and Poole council and Mansfield district council—they hit up against issues that could be ironed out to make the roll-out easier and smoother for other towns that are biting at the bit to begin this process.

The past 14 years have left local authorities significantly cash-strapped, and the project needs to include funding to cover the cost of officer time to set up and administer this relatively complex scheme. That will inevitably put a strain on our existing resources, compromising the delivery of other projects, and may stop other councils coming forward.

The designation of areas is not necessarily straightforward. My local authority has had to manage constitutional matters to institute the designated areas, which has caused delays in getting the project under way. There is no funding for the essential survey costs that must be undertaken before going to auction. The guidance states that those costs can be passed on to the end occupier should there be a successful bidder, and that this should be made clear in the auction marketing materials. There is a risk, however, as passing on the costs is likely to dampen demand.

The application guidance states that refurbishment funding has been set between £40,000 and £79,000, based on the property footprint, but it is anticipated that it will be approximately £50,000 per property, which is insufficient for some properties and end users. In Worksop, for example, we have a shortage of food and drink establishments. The £40,000 to £79,000 can be used only for refurbishment, and not for a fit-out. The high cost of fitting out a catering venue will be a potential deterrent to business investment.

Although the council is exploring the use of UK shared prosperity funding to enable fit-out works to take place, those funds end in March 2026, so that is not a sustainable solution. The council remains very keen to be a flagbearer for this significant proposal, which has the potential to transform our town centres, but it is also keen to be part of the problem-solving process as the roll-out begins. Will the Minister meet me and my local authority to discuss these matters further?

3.22 pm

Lloyd Hatton (South Dorset) (Lab): It is a pleasure to serve under your chairmanship, Mr Vickers. I am grateful to my hon. Friend the Member for Bournemouth West (Jessica Toale), a fellow Dorset Member of Parliament, for securing this important debate, and I welcome the Government's decision to introduce high street rental auctions.

My constituency is no exception to the trend of closing high street businesses and vacant properties that we have sadly seen up and down the country. My first job growing up was serving fish and chips at the Marlboro, a popular fish and chip shop by the harbour in Weymouth.

Since that time, and following the pandemic and the rise of online shopping, it has been depressing to see town centres such as Weymouth struggle to maintain their vibrant culture and footfall. Many businesses are understandably concerned about what the falling footfall means for their viability. They are calling for innovative solutions to breathe new life into our town centres, and that is exactly what high street rental auctions will help to deliver. They will revitalise our town centres and put the community at the centre of the revitalisation.

The local business improvement district in Weymouth and Portland and the chamber of commerce have been working tirelessly to rejuvenate Weymouth town centre. They have had a great deal of success so far, but they are clear that we must go further. High street rental auctions are just one tool in our box, but they cannot be the only way to empower local businesses and business groups, such as the BID and the chamber of commerce, to revitalise the town centre.

I am really pleased that the Government have given local councils direct powers to rent out vacant properties. That will enable local people and businesses to shape the future of the high street, and to make sure that it serves local needs and preserves and champions existing businesses. In particular, I am pleased that this measure could deliver targeted support for community ownership. That means that, with Government guidance, councils can identify assets that are most likely to deliver social, economic and cultural benefits locally with a community ownership model. That is a really welcome move, and I hope to see that in my South Dorset constituency and town centres right across the country.

This Labour Government are acting now to revitalise our town centres, placing local communities at the centre of that change and making sure that high streets like mine in Weymouth continue to be the beating heart of our communities.

3.25 pm

Vikki Slade (Mid Dorset and North Poole) (LD): It is a pleasure to serve under your chairmanship, Mr Vickers. I congratulate my neighbour, the hon. Member for Bournemouth West (Jessica Toale), on securing this important debate. It is great to see four new Members from Dorset here this afternoon, which shows what a fantastic place it is to visit. I agree with the hon. Member for South Dorset (Lloyd Hatton) that high streets are, of course, the beating heart and the identity of a place, but they also hold—as the hon. Member for Lichfield (Dave Robertson) mentioned—the communal memory of the people who live in, work in and visit a place.

I remember the high street of my youth, in a little town in Edenbridge, Kent. I used to visit the independent chemist, which doubled as a gift shop, to buy presents for my mum—I am sure she never liked them—and I would go to the big town for summer holiday shopping with stores like C&A and Chelsea Girl, and department stores like Allders and Debenhams. But those high streets were symptoms of their time, and I am sure that our grandparents would have been shocked by the identikit towns that we have had over so many years. It might be right and proper that some of those brands have succumbed to what is going on now—there is the negativity around online buying but also the trend toward second-hand and vintage shopping, which is actually quite a positive move.

Almost 13,000 retailers shut their shops last year, and according to a recent report, retail institutes warned that a “perfect storm” of higher costs and red tape means that one in 10 shop-floor jobs are expected to disappear by 2028. We need to make these moves with that as a background. But many places are bucking the trend and I hate to be negative about places, so even Bournemouth—which has had so much negativity—has had increase in footfall of 12.5% year on year. We need to congratulate those amazing businesses that are making the difference.

We must also think about what the high street means for us now: a combination of shopping, entertainment, living, working, playing, studying and, as my hon. Friend the Member for Taunton and Wellington (Gideon Amos) says, post offices. We Lib Dems welcome all the ideas to shape and support our high streets and town centres. Of course, local and national governments have a vital role to play, but the issue is not rent; it is business rates. Landlords say that rates are now higher than the rents that they can command in many cases, so a scheme that addressed that would be the most welcome. I am sure that the Minister will tell us about the new lower rate for retail, hospitality and leisure, but we need something substantially different from the current model.

I entered politics a long time ago on a local level to reform business rates, so it is great that I have finally made it to this position, and can hopefully make an impact. Lib Dems want to see business rates replaced with a commercial landowner levy to create a more level playing field, shifting the responsibility from tenant to landlord, and also ensuring that high streets can compete against businesses that do not have the same overheads. In abolishing the broken business rates system, we would look to tax the land value of commercial sites, not productive investment, because that is the problem—at the moment, we tax business investment, which impacts productivity and wages. The biggest impact would be on small businesses in deprived areas. They would then be a part of the regeneration of a space through wider community development, which can work alongside rental auctions. We welcome the current discussion paper on business rates reform. Can the Minister update us on when we can expect that to move forward?

On the rental auction initiative, the Lib Dems are concerned about the potential costs of the scheme for local authorities. Although the programme has funding allocated to it, it is not clear whether local authorities would be able to use this to take on leases to help them to enable business growth and start-ups to take off. There is no doubt about the financial burden on councils at the moment, and I am deeply concerned about whether there is the capacity and desire in some places to deliver something on the scale that is needed.

The industry also has doubts about the new auction system and whether it will have the desired effect. I agree with the hon. Member for Bassetlaw (Jo White) about hospitality fit-outs. Someone can spend £30,000 just like that on a small independent café, and that money is not going to come from just anywhere, particularly in the limited amount of time that these auction leases will be arranged for.

The funding available to create vacancy lists is welcome. Economic development teams have an amazing opportunity to drive the vision for their area forward; I am concerned that landlords may not understand the other innovative

uses for their buildings, whereas a local authority has the ability to go out and scout for other businesses that might want to come into an area. There is an opportunity through the scheme if the funding can be used in a more flexible way. I am interested to know how councils can use the funding if they do not have property that they can put forward and auction now, but want to get ahead of the game. Any building sitting empty for more than 12 months is a long time, and the rot will already be setting in, so getting ahead of the game would be really useful.

A local council also shared that the high street rental auction is a big stick with which to beat up landlords who are not willing to engage. I read in *The Business Times* of a business lawyer who said:

“The question however remains: are we genuinely operating within a market of idle landlords who require this intervention? If the regulations only offer a solution for the minority and do not tackle the root cause of a greater economic issue around demand and affordability...these detailed provisions may not be the ‘breath of new life’ the government envisages.”

I am also concerned that the power will not do very much in small towns. It is understandable that the big towns such as Mansfield and Bournemouth might well see some benefit from this, but smaller places such as Broadstone or Wareham, or even Swanage and Wellington, might actually be invisible to the big councils as they look to the areas with a significant problem. One or two long-standing empty buildings in those smaller towns can have just as much of an impact, but they are unlikely to be worthwhile with the moneys coming to councils to make the scheme work.

My final point is on the reasons a property might be empty—there may be very good reasons. If councils are to use this power effectively, we must help landlords to bring properties into use if they simply cannot afford to do so otherwise. The high street rental auction requires landlords to bring properties up to the minimum energy efficiency standards—if they do not, they potentially face criminal prosecution. That could cripple landlords financially. What plans are there to support landlords who may wish to improve their stock but for whom doing so is not commercially viable?

Across my Mid Dorset and North Poole constituency, businesses have cited the huge costs associated with operating, which are affecting confidence and putting them off investing in physical property. Soaring energy costs, the increase in national insurance contributions, worries about the impacts of some measures in the Employment Rights Bill and international insecurity mean that taking on a high street premises is probably more difficult right now than it has been for a long time. What considerations are the Government offering to businesses that want to invest but are worried about then having an immediate revaluation of their rates—as in the case of Hall and Woodhouse, which I raised last month?

Without sustainable financial support for councils to eliminate the other issues around town centres, from rough sleeping to public transport initiatives and funding for police to deal with antisocial behaviour, I fear that the scheme may have a minimal effect and be counterproductive. It is a good start: I give credit to the previous Government for starting it, and I hope this Government will finish it, but I would like to know how it will be made more interesting and effective for a broader range of towns.

3.34 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): It is a pleasure to serve with you in the Chair once again, Mr Vickers, and to have been present for this wide-ranging debate. I am sure the hon. Member for Bournemouth West (Jessica Toale) will be pleased: anyone watching this debate, and seeing so many of our colleagues over in the main Chamber debating issues around family businesses, will welcome the focus that this debate brings to our high streets, that large and important part of our economy.

We are debating these issues at a time when, based on the figures across the country, growth is down, jobs, vacancies and hiring are down, investment by businesses in the UK is down and inflation is up. While there is always a political debate to be had about the causes behind those factors, it is clear that last October's Budget had a significant impact. It is important to consider how measures such as the one at the anchor of this debate, high street rental auctions, can be used to address those challenges by local and regional authorities and by the new mayors that the Government are proposing to bring in across the country.

Our high streets have faced many interrelated pressures in recent years. Members have referred to the impact of online shopping on consumer habits and the impact of the covid-19 pandemic. When our high streets and retail were to some extent closed, or significantly restricted, it drove a rapid change in consumer behaviour that we see reflected in patterns of business investment across the country. All those issues have created a challenge for our local businesses in making sure both that their prices remain competitive and that they can draw in both the staff and the customers they require.

Members have also referred to the impact of out-of-town shopping centres. Although many of our high streets and local business communities have been able to change and adapt, others have found it an ongoing challenge. At the tail end of the last century, I worked in a local bank on the village high street in Pinner in my constituency. That bank is no longer there—only the Nationwide remains as a financial provider on that high street—but there are no vacant units today because other forms of business have opened up, principally in hospitality. That has been a significant change in the way that high street operates. It is a great pleasure to represent a constituency with seven local high streets; I regularly host surgeries in those hospitality businesses as an opportunity to find out what is going on, and I know that many other Members do the same.

The pressures that Members have described in this debate can be seen quite starkly in the figures. In the period between March 2020 and March 2022, we saw a loss of a net total of 9,300 retail units across the country. Some were converted into residential accommodation. Government policy, over many years and from all parties, has recognised the demand for housing and the changing nature of the high street, and that has enabled the conversion of those properties, where appropriate, to provide much-needed homes. Often, because of the nature of those conversions, they have provided additional customers for the remaining premises on the high streets. However, at the same time we have seen the loss of many cherished local businesses such as those Members have spoken of, and others, particularly independent retailers, continue to struggle.

The high street rental auction policy was introduced under the previous Government in the Levelling-up and Regeneration Act 2023. It was one of several measures taken by that Government, and it granted local authorities for the first time a power through a new initiative designed to bring new life to persistently vacant properties. When retail units are persistently empty, sometimes there are problems with absentee landlords and it can be enormously difficult to force the issue and bring the units back into use. Rental auctions are a significant new idea, alongside the investments through the future high streets fund and other schemes designed to ensure that high streets across the country remain sustainable.

There will be much debate about the impact that that policy has had, especially given the changing habits of our constituents. However, when we look at the feedback from independent organisations in particular, there is a great deal of concern that, even set alongside the benefits that this policy could bring, the overall business environment is having a significant negative impact both on the viability of high street businesses and business in general, and on retail in particular.

In recent comments, the British Retail Consortium comments said that the Government's measure to increase the rate of employer national insurance contributions—that single policy alone—is likely to lead to a net loss of 160,000 jobs over the next two years, in particular because of its impact on those large numbers of people who are in lower-paid, but flexible and part-time work. Most of us will have heard from businesses in our constituencies that they remain extremely concerned about that bigger issue. There is also concern in respect of the changes being introduced to non-domestic rates—business rates—an assessment that has been shared by a very wide group of professionals.

The Altus Group, a real estate company, released some research recently estimating that the big reduction in business rates discounts for retail, hospitality and leisure firms, which go from 75% to 40% in the next financial year, will result in a 140% increase in business rates bills at individual business level for around a quarter of a million high street premises in England. To put that into real money, an average shop currently paying £3,589 in business rates will see that bill rise to £8,613 from next April. Pubs, which many Members have cited in debates here and elsewhere, would see a typical bill rising from £3,938 to £9,451 a year. All these things represent significant increases in costs imposed on local businesses.

We recognise in particular the shift under way in how larger high street premises will be treated. I know some of those changes in business rates have been described as an Amazon tax, but it is clear that they will have a particular impact on places such as larger supermarkets in town centre locations, which often provide the parking and the anchor store that brings people into our towns. The Conservatives therefore remain extremely concerned at the impact that that has.

I am sure the Government will challenge us and say, "Well, what is your policy?" Clearly, we are in Opposition these days, and we did not have the opportunity to set out in Government a Budget to address this wider range of issues, but we know that preserving that strong growth and that steady and high rate of employment—the 4 million more people in work when we left office, and the halving of youth unemployment—was down to our

sustained focus on the economy to sustain the buoyant high streets and local employment, the growth and the living standards that we all expect.

In conclusion, while this policy is important, we need to continue to see it as part of a package of vital measures that are there to sustain not just our high streets, but the commercial life of our nation. It is usually the voice of very big business that is heard in Parliament—a very large commercial concern with a public affairs team will find it very easy to make Parliamentarians pay attention to what it says—but around 70% of people employed in this country work in an enterprise with less than five staff in total.

The vast majority of our constituents, the vast majority of people who work in our country, are in shops and small enterprises. We need to make sure that, while their collective voice can be difficult to translate, their interests are at the heart of our thinking and the role that those small businesses play is visible. Our neighbourhood is vital to our quality of life. There is a reason why post-war planners, setting out to build large new areas of social housing, chose to make sure that there were retail units and shop fronts on those sites, so that people had ready access to the sense of community that they support.

We need to make sure that that is sustained, but sustained in the context of a world that is changing. As part of a Government and as politicians, we cannot second-guess or indeed directly change consumer behaviour through intervention, but we can support a wide range of businesses to ensure that we serve the widest possible interests of our community. For example, the shift to supermarket retail has helped to ensure that the UK has the second most affordable food, compared with household budgets, in the world. The shifting nature of our high streets means that, while there is less retail, there is more affordable hospitality and more of the good-quality, flexible and well-paid jobs that go with it.

Demographic change is also significant. As the ageing population of our country looks for more hospitality close to home, it creates an opportunity for those businesses. We have seen retail units implementing schemes such as soft play, as larger numbers of children in local communities drive the changing face of local businesses and create new opportunities, benefiting those children socially and benefiting local employment.

But I finish where I started. We are about to embark on a massive process of top-down local government reorganisation. We need to make sure that throughout all that turmoil, with policies such as high street rental auctions, what has been done for the high streets fund and the changes in business rates, we do not lose sight of how important our high streets and small businesses are. The consequences of the Government's Budget can already be seen not just in business confidence and sentiment, but in the reducing numbers of jobs and vacancies, in falling investment and in rising inflation.

The Government have an opportunity to listen not only to the Opposition, but to professionals and business owners, who are politically neutral but have the interests of businesses in these communities at heart. The Government have the chance to make changes in the wider interests of our nation.

3.45 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rushanara Ali):

It is a pleasure to serve under your chairmanship, Mr Vickers. I congratulate my hon. Friend the Member for Bournemouth West (Jessica Toale) on securing this important debate. I believe it is her first Westminster Hall debate, so it is great to be responding to it. I know that she is a passionate advocate for her local high streets, including in her campaigning against post office closures.

High streets have been the subject of several debates recently, and there will be another later today focused on support for high street businesses. We have heard quite a bit already about that. This is a multifaceted subject, and the Government are pleased to have the chance to discuss the specific and important dimensions of our plans. The Government share hon. Members' passion to support the growth and evolution of our town centres and the revival of our high streets. We all recognise that high streets were once the lifeblood of our towns and cities, sustaining jobs, businesses and communities. I know from my own constituency, although it is in inner London, that there are challenges when major stores close and so on.

The Government are committed to ensuring that high streets become successful again, despite the challenges that they face in adapting to consumer behaviour and the demographic change of the 21st century. Before I get into the specifics of what the Government are doing, I will gently point out to the Opposition spokespeople the context in which we are operating. In the 14 years before the general election, we saw austerity during the coalition Government, the economy being crashed under one of the Prime Ministers, and record under-investment. We have seen the spectre of high street shops facing shoplifting and much else.

We are trying to fix a set of challenges, and we are using the powers that were introduced under the previous Government pragmatically, making sure that they are deployed appropriately in the wider context while revitalising our high streets. I genuinely hope that we can work together to ensure that revitalisation, because while each of our constituencies has challenges, we have heard wonderful examples of vibrant high streets in the past. We need to be pragmatic and work together to fix them, and I hope that colleagues from Opposition parties will work in that spirit.

Before the general election, the Labour party set out its five-point plan to breathe life back into Britain's high streets. It includes addressing antisocial behaviour and retail crime, reforming the business rates system, working with the banking industry to roll out banking hubs, stamping out late payments and empowering communities to make the most of vacant properties. We are focused on ensuring that we provide the appropriate support to local authorities that are interested in using the high street rental auction power. Sadly, during 2024, up to one in seven shops on our high streets sat empty and boarded up, often for long periods. As hon. Members have highlighted, property that is left empty for long periods, as well as being an eyesore, can fall victim to disrepair or vandalism and be harder to bring back into use.

High street rental auctions are an important tool against persistent vacancy in our towns and cities, and in December we commenced legislation to enable their use. The new

[Rushanara Ali]

powers allow local authorities to require landlords to rent out persistently vacant commercial units, helping to bring businesses back to the high street and drive growth across the country. In introducing them, the Government are seeking to increase co-operation between landlords and local authorities, and to make town centre tenancies more accessible and affordable for tenants.

Through this initiative, we are putting power into the hands of local leaders. They are now empowered to auction off leases on premises that have been vacant for more than a year, and to grant local businesses and community groups the right to rent empty commercial lots at market prices. That gives power to those trying to shape and improve their high streets, and demands that landlords take sufficient steps to rent out empty properties.

To support delivery, we have made £1 million available to all local authorities. The fund has been open for applications since 15 January. In addition, a new burdens payment of up to £5,223 is available to help councils with initial implementation costs, such as those borne through legal advice and the auction process. The Department has made available guidance on how to use the powers, as well as a funding prospectus, to assist local authorities, and it will continue to engage with local authorities across England to promote the powers and spur implementation.

There are a number of early adopters, including councils in the areas of colleagues who have spoken today: Bassetlaw, Darlington and Mansfield are already working with us, and others have been placed in the second group—we will announce those shortly. We are working with the early adopters and a wider group to ensure that there is good learning, that good practice is spread and that there is good partnership working—not competition, but collaboration. That will ensure that local areas can learn from one another and that the provision is implemented appropriately.

Hon. Members have raised a number of issues, and a number of colleagues have sought meetings with officials, as well as with the lead Minister on this issue, the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Nottingham North and Kimberley (Alex Norris), who will want to continue the dialogue. We will of course take away those requests and ensure that officials work closely with the relevant councils and Members of Parliament. I am conscious of the strong interest in this agenda and, if it is to work effectively in communities, we want to ensure that that partnership and close working relationship is in place.

I am extremely pleased that a number of councils have a strong interest in using the high street rental auction power, which is not the only action that the Government are taking to revive our high streets. We are introducing a new community right to buy to empower communities to address decline and protect valuable community spaces. The vision for empowered local decision making in the English devolution White Paper, to which some colleagues have referred, is also critical. If a high street or town centre is to flourish, local people, businesses and councils must work together to develop a unique offer for the high street that resonates with the local community.

Local authorities and mayors have the ability to bring people and organisations together to develop a vision for their areas. I welcome examples of local authorities taking the initiative to improve their high streets, and we have heard some extremely positive examples today. As was pointed out, in Bournemouth, Bobby's is established in what was once a Debenhams store, and the Ivy has recently opened. Having made a number of visits to Bournemouth, I have certainly seen the great examples, but I recognise the challenges that my hon. Friend the Member for Bournemouth West mentioned, too.

We are determined to make sure that we provide the appropriate backing through the high street rental auction power, as well as the Government's wider agenda to support local government and devolution. We have increased local government funding in real terms, and we are ensuring that local authorities have the appropriate support and capacity. The problems we have inherited over the last 14 years cannot be resolved in one go in one Budget, but we have begun our plan for change and for action.

In another area that my Department covers, homelessness, we have invested £1 billion, including additional funding, to tackle what is another dimension of the societal challenges that we face. We need to support local authorities and local areas to support those who are sleeping rough and facing housing challenges. More broadly, we continue to invest in regeneration. The long-term plan for towns will provide 75 places across the UK with up to £20 million for funding and support over the next decade, giving communities the space and resources to build their vision for renewal.

Hon. Members raised a number of points in relation to undesirable types of organisations. Local authorities have powers to prohibit uses of particular types of operations and businesses, and we very much look to them to use those powers appropriately. On department stores, while the point about complexity has been recognised, local authorities can use compulsory purchase orders to address the issue and redevelop former stores. We keep the guidance under review, but we are happy to continue the dialogue; it is very important to make sure that we have a continuous process of learning and improvement.

I am conscious that we are running of time. My officials and I can write to hon. Members on specific questions that I have not been able to respond to. I thank my hon. Friend the Member for Bournemouth West again for securing the debate, and I thank all hon. Members for participating in it and highlighting the wonderful examples in their constituencies, alongside the challenges. We look forward to working with hon. Members across the parties to help revitalise our town centres and ensure that they continue to make a strong positive contribution to our economy and to communities.

3.58 pm

Jessica Toale: This is an important moment for our high streets and our local communities. The debate has been a real tour de force of our great towns, and I have been blown away by the passionate stories I have heard. We have heard nostalgia about towns as they once were, but also passion for the future and for what our towns can be. I share a lot of the pain that Members have expressed about our towns, but I know that there is potential in this policy, and the other measures that the Government are bringing in, to think about how we can

make town centres work again, and how we can support and promote our local businesses and community spaces. I thank everybody for taking part.

I thank the Minister for addressing Members' questions, as well as outlining the wider context of the situation that we are in and the Government's wider range of reforms to support our small businesses: community right to buy, policing reforms, direct support to businesses—it all adds up and makes a difference. I thank her for her offer to continue to work with local authorities to make this scheme work. Many of us are eager to see it implemented, and I know that many of us are eager for our residents to see the real transformation that a Labour Government can bring about for our town centres.

Question put and agreed to.

Resolved,

That this House has considered Government policy on high street rental auctions.

Future Skills Programmes: Universities

[SIR DESMOND SWAYNE *in the Chair*]

4 pm

Sir Desmond Swayne (in the Chair): Sir Ed Davey will move the motion and the Minister will respond. As is the convention for 30-minute debates, there will not be an opportunity for the Member in charge to wind up.

Ed Davey (Kingston and Surbiton) (LD): I beg to move,

That this House has considered Government support for future skills programmes at universities.

It is really a pleasure to speak in your presence, Sir Desmond. I also thank the Minister, who knows that my aim in this debate is to give the Government a present—a present in the form of an idea that would revolutionise higher education, boost skills across our economy and be an engine of real growth. But it is more than that; it is an idea that could enhance the quality of life of millions of people, as it is also about social mobility and social justice—equality of opportunity in action. It is an idea that has already been fully and professionally researched, with thousands of businesses across the UK inputting into the completed research. This well researched idea has also been piloted and tested on real, live students. Moreover, it is an idea in its third year of practical roll-out. This is happening now, and it is being fully evaluated as it is put into action. It is a present that is, shall we say, oven ready.

Jim Shannon (Strangford) (DUP): I commend the right hon. Member for bringing forward the debate. I was saying beforehand that Queen's University in Belfast is already doing this. It runs these online skills courses and programmes, through shadowing and other incentives. Does the right hon. Member agree that greater Government support could only help even more students to give those few hours per semester to achieve greater personal growth and better foundational skills—the very objective that he is trying to achieve?

Ed Davey: It is always a pleasure to take an intervention from the hon. Gentleman, but I am going to push back a little bit, because I do not think any university is doing what Kingston University is doing—it might be partially—so I hope that he will listen to the rest of my remarks.

I think that this idea can be rolled out across England and, indeed, the whole UK and that it has the potential to help our schools, too. If that is not enough to intrigue and interest the Minister, I am not sure what is, but here is the icing on the cake: it will not cost very much. I hope I have got the Minister's attention now. It is an idea that is very affordable. I am super-proud to say that this idea has been researched, developed, piloted, tested and rolled out in the fabulous university in my constituency—Kingston University.

I am about to unwrap this present, but in advance of the reveal, let me be clear that I have one main, simple ask of the Minister today. Please can she or her ministerial colleagues come to Kingston University to hear more from the academics involved, but above all to listen to the inspiring students who are already benefiting? And please come soon, before decisions are made in the spending review later this year, because I think students across the country can benefit from this.

[Ed Davey]

Here is the present. Kingston University has developed a programme that it calls Future Skills, with the future skills being ones identified by business through a major research programme. There are nine skills in all. They are creative problem solving, digital competency including AI, adaptability, having a questioning mindset, empathy, collaboration, being enterprising, resilience, and self-awareness—something we could all do with in this House. The Minister will recognise, I hope, that these are essential life skills, but they are rarely taught, at least not directly. There is no undergraduate course with all these skills in the curriculum, yet they are the future skills that businesses say they want people to have.

Some people in other higher education institutions might say, “Well, we do that. We teach those skills, but in other ways. There’s nothing special to see here.” They would be wrong. Kingston University has developed modules for all these skills and insists that every single undergraduate takes these modules, whatever their main subject. They might be studying engineering or fashion—Kingston University, by the way, is in the top five in the UK, and is top in London, for fashion and textiles; I thought I would just get that in. They might be studying computer science or cyber-security, or nursing. Whatever the degree, students at Kingston University now study these nine future skills as well. What is more, Kingston University has structured the teaching of these future skills across three years of undergraduate study in phases called navigate, explore and apply. A first-year undergraduate will experience those future skills in a programme called navigate, which is designed to support the student’s transition into university life. It involves workshops that show that these future skills are not abstract but real skills with huge significance.

These workshops help students to navigate how they match up to the skills already. Are they naturally empathetic? Have they mastered AI? Are they good at collaboration and problem-solving? I guess the first-year undergraduate experience of the navigate phase of future skills could be described as self-assessment, where the student is offered relevant guidance and learning resources to develop all those skills. That first-year navigate phase was rolled out, after testing, for all Kingston University students in September 2023, reaching 5,300 students this academic year.

This September’s Kingston freshers will be the third cohort to experience navigate and future skills. Students in their second year take future skills forward in a phase called explore. That involves students working directly with employers to build their knowledge of these future skills and an understanding of what they mean in practice. They do that in a variety of ways: in mock assessment centres and live projects, and through placements and site visits. Some people would say they do that already, but they do not.

Explore has been tested for two years and rolled out for one. The full second year of Kingston students have been experiencing explore from last September, reaching more than 4,400 students. To take one example, an exercise developed with the John Lewis Partnership focused on Waitrose. Waitrose worked with Kingston students on actual questions and challenges that the business is facing, working with 600 second-year students

from the university’s faculty of business and social science and the faculty of engineering, computing and the environment to help them to solve real problems.

Students are devising a system to make it easier for Waitrose to capture and interpret data from its suppliers. Other students are shaping a business-to-business marketing communications strategy for Waitrose to encourage suppliers to adopt appropriate use of artificial intelligence to support data insight.

Tahir Ali (Birmingham Hall Green and Moseley) (Lab): I thank the right hon. Member for securing this debate. As a former apprentice, I was taught those skills, but those who chose the academic route often lack them. It would be wonderful to see this approach rolled out to many universities and made a permanent feature, so that everyone benefits, not only from employability but in their daily life skills.

Ed Davey: I am very happy to have that sign of support from the Government Benches already; we are making progress.

After the navigate and explore phases, the final stage of the future skills programme for third-year undergraduates is called apply. Students take stock of what they have learned with the nine skills, and refine and tailor their learning of future skills towards their careers. The apply stage of future skills is being piloted, tested and finalised with some students as we speak, with a full-year roll-out for all third-year Kingston students from September 2025.

I hope that that quite long description of Kingston University’s future skills helps the Minister and others to see that it is a well-thought through, properly researched and piloted programme, and it is happening. There is lot that Ministers and their officials can come and see for themselves, so I repeat my invite. If what I have said so far has not convinced the Minister—I find that hard to believe—here is another major argument. Big UK and international businesses, brands and organisations are coming to Kingston University because they love future skills.

Gideon Amos (Taunton and Wellington) (LD): Does my right hon. Friend agree that if the UK is to get the growth it needs from the new Tata Agratas gigafactory in Somerset, the University Centre Somerset in my constituency needs support from the Government to prepare the 4,000 new workers with the skills they need before they arrive?

Ed Davey: My hon. Friend is absolutely right. He is a real champion for his university and the students there.

My hon. Friend backs up my point that major businesses are loving the future skills programme at Kingston. The home-grown talent and skills are what employers actually need. I am talking about the likes of IBM, Adobe, Deloitte Digital, John Lewis, Formula 1, and Salutem Care and Education, to name but a few. Public sector managers are also coming to Kingston for the programme, from the NHS to the Met police and the Civil Aviation Authority. They are helping to shape the future skills curriculum, to innovate and to identify talent. I am sure that the Minister will be unsurprised at the excited interest in the AI element of future skills, where Kingston is linking digital competency with an understanding of the human aspects of exploiting AI—the added value of being a human, if you like.

Another reason why I would like the Minister to visit soon is that the idea from Kingston University is already exciting interest from around the world. I fear that if someone in the Department for Education does not run with it now—frankly, this year—it will be yet another example of a great British innovation that is developed here but exploited elsewhere, because there has been interest from Korea and Singapore already. Education and political leaders in Korea and Singapore are engaging. Nanyang Technological University in Singapore, ranked 15th globally, is conducting research through its prestigious Centre for Cross Economy. It is speaking to thousands of businesses in the same way that Kingston University did in the UK, but Nanyang has far more resources and it is working at speed. But Kingston University is smart: it is partnering with Nanyang to explore international and business skills from perspectives in the east. With Korea and Singapore at the cutting edge of digital and AI innovation, the partnerships that Kingston is building have huge potential. That is just another aspect of the present I am bringing to the Government today.

I should perhaps declare another constituency interest. Along with my hon. Friend the Member for Wimbledon (Mr Kohler), who is in his place, I represent more British Koreans than any other Member. As trade Minister between 2010 and 2012, I helped to push the EU-Korea free trade agreement, which had a major impact on international trade discussions at the time. If only we could resurrect such trade moments now.

I would like to quote some students who have been living the future skills programme, and then I have a few more asks of the Minister. First, Abdurrahman, a computer science student, said:

“Taking part in the Future Skills programme has helped me understand just how important and necessary these skills are for everyone to progress in their chosen career pathways. From simulating how to talk to employers in industry to prototyping a start-up company, it’s brought to life how to use these skills in an employment or business setting.”

Paulina, a forensic psychology student, said:

“Future Skills has been integrated so well into my different modules and all my different modules really highlight the importance of these skills. It has reignited the passion I came to university with, by enabling me to reflect on why I started my forensic psychology course and giving me a deeper insight into the career I want in the future.”

Two Kingston University students, Amber and Rahman, are in the Public Gallery listening to the debate. They would be pleased and excited to talk to the Minister, or indeed other hon. Members, about their experience of the future skills programme after the debate. This is a full-on lobbying exercise.

I will turn to my final asks of the Minister and Department. The main ask remains: please visit. Please engage soon. I invite the Minister to ask herself, “Is this a present? Is this an idea we can accept and get behind?” If she wants to get properly behind it, just a bit of cash would really help Kingston University to take it forward. So far, it has been funded by a combination of philanthropic support from the fabulous Mohn Westlake Foundation and the university itself. The Mohn Westlake Foundation has a commitment to making education accessible to the most disadvantaged students, and I put on record my thanks. I hope that is another reason why the Minister and the team at DFE will want to look at future skills at Kingston University: the role that it can play in social mobility, social justice and equal opportunity.

I have some final suggestions for things that the Minister might consider when the team visits Kingston University—I hope she noticed the “when”. First, is there a way for the Government to help even more businesses to engage with Kingston University on future skills, perhaps by using the apprenticeship levy or the existing UK Research and Innovation budget? Secondly, will the Government help Kingston University as it continues to evaluate this approach and secure a long-term evidence base that can be shared with other higher education institutions? I am talking about something like a small research and development grant, which might cost as little as £500,000 over the next five years. Thirdly, will the Minister consider making a small innovation grant to enable a pilot expansion of the future skills programme into a secondary school or, indeed, another university? This approach could be taken down into secondary education, and it must surely be tried in other universities. Kingston has already identified potential partners in secondary and tertiary education, so deploying this idea elsewhere really will not cost much. It would be great to trial it with others.

Fourthly, will the Minister request that the Office for Students fund some competitions to support others in higher education that might wish to consider developing and rolling out their own version of Kingston’s future skills?

Finally, perhaps after a visit to Kingston University, which I know is going to happen, will the Minister and her team join me in the House of Commons on 18 June, when Kingston University will be launching its research with Nanyang to leading UK and international businesses, policymakers, academics and students? *[Interruption.]* That is 18 June—I see that the Minister is writing that down. I am sure that the Minister will see this idea as a very special present, and I want her to enjoy it with some amazing students and businesses. I thank you, Sir Desmond, and the Minister; I hope that she is as excited by the future skills programme as I am.

4.16 pm

The Parliamentary Under-Secretary of State for Education (Janet Daby): It is an honour to serve under your chairship, Sir Desmond. I congratulate the right hon. Member for Kingston and Surbiton (Ed Davey) on securing a debate on the Government’s support for future skills programmes at universities. I also thank him for speaking positively and passionately about the excellent contribution of Kingston University and, in particular, its navigate, explore and apply programmes. I also want to acknowledge the interventions from the hon. Member for Strangford (Jim Shannon), my hon. Friend the Member for Birmingham Hall Green and Moseley (Tahir Ali) and the hon. Member for Taunton and Wellington (Gideon Amos).

I heard clearly the invite from the right hon. Member for Kingston and Surbiton, and although I will not commit my noble Friend Baroness Smith, the Minister for Skills, I will draw the invitation and the date of 18 June to her attention. It may surprise the right hon. Member that I undertook a post-qualifying course at Kingston University, so I can testify that it is one of the many outstanding universities in our country.

I will set out the Government’s position in response to the right hon. Member. This debate addresses the need for our educational institutions to evolve and

[Janet Daby]

adapt to the demands of the modern workforce. By focusing on future skills, we aim to ensure that our universities are not only centres of academic excellence, but hubs of innovation and practical training. Doing so will equip our students with the necessary skills to thrive in an ever-changing global economy and drive the nation's growth and prosperity.

Skills are crucial to implementing the plan for change. This Government's manifesto outlined our commitment to developing a comprehensive strategy for post-16 education and skills. Our aim is to dismantle barriers to opportunity, cultivate a skilled workforce and stimulate economic growth. This strategy will address how we can provide the skills our country requires, both now and in the future.

Our objective is to establish a robust skills system in which everyone is empowered to succeed in life and work, with appropriate support for reskilling to adapt to the evolving economic landscape. That involves fostering a culture of lifelong learning, creating clear and coherent pathways for learners of all ages, and enhancing collaboration among skills partners within a framework of well-defined roles and responsibilities. We will release a vision paper for this strategy soon, and engage with all stakeholders across the system.

A crucial element of the strategy is the reform of higher education, which will ensure that our universities play a pivotal role in supporting the development of future skills. By aligning higher education reforms with our broader skills strategy, we can create a cohesive and comprehensive approach to education and workforce development.

As hon. Members will know, in November the Secretary of State announced five priorities for reform of the higher education system. We will expect our higher education providers, first, to play a stronger role in expanding access and improving outcomes for disadvantaged students; secondly, to make a stronger contribution to economic growth; thirdly, to play a greater civic role in their communities; fourthly, to raise the bar further on training standards to maintain and improve our world-leading reputation and drive out poor practice; and, finally, to drive a sustained efficiency and reform programme.

The Government are committed to setting out a plan for reform of the higher education sector in the summer. Department for Education officials are currently working in partnership with the sector, the Department for Science, Innovation and Technology, UK Research and Innovation and the Office for Students to shape the changes to Government policy that will be needed to support that reform. Taken together, the changes will drive through reform in these areas, put our world-leading higher education sector on a more secure footing, and ensure that the sector is able to provide the skills required to deliver economic growth for the industrial strategy and support the wider change that the country needs in the years to come.

In addition to higher education reform, the establishment of Skills England is a key component of our strategy. It was disappointing that the right hon. Member for Kingston and Surbiton and his party chose to vote against our transformation of the skills system yesterday, especially given the purpose of this debate. Skills England will play a crucial role in transforming our skills system, and

will ensure that our workforce is equipped with the necessary skills to meet the demands of the modern economy. It is currently set up in shadow form within the Department for Education, and there are plans for it to be fully established in 2025. The Education Secretary has appointed Phil Smith CBE as its chair and Sir David Bell as its vice chair.

Skills England will transform the skills system to make it truly world leading. It will help to build a high-skill, high-productivity workforce that is matched to employers' needs to ensure that everyone, regardless of their background, can access the opportunities they need to thrive. Universities and colleges are already responding to the opportunities and challenges posed by artificial intelligence, and are considering those issues very seriously. Technology works best as a tool used by great teachers, and it is important to take a joined-up approach. Cheating of any kind is unacceptable. It threatens to undermine the reputation of our world-class higher education sector and devalues the hard work of those who succeed on their own merit.

Through Skills England, the Government will build the highly trained workforce that employers need. That will drive economic growth and deliver the national, regional and local skills needs of the next decade. We are doing that because skills will play a critical and crucial role in the industrial strategy, driving growth through increased productivity and creating well-paid jobs, which increase opportunities for everyone.

Tahir Ali: Does the Minister agree that the skills agenda should not be left simply with universities and colleges, but should start at secondary school and continue all the way through? There should be no barriers to opportunity for young individuals who want to access it.

Janet Daby: I thank my hon. Friend for making that excellent point. No one is too young to learn a skill. Skills should be learned throughout a child's educational journey, and they should begin at home.

Higher technical qualifications and universities go hand in hand in developing essential skills for the future for learners from all backgrounds. HTQs have been introduced to champion the quality available at levels 4 and 5, with qualifications that have been independently approved as providing the skills that employers need in specific occupations. They are helping to open up new opportunities for young people and are enabling adults to get the benefit of a university education.

For example, Tarza undertook a level 5 HTQ in healthcare practice at Newcastle College university centre, and is now at the University of Sunderland completing her adult nursing bachelor's. The HTQ at the university centre gave her the clinical skills she needed and allowed her to learn as a mature student, despite being out of education for so long beforehand. That is one example of many. The Government's support for the future skills programmes at universities is a comprehensive and forward-thinking strategy designed to meet the evolving needs of the economy and society.

Gideon Amos: Where a major international investor is coming into the country—such as Tata, where 4,000 new employees will be needed—does the DFE support colleges and universities to set up the new apprenticeship and training programmes that they need in preparation for that massive international investment?

Janet Daby: The hon. Member has pre-empted my next line: I am delighted in the steps that Kingston University has taken and is taking nationally and internationally.

By implementing the post-16 education and skills strategy, reforming higher education, establishing Skills England and introducing the lifelong learning entitlement, we are laying the groundwork for a robust and dynamic skills system. Those initiatives will ensure that our educational institutions are not only centres of academic excellence, but hubs of innovation and practical training. They will provide individuals from all backgrounds with the opportunities they need to succeed, fostering a culture of lifelong learning and continuous development.

As we move forward, it is essential that we continue to engage with all stakeholders, including educational providers, employers and learners to ensure that our strategies are effective and inclusive. Together, we can build a high-skill, high-productivity workforce that drives economic growth and social mobility, ensuring a prosperous future for all.

Ed Davey: I have listened to the Minister's speech. I was really impressed by all that she and her colleagues are doing, and I am delighted to know that she studied at Kingston University—she would be welcome back. I know that she is going to extend the invitation to her noble Friend, but could she also extend it to the Secretary of State? Part of the reason why Kingston University wants to partner, work and roll these programmes out with other universities is that it knows that there are a number of potential partners in the north and the north-east, which would be particularly pleasing to the Secretary of State.

Sir Desmond Swayne (in the Chair): Order. Interventions should be brief.

Janet Daby: I thank the right hon. Member again for his tenacity, perseverance and pushiness—in the most polite way. Indeed, I will bring the invitation to the attention of the Secretary of State as well. Kingston University is doing some incredible and outstanding work, and that cannot be denied.

Question put and agreed to.

High Street Businesses

4.29 pm

Matt Vickers (Stockton West) (Con): I beg to move,

That this House has considered Government support for high street business.

It is a pleasure to serve under your chairmanship, Sir Desmond. High streets and town centres play a huge role in our communities. They are a place where people come together, they define our sense of place, they can be a source of local pride and they can be home to a huge number of jobs and opportunities. Retail is the largest private sector employer in the UK. When coupled with the hospitality sector, they are some of the biggest drivers of social mobility. There are endless stories of those who started as shelf stackers or pint pullers making it to the boardroom, with jobs that are accessible to all and where hard work can pay off. Then there are the small family businesses—the people-powered engine room of our economy, with individuals who dared to take the risk and have a punt, who get up early to drive their businesses forward, creating jobs while adding colour, flavour and vibrancy to our town centres.

In recent times the rise of online shopping and changing consumer habits, coupled with the cost of living, have created a challenging environment for many businesses operating on our high streets. It is for that reason that now more than ever we should back the great British high street. It is also why it is so astonishing that the Government's Budget not only failed to back our high streets, but actually seems to be beating them into extinction. The national insurance tax raid, the slashing of small business rates relief and the ending of the community ownership fund will do irreparable damage to our high streets, and that is before we mention the impact and costs of the Employment Rights Bill.

In the last Parliament I campaigned for the 75% relief for leisure, hospitality and retail businesses. That was game changing for many, but with the stroke of a pen the Chancellor slashed that relief, ending the lifeline that was thrown to many employers. It is estimated that that will represent a 140% increase in business rates for more than 250,000 high street premises in England. The average shop will see business rates increase from £3,589 to £8,613. The average pub will see its business rates increase from £3,938 to £9,451, and the average restaurant will also see its bill rocket from £5,051 to £12,122. That is a huge cost for small businesses in an already challenging environment that will prove insurmountable for many. But it does not stop there.

The Government's national insurance tax raid—their jobs tax—is doing exactly what everybody said it would do. Job losses in the retail sector are already mounting up. Tesco has announced plans to axe 400 jobs. New Look is expected to close as many as 91 stores.

Wendy Morton (Aldridge-Brownhills) (Con): I am grateful to my hon. Friend for bringing forward this debate. The point he makes is a really important one. He has mentioned New Look and Tesco. I think we have already heard comments from Marks and Spencer; HSBC is another group. We are hearing of job losses from some of those big high street names, but smaller businesses are affected as well. Does he agree that we cannot simply keep squeezing and squeezing businesses and thinking, "Well, they are making lots of profit; they can pass it on

[Wendy Morton]

to their customers.” We squeeze them out of business, which means loss of jobs, loss of vibrancy on our high streets and loss of that sense of community that is so, so important.

Matt Vickers: As a former Woolies worker, I know only too well the consequences for businesses. Not only are we squeezing many businesses out of a future; there is a cost to be paid on the prices in those stores and costs on those jobs and the opportunities that they provide for young people and others to get on in life. There are huge costs to what has been done. We can only squeeze so far. The pips are definitely squeaking in retail.

Sainsbury’s has announced plans to axe 3,000 jobs. Retail and hospitality are already two of the most taxed businesses in our economy, but the sectors employ large numbers of people in entry-level or part-time roles, so are disproportionately hit. A CBI survey of business leaders found that 62% are slashing hiring plans. Almost half will be forced to lay off staff, and 46% are looking to delay pay rises for their workforce. Almost every Labour Government in history has left office with more people out of work than when they arrived. With these measures it looks like the Government are trying to set a record. All too often we see employment figures as numbers, but the jobs that will be lost as a result of this measure are not just numbers; they are families without the security of a pay packet, people stripped of ambitions, dreams and aspirations and left on the scrapheap.

The commercial director at the British Independent Retailers Association gave a realistic but depressing summary of what the Budget means for retailers. He said it was the

“Worst Budget for the high street in my 35 years working in retail”,

and that it showed a

“complete disregard for the thousands of...shop owners who form the backbone of our high streets. Small retailers, who have already endured years of challenging trading conditions, now face a perfect storm of crippling cost increases; their business rates will more than double...while they’re hit simultaneously with employer National Insurance increases.”

The outlook is bleak for traders because of the Budget, but it goes beyond that.

The previous Government sought to support high streets by responding to changing consumer habits and investing to reconfigure our town centres and create other reasons to go to them. Funds such as the community ownership fund allowed people to take back control of their community assets and turn around vacant, lifeless high streets. They were about more than a lick of paint. They were about creating valuable community spaces and restoring pride in our towns.

Caroline Voaden (South Devon) (LD): Dena, a constituent of mine who runs a small high street business, is seriously concerned about the possible removal of small business rate relief. Does the hon. Member agree that a commitment from the Government about the future of rate relief would give reassurance to high street business owners like Dena?

Matt Vickers: The hon. Member is right. For many small businesses, the specific relief for leisure, hospitality and retail has already been slashed from 75% to 40%,

the end consequence being a more than doubling of what they are paying. It is just not affordable for businesses that are struggling to carry on employing people and doing business, especially with the other challenges that come their way. It is simply not affordable. It is the wrong thing to do, and it has a cost for our communities and those employers.

As I said, funds such as the community ownership fund were not just about a lick of paint but turning around vacant and lifeless high streets, and they created community spaces that were valued, restoring pride in our towns. What is more, community-owned assets are estimated to contribute £220 million to the economy each year.

My constituency of Stockton West saw real progress under the last Government in taking our town centres forward. In Thornaby, the £23.9 million town deal we secured from the last Government has allowed us to achieve many things, including the creation of a new vocational training centre, security and energy interventions in some of the most challenging housing, upgrades to cycling infrastructure and much more. It is allowing us to build a new swimming pool in the town centre, which will drive footfall to businesses.

For years, Thornaby’s skyline was dominated by the eyesore that was the disused Golden Eagle hotel, but now, thanks to money from the last Government and following a long debate with the council, it is finally coming down. Those moves are game changing for Thornaby. They will drive further footfall to local businesses and restore pride in our town centre.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): My hon. Friend is demonstrating what a great champion he is for Stockton West and why he has a reputation in this place for being one of the hardest-working MPs in Teesside. Does he agree that high streets are a lifeline for our local communities? In the Scottish Borders, I am fortunate to have a whole number of small and vibrant high streets, but their businesses are being hammered, not only by the Labour Government’s tax hikes through national insurance but the SNP Government’s tax hikes through business rates.

Matt Vickers: I could not agree more. Looking at the value of high streets, it is not just about businesses and jobs. They are places where people come together, and they can tackle isolation. There is also the feeling of pride in our town centres. Businesses only have so much money to give in tax, and it is going that bit too far now, to the point where we will lose businesses forever.

I will carry on my list of wonderful things that are going on in Stockton. In Yarm, levelling-up money from the last Government has meant that we are seeing nearby Preston Park improved and upgraded with new exhibition spaces. There are upgraded toilets, a café and more parking. We are sorting the disused aviary and creating a tribute to our railway heritage. This will drive visitor numbers to our area and complement the changes taking place in the high street, where we have seen the town’s skanky public toilets replaced. Streetscape interventions are planned to make the town centre more accessible, and we have gained a much-needed car park. The levelling-up money from the last Government has also helped the town council in Yarm to deliver on its ambition to renew our town hall, creating a visitor centre fit for the amazing high street that Yarm has.

In Stockton, £16 million of future high streets funding has allowed for the complete reconfiguration of our high street, also making way for our new £25 million diagnostic hospital. Securing the money for the diagnostic hospital remains my proudest contribution during my time as an MP, because I know the huge difference it will make to the people of Stockton. We ran a petition and gathered thousands of signatures to demonstrate public support. I was involved with the NHS trust and local authority officers drawing up the bid at its inception, and, when the bid was initially rejected due to a prolonged delivery timetable, I met the Secretary of State to hear his reasoning, and then, that same day, met directors from all the stakeholders to come back with a renewed timetable and a plan to unlock this investment.

In the very near future, the doors will open on that centre, which will provide 104,000 lifesaving tests, checks and scans to local people every year and, importantly, it will be yet another reason for would-be punters to come to our town centre and support local businesses.

Those interventions, funded by the last Government, are game-changing for my community and other communities across the country, repurposing our town centres to drive footfall and keep them as the vibrant hearts of our communities. But now the taps of governmental investment look to have been turned off: efforts to innovate and reconfigure town centres will be paused; our high street businesses are being battered by the Budget; and the consequences are there for all to see. Too many businesses are closing; too many jobs are being lost; and boarded-up high streets and town centres will eat away at the pride people can have in their communities and town centres.

I ask the Minister whether the Government really appreciate the challenges posed to high street businesses by the national insurance increase, and, similarly, the impact of slashing the business-rates relief for small leisure, hospitality and retail businesses. Will communities across the country ever again be able to benefit from the game-changing interventions brought about by the community ownership fund, the levelling-up funds, town deals, and other such funds, which allowed for those interventions to protect the future of our high streets?

As a former Woolworths worker, I could go on all day about the loss of iconic retailers, and about the impact of the Budget on post offices, on local pubs, and on opportunities for young people. And I will not even mention my Labour council's ridiculous plans to introduce car parking charges in Yarm and Stockton high streets—I have probably said enough on that. I will leave it at that. Suffice it to say that I am a fan of the great British high street, and believe that securing its future should be a priority for any Government.

Sir Desmond Swayne (in the Chair): We will start with an informal limit of five minutes.

4.42 pm

Gregor Poynton (Livingston) (Lab): It is a pleasure to serve under your chairmanship, Sir Desmond. I congratulate the hon. Member for Stockton West (Matt Vickers) on securing this important debate.

I will focus my remarks on Scottish high streets, which should be the beating hearts of our communities, because thriving high streets, and the businesses based there, promote thriving local economies. More than that, they promote a thriving civic culture, a genuine sense of

pride among people about the place in which they live and the community that they are part of. Yet, right across Scotland, our high streets and our main streets have seen better days. But the decline of these high streets, main streets and town centres is not inevitable, and communities across Scotland are already taking innovative action to arrest that decline.

I will share just one example from my constituency. I recently had the pleasure of visiting West Calder and Harburn Community Development Trust, which is transforming the iconic Central Bakery in West Calder into the Scottish Co-operative discovery and activity centre. It is an incredible £6 million project that will create jobs, investment and training opportunities in the area, and will honour our co-operative roots.

A few months ago, I met with the traders from West Calder, and they have a vision for the main street that is about solidarity among their businesses, supporting each other to grow and thrive. Projects and businesspeople such as those demonstrate that, with vision, energy and determination, the decline of our town centres and high streets is far from inevitable—and, more than that, that rejuvenation is possible.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): My hon. Friend is making an excellent speech, because, for too long, places such as Slough have been painted with empty and boarded-up shop faces. Local businesses are of course at the heart of our community, but, after over a decade of cuts by the previous Tory Governments, and rampant antisocial behaviour, they have been struggling, and have been left hollowed out. Does my hon. Friend agree that allocating more resources and attention to places such as Slough high street is more vital than ever to boost the confidence of local businesses and residents and help revitalise town centres?

Gregor Poynton: Yes, I completely agree with my hon. Friend. I also think that his point about antisocial behaviour is a strong one; these town centres and high streets need to be places where people feel safe and want to spend time with their families.

As I was saying, the rejuvenation of our high streets and town centres is possible, but the problem in Scotland is that the Scottish Government have failed to share that vision, energy and determination. Sadly, there has been little in the way of action from the SNP but—as always with the SNP—over its 18 years in power there has been no shortage of reports. Since 2013, we have had the national town centre review, the town centre action plan, the town centre action plan year 1 progress report, the town centre action plan year 2 progress report, the town centre action plan review, the “A New Future for Scotland's Town Centres” report, a joint response to that report with the Convention of Scottish Local Authorities, and the town centre action plan 2, which is a response to that response. Little wonder then that David Lonsdale, the director of the Scottish Retail Consortium, spoke recently on the need for coherent policymaking. The fact is that Scotland's town centres are yet another casualty of the SNP's mismanagement and chaotic government.

John Lamont: In a rare moment of consensus, I agree with the hon. Member's criticism of the SNP Government. Does he agree with me that one of the changes that could be made in Scotland is to the planning system?

[John Lamont]

If we allow our high streets to be more flexible in how they respond to challenges, that is a way to get new life into something that has been traditionally at the heart of the community.

Gregor Poynton: I completely agree. We need to be much more creative about how we use the units. Some of these businesses, frankly, are not coming back to our high streets so we should be honest about that and look at other options such as childcare, co-working spaces and housing in town centres to help rejuvenate those places and get them into action. That creative policymaking in planning is absolutely required.

The Scottish Government can take a number of steps. First, we need a level playing field between the small businesses based on our high streets and the global online retailers. Secondly, as has been discussed, more thought needs to go into the housing stock being built in our towns. With many buildings left empty, it is right to relax planning rules to make it easier to convert shop fronts into flats, while still ensuring quality housing for their residents. Thirdly, the way people work now has changed, and our town centres must reflect that, so we need to prioritise superfast broadband in our town centres. Local planning should also take childcare into account, ensuring the businesses can thrive in the places to be. Fourthly, councils should be encouraged to use the powers available to them to make ownership data on high street properties public, so that the community has the opportunity to step in and take over some units. Finally, as my hon. Friend the Member for Slough (Mr Dhesi) said, town centres will never thrive unless people feel safe in them, so a focus on safety is key.

All those ideas can perhaps contribute to making our towns better places to live; none would constitute a revolution, but they would be revolutionary for millions of people because, for too long, main streets in towns and villages such as Fauldhouse, Broxburn, West Calder, Uphall and others in my constituency have been neglected by the SNP Government. This can change: we can refresh and rejuvenate our high streets, but it will require fresh and rejuvenated leadership.

Sir Desmond Swayne (in the Chair): Order. We have done our sums; Members have three minutes each.

4.47 pm

Dr Al Pinkerton (Surrey Heath) (LD): I would thank you for calling me, Sir Desmond, but you have given me a real challenge. Nevertheless, it is a pleasure to serve under your chairmanship. I thank the hon. Member for Stockton West (Matt Vickers) for securing this important debate.

We all know that for generations, high streets have been at the heart of our communities—providing spaces for our local businesses to thrive, for social connections to flourish and for economic growth to be driven from the grassroots, yet across the United Kingdom, high streets are in decline. Businesses are closing at an alarming rate, there is crime and antisocial behaviour, depressing footfall, and outdated business rate systems stifling local enterprise.

In my constituency of Surrey Heath, we have numerous high streets across market towns and villages, all of which are interconnected to a larger ecosystem. Camberley, our historic market town, has struggled to grow over

the past five years. Despite being just 28 miles from central London, the town centre is suffering from increased vacancy rates, crime, antisocial behaviour and public infrastructure that persistently fails to meet the needs and expectations of local businesses and residents.

Our high streets should be hubs of activity, but they have been undermined by the long-term absence of Government support and mounting economic pressures. One of the greatest challenges that I hear about from local businesses is related to the broken business rates system. In 2025-26, for example, despite paying business rates in excess of £30 million, businesses in Surrey Heath will see just £900,000 of their contributions re-invested into their local community, which is just 3% of the business rates raised. The vast majority of revenue raised through business rates is spirited away from the place of generation and collection by central Government.

Of course, that is not in any way unique to Surrey Heath. It is a national problem that discourages investment in our high street while allowing online retailers and large multinationals to operate under a significantly lighter tax burden. The Lib Dems have long argued that the business rate system is outdated, unfair and penalises bricks and mortar businesses, which are vital to our communities,

Sarah Dyke (Glastonbury and Somerton) (LD): My hon Friend is making a fantastic speech. He will know the importance of pubs to our high streets, particularly in rural areas, to drive footfall and support our rural economies. I spoke to a tenant of a pub in Castle Cary who is trying to develop a community space for social and cultural cohesion, at a time when the town is growing quite significantly. Does my hon. Friend agree that the Government's proposed changes to business rates for properties with rateable values above £500,000 are potentially ruinous for many pubs on our high streets and in our rural villages?

Dr Pinkerton: I agree with that assessment. I have pubs in my patch that say exactly the same things to me. They are not in the same kind of more rurally sensitive communities that my hon. Friend refers to, but I fundamentally agree with her analysis. That is not a situation that is unique to Surrey Heath or to my hon Friend's patch at all. I hope that the Government will commit to fundamental reform of that particular tax structure. Another issue that I am seeing in Surrey Heath is the growth of shoplifting and antisocial behaviour. It deters customers, it suppresses footfall and it makes it more difficult for businesses to operate and thrive.

In Camberley, our main market town, that is causing significant losses to businesses, and business owners tell me that they are tempted to move away from our community altogether because of the challenges they face. Police have issued dispersal orders across many market towns across this country, but I would like to ask the Secretary of State explicitly what assessment he has made as to the effectiveness of those particular measures. There should be far greater police visibility in our town centres to deter crime and to give businesses the encouragement and support that they need to thrive.

In conclusion, and because I only have a few seconds left, will the Minister say whether the Government have considered reforming business rates to ensure local communities retain more of the revenue generated by

local high street businesses—as these communities expect to happen already? Also, what support is in place for high street businesses facing closure due to crime and antisocial behaviour?

4.52 pm

Chris McDonald (Stockton North) (Lab): It is a pleasure to serve under your chairmanship, Sir Desmond. I thank my neighbour, the hon. Member for Stockton West (Matt Vickers) for securing the debate and particularly for devoting so much of his speech to outlining some of the achievements of our local Labour council in Stockton in developing our town centres.

Stockton is known for having the widest high street in Britain, but it is the breadth of the vision of our Labour council that I would really like to share with colleagues today, because I think there are some opportunities that might be of benefit to other areas. Labour councillor Nigel Cooke said many years ago that the future of the high street is about leisure, culture and recreation as much as it is about shops, and Stockton Council have put everything behind achieving that. The single biggest, most noticeable thing anyone will see on Stockton High Street—or will not see if they go today—is the former Castlegate shopping centre, which was demolished by the council to much local opposition. That resulted in a much higher rate of occupancy, up to 90%, at the other end of the street, but opened up for the first time in hundreds of years a vista across the high street to the river, the Cleveland hills and Roseberry Topping beyond, creating an urban park that will be the centre of events in the future. Stockton has turned itself into an event town, hosting many events on the high street and in the other towns in the borough throughout the year.

That has given us the opportunity to attract new businesses into the borough. Contrary to the usual doom and gloom about Stockton we hear from the hon. Member for Stockton West, I took the opportunity to talk to the Stockton business improvement district before coming here today, and it told me that three businesses this week are planning to open up on Stockton high street in the hospitality and leisure area. We have great entrepreneurs such as Nathan Hobday, who has bought the Teesside Princess pleasure cruiser and who is fizzing with ideas for things that he wants to do to bring more footfall to our high street in that area. Remember Me Tearooms were sort of blocked in beside that terrible shopping centre and will now increase capacity so that they can serve people who are visiting the park. It is not only happening in Stockton town centre, but also in Norton, another lovely town in our area, which is a basis not only for the daytime but the night-time economy.

That brings me to safety. In our area, under the last Conservative Government, police officer numbers reduced by 550 compared with under the last Labour Government, but I made a commitment to have more officers on the street. With the £2.4 million we are getting from the Government, there will be 40 additional officers on the street.

Matt Vickers: Does the hon. Member know how much national insurance contributions are costing our police force, and the impact that they will have on police numbers in Cleveland?

Chris McDonald: As the police and crime commissioner for Cleveland said, the increase in national insurance contributions will not have an impact. In fact, overall there will be an increase of 40 police officers in Stockton.

Matt Vickers: Will the hon. Member give way?

Chris McDonald: I will not give way any more. The hon. Member might want to listen to what I have to say and intervene later. There will be an increase of 40 police officers, including some dedicated to the high street, so that people feel safe. They did not feel safe under the last Government; that was what drove people out of the high street. Civic enforcement patrols and police officers will ensure that people feel safe in Stockton. This Government have also ended the effective decriminalisation of shoplifting for items under £200. Rather than standing with shoplifters, we are standing with shop workers.

I think that every child who grows up in Billingham thinks that every town in the country has an ice rink, but they do not. There is one in Billingham, and the council has invested in Billingham Forum, where it is. The last Government left the residents of Billingham in the shameful condition of having been promised £20 million, but with no money there, and I thank the Government for coming forward with that funding, so that we can bring 10 derelict buildings back into use and create new commercial and retail space.

What about the future? The council is creating a health and care zone alongside our new diagnostic centre. It is not a hospital—it is a centre. Teesside is hoping to have a medical school there as well, so we will have medical students there. I am supporting and championing these initiatives. Quite shortly, Billingham will be the UK's largest centre for biomanufacturing. I encourage all colleagues to come to Stockton for the Stockton and Darlington railway 200th anniversary this year, and we will welcome them to our town.

4.56 pm

Wendy Morton (Aldridge-Brownhills) (Con): It is a pleasure to have the opportunity to contribute to this debate on high street businesses, and I thank my hon. Friend the Member for Stockton West (Matt Vickers) again for securing it. He clearly demonstrates what a local champion he is for his constituency. I have visited Stockton on many occasions, and I have even been to Billingham and been on the ice rink—more than one or two years ago.

High streets are the beating heart of our communities. They provide jobs, essential services and a vital sense of place, but all too often small businesses feel that they are fighting an uphill battle—grappling with rising costs, declining footfall, an ever-changing retail landscape and, of course, Government policy. Many of those challenges are not new, but they have been fuelled by covid, the cost of living crisis and rising inflation. I increasingly hear from businesses in my constituency that more needs to be done.

In Aldridge-Brownhills, we are fortunate to have a vibrant network of independent businesses, many of them family-run shops and essential services that our residents rely on every day. One of these is The Plaice to Eat, which is the most fantastic local fish and chip shop in Brownhills. If hon. Members are passing, I recommend its battered chips, with are a local Black Country speciality.

John Lamont: My right hon. Friend is making an excellent speech. On behalf of Scottish Members, can I also recommend a deep-fried Mars bar supper and a haggis supper, which are other delicacies that fish and chip shops might be able to provide?

Wendy Morton: My hon. Friend reminds me of a visit to Scotland, many years ago, when I tried a deep-fried Mars bar; I think it was in Blairgowrie. I must admit that I have never had deep-fried haggis—I am not sure about that one—but I have certainly tried the Mars bar.

Despite their hard work and determination, many businesses are struggling. I am in regular contact with local businesses, and they tell me quite candidly about the financial pressures they face. One issue that comes up time and again is the crushing burden of employer national insurance contributions. Quite simply, they are a tax on jobs. They actively punish the very businesses we should be supporting. Businesses are being squeezed into cutting staff hours and freezing recruitment. In some cases, as we have heard, they are shutting their doors altogether. Household names that we have heard today—WHSmith, New Look and HSBC—are among those affected. When they are gone, they are gone forever.

Let us be clear: this is not just an economic issue; it is a community issue. When a high street business closes, that affects us all. It means fewer jobs, less investment in our local economy and empty shop fronts, which drain the vibrancy of our centres. The Government cannot claim to support small businesses while quietly taxing them out of existence.

In Brownhills, one of the most pressing concerns is the derelict Ravenscourt shopping precinct. Once a thriving hub, it has now become an eyesore and for far too long has attracted antisocial behaviour. Local business owners and residents are rightly frustrated by the slow progress. I am, too. My local council and our councillors are working incredibly hard to deliver on this, with plans for redevelopment including the prospect of a new supermarket, but delays, the need for a complex compulsory purchase order, and drawn-out negotiations over remaining units are stalling much-needed investment.

Such stagnation is not unique to Brownhills. Across the country, high streets are being held back by vacant buildings that discourage footfall and undermine local economies, and the increase in employer national insurance contributions only adds to the difficulties. If this Government are serious about revitalising our high streets, there are two things they could do to make a big difference to all our high streets: look again at both employer national insurance contributions and business rates.

Sir Desmond Swayne (in the Chair): Josh Fenton-Glynn, you have two minutes.

5 pm

Josh Fenton-Glynn (Calder Valley) (Lab): It is an honour to serve under your chairmanship, Sir Desmond. I thank the hon. Member for Stockton West (Matt Vickers) for securing this debate, which has been a wonderful tour of Members' high streets, although, as a member of the Health and Social Care Committee, I cannot recommend a deep-fried Mars bar.

I pay tribute to those who, on top of running their own businesses, put time into a broader business community, such as Calder Valley's town deal boards, including in Todmorden, Elland and Brighouse, and those who have helped their towns to thrive by having a bigger vision for what their towns can be. Even though I did not always see eye to eye with local businesses on parking charges when I was a councillor, those businesses show how the spark of an idea can end up as a dream that becomes part of a community of successful businesses, because success breeds success.

Calder Valley is a series of towns, all of which have their own personalities. A great proponent of this theory is the Totally Locally campaign, a national campaign that was founded in Calder Valley and remains active in the towns of Brighouse, Elland, Todmorden and Hebden Bridge. It extols the virtues of local businesses' working together and the power of spending money locally. Their annual "Magic Tenner" campaign uses analysis from the New Economics Foundation that found that £10 spent in a local shop could be worth as much as £50 to the local economy, as those local shops use local suppliers, so the money is recycled again and again. The campaign highlights that by having participating businesses offer deals for a tenner, and we are going to see that operating throughout Calder Valley and across the country starting next week and running until 16 March. I urge people to take part in those Totally Locally campaigns. I pay tribute to the small-business owners of Calder Valley who started with a dream and ended up building a proud business community.

5.2 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Sir Desmond, and I congratulate the hon. Member for Stockton West (Matt Vickers) on setting the scene. I wish to give, as I always do, a Northern Ireland perspective to this debate. I know the Minister is eager to hear it, and I am pleased to provide it.

There are so many issues facing our local high streets; I will name just a few. There are the empty units that ultimately reduce footfall as well as consumer choice. There has been a dramatic increase in online shopping—in a couple of clicks, customers can now order nearly anything they want online. Local businesses are struggling with the high cost of energy, rent and business rates. The price of electricity and gas has to be sustainable for businesses for the future.

I want to mention two towns. Ballynahinch is a fantastic place to nip down to and do some shopping. Newtownards is the main town of the borough, where you can get everything you want in terms of home comforts and food. It has been a market town since the 1600s and I am pleased that, even today, we have the market every Saturday in Newtownards town. It brings in people from all over the Province and creates, by its very nature, a buzz around the area on the weekends.

I love to see the many independent retailers on the high streets, as they are the backbone of the economy. In Newtownards we have hairdressers, salons, fashion shops and family-run coffee shops. We have a coffee culture in Newtownards now as well. The charity shops cannot be dismissed, by the way, because there are always good products for sale. My mother was one of those people who was always keen to buy something for a pound—definitely an Ulster Scot, that's for sure. We must

continue to invest in public spaces to fill the gaps and engage further with local councils to see what more can be done to revamp business rates so that local shops can afford to stay open.

Mr Dhesi: After more than a decade of Tory Government neglect, the number of police community support officers has halved, and the number of special constables is down by more than two thirds since 2012. That has left places like Slough High Street plagued by an epidemic of antisocial behaviour. Does the hon. Member agree that this Government must continue to prioritise the safety of our high streets and ensure that they can thrive, especially by targeting shoplifting?

Jim Shannon: The hon. Gentleman is absolutely right—of course he is—about making sure that high streets are safe and secure. We have had a number of knife threats in shops in Newtownards, and if it had not been for the presence of the police there to stop that, it could have escalated to something very much worse.

I look to the Minister for his commitment to local businesses. I make this request of him, as I often do: will he engage directly with the Ministers in the Northern Ireland Assembly? I think it is better when we do things together. We can exchange good ideas and see how we can do things better.

5.5 pm

Euan Stainbank (Falkirk) (Lab): It is a pleasure to serve under your chairmanship, Sir Desmond. I have never kept it a secret that I am a proud Falkirk boy, I live in our town centre, I do most of my shopping on our high street, and a couple of hours before the Bairns kick-off on a Saturday at 3 pm you will rarely find me more than a few feet far from a pint at one of our town centre pubs. Businesses on Falkirk High Street have for years been calling out for support, whether it be on parking, where the SNP Falkirk council stopped the popular “Free after 3” parking scheme, or the closure of Falkirk town hall in 2022. That was previously a major earner for our town centre on show night. Luckily, a replacement town hall in the centre of Falkirk is finally progressing, with cross-party support. It is something I strongly endorse as a measure to regenerate our town centre. I acknowledge that for businesses across the UK there are challenges, but this is felt sharply in Scotland; about three shops a day closed in 2024.

I welcome this Government’s commitment to rebalancing the tax burden away from the high street and towards the out-of-town giants. I urge them to move quickly and firmly in that direction. The Scottish Government must also look at that urgently for our high street.

Gregor Poynton: Does my hon. Friend agree with me that the Scottish Government need a new direction on business rates, because not only have they not passed on the money—the Barnett consequential that have come from the UK Government—to hospitality and retail, but they have failed the town centres over the last 18 years?

Euan Stainbank: Absolutely. This is a point that many hospitality businesses have made. It was a narrower scope for business rates relief that was passed in yesterday’s Scottish Budget Bill than was the case in the Labour Budget, which I welcomed. The Scottish Government should revisit that decision.

I pay tribute to the fantastic work that the Falkirk business improvement district does in our town. It knows how to deliver on local priorities; not only is it on the ground with its finger on the pulse of the challenges facing Falkirk High Street, but it is accountable to the town centre businesses in Falkirk that pay the BID levy. I thank Linton Smith, who is stepping back from the Falkirk Delivers board after an exceptional 30 years of service to our town. Elaine Grant and all her team at Falkirk BID are an asset to our high street.

Although the impact of energy shocks around the globe and the behaviour of energy giants have left consumers’ bills spiralling over the last few years, the impacts on high street businesses have also been clear. I have heard stories from Falkirk High Street of bills quadrupling over the winter, compared with where they were before the pandemic, and staff wearing two jumpers while working indoors. We must get serious across this House about building cheap, clean, British energy as soon as possible, so that both our constituents at home and those who open businesses on the high street can benefit.

Increasing criminal behaviour on our high street is another concern. In my teens and early 20s, I worked pulling pints and serving tables, and when walking back to my car or jumping on a bus I noticed an incrementally more hostile atmosphere. Unite Hospitality has led the way in relation to that trend, and I reiterate my endorsement of its Get Me Home Safely campaign, which I and, at the time, council colleagues passed at a meeting of Falkirk council in 2022. Hospitality workers have endured unacceptable threats and physical and sexual violence, and we must do more to work with employers to make our high streets safer.

My constituents Carolyn and Gordon are the long-term proprietors of Gordon’s Newsagents in Camelon. Recently, they were subjected to two incidents of theft, violence and vandalism when they refused to sell alcohol to those who had failed to provide identification. Crime impacts margins and increases the likelihood of shop closure.

I will finish on this point. Businesses comply with licensing conditions to protect young people and prevent crime and disorder. Their story signals that they often fail to receive the same protection in return. We need more police on our streets.

Sir Desmond Swayne (in the Chair): We will now hear from Jas Athwal, after whom we will hear from Steve Darling. May I ask you, Mr Athwal, to be very brief?

5.9 pm

Jas Athwal (Ilford South) (Lab): Thank you for calling me, Sir Desmond. I thank the hon. Member for Stockton West (Matt Vickers) for securing this important debate.

If we want to revive our high streets, we need innovative solutions that bring customers back, as well as the basics of law and order, as has been mentioned. People must feel safe and it must be a pleasant experience. In my constituency of Ilford South, parking charges were preventing shoppers from visiting the high streets. Shops could not compete with the large supermarkets that offered free parking. As leader of the council, I listened to their local concerns and we intervened. Despite facing relentless cuts across the council, we introduced one hour of free parking. Of course, that one simple decision ensured that footfall came back to our high streets: one simple change made a huge difference.

[Jas Athwal]

Ilford is certainly home to growing businesses, but one of the biggest issues for businesses is the lack of footfall from outside the area. That is why accessible local transport is so vital. I welcome the Superloop introduced by the Mayor of London, as well as the Elizabeth line, which has turned Ilford into somewhere people flock to from miles around.

Before the election, a major barrier to budding entrepreneurs was the challenge of securing affordable premises. Last year, the Government launched the high street rental auction scheme, empowering local leaders to auction leases on premises that have stood empty for over a year. With one in seven properties on our high streets sitting vacant, the initiative is a crucial step towards reversing that trend. Despite the decline, our high streets can be revived and businesses can flourish once again through increased incentives for customers, lower burdens for businesses, a pleasant experience for shoppers and a level playing field for all.

Sir Desmond Swayne (in the Chair): I call Steve Darling. Five minutes, please.

5.11 pm

Steve Darling (Torbay) (LD): I will not take up all that time because I know that time is pressing.

First, I congratulate the hon. Member for Stockton West (Matt Vickers) on obtaining this extremely important debate. The issue has been well debated so far. I will focus on antisocial behaviour and its impact, with communities feeling unsafe to go out into our town centres. I go back to the cuts, probably about 14 years ago, to the Supporting People budget. Effectively, 90% of that budget was binned by the Conservative council at that time. It was supporting people with drug and alcohol issues, as well as many other vulnerable people who needed support.

At the last count in Torbay, 40 people were sleeping rough across the bay, which is absolutely shocking. The number has more than doubled. Sadly, people sleeping rough make others feel unsafe, and therefore unwilling to go into our town centres. We need more funding to support people, but we also need the stick of more bobbies on the beat—more uniformed officers who can be seen supporting our communities.

I will turn to the main meat here. We have seen the steady decline of our town centres over decades. Out-of-town and now online shopping have had a devastating effect on our town centres. We need to ensure that local authorities have the ability to place-shape, whether that is having influence over stopping immediate transfer from retail to residential, or whether it is enhancing and speeding up the abilities of compulsory purchase orders. I am only too alive to one case in my constituency of Torbay. It straddled the Ukraine war, which meant that we saw a massive boost in the cost to redevelop Paignton town centre, and now that particular location is just a car park. We have that uncertainty, and if we want to drive that imagination for our communities, we need certainty, so please can we look at streamlining those compulsory purchase orders?

Finally, colleagues have mentioned the massive impact of the national insurance contribution hikes. Although the policy is still slightly over the horizon, its cold hand

is sending a chill through the heart of our town centres. The Conservatives may have almost nailed down the coffin lid on our town centres, but I fear that the Labour party will actually put in the last nail with NICs.

5.14 pm

Greg Smith (Mid Buckinghamshire) (Con): It is a pleasure to serve under your chairmanship, Sir Desmond. I congratulate my hon. Friend the Member for Stockton West (Matt Vickers) on securing this important debate. He is right: high streets are the beating heart of communities and local economies across the whole of the United Kingdom. I see that in my own constituency, with the wonderful mix of retail, hospitality and services on high streets such as Wendover, Princes Risborough and Great Missenden, as well as those important smaller retail parades in villages such as Prestwood and Haddenham. They really are, as others have said, the beating heart of our local economies and communities.

Unlike Labour, the Conservatives want businesses to keep more of their hard-earned money to grow and invest. In Government, we delivered the biggest long-term business tax cut in modern British history, to the tune of £11 billion per year. We froze the small business multiplier, saving an average shop £1,650 a year, and extended the retail hospitality and leisure relief for a year, which directly supports high street businesses. We took a third of properties out of business rates completely through small business rate relief and froze the tax rate for the last three years. We introduced a 75% business rate relief for retail, hospitality and leisure, meaning that the business rates of the average pub in England were £6,650 lower than they would have been.

Meanwhile, breaking their manifesto promise not to increase the amount of cash raised by the levy, this Labour Government are delivering a stealth tax rise of £900 million this year and £2.7 billion next year through higher business rates. Rates paid by thousands of high street businesses will more than double next year as a result. Unlike Labour, we in Government cut national insurance contributions for businesses. We abolished an entire class of NICs and cut the NIC top rate from 9% to 6%. Labour's first Budget launched a £25 billion tax raid on British business, breaking its manifesto promise and imposing a jobs tax. It has increased employer national insurance contributions, clearly breaking commitments made throughout its general election campaign. That jobs tax will increase the cost of employment to our high street employers and everyone else by £900 for the average worker.

Labour's Budget nearly halved business rates relief for retail, hospitality and leisure, more than doubling the business rates of eligible businesses. Atlas Group estimates that the reduction from 1 April of the business rate discount for retail, hospitality and leisure firms in England from 75% to 40% in the '25-'26 financial year will mean an average 140% rise in business rate bills for more than 250,000 high street premises in England. The average shop will now see its business rates bill spiral from £3,589 to £8,613 next April for the '25-'26 year. The average business rate bill for pubs will increase from £3,938 to £9,451. Restaurants will see their average bill rising from £5,051 to £12,122.

In short, this Labour Government have "complete disregard for the thousands of hard-working shop owners who form the backbone of our high streets";

not my words, but those of the commercial director at the British Independent Retailers Association. Labour looked business owners in the eye and told them it would be on their side, and at the first opportunity it imposed a slam dunk of measures to make it impossible to grow, to invest or even, in some cases, to survive. The Labour Government have zero credibility on this issue now. They are not the champions of our high streets that they want to proclaim themselves. The nation took them at their word, and their word has proven to be a gross misrepresentation.

5.19 pm

The Minister for Trade Policy and Economic Security (Mr Douglas Alexander): It is a pleasure to serve under your chairmanship, Sir Desmond. Before I respond to the debate on behalf of the Government, I should say that I am a proud member of the Union of Shop, Distributive and Allied Workers, a union that works tirelessly on behalf of its 360,000 members to negotiate better pay and conditions for shop workers throughout the country.

I thank all the many Members who participated in this worthwhile and timely debate, and pay tribute to each and every one who spoke compellingly about the high streets in their constituencies. I also pay tribute to the hon. Member for Stockton West (Matt Vickers) for securing the debate and thank him for speaking so eloquently—I particularly enjoyed his reference to the “skanky toilets”—in support of our high streets. He has shown considerable interest in this policy area for many years, not least as chair of the former all-party parliamentary group for the future of retail. It is fair to say that he has been a persistent champion of high streets, not just in his constituency, but across the country, so his insights and views are always welcome.

I thank my hon. Friend the Member for Livingston (Gregor Poynton) for speaking so powerfully about the perpetual review roundabout that we see in Scotland in relation to planning and, alas, the Scottish Government’s approach to the high streets. I acknowledge the real, if temporary, cross-party consensus identified by the hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont)—albeit that I am not sure there is quite as wide a culinary Caledonian consensus on the health and dietary benefits of the deep-fried Mars bar. I pay tribute to the hon. Member for Surrey Heath (Dr Pinkerton) and confirm that we share his ambition to improve safety on our high streets—an issue to which I shall return.

I also pay generous tribute to my hon. Friend the Member for Stockton North (Chris McDonald). There is no stronger champion than he for Stockton and for the interests of its residents. I was intrigued to hear about the three businesses that are planning to open on Stockton high street. That is indeed welcome news, and I commend and congratulate my hon. Friend on bringing it to the attention of the House. He also raised the critical issue of policing and public safety—again, I shall return to that.

The right hon. Member for Aldridge-Brownhills (Wendy Morton) spoke about the fiscal measures announced in the Budget, to which I will also return, although I note that she offered no alternatives in the course of her speech. My hon. Friend the Member for Calder Valley (Josh Fenton-Glynn) added a perhaps necessary health warning about deep-fried Mars bars and spoke passionately

about the Calder Valley businessmen and women who started with a dream and built a proud business community. There could be no more eloquent description of the experience of many entrepreneurs on high streets the length and breadth of the United Kingdom.

Reference to the whole of the United Kingdom brings me to the hon. Member for Strangford (Jim Shannon), who described his mother’s careful management of the family budget—an all-too-common concern during the cost of living crisis of recent years, after 14 years of Conservative economic mismanagement. Be assured, the Government want to ensure that businesses in every part of the United Kingdom—in Northern Ireland, in Scotland, in Wales and in England—benefit from measures that deliver economic stability and the Government’s mission of growth.

My hon. Friend the Member for Falkirk (Euan Stainbank), as both a proud Bairn and a self-described Falkirk boy, described where and how he spends his Saturday afternoons. I am not sure that every Member of the House would be wise to do that; none the less, it was helpful and educative for the rest of us to understand his commitment to the Falkirk community. He paid generous tribute to the hospitality workers in Falkirk and in communities and high streets the length and breadth of the country and highlighted the dangers they face. I concur that a new direction for Scotland is needed, not only in relation to our high streets, planning and retail crime, but much, much more fundamentally.

My hon. Friend the Member for Ilford South (Jas Athwal) spoke powerfully, and I noted his remarks carefully. The hon. Member for Torbay (Steve Darling) recognised a truth sadly missing from some of the other speeches when he acknowledged, candidly and rightly, that high streets have faced challenges for decades. These are constantly changing retail offerings that we need to recognise are subject to pressures far beyond the reach of individual Governments, but reflect changing patterns of life, of culture and of leisure.

The Opposition spokesman, the hon. Member for Mid Buckinghamshire (Greg Smith) spoke of high streets as the beating heart of our communities—on that at least we agree—before making a speech that omitted the fact that Liz Truss crashed the economy and left not only an impaired fiscal balance sheet, but a flatlining economy and devastated public services. Again, I waited with bated breath for the Conservatives’ official spokesman to offer their fiscal alternative, in the teeth of the criticism directed toward the Government—but alas, I waited in vain.

Wendy Morton: Will the Minister give way?

Mr Alexander: Time is against me. I want to address as many of the points raised today as I can, but before I do, I want to say a bit about the Government’s wider commitment to supporting our high streets.

Hon. Members in all parts of the House agree that high streets play a vital role in providing a place for communities to come together, to work, to socialise, to shop and to access essential services. The sectors that underpin the high streets play a huge role in our broader economy. The retail sector directly supports some 2.9 million jobs across the UK, and in 2023 generated £110 billion gross value added. The UK hospitality sector employs about 2.2 million people; it is estimated to have contributed about £52 billion GVA in 2023, and it remains a key driver of the UK’s tourism industry.

[Mr Douglas Alexander]

Let us be clear: high street businesses can prosper and grow only on firm foundations of economic stability—and that, alas, is certainly not what we inherited last July. Instead, we faced a £22 billion black hole created by the previous Government, featuring hundreds of unfunded pressures on public finances and countless uncostered measures that failed to withstand even the slightest scrutiny. The hon. Member for Stockton West spoke eloquently about his experience working for Woolies, but I respectfully point out that Woolies ceased to trade under a Conservative Government—a fact he omitted from his speech.

At the Budget, my right hon. Friend the Chancellor made some, frankly, very difficult choices, but decisions were necessary to fix the foundations of a broken economy—

5.26 pm

Sitting suspended for a Division in the House.

5.41 pm

On resuming—

Mr Alexander: Along with every Member who has spoken in this debate, the Government want to support strong, thriving, mixed-use high streets that generate high footfall and high degrees of social capital in their local communities. That is why we are focused on a five-point plan to breathe life back into local high streets—high streets that, if we are candid, have faced challenges from changing retail patterns for some decades now. The plan includes addressing antisocial behaviour and retail crime—an issue raised by a number of people around the Chamber—as well as reforming the business rates system, working with the banking industry to roll out banking hubs, stamping out the vexed issue of late payments and empowering communities to make the most of vacant properties, which was also raised frequently this evening.

In our first seven months in office, we have made good progress with our plan. As the hon. Member for Mid Buckinghamshire knows, just yesterday we introduced the Crime and Policing Bill, which will scrap the effective immunity for low-value shoplifting and do more to protect retail workers from assault; I hope it can find consensus in all parts of the House. We are providing additional funding to crack down on the organised gangs who target retailers and have done so with worrying frequency over recent years. Only this morning, we announced the expansion of the sector-based work

academy programme—SWAPs—to create 100,000 more places over the next financial year. That will provide opportunities for participants in England and Scotland receiving certain benefits to train towards a job in hospitality and other high street sectors. We followed through on our promise to reform business rates and level the playing field for high streets across the country with lower tax rates for retail, hospitality and leisure properties, and we want to build on that momentum with our upcoming small business strategy, which will set out how we intend to support our small businesses on the high street and beyond.

Our strategy comes with a clear recognition that the way we work and live is changing in a fast-evolving landscape. We must therefore ensure that our approach reflects the continually changing reality of our high streets. We have to make sure that we are supporting services that are fit for modern life, recognising that—for all the eloquence with which people have spoken this evening—no two high streets are in fact the same.

Let me now turn to some of the specific issues that hon. Members addressed, including, critically, crime and antisocial behaviour. Business rates reform and our approach to national insurance contributions are some of the economic levers taken by the Treasury to support the high street; but to create thriving high street environments takes a whole-of-Government approach. The Department for Business and Trade is working closely with other Departments, particularly the Ministry of Housing, Communities and Local Government and the Home Office, to co-ordinate activity that supports high streets and their businesses.

A vital element of creating the thriving high streets of which so many Members have spoken is ensuring that they are a safe and comfortable environment both for business leaders and for shoppers. I have mentioned this week's introduction of the Crime and Policing Bill, a central part of the Government's plan for change and indeed our safer streets mission. The Bill will ensure that the police and courts have the necessary powers to help to tackle assaults against retail workers and shop theft. It will create a stand-alone offence for assaulting a retail worker, in order to protect staff, measure the scale of the problem and drive down retail crime. It is simply unacceptable that shop theft, and violence and abuse towards retail workers, continue to rise. We ask retailers to perform a significant act of public service—

Sir Desmond Swayne (in the Chair): Order.

5.45 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Wednesday 26 February 2025

CABINET OFFICE

Procurement Act 2023: Supplier Investigations

The Parliamentary Secretary, Cabinet Office (Georgia Gould): We will never forget the 72 lives lost as a result of the Grenfell tragedy, and we are grateful to Sir Martin Moore-Bick and the Grenfell inquiry team for publishing the hugely important phase 2 report into the tragedy.

In line with the Prime Minister's statement in response to the publication of that report, we have reviewed the report to identify where the inquiry found failings by specific named organisations in relation to the Grenfell fire on 14 June 2017. I can announce today our intention to launch investigations into seven organisations using new debarment powers in the Procurement Act 2023. These investigations will establish whether the organisations have engaged in professional misconduct for the purposes of that Act.

The organisations we intend to investigate immediately are: Arconic Architectural Products SAS; Saint-Gobain Construction Products UK Ltd, in relation to the actions of Celotex Limited—which it owned at the relevant time—Exova (UK) Ltd; Harley Facades Ltd; Kingspan Insulation Ltd; Rydon Maintenance Ltd; and Studio E Architects Ltd.

These organisations will be notified when an investigation is launched under the new Act. Investigations into other organisations may be launched in due course and affected organisations will be notified accordingly.

The review process so far has been conducted under current laws that govern public procurement in the UK. However, those laws were on 24 February 2025 replaced, through a major reform of procurement legislation, with the new Procurement Act 2023.

We will make early use of the new powers in this Act that enable us to take stronger and broader action in relation to supplier misconduct, which we will, where appropriate, utilise to effectively hold organisations to account. The new Act allows us to investigate suppliers and, if certain grounds are met, to add their names to a published and centrally managed debarment list, which must be taken into account by contracting authorities in awarding new contracts and undertaking new procurements.

We want to act swiftly and decisively, and we are committed, where appropriate, to pursuing meaningful action in respect of failings related to the Grenfell tragedy. Today's announcement marks an important step towards that.

[HCWS474]

TREASURY

UK-Andorra Double Taxation Convention

The Exchequer Secretary to the Treasury (James Murray): A double taxation convention with Andorra was signed in London on 20 February 2025. The text of the convention is available on HM Revenue and Customs' pages of the www.gov.uk website and will be deposited in the Libraries

of both Houses. The text of the convention will be scheduled to a draft Order in Council and laid before the House of Commons in due course.

[HCWS473]

ENERGY SECURITY AND NET ZERO

Management of Italian Nuclear Materials in the UK

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): My hon. Friend the Minister of State for Energy Security and Net Zero (Lord Hunt of Kings Heath) made the following statement today:

The Department for Energy Security and Net Zero has agreed to the Nuclear Decommissioning Authority:

Taking ownership of approximately 1.58 tonnes of separated civil plutonium which was previously owned by an Italian counterpart;

Taking ownership of approximately 700 tonnes of reprocessed uranium which was previously owned by an Italian counterpart.

These transactions, which have been agreed by the Euratom Supply Agency, will not result in any new plutonium or reprocessed uranium being brought into the UK, and will not therefore increase the overall amount of plutonium or reprocessed uranium in the UK.

The Department has agreed to these transactions on the grounds that they offer a cost-effective and beneficial arrangement, facilitating the conclusion of historical European nuclear material contracts. The revenue from the transactions is sufficient to cover the cost of the management of the plutonium and reprocessed uranium involved.

The UK has committed to publish annual figures for national holdings of civil plutonium and uranium at the end of each calendar year to improve transparency and public confidence. The most recently published data can be found at the following link:

<https://www.onr.org.uk/publications/regulatory-reports/safeguards/annual-civil-plutonium-figures/2023-annual-figures-for-holdings-of-civil-unirradiated-plutonium/>
This data will be updated in due course to reflect the changes in ownership described above.

In January 2025, the Department also announced the decision to immobilise the UK-owned civil separated plutonium inventory at Sellafield.

[HCWS472]

SCIENCE, INNOVATION AND TECHNOLOGY

Digital Inclusion Action Plan: First Steps

The Minister for Data Protection and Telecoms (Chris Bryant): Today, the Government have laid before Parliament the "Digital Inclusion Action Plan—First Steps", which includes a call for evidence on the Government's proposed focus areas.

It is estimated that 1.6 million people in the UK live largely offline, and we know that they are likely to experience lower pay, have fewer job opportunities, have worse health outcomes, and might pay more for goods and services. We know that there are many benefits to being online, whether it is connecting with family and friends, being able to manage your finances, or being able to apply for a new job that is advertised online.

We want to ensure that everyone can experience these benefits, no matter where you are in the country, and no matter your age, background, or current circumstances, because we believe that everyone should benefit from

digital technology. The action plan sets out the first five actions and the leadership actions that Government will take to ensure we have a digitally inclusive society.

The Government have consulted with and listened to stakeholders, who told us locally delivered support has the biggest impact, so in the spring we will be launching a new digital inclusion innovation fund to support innovative local initiatives—because we know digital inclusion initiatives work best when they are embedded in the communities people live and work in. Where local initiatives work well, we will look to roll them out in other parts of the country.

Everyone needs to have access to the necessary training and support to develop the essential digital skills to live, work, and participate fully in the modern world. That is why we have committed to improving support for the framework that helps people and businesses get the skills they need to get online safely and with confidence. We will also measure what works on digital inclusion, identify where the need is greatest, and establish the economic and social value of upskilling adults with digital skills.

Having access to a suitable device to be able to complete key tasks such as applying for a job, completing homework, or managing your finances online is vital to participating in our increasingly digital society. The 37% of households who are offline say that lack of

equipment is a barrier. To help address this, we are piloting a proof-of-concept multi-Department device donation scheme. We are working with the Digital Poverty Alliance to provide refurbished Government laptops to those who need them.

We want to break down barriers to digital services. This is why we have committed to making Government digital services easier to use. We will have a renewed focus on digital inclusion, for example by improving the whole experience for users and increasing the number of services that use www.gov.uk One Login.

The action plan is supported by 10 pledges from industry, working in parallel with and in support of this action plan. These pledges demonstrate the significance of partnership to promote and empower digital inclusion, and the shared responsibility to tackle this important issue.

The call for evidence seeks views on the focus areas identified for further work. These are opening up opportunities through skills, tackling data and device poverty, breaking down barriers to digital services, and building confidence and supporting local delivery. The call for evidence will close on 9 April 2025. The “Digital Inclusion Action Plan—First Steps” document will be made available on www.gov.uk.

[HCWS471]

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