

**Wednesday  
3 December 2025**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**Wednesday 3 December 2025**

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The following abbreviations are used to show a Member's party affiliation:

| Abbreviation | Affiliation                        |
|--------------|------------------------------------|
| Alliance     | Alliance Party of Northern Ireland |
| Con          | Conservative Party                 |
| DUP          | Democratic Unionist Party          |
| Green        | Green Party of England and Wales   |
| Ind          | Independent*                       |
| Lab          | Labour Party                       |
| Lab/Co-op    | Labour and Co-operative Party      |
| LD           | Liberal Democrat                   |
| PC           | Plaid Cymru                        |
| Reform       | Reform UK                          |
| SDLP         | Social Democratic and Labour Party |
| SNP          | Scottish National Party            |
| TUV          | Traditional Unionist Voice         |
| UUP          | Ulster Unionist Party              |

\*The term “Independent” may denote—

Members who have been elected as Independent candidates without affiliation to a political party; or

Members who have been elected after standing for a political party but no longer have the party Whip in the House of Commons.

# House of Commons

*Wednesday 3 December 2025*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### WALES

*The Secretary of State was asked—*

#### 2025 Budget

**1. Kirsty Blackman** (Aberdeen North) (SNP): What recent discussions she has had with the Welsh Government on the potential impact of the Budget 2025 on Wales. [906613]

**The Secretary of State for Wales (Jo Stevens):** I work closely with the Welsh Government on our shared priorities, and our two Labour Governments work together for the people of Wales. This Budget delivered for Wales by investing in public services, cutting the cost of living and shrinking the national debt. We have scrapped the Tory and Lib Dem two-child limit, benefiting 69,000 children in Wales, and slashed energy bills by £150 per household. We have also announced further increases to the minimum and living wage, building on last year's increases, which have already helped 160,000 of the lowest-paid workers in Wales.

**Kirsty Blackman:** The autumn Budget made minor tweaks to Wales's borrowing limits. Scotland has stronger borrowing powers, allowing us more flexibility for investment in capital projects. Can the Secretary of State tell us why the tweaks to Wales's powers were so small? Why have those tweaks not even made up for the inflationary losses since those limits were first set?

**Jo Stevens:** The UK Government are providing the Welsh Government with nearly £6 billion in additional spending power over the spending review period as a result of changes to the fiscal framework, additional funding through the Barnett formula and the largest settlement in devolution history. We are righting the injustice of how Wales has been funded, and delivering on our manifesto commitment to update the fiscal framework. Crucially, these changes mean that the Welsh Government will be able to invest more funding in our hospitals, schools and other public services.

**Mr Speaker:** I call the Chair of the Welsh Affairs Committee.

**Ruth Jones** (Newport West and Islwyn) (Lab): The Welsh compound semiconductor cluster in my constituency is a real Welsh success story in terms of this year's Budget. It has attracted more than £1 billion-worth of investment over the last decade and has supported almost 3,000 jobs, and plans to create 1,000 more jobs are well on the way. What conversations is the Secretary of State having with UK and Welsh Government colleagues

to ensure that the Welsh compound semiconductor cluster continues to grow, and to create more well-paid jobs across south Wales?

**Jo Stevens:** My hon. Friend rightly championed the Welsh compound semiconductor cluster from the minute she arrived in this place, and I have seen its success for myself on a number of visits. In last week's Budget, the Chancellor announced £10 million for semiconductor activities in south Wales. That funding will focus on the technology that is central and critical to artificial intelligence and data centres, in order to support innovation, strengthen supply chains and develop the skills needed for future growth. Just two weeks ago, I was with the Secretary of State for Science, Innovation and Technology at Cardiff University—a key partner for the cluster—to announce the south Wales AI growth zone, which will create more than 5,000 new jobs for local communities, including in my hon. Friend's constituency.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): We all know why the Chancellor went to Wales on Monday: she was seeking to avoid scrutiny over a self-inflicted controversy, but it does not end there. There has been criticism of the Chancellor's claim that additional funding for Scotland was given

"because Anas Sarwar asked us to."—[*Official Report*, 26 November 2025; Vol. 776, c. 388.]

There was no mention of the Welsh First Minister, Eluned Morgan. There is a mechanism for Barnett funding; it is not a gift. Will the Secretary of State commit to honesty about how Wales is funded, rather than insulting our intelligence?

**Jo Stevens:** I am surprised at the right hon. Lady's tone. While this Labour Government make record investment in Wales, Plaid Cymru's response is to be the same old stuck record, with its miserable grievance politics. It really is the Victor Meldrew of Welsh politics. It still has not explained which taxes it would raise and which public services it would cut to pay for its disastrous independence plan, which would cost every single person in Wales £7,000 a year, every single year.

**Liz Saville Roberts:** That was desperate. We all know that the Secretary of State has been using figures that we cannot extrapolate from, and cannot use to show what independence will do. I wish she would keep up, because Plaid Cymru is actually talking with Labour in Cardiff about how to improve public services and the NHS. The people of Wales want facts, not spin. A year after the announcement of inheritance tax changes, the UK Government have still failed to release data on the impact on family businesses and farms in Wales. She knows that the cross-party Welsh Affairs Committee has called for the changes to be delayed until a full Wales-specific impact assessment is published. What have the Government got to hide?

**Jo Stevens:** The Government have absolutely nothing to hide.

### Economic Growth

**2. Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): What recent discussions she has had with Cabinet colleagues on increasing economic growth in Wales. [906616]

4. **Paul Waugh** (Rochdale) (Lab/Co-op): What recent discussions she has had with Cabinet colleagues on increasing economic growth in Wales. [906618]

6. **Chris Vince** (Harlow) (Lab/Co-op): What recent discussions she has had with Cabinet colleagues on increasing economic growth in Wales. [906621]

9. **Frank McNally** (Coatbridge and Bellshill) (Lab): What recent discussions she has had with Cabinet colleagues on increasing economic growth in Wales. [906624]

**The Secretary of State for Wales (Jo Stevens):** Growth is the No. 1 mission of this Government. We are creating tens of thousands of jobs in every corner of Wales, including through billions of pounds of investment in nuclear power in Anglesey, two AI growth zones, a defence growth deal, two freeports and two investment zones, which will deliver further economic growth to Wales.

**Gareth Snell:** Because of decisions made by the UK Labour Government, the minimum wage and the living wage will increase, boosting wages for thousands of workers across this country, including 160,000 people in Wales. Could the Secretary of State set out what impact she thinks this critical announcement will have on the economy and people of Wales?

**Jo Stevens:** From April, a full-time worker on the national living wage will see their annual pay rise by £900, on top of the £1,400 increase that we announced in the previous Budget, and 18 to 20-year-olds working full time on the national minimum wage will get an annual increase of £1,500, which, when added to last year's increase of £2,500, means £4,000 extra a year. This Labour Government are supporting the lowest-paid workers across the country, with 2.7 million workers in Stoke-on-Trent Central, Cardiff East and every other constituency directly benefiting.

**Paul Waugh:** I was pleased to see Conwy recently selected for this UK Government's Pride in Place programme. That is alongside the existing funds for Rhyl and Wrexham. Given the north-west's strong economic and family ties to north Wales, I was proud to secure £20 million for Rochdale through the Pride in Place programme. Can the Secretary of State update the House on the difference that these growth funds and other funds will make to economic development in the region?

**Jo Stevens:** The introduction of the Pride in Place programme has meant good news for Rochdale, as well as for Wales. A total of 14 communities across Wales are each benefiting from £20 million of long-term investment to enable the changes that they want to see in their neighbourhoods. This hyper-local programme will benefit areas that are doubly disadvantaged, having both the highest deprivation levels and the weakest social infrastructure. It is about investing for the long term, and creating safer, stronger and more resilient communities with the facilities and infrastructure that they need to thrive.

**Chris Vince:** It has been a momentous two weeks for my Welsh colleagues, with announcements of new AI growth zones in both north and south Wales, a fleet of

small modular reactors, billions of pounds of investment and 11,000 new jobs. Does the Secretary of State agree that this shows that this Labour Government are determined to ensure that there will be growth across the UK, including in Wales?

**Jo Stevens:** My hon. Friend is absolutely right. This Labour Government have backed Welsh business and economic growth since day one, and the results speak for themselves; new nuclear at Wylfa and the two new AI growth zones will mean well over 11,500 new jobs. Add to that the best inward investment results for years, a 30% increase in jobs created, a 23% increase in projects landed, more jobs, wages rising faster than inflation, and more money in the pockets of people across Wales.

**Frank McNally:** The UK and Welsh Governments are rightly prioritising the next generation through apprenticeships and engineering opportunities linked to the Wylfa SMR project. Does my right hon. Friend agree that young people in Scotland deserve access to the same world-class training pathways as those in Wales, and will she work with colleagues to ensure that Scottish businesses can participate fully in the UK-wide nuclear skills pipeline, despite the ideological opposition of the SNP, which prevents similar investments from being realised in Scotland?

**Jo Stevens:** My hon. Friend is absolutely right to raise the ideology of the nationalists. Nationalists in Scotland turn their back on nuclear jobs for Scots, while nationalists in Wales are desperately trying to hide the cavernous split in their party on whether they support new nuclear. This Labour Government are absolutely clear that we want economic opportunities for all parts of the UK, and we want jobs and skills opportunities—including nuclear skills—for people across the UK. Those parties that are hellbent on breaking our country apart are simply exposing the fact that they are willing to put their ideology before jobs, opportunities and economic benefits for the people and communities of these isles.

**Ann Davies** (Caerfyrddin) (PC): In order to secure rural economic growth in Wales, we need to ensure that our agricultural sector is supported. Every pound spent on agriculture generates £9 by supporting farm workers, vets, feed merchants, machinery sales and repairs, and local shops—I could go on and on. What is the Wales Office doing to support all those who live and work in rural Wales?

**Jo Stevens:** The hon. Lady will know that the Welsh Government have put extra money into farming this year through their Budget. Her party in the Senedd voted against that Budget. We are renegotiating the sanitary and phytosanitary standards deal with the EU, following our deal in May, and we are protecting farmers and food manufacturers across Wales.

**Jim Shannon** (Strangford) (DUP): If we are to improve economic growth in Wales, we can do that collectively. We can do it with tidal energy—Wales and Northern Ireland share the Irish sea—with wind turbines, and with floating wind turbines in the Irish sea. These are opportunities. We can make it happen with the engineering

of those in Northern Ireland and Wales. Does the Secretary of State agree that it is time for us to work together for this great United Kingdom of Great Britain and Northern Ireland? We are always better together.

**Jo Stevens:** The hon. Gentleman eloquently sets out the case for the Union. The nationalists sat in front of him would break this country apart, ruining economic growth in this country. We are definitely all better together.

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

**Mims Davies** (East Grinstead and Uckfield) (Con): On Monday, it was delightful to observe the Chancellor and First Minister enjoying themselves in one of Wales's premier hospitality venues, but we had an invisible Secretary of State for Wales once again. That venue is the type of business that must thrive if this Government are to have any chance of achieving anything other than anaemic growth and growing unemployment lines. If she had been there, what would people in the hospitality sector have told her about the minimum wage rise pressures, huge business rates and energy costs, the tourism tax, national insurance hikes and how those are strangling the economy in Wales, along with the bloated red tape and wanton spending from the Labour-run Senedd?

**Jo Stevens:** Britain outperformed growth forecasts this year. Growth was upgraded from 1% to 1.5%, and we are on course to achieve the second-fastest growth rate among G7 countries. The Bank of England has cut interest rates five times since the election. The positive impact that our UK and Welsh Labour Governments are having is clear from how the Welsh economy is changing. In the last year in Wales, wages have increased faster than inflation, employment has risen, inactivity is down and inward investment is up.

**Mims Davies:** Clearly something more important than economic growth in Wales came up for Labour's Wales Office. Can Ministers explain? The biggest rise in unemployment in the UK was in Wales, at 1.4%. Frankly, that is no surprise, given the Governments' joint refusal to build the M4 relief road or the north Wales main line. That does not exactly match the Chancellor's boasts about world-class infrastructure at the summit. Among the hobnobbing and backslapping, did any Ministers spare any thought for the desolate owners and workers of businesses in tatters in Monmouth and more widely? Did Ministers work on the ask for extra help to save those people's livelihoods?

**Jo Stevens:** There was a smörgåsbord of questions there. I just say to the shadow Secretary of State that her party wrecked the economy, starved our public services and exacerbated the cost of living crisis. Our Labour Budget is reducing the cost of living, investing in public services and shrinking the national debt—the Conservatives increased it—while at the same time lifting thousands of children out of the poverty that the Tories created.

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

**David Chadwick** (Brecon, Radnor and Cwm Tawe) (LD): I start by raising a point of order, Mr Speaker. The Secretary of State said that the Liberal Democrats were responsible for imposing the two-child benefit cap.

That is simply not true. It was imposed by the Conservatives, and we have campaigned tirelessly against it ever since. Will she correct the record?

**Mr Speaker:** Just ask your question.

**David Chadwick:** This Government keep claiming that offshore wind will bring down bills for people in Wales and drive economic growth, but research from Greenpeace shows that the opposite is happening. The Crown Estate is pushing up bills by running uncapped auctions that force energy companies to pay huge fees just to use the seabed. Those extra costs are added straight on to the energy bills of families and businesses across Wales, meaning that Welsh households pay more. The profits are taken out of Wales, while the Crown Estate's chief executive officer pockets £1.9 million a year. Why are the Government allowing the Crown Estate to drive up energy bills, and why will not they force the Crown Estate to manage Welsh natural resources in the public interest, rather than its own?

**Jo Stevens:** At every session of Wales questions, the hon. Gentleman talks about how he does not want infrastructure to be built in Wales. His party was one of the architects of austerity and the crushing poverty faced by so many people across the United Kingdom. This Labour Government have turned the page on that austerity legacy, bringing down energy bills, increasing the minimum and living wages for about 160,000 Welsh workers, and scrapping the two-child cap.

### Grooming Gangs

3. **Sarah Bool** (South Northamptonshire) (Con): What steps she is taking with the Home Secretary to help tackle grooming gangs in Wales. [906617]

**The Parliamentary Under-Secretary of State for Wales (Anna McMorris):** I thank the hon. Member for raising this important matter. The Home Office is working closely with the Welsh Government to share information and co-ordinate work to prevent and respond to child sexual abuse and exploitation, including that perpetrated by grooming gangs. This includes taking forward the recommendations of Baroness Casey's audit, and I strongly welcome the continued support of the Welsh Government as we do so.

**Sarah Bool:** Welsh Labour voted against a grooming gangs inquiry in the Senedd. Now Scottish MPs are bemoaning the lack of action from the Scottish National party and the Scottish Government. Given that Welsh Labour is also dragging its heels over this inquiry, will the Secretary of State step up and ensure that it holds a Wales-wide inquiry into this horrific scandal?

**Anna McMorris:** I am disappointed in the hon. Member. She must have forgotten that the last inquiry was not implemented in any way, shape or form. We have accepted Baroness Casey's recommendations in full, and we are working together—the Welsh Government and the Home Office, alongside Baroness Casey—to appoint a chair, as a matter of urgency. Victims' voices should be at the heart of this inquiry, and it is imperative that any chair appointed earns the trust of the victims, who have been let down far too often. For those victims, we must get this right; we can absolutely do no less.

**Nick Smith** (Blaenau Gwent and Rhymney) (Lab): Can the Minister say more about how the Government are reflecting the experiences of victims when tackling grooming gangs in Wales?

**Anna McMorris:** Absolutely, and I thank my hon. Friend for raising this critical matter. We are putting victims' voices at the heart of the inquiry, because their voices must be heard, and we are accepting Baroness Casey's recommendations in full, including the introduction of mandatory reporting, the creation of a new child protection authority and the ending of the three-year statute of limitations for personal injury claims.<sup>1</sup> I will say this once again: we are ensuring that victims' voices are at the heart of the inquiry, because they have been forgotten for far too long.

### Job Creation: Wales

5. **Steve Witherden** (Montgomeryshire and Glyndŵr) (Lab): What steps she is taking with Cabinet colleagues to help create new jobs in Wales. [906619]

**The Secretary of State for Wales (Jo Stevens):** Announcements made over the past month demonstrate that our industrial strategy is working. In November alone, the Government announced investments to create more than 11,000 jobs in Wales, and just this week, the Wales investment summit showcased investments totalling £16 billion, which are expected to bring tens of thousands of jobs to Wales.

**Steve Witherden:** Montgomeryshire and Glyndŵr is home to the largest one-day livestock market in Europe, just off the Buttington roundabout in Welshpool. Will my right hon. Friend join me in welcoming the 55 jobs that have been created on the roundabout in the last month alone, and would she consider joining me for a milkshake in one of the numerous places in Buttington where we could now obtain one together?

**Jo Stevens:** I am very pleased to hear about the new jobs created at Buttington Cross, and I should be delighted to join my hon. Friend for a milkshake—strawberry, please. Our landmark May deal with the European Union included a commitment to a comprehensive sanitary and phytosanitary agreement, which we are now actively negotiating, and which will reduce paperwork, delay and costs for Welsh farmers exporting their animals and produce to the EU. This Government are backing our farmers and food manufacturers.

**Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): We have heard about the benefits that small modular reactors can bring to Wales and, indeed, to England. Does the Secretary of State agree that it would be a very good idea if she and I invited Mr John Swinney to come to Dounreay to hear from the workforce how badly they want one up there?

**Jo Stevens:** I absolutely do not understand why the SNP Government are not willing to see the creation of jobs and opportunities for people in Scotland because of their ideology around new nuclear.

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

**Mims Davies** (East Grinstead and Uckfield) (Con): The Office for National Statistics has revealed that a scandalous 1,000 jobs are being lost every single day across the country, meaning that Aston Martin is not immune to this Government's economic recklessness and could soon be forced to make over 100 job losses because of the poor trade deal that Labour struck with the US. The deal includes absolutely no guarantee that small-volume car makers, like Aston Martin, will get fair access to the 10% tariff rate from 2026, meaning that they could face the imposition of an eye-watering tariff of 27.5% if they are squeezed out of the 100,000 car quota to the US. What will the Secretary of State do? Will she turn up to ensure that iconic Welsh car makers get fair access to US trade?

**Jo Stevens:** I have been in discussions with Aston Martin, as have Cabinet colleagues. We are doing everything we can to protect the car industry in this country. One of the biggest problems in the car industry arises from the Conservatives' botched Brexit deal, for which the hon. Lady and her Government were responsible.

### Visitor Levy: Wales

7. **John Cooper** (Dumfries and Galloway) (Con): Whether she has had discussions with the Welsh Government on the potential impact of the proposed visitor levy on the Welsh economy. [906622]

**The Parliamentary Under-Secretary of State for Wales (Anna McMorris):** The Welsh tourism sector is thriving. Last year, British residents alone took over 7 million overnight trips to Wales. If all councils in Wales were to introduce the Welsh Government's visitor levy, it could raise as much as £33 million a year across Wales to invest in communities and tourism. This is an excellent example of the Welsh Government leading the way. As announced last week, a similar overnight levy will be introduced in England, allowing mayors to invest across their communities.

**John Cooper:** Hospitality in Wales and across the United Kingdom is dying on its feet. It needs a shot in the arm; instead, last week's bin-fire Budget gave it a shot in the head. This is more money coming out of businesses, is it not?

**Anna McMorris:** Quite the contrary: the visitor levy would boost the economy by up to £33 million if all councils were to accept it across Wales. I do not think that will—[*Interruption.*]

**Mr Speaker:** Order. The hon. Member for Montgomeryshire and Glyndŵr (Steve Witherden) should wait for two questions after his own before leaving the Chamber.

**Anna McMorris:** Wales is leading the way on the visitor levy and I am proud to be from Cardiff—a city that is introducing the levy. People come in droves to Cardiff and I know that they will continue to do so. Perhaps the hon. Member for Dumfries and Galloway (John Cooper) should look to his own ranks first, because the Conservative-run Great Yarmouth borough council has supported this form of tourist levy for years.

1. [Official Report, 18 December 2025; Vol. 777, c. 13WC.] (Correction)

**Mr Alex Barros-Curtis** (Cardiff West) (Lab): In last week's Budget, the UK Government gave mayoral strategic authorities in England the power to propose a local overnight visitor levy—something that has already been introduced in Wales. Does the Minister agree that this is another example of the UK Labour Government and the Welsh Labour Government working together to share best practice to better our country?

May I also take this opportunity to ask her to join me in celebrating Cardiff Rugby's 149th birthday this week?

**Anna McMorris:** I would also like to wish Cardiff Rugby penblwydd hapus on their 149th birthday. I absolutely agree with my hon. Friend that the Welsh Government are leading the way, and it is fantastic to see that a similar overnight levy will be introduced in England. This is the power of partnership: two Labour Governments working together.

**Mr Speaker:** Before we come to Prime Minister's questions, may I extend a warm welcome to the President of the Parliament of Montenegro and his delegation, who are in the Gallery today?

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. [906698] **Ian Lavery** (Blyth and Ashington) (Lab): If he will list his official engagements for Wednesday 3 December.

**The Prime Minister (Keir Starmer):** Our Budget took important measures to tackle the cost of living. That is why we have frozen rail fares and prescription charges, and cut energy bills for every family by £150. Today, we are going further. For too long, parents have been pushed into spending more on infant formula than needed, told they are paying for better quality and left hundreds of pounds out of pocket. I can announce today that we are changing that. We will take action to give parents and carers the confidence to access infant formula at more affordable prices, with clearer guidance for retailers and help for new parents to use loyalty points and vouchers. Together, that will save them up to £500 before their child's first birthday. That builds on our action to lift half a million children out of poverty and our action on breakfast clubs, and our child poverty strategy will be published later this week.

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.

**Ian Lavery:** The north-east is still picking up the pieces of the destruction and decimation of 14 years of Tory government. Men in the north-east of England still expect to live 10 years less than people in other parts of the country. Women in the north-east of England are making, on average, over £11,000 less in wages than people in other parts of the country. In my patch of Blyth and Ashington, 33% of kids are living in poverty, the unemployment rates are above the national average, and wages are below the national average. The people in the north-east are a proud breed, and we deserve much more than this, mind. Can the Prime Minister assure me

and the people in my constituency and in the north-east whether there is much to look forward to on the horizon, and will he meet me to discuss how we can shape it? *[Interruption.]*

**The Prime Minister:** My hon. Friend talks about poverty in his constituency, and the Opposition heckle him. They should be ashamed. It is our moral mission to tackle poverty. We have abolished the two-child cap. That will be over 3,000 children, I think, in his constituency lifted out of poverty. I am very proud to be able to do that. We have boosted the national minimum wage by £1,500, and we are adding the £150 that we are taking off everyone's energy bills. We are driving economic growth right across the country, devolving power and investing across all of the country.

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

**Mrs Kemi Badenoch** (North West Essex) (Con): Let me first pay tribute to Sir John Stanley, who passed away yesterday. Sir John was a dedicated MP for 41 years, and we send our deepest condolences to his family.

Does the Prime Minister believe that when an organisation descends into total shambles, the person at the top should resign?

**The Prime Minister:** Can I first join the Leader of the Opposition in her comments about Sir John? I am sure I speak for the whole House in that respect.

I was very proud to lead this party at the Budget last week, where the Chancellor set out that we would protect the NHS, which we have done in the Budget; create the conditions for economic stability, not repeating the mistake of austerity; and bear down on the cost of living by taking £150 off energy bills. We are fixing the mess that the Conservatives left, and I am very proud to be doing so.

**Mrs Badenoch:** The Prime Minister does not want to answer a question about taking responsibility, because he likes to blame everyone except himself, and so does the Chancellor. We now know that the head of the Office for Budget Responsibility was forced out for telling the truth: that the Chancellor did not need to raise taxes on working people. We also know that the Chancellor was briefing the media and twisting the facts—all so she could break her promises and raise taxes. If she were a CEO, she would have been fired, and she might even have been prosecuted for market abuse. That is why we have written to the Financial Conduct Authority, so will the Prime Minister ensure the Chancellor fully co-operates with any investigation?

**The Prime Minister:** The right hon. Lady is completely losing the plot. May I pay tribute to Richard Hughes for his leadership of the OBR? He made very clear why he stepped down and I have made very clear my support of the OBR. She says, "Take responsibility". Under this Chancellor: growth is up this year, defeating and beating the forecast; wages are up more since the general election than in 10 years of the Tories; we have had, I think, five interest rate cuts; NHS waiting lists are down; and we have had record investment into this country. We are turning the page on Tory austerity and reckless experiments on borrowing. I will compare our record to theirs any day of the week.

**Mrs Badenoch:** The Prime Minister talks about losing the plot. Let me read to him what his own Cabinet Members are saying—that the handling of the Budget has been

“a disaster from start to finish.”

Who said that? Was it him? Was it her? It was probably her, actually—it was probably the Chancellor! *[Laughter.]* One of the Prime Minister’s Ministers said that the Chancellor and the Prime Minister look “weak and incompetent”. The country agrees.

We know that there were endless Treasury briefings to justify raising taxes on hard-working people to pay for benefits and those briefings had real-world consequences. Hundreds of thousands of people drew down their pension, an irreversible act. The Prime Minister pays tribute to the head of the OBR. If the head of the OBR had to resign over market-sensitive leaks, why is the Chancellor still in her job?

**The Prime Minister:** Last year, the Conservatives left us with a £22 billion black hole. This year, at the beginning of the process, the OBR did a productivity review on their record in office, and that cost an additional £16 billion that we had to find in the Budget. But notwithstanding that, we have protected the NHS—waiting times are coming down; notwithstanding that, we have cuts in borrowing at the fastest rate in the G7; notwithstanding that, we have got £150 off energy bills, in addition to rail fare and prescriptions freezes. *[Interruption.]*

**Mr Speaker:** Order. Mr Holden, your voice carries more than mine. The difference is that yours will be carrying outside, not in the Chamber.

**The Prime Minister:** What the right hon. Lady does not understand is that picking up a £16 billion tab for the Conservatives’ failure is not a good starting point for any Budget. The OBR said yesterday that the Chancellor’s speech was not misleading, so if the Leader of the Opposition had any decency, she would get up now and apologise. *[Interruption.]*

**Mr Speaker:** Order. Other Members might be enjoying a cup of tea with Mr Holden if they carry on.

**Mrs Badenoch:** No one believes a word the Prime Minister says. We now know the black hole was fake, the Chancellor’s book was fake, her CV was fake—even her chess claims are made up. She does not belong in the Treasury; she belongs in la-la land.

The Government raised taxes on working people—that is £16 billion—to increase benefits to protect them from their Back Benchers. The Prime Minister now boasts about removing the two-child benefit cap, but he used to say that it was unaffordable. He even removed the Whip from seven Labour Members for wanting the same thing. He is very happy to throw them under a bus when it pleases him. I ask the Prime Minister, how did it suddenly become affordable at the very time he needed to save his own skin?

**The Prime Minister:** The vast majority of the families we helped in the Budget are in work. Three quarters of children in poverty are in working families. The Conservatives’ policy of nearly 10 years on the two-child

benefit cap had one result and one result only: it dragged hundreds of thousands of children into poverty. They should be utterly ashamed of that. I am very proud that we are lifting half a million children out of poverty, because I believe—I profoundly believe—that every child should have a chance in life; every child should be able to go as far as their talent will take them. That is why we are lifting half a million out of poverty, but they are the same old Tories: the party of child poverty.

**Mrs Badenoch:** If all of this is true, why did the Prime Minister take the Whip away from the people asking for it? Let us remind the Chancellor that exactly a year ago today, on 3 December 2024, she said:

“We will never have to repeat a Budget like this one”.—*[Official Report, 3 December 2024; Vol. 758, c. 149.]*

If only!

The Prime Minister may have taken the Whip away then, but the rebels have had the last laugh—he has lost. He cannot run his own party, let alone the country. Let me quote the hard-left former shadow Chancellor, the right hon. Member for Hayes and Harlington (John McDonnell). He said: “We’ve won.” He is right, isn’t he?

**The Prime Minister:** I have said repeatedly that bringing down child poverty is a moral mission, a political mission and a personal mission. The Conservatives drove hundreds of thousands of children into poverty—children who will pay the price for the rest of their lives for the previous Government’s failure. We are taking half a million children out of poverty, and we are very proud to do so. That is good for children, it is good for the economy and it is good for the NHS, which will have less of a burden on it. The Opposition should be ashamed of what they did on child poverty, and the right hon. Lady should stand up and apologise.

**Mrs Badenoch:** Let me tell the Prime Minister: making the whole country poorer and destroying jobs is not how to keep children out of poverty. In the past week we have seen broken promises, broken leadership and a broken Budget for “Benefits Street”—*[Interruption.]* The Education Secretary is chuntering. I ask her, where is the money for the children with special educational needs? Where is it? It is coming out of her budget.

**The Secretary of State for Education (Bridget Phillipson)**  
*indicated dissent.*

**Mrs Badenoch:** She is shaking her head; she does not know where that money is coming from.

Let us be clear: unemployment is up. There are more children now growing up in workless households because people are losing their jobs. It is not just the head of the OBR who is losing his job; millions of people have been hung out to dry by the Government’s Budget. Is it not the truth that behind it all is a Prime Minister who only cares about one person’s job—his own?

**The Prime Minister:** The right hon. Lady wants to put half a million children back into poverty. She thinks the Chancellor should resign because the economy is improving. We are turning the page on her party’s failure. We are bringing waiting lists down. We are

bringing stability that cuts inflation and interest rates, and we are bringing down bills. We are building a brighter future.

**Claire Hanna** (Belfast South and Mid Down) (SDLP): Conversations about a new Ireland are deepening, with people from all sorts of backgrounds having serious, hopeful discussions about building something new. Yesterday in Westminster, along with the hon. Member for South Antrim (Robin Swann), who has a different view to me, we hosted two of the island's most respected journalists, making the case both for and against Irish unity. While both positions were argued, clear voice was that the time for careful preparation is now. Does the Prime Minister agree that, although there is much work to do before any referendum, in order to avoid a mess like Brexit, it is prudent and completely compatible with the Good Friday agreement for the Irish and British Governments to jointly prepare for constitutional change?

**The Prime Minister:** One of the greatest achievements of the last Labour Government was the Belfast/Good Friday agreement. We fully support that agreement, which brought peace and stability for Northern Ireland. As the hon. Member well knows, it sets out a process for future decisions, which under the agreement I support. We are focused on working constructively with the Executive and others on all issues, including the record settlement for Northern Ireland under the Budget.

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

**Ed Davey** (Kingston and Surbiton) (LD): I join the Leader of the Opposition in paying tribute to Sir John Stanley, and send our condolences to his family. I had the huge pleasure of working with him over a number of years on developing the relationship between our country and Korea, and he was always a true gentleman.

Yesterday, I was in Royal Tunbridge Wells, where tens of thousands of people have had no water for five days. This is now a public health emergency and, shockingly, it is the second time in just three years that South East Water has badly let down the people of Tunbridge Wells. Parents are queuing up for bottled water for their kids; pensioners are relying on neighbours to fetch water for them; businesses have closed down; and schools and GPs have been forced to shut. South East Water said that it would be sorted on Monday, and then again yesterday, but today it has still not been sorted. Will the Prime Minister convene Cobra? Does he agree that it is time for him to get a grip of this crisis so that it is sorted?

**The Prime Minister:** I thank the right hon. Gentleman for raising this really important issue. It is shocking, for all the reasons that he set out. I too have heard South East Water say—Sunday into Monday, Monday into Tuesday, and Tuesday into Wednesday—that it was sorting the situation, and still it has not been sorted. There are really serious consequences. We are bearing down on it, as he would expect, because this is such a serious issue.

**Ed Davey:** I am grateful for the Prime Minister's reply and for the actions of the Water Minister, the hon. Member for Kingston upon Hull West and Haltemprice

(Emma Hardy), but I do think the Government will need to do more, because South East Water has failed so badly.

Turning now to the Budget, the Prime Minister's chief economic adviser has recommended a customs union with the EU as one of the most effective ways of generating growth, and we Liberal Democrats agree. Instead of hitting people with higher taxes in the middle of a cost of living crisis, will the Prime Minister change course in economic policy and listen to the wise economic advice from his own economic adviser?

**The Prime Minister:** We are getting closer relationships with the EU on a number of fronts, including trade and the economy, because that is good for businesses across our country, and it has been welcomed by them. We will continue down that path, but we have clear red lines on the single market and the customs union; within those constraints, we will move closer.

**Q2. [906699] Dr Beccy Cooper** (Worthing West) (Lab): Gambling addiction is a serious public health harm, causing ill health and misery for millions of people in this country. The industry now spends £2 billion a year on advertising, often targeting vulnerable people and exposing our children to harm. Like many Members across the House, I very much welcome the Chancellor's announcement last week to tax harmful online gambling products. Does the Prime Minister agree that to continue this essential work, we must now act to tackle harmful gambling advertising to protect the health of our children?

**The Prime Minister:** My hon. Friend is right that harm from online gambling has surged—NHS referrals are up 91% in the past year. The decisions we made in the Budget mean investment in public services and lifting more than half a million children out of poverty, but we are working with industry to ensure that adverts do not exacerbate harm and, through our £26 million investment, helping the Gambling Commission to crack down on black market sites and illegal adverts to keep players safe.

**Q7. [906704] Paul Holmes** (Hamble Valley) (Con): In 2020, the Justice Secretary said:

"Criminal trials without juries are a bad idea",

and the Prime Minister himself has said that there should be

"a right of trial by jury in all criminal cases",

but now they want to scrap trials by jury. With a Chancellor who cannot count and a Justice Secretary who has lost count of the number of people he has let out of prison, is it any wonder that the people of this country cannot ever again trust a single word this Prime Minister or Government say?

**The Prime Minister:** The Conservatives left a broken criminal justice system in which victims of rape and serious sexual violence wait three or four years for trial. Only this week I have heard further examples of 14-year-old and 16-year-old girls having to give evidence four years after the allegation. That is not justice for them, and I am determined that we will deal with that. As the hon. Gentleman well knows, of all criminal cases going to court, 90% have always been in the magistrates court and 10% go to the Crown court. Of that 10%, 7% of

defendants plead guilty, which means that 3% of all criminal cases go forward for a jury trial—not all our cases. We are making sensible changes to ensure that victims get justice, which was denied to them under the failure left by the Conservatives.

**Q3. [906700] Rachel Taylor** (North Warwickshire and Bedworth) (Lab): I am really pleased to hear many constituents tell me how much local NHS services have improved since this Labour Government entered office, but some, such as David Wootton from Atherstone, have faced long delays. He was told that he would have to wait five months for X-ray results from George Eliot hospital—and he is not the only one. My constituents deserve better. Will the Prime Minister set out how he will go further and faster to get our NHS fighting fit again?

**The Prime Minister:** First, I am sorry to hear that her constituent David is waiting. We took decisions at the Budget to invest in the NHS and tackle waiting lists, which was to help people such as David. We delivered £29 billion extra investment into the NHS and scrapped NHS England to invest in the frontline. We are opening 250 neighbourhood health centres to treat patients closer to home, and we have more than 5 million extra appointments being delivered. Waiting lists are down 230,000—[*Interruption.*] Conservative Members are chuntering, but they absolutely destroyed our health service—we are picking it up. They should be ashamed of themselves.

**Q9. [906706] Jerome Mayhew** (Broadland and Fakenham) (Con): My constituent Claire runs Claire Howard Jewellery in Fakenham, and she is one of many small business owners who contacted me after the Budget last week. She was absolutely incensed by the style of the Chancellor, who seemed to give the impression that she was reducing taxes on small businesses when the exact opposite is the case. The tax on Claire's shop is going up, not coming down. Could the Prime Minister do Claire and many other shop owners the common courtesy of just admitting that their taxes are going up and not down?

**The Prime Minister:** The hon. Gentleman raises an important point; let me address it. At the heart of this issue is that temporary business rate relief was put in by the last Government during the pandemic. That was the right thing to do, and we supported it, but it was temporary relief. That is now coming to an end, and obviously there is a revaluation that goes with it. What we are doing is permanently lowering the rates for leisure, retail and hospitality, but because of the changes, we are putting in £4 billion of transitional relief. That means there will be a cap on increases for small businesses, and we are finding that by adjusting the burden between them and the online giants. It is the temporary business rates coming to an end that we have to adjust through this policy.

**Q4. [906701] Oliver Ryan** (Burnley) (Lab/Co-op): I declare an interest as the chair of the all-party parliamentary group on multiple sclerosis and as the proud son of a lifelong multiple sclerosis patient—she joins us in the Gallery today. Neurological conditions such as MS and Parkinson's affect one in six, but wait times for first and follow-up neurology appointments have increased by a huge 65% since 2020, risking delayed treatment and

diagnosis at a critical time. I am proud that this Government are bringing down NHS waiting lists, cutting admissions and investing in care and equipment. Will my right hon. and learned Friend formalise these efforts, support an NHS modern service framework for neurology and get these wait times down?

**The Prime Minister:** I thank my hon. Friend for his question and for sharing his personal interest. We are focused on bringing down waiting lists and making sure every patient receives the best possible care. As he knows, the 10-year health plan announced a new modern service framework to help rapidly improve care, and I reassure him that we will consider whatever else we can do. In the meantime, we are acting to improve neurology care, and we have cut neurology waiting lists by over 15,000.

**Q11. [906708] Layla Moran** (Oxford West and Abingdon) (LD): Allison in Oxford is threatened with new service charges by her housing association, Green Square Accord, for shrubbery she happily cut herself for 22 years and for cleaning a communal area that simply does not exist. Meanwhile, Rebecca's charges have more than doubled over the last four years, with no explanation. Green Square Accord is not the only provider doing this. It is a wild west out there. Will this Government consider Liberal Democrat plans for a new regulator and a cap on these outrageous rip-off service charges?

**The Prime Minister:** I thank the hon. Lady for raising that. We are implementing the Leasehold and Freehold Reform Act 2024, which is long overdue, providing homeowners with greater rights, powers and protections. Through that, we will strengthen regulation to protect leaseholders from abuse and poor service, which she has highlighted; bring the injustice of fleecing to an end to protect up to 1.75 million households; and make sure that leaseholders receive standardised service charge documentation, making it easier for them to challenge unreasonable bills. The hon. Lady makes good points, and that Act will help to change things.

**Q5. [906702] Graham Stringer** (Blackley and Middleton South) (Lab): This country can be proud of its history of religious tolerance and religious freedom. The quid pro quo for that is the right to criticise religion. Can the Prime Minister assure the House that there will be no introduction or reintroduction of a blasphemy law, either by statute, judicial overreach or a non-statutory definition of Islamophobia?

**The Prime Minister:** Yes, I can give my hon. Friend that assurance, and it is important that I do so.

**Q12. [906709] Lewis Cocking** (Bromborough) (Con): The best form of welfare in this country should be a well-paid job, but with unemployment up and this Labour Government choosing to raise taxes to spend even more on a bloated welfare and benefits system, is the Prime Minister happy with the message that sends to my hard-working constituents in Bromborough and constituents right across the United Kingdom?

**The Prime Minister:** We have a broken welfare system. Guess who broke it? The Conservatives. We are bringing in reforms to change it and mend it. What did they do?

They voted against them. Under their watch, they drove up welfare spending by £33 billion, so we need no lectures from them on welfare.

**Q6.** [906703] **Paul Waugh** (Rochdale) (Lab/Co-op): As a lifelong Dale fan, I am delighted that Rochdale football club is top of the national league right now. But after 14 years of Tory cuts, sadly my town is also near the top of a league table that people do not want to be in: the child poverty league table. Does the Prime Minister agree that lifting 5,000 kids in Rochdale out of poverty, plus cutting every household's energy bills by £150 and, crucially, expanding the warm home discount will mean that this Budget is a family Budget that reduces the cost of living for everyone in the country?

**The Prime Minister:** Let me start by congratulating Rochdale football club on being top of the league for the time being. [*Laughter.*] Well, I say that because I know who is top of the premier league, but it will be in March and April that we find out who actually wins.

My hon. Friend is right. Thanks to the actions in the Budget, every household will see £150 off their energy bills, and because we have now extended the warm home discount to 6 million of the poorest households, they will save an additional £150. In the north-west, that benefits about 280,000 households. That is huge cost of living support for families alongside freezing prescription charges and rail fares and boosting the minimum wage.

**Q14.** [906711] **Liz Jarvis** (Eastleigh) (LD): My constituent Tracey owns O'Briens, a lovely café in the heart of Eastleigh. She works tirelessly to make it a success, but spiralling costs including business rates, VAT and the hike to employer national insurance contributions mean that she has not been able to take a salary for four months. David, the owner of Steam Town Brew Co and Jayne, the manager of the Holiday Inn in my constituency, say that their businesses will be impacted by the Government's stealth tax on our high streets. They feel let down. Will the Prime Minister look again at the Liberal Democrats' call for an emergency cut in VAT for hospitality?

**The Prime Minister:** We put in place a strategy for small businesses, which was broadly welcomed by small businesses, because they contributed to it. That involves some of the key asks they made of us, including on late payments and greater flexibility when it comes to licensing for hospitality. We will always look at other measures that can help small businesses. We set out quite a lot of them in our small business strategy.

**Q8.** [906705] **Andrew Pakes** (Peterborough) (Lab): At the weekend, I had the great privilege to join volunteers from Peterborough food bank at the Tesco in Werrington on their autumn food drive. I put on record my thanks to my constituents and those of other hon. Members who have supported that Trussell Trust initiative over the last week. One of the most significant challenges my food bank has consistently talked to me about is child poverty. Even though the Conservative party opposes our plans, nearly 9,000 children will be lifted out of poverty across Peterborough because of decisions that our Chancellor

took in the Budget last week. Does the Prime Minister agree that that is not just the right thing to do for those children but an investment in our future and in growth?

**The Prime Minister:** I thank my hon. Friend for raising that. I was in his constituency just the other week, and we could see the impact that this measure would have on children in Peterborough where, as he said, 9,000 children are living in poverty. In his constituency, 5,500 children are living in poverty. We are lifting them out of poverty, and that is the right thing to do.

**Graham Stuart** (Beverley and Holderness) (Con): It wasn't last year.

**The Prime Minister:** The Conservative party shamefully dragged hundreds of thousands of children into poverty, and they will pay that price for the rest of their lives. Conservative Members should be ashamed of themselves.

**George Freeman** (Mid Norfolk) (Con): I was recently the target of an AI deepfake video announcing my defection to Reform. As colleagues across the House will know, that is about as likely as Reform moving from pub populism to a coherent programme for government. I am delighted to reassure my Chief Whip and the House that I am and always have been a faithful—[*Laughter*]—a faithful Conservative. Does the Prime Minister agree that while satire has always been an important part of our politics, the rise of AI deepfake disruption is a serious threat to our democracy? Will he work with me and cross-party MPs to frame some appropriate reforms, as proposed by the recent Speaker's Conference, to protect our democratic integrity?

**The Prime Minister:** I thank the hon. Gentleman for raising this important issue. We need to work cross party where we can on deepfake, on AI and on other issues that need to be addressed. I am afraid I missed his alleged defection to Reform. I would not have believed it if I had seen it, but I have to say that there are a lot of Conservatives going—I think three ex-MPs have gone this week. They talk about leaks. That is where their leaks are going: to Reform.

Talking of leaks, according to the front page of the *Financial Times* this morning, the leader of Reform apparently says he wants to merge with the Conservative party and sit down in here with them—an absolutely unholy alliance of austerity and failure.

**Q10.** [906707] **Mrs Elsie Blundell** (Heywood and Middleton North) (Lab): This week, I have been speaking to warehouse workers at Tetrosyl in my constituency, who have been given an appalling ultimatum in the run-up to Christmas: they must either sign a new contract with reduced pay and breaks or lose their jobs. Can the Prime Minister advise me on what action can be taken against rogue employers such as Tetrosyl who take action against workers and seek to exploit them and undermine their rights?

**The Prime Minister:** I thank my hon. Friend for fighting hard for her constituents who are facing awful uncertainty, which is bad enough at any time of the year but really bad at this time of the year. Our thoughts are with the workers and their families who are facing the uncertainty that she has flagged. Our landmark

Employment Rights Bill will strengthen workers' rights and put them in a better position, including by ending unscrupulous fire and rehire practices. I thank her for fighting for her constituents.

**Shockat Adam** (Leicester South) (Ind): No religion, theology or philosophy is beyond critique or scrutiny, and we must protect freedom of speech at all costs. But Islamophobia is real, at least for Zainab Hussain in my city, who was run over not just once but twice, simply for being a Muslim. She survived. Not so lucky was Makram Ali, who was killed outside Finsbury Park mosque simply for being a Muslim, or Mohammed Saleem, who was stabbed to death simply for being a Muslim. When the Prime Minister was in opposition, a definition of Islamophobia was adopted, but in government it has been dropped. What has changed?

**The Prime Minister:** I thank the hon. Gentleman for raising those examples of hatred in his constituency. He is right to raise them and we should all condemn them. Hatred in all its forms should be condemned by all of us in this House, and that includes anti-Muslim hatred as well. We intend to act on it.

Q13. [906710] **Anna Dixon** (Shipley) (Lab): This week I met my constituents, Mike and Sue. Their autistic son Jimmy was imprisoned as a young man. The judge recommended a sentence of two and a half years. Jimmy is now in his 40s. He has been in prison for nearly 20 years on an indeterminate sentence for public protection. His doctors say that he is safe and well for discharge, and a supported living flat is waiting for him in Shipley. Will the Prime Minister please help by ending the injustice of these IPP sentences and help to get Jimmy home?

**The Prime Minister:** My hon. Friend raised this case with me in the Lobby last night. It is a really shocking case of two years leading to someone being in prison for over 20 years and not yet released, and with delays in the release process. The Justice Secretary will look into this case and meet her to discuss her concerns to see what more can be done. It is right that IPP sentences have been abolished, and we are committed to supporting the progression of all those who are serving such sentences.

**Rachel Gilmour** (Tiverton and Minehead) (LD): I have a charming elderly constituent who, after a series of major medical interventions, has been left in excruciating, uncontrolled pain after her opioids were withdrawn, pushing her to suicidal ideations. Can the Prime Minister shed light on what plans His Majesty's Government

have to help people manage pain in order to live a happier and more comfortable life? Please can I have a meeting with the appropriate Minister?

**The Prime Minister:** I thank the hon. Lady for raising this awful case. We are putting in further protection and support, but I will take this up. It is important for her to discuss this with the relevant Minister, because the case that she has referred to sounds appalling.

Q15. [906712] **Jayne Kirkham** (Truro and Falmouth) (Lab/Co-op): Under this Labour Government, NHS waiting lists are coming down. I welcome the commitment to refurbish Truro Health Park in my constituency, one of the first new neighbourhood health centres in the country. Cornwall is already leading the way with new neighbourhood health teams, and upgrading Truro Health Park will help to deliver care for patients in their own communities. Will the Prime Minister confirm that this investment reflects decisions taken by this Government to prioritise community health care, and that services will not be removed before effective community replacements come online?

**The Prime Minister:** I thank my hon. Friend for raising this, and I am delighted that her constituency will benefit from one of the 250 new centres. Neighbourhood health centres will provide simpler, more convenient access to a full range of health and care services on people's doorsteps, and GP services will be protected before they come online. This is about early intervention, continuing to drive down NHS waiting lists and creating a more modern NHS that is fit for the future.

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): Could the Prime Minister give his assessment of the latest news that President Putin has again turned down terms for peace in Ukraine? In an extraordinary outburst designed to destabilise our understanding of the truth, he did say that Russia is ready for war with NATO. How ready are we?

**The Prime Minister:** I thank the hon. Gentleman for raising this; I updated the House last week on the attempts to get a lasting peace. We all know that Putin is the aggressor here. We all know that Putin is dragging his feet, not wanting to come to the table, not wanting to reach an agreement. We have to continue to put pressure on in every conceivable way—that is, in supporting Ukraine with capability and resource, but also ensuring that our sanctions, acting with allies, do as much damage to the economy in Russia as we can, and pressure that we can put on. We will continue to do so but the hon. Gentleman is absolutely right to raise this, and I thank him for doing so.

## OBR: Resignation of Chair

12.37 pm

**Sir Mel Stride** (Central Devon) (Con) (*Urgent Question*): To ask the Chancellor of the Exchequer if she will make a statement on the resignation of the chair of the OBR.

**The Chief Secretary to the Treasury (James Murray)**: Last week, the “Economic and fiscal outlook” was accessed prematurely ahead of the Budget. The Office for Budget Responsibility took full responsibility for this and conducted a review into what had happened. That report was published on Monday, and I came to this House to make a statement. The report found “systemic issues”, which led, in its words, to the “worst failure in the 15-year history of the OBR.”

While I was making that statement on Monday afternoon, Richard Hughes, the chair of the OBR, resigned. The Chancellor has written to Mr Hughes to thank him for his many years of public service, and I have put my thanks on the record in this House, too. That decision was a matter for Mr Hughes.

We will work closely with the OBR to ensure that robust security arrangements are in place before the spring forecast and for all future forecasts. The permanent secretary to the Treasury will conduct a review of the Treasury’s security processes to inform future fiscal events. As I said when I was again at this Dispatch Box closing the Budget debate yesterday, the Government put the utmost weight on Budget security, including the prevention of leaks of information. A leak inquiry is now under way with the full support of the Chancellor and the whole Treasury team.

There is also speculation in the press today surrounding the letter that the OBR sent to the Treasury Committee last Friday, which I wish to address clearly. The Chancellor was aware of that letter and was content for it to be published, and she agreed that with the permanent secretary.

**Sir Mel Stride**: Richard Hughes was a respected chair of the OBR, and his departure is a matter of deep regret. The circumstances surrounding his resignation remain unclear—although for the Chancellor, it has clearly been a useful distraction from her own conduct.

On Friday, the OBR took the unprecedented step of publishing the details of the pre-measures forecast rounds, and members of the OBR board were clear to the Treasury Committee yesterday that that step was taken because of serious concerns about partial leaks and briefings about their forecasts. In relation to the market-moving briefings made on 14 November, which suggested that the public finances were, after all, in a better position, David Miles stated to the Committee:

“I think there had been a misconception that there had been some good news. It didn’t exist.”

The board members also clarified that those concerns were raised by Richard Hughes with the Treasury before the Budget, and that the information published on Friday was approved by the permanent secretary.

What discussions did the Treasury, including the Chancellor, have with Mr Hughes immediately prior to his resignation? Mr Hughes said last week that he served “subject to the confidence of the Chancellor”.

Did the Chancellor give Mr Hughes her full confidence? Was any pressure put on Mr Hughes to resign? Did the Chancellor approve the OBR’s publication on Friday and discuss it with the permanent secretary? I believe that the Minister has confirmed that, but perhaps he might do so again. [*Interruption.*]

**Mr Speaker**: Order. Mr Strathern, are you here as a Parliamentary Private Secretary?

**Alistair Strathern** (Hitchin) (Lab): I am.

**Mr Speaker**: In which case, behave.

**Sir Mel Stride**: Do Ministers agree with the OBR’s opinion that leaks and briefings about the forecasts damaged growth? If so, what action was taken by the Treasury regarding those leaks? May I ask once again whether it was appropriate for the Chancellor herself to opine publicly on the OBR’s productivity forecast before the Budget, given that those matters should remain strictly confidential?

As you know, Mr Speaker, I have written to the Financial Conduct Authority seeking a full investigation into matters relating to the Chancellor’s statements on the state of the public finances. I have also written again this morning to the permanent secretary at the Treasury, requesting a full investigation into all these matters.

**James Murray**: I thank the shadow Chancellor for his questions. As I made clear in my opening remarks, the decision for Richard Hughes to resign was a matter for Mr Hughes himself. I referred in my earlier remarks to the media reporting of the letter that the OBR published. The publication of that letter was agreed to by the Chancellor; it is completely untrue to suggest otherwise.

The reason for publishing the letter was the unique nature of the Budget and the context of the OBR’s productivity review, as it said itself, while acknowledging that that would not become usual practice owing to the importance of preserving a private space for discussions. We are completely committed to the OBR’s independence; it is a vital part of our fiscal framework. In fact, one of the first acts of this Parliament was to introduce a fiscal lock so that the OBR could never be sidelined.

The shadow Chancellor also referred to comments by Professor Miles at the Treasury Committee earlier this week. I note that, among his remarks, Professor Miles was very keen to be clear that the positive headroom number in the forecast of 31 October did not in any way suggest that the OBR assessment was that the fiscal outlook was problem-free.

**Dame Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): When I last spoke in this House, Richard Hughes was still chair of the OBR. I pay tribute to him. He was a tenacious champion for its independence. A highly intellectual man, he ably led that organisation and made an honourable decision to take responsibility for what happened last Wednesday.

The Minister says that a leak inquiry is under way in the Treasury; leak inquiries have a habit of not finding someone responsible. But if somebody is found responsible, will they follow the lead set by Richard Hughes?

**James Murray:** I will not speculate on the outcome of the leak inquiry, but it is under way now, with the Chancellor's support. The Government take our obligations to this House very seriously, and last week we produced a Budget that delivers on our priorities for the British people.

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

**Charlie Maynard (Witney) (LD):** On behalf of my party, I thank Richard Hughes for his service. We respect his resignation. I also thank Laura Gardiner, Professor Ciaran Martin and Huw Stephens for the very quick turnaround of the investigatory report on the leak. In that report, the point is made that, unlike all other IT systems and services, the OBR's website is locally managed and outside the gov.uk network. That decision was made, apparently, to ensure the OBR's full independence from the Treasury. Will the Minister soon report back to the House with a timeline for decisions—between now and the OBR's next report in spring 2026—on how these matters will be managed in future? Will he provide an outline of how the OBR website will be operated so that it is secure and maintains appropriate separation from the Treasury?

**James Murray:** As I have made clear, the Treasury will be focused in the coming months on ensuring that we have stronger information security in the spring forecast and all future forecasts. It is worth my adding that the OBR has in recent years had significantly increased funding: since 2021-22, its budget has increased by 45%. As an independent organisation, it has full discretion in how it uses its budget.

**Yuan Yang (Earley and Woodley) (Lab):** I join the Chair of the Treasury Committee in thanking Richard Hughes for his service, and commend him for taking responsibility for the security leak that happened on his watch.

In testimony given to the Treasury Committee yesterday, the OBR described the “£21 billion average absolute revision” to their pre-measures forecasts as meaning, in effect, that between every six-month forecast, £21 billion on average is wiped off or added to the headroom. That leads me to ask: how can we ensure long termism in the UK's fiscal institutions, despite this overall focus on headroom?

**James Murray:** The Chancellor set out at the Budget how important it is to increase our headroom. We have increased it to £21.7 billion, which is critical to reducing the cost of borrowing and protecting us against future shocks. The Chancellor also announced that the OBR's spring forecast will not include an assessment of the Government's performance against the fiscal rules, and the Government will not respond to it with fiscal policy; but the OBR will produce a forecast in spring, as expected.

**Sir Edward Leigh (Gainsborough) (Con):** For what it is worth, I think the OBR has become too powerful. We live in a parliamentary democracy, not a quangocracy, and the Chancellor alone should be responsible. Does the Chief Secretary agree that in future all communications between the Chancellor and the OBR should be in deep

private? That is the only way the system will work. Never again do we want selective leaks. Can he promise that that will not happen in the next Budget?

**James Murray:** The right hon. Gentleman and I disagree on the role of the OBR. As a Government, we are committed to the OBR's independence and its vital role as a core part of our political framework. As I mentioned, one of our first acts in this Parliament was to introduce the fiscal lock to ensure that the OBR can never again be sidelined as it was by the previous Government. Regarding the private space between the OBR and the Treasury, the publication of the OBR's letter, which as I mentioned was agreed to by the Chancellor, was due to the unique nature of this Budget in the context of the OBR's productivity review. We acknowledged that that would not become a usual practice, due to the importance of preserving a private space for conversations.

**Luke Murphy (Basingstoke) (Lab):** I echo fellow members of the Treasury Committee in commending Richard Hughes for his work and for taking responsibility for what the OBR itself acknowledged is the worst failure in its 15-year history. The shadow Chancellor failed to mention that Professor Miles stated in his testimony to the Committee yesterday that the Chancellor's remarks on 4 November were entirely consistent with the forecast set out by the OBR at the time, in which the fiscal picture was not as rosy as the Opposition, bizarrely, now claim it was. Does my right hon. Friend agree?

**James Murray:** My hon. Friend is absolutely right to point to some of Professor Miles's comments yesterday. There has been a lot of discussion in this place about the £4.2 billion headroom identified in the forecast by the OBR on 31 October and what, in our view, that implied about the fiscal situation. Professor Miles said that the

“£4 billion in the pre-measures forecast is not inconsistent with the sentiment that this is a very challenging fiscal position.”

It is because of that fiscal position that we made the choices that we did.

**Dame Harriett Baldwin (West Worcestershire) (Con):** I welcome the fact that the Minister has just confirmed a leak inquiry is under way at the Treasury, and I will be paying close attention to that inquiry. Richard Hughes was an outstanding public servant, and he was truly independent. Will the Minister confirm that the person the Chancellor nominates to this position has to be endorsed by the Treasury Committee? Will he commit to someone of equal independence and stature being nominated to this position?

**James Murray:** As the hon. Lady will know, the process is now under way for an external recruitment of a new chair of the OBR. The normal process will be followed in terms of the Chancellor making the appointment and the Treasury Committee being involved. The hon. Lady mentions that I have confirmed the leak inquiry today; I have confirmed it again today, but I mentioned it in my remarks to the House yesterday.

**Clive Efford (Eltham and Chislehurst) (Lab):** Over my years here, I have seen many Budgets. Members on the Government Benches wave their Order Papers on the day, then watch as the Budget unravels over the next

48 hours, but we do not seem to have had any of that with this Budget. It has been extraordinarily tight in what it seeks to achieve—[*Interruption.*] The Tories are protesting on the Opposition Benches about the individuals involved, rather than the content of the Budget itself, because they have very little argument to make.

**James Murray:** My hon. Friend is absolutely right to draw attention to that. While the process around the Budget is important, what this Budget means for people across Britain is that we have cut the cost of living, continue to cut NHS waiting lists, and cut Government borrowing.

**Dave Doogan** (Angus and Perthshire Glens) (SNP): The head of the OBR has taken responsibility and resigned, just like the BBC director general took responsibility for a crisis and resigned. Given the backdrop that the UK is in the throes of a full-on fiscal crisis of the Chancellor's own making—both materially by removing £66 billion from the economy with no corresponding stimulus and objectively by briefings, counter-briefings, screeching U-turns, leaks, and a profound lack of discretion over market-sensitive information—why will she not resign?

**James Murray:** The Chancellor has delivered a Budget that takes the challenges of this country head on, cuts the cost of living, continues to cut NHS waiting lists, cuts Government borrowing, and meets the priorities of the British people.

**Rachel Blake** (Cities of London and Westminster) (Lab/Co-op): The OBR's investigation has two particularly striking findings: the first was the number of attempts to access the documents in question; and the second was the lack of security for those documents. What specific actions does the Minister believe the OBR should take to overcome those things at future fiscal events? Does he agree it is possible to have confidence in the principle of an independent OBR alongside undertaking meaningful and significant scrutiny of some of the organisation's actions?

**James Murray:** I very much agree with the sentiment of my hon. Friend's question. The OBR is a vital part of our fiscal framework—indeed, as I mentioned earlier, one of the first acts we took on entering government was to strengthen its role to ensure that it could never be sidelined. It is precisely because we see the OBR as holding such an important place in our fiscal framework that it is important that we maintain its integrity and trust.

My hon. Friend asks what further steps the OBR will take. We will work with the National Cyber Security Centre and the OBR to take forward the recommendation that a forensic examination of potential premature access at previous fiscal events is carried out. Let me add that there is no evidence of hostile cyber-activity, but the OBR report's findings indicated access at previous fiscal events. That is a very serious matter that we will investigate.

**John Glen** (Salisbury) (Con): Richard Hughes was a first-rate public servant, but he did the right thing on the narrow matter of the premature upload of the file last week. OBR representatives told us a number of things yesterday in the Treasury Committee. They told

us that there was a £16 billion downgrade and £4.2 billion of headroom on 31 October, because there were also improved tax revenues. I do not think £4.2 billion can be characterised as a black hole, but it was a challenging circumstance—that is the truth. Will the Minister consider, in all future Budgets, that such a letter should be made available, at the same time that Budget publications and OBR publications are made available, setting out what was said to the Chancellor at what point? We could then verify whether the press conference on 4 November was very wide of the mark and gave a materially misleading view of what was actually happening.

**James Murray:** As will be clear, I agree with the right hon. Gentleman's remarks about Richard Hughes's contribution to public service. However, I disagree that the premature publication of the forecast last Wednesday was a narrow matter. The report showed that it was about not simply a single error, but more systemic issues, which it highlighted, so I disagree with the characterisation of that as narrow.

The right hon. Gentleman referred to some of Professor Miles's comments at the Treasury Committee. Professor Miles confirmed that the £4 billion headroom identified in the forecast on 31 October was not inconsistent with the sentiment that this is a very challenging fiscal position.

The right hon. Gentleman also asked about the OBR's letter, the nature of its being published and what it speaks about for the future. As I said earlier, the publication of the OBR letter was agreed to by the Chancellor due to the unique nature of this Budget and the context of the OBR's productivity review, as it said itself, while acknowledging that it would not become usual practice, due to the importance of preserving a private space for discussion.

**Perran Moon** (Camborne and Redruth) (Lab): The OBR leak was deeply disturbing, particularly in the light of international sensitivities. Can the Chief Secretary rule out foreign actors exploiting the OBR's inadequate security at any point?

**James Murray:** The OBR's report into the premature publication of its forecast found no evidence of hostile cyber-activity, but it looked at the spring forecast and identified what happened there. Concerningly, it identified that there had also been premature access to the forecast at that fiscal event. The report did not look further back at, for instance, the Chancellor's first Budget last year or Budgets delivered by Conservative Chancellors under the previous Government. That is why it is so important that the Government take forward the report's recommendation to conduct a forensic examination of potential premature access at previous fiscal events.

**Sir Julian Lewis** (New Forest East) (Con): The Government seem to be keen to maximise the gravity of the OBR's accidental leak while minimising the gravity of the Chancellor's deliberate leaks. The Minister has twice frankly admitted not being aware of the case of Labour Chancellor Hugh Dalton, who resigned for inadvertently leaking to a journalist a single sentence of his 1947 Budget moments before it was due to be announced. Now that he has understood what actually happened then and that that was the paradigm case, does he think it holds any lessons or examples of conduct that the Chancellor ought to consider following?

**James Murray:** I came here this morning expecting to be critiqued by the Opposition for their view of Government policy; I did not expect a critique of my knowledge of history, but that appears to be the route that the right hon. Gentleman wants to take. When I gave way to the right hon. Member for Gainsborough (Sir Edward Leigh) yesterday, my right hon. Friend the Health Secretary said I was being too generous, and I am inclined to agree with him.

On the broader point just made by the right hon. Member for New Forest East (Sir Julian Lewis), I think we need to be really careful about downplaying the seriousness of the OBR publishing its forecast early. It is not a “narrow matter”, as the right hon. Member for Salisbury (John Glen) said; we cannot simply brush it away. This is a serious leak of highly sensitive information, and we take it very seriously as a Government.

**Andrew Lewin** (Welwyn Hatfield) (Lab): Three years ago, the role of the OBR came into sharp focus after the delivery of another Budget, which became known as the mini-Budget, by which the markets were sent spiralling and the Bank of England was forced to take emergency action. Does my right hon. Friend agree that, while the events of this last week have been serious, we have taken action within a week? Three years on, we are still living with the consequences of the decisions taken by the Conservatives.

**James Murray:** My hon. Friend is absolutely right that people across Britain are still living with the consequences of what the previous Government did in that mini-Budget, when they sidelined the OBR. In fact, one of the reasons we are so keen to protect and strengthen the OBR’s integrity is the vital role it plays in our fiscal framework. The very first Bill passed by this Government included the fiscal lock, which now prevents the OBR from being sidelined.

**Mr Joshua Reynolds** (Maidenhead) (LD): The Chancellor announced in the Budget that she would legislate for only one assessment of the fiscal rules every year, instead of two, which is the case at the moment. In the light of the change in the OBR’s leadership, will the Minister commit today to seeking the views of the incoming chair of the OBR about the economic and fiscal impact of that decision before the Government plough ahead with it?

**James Murray:** I want to be clear about what the OBR is required to do and what the Chancellor announced last week in the Budget. The OBR is required to produce two forecasts a year, and the Chancellor will commission a second forecast in due course. As she announced in the Budget, however, that forecast will not include an assessment of the Government’s performance against the fiscal rules, and the Government will not respond with fiscal policy.

**Chris Vince** (Harlow) (Lab/Co-op): Was the Minister as surprised as I was to find out that such a sensitive document was being managed by something that was using WordPress? What reassurances can he give my constituents—what reassurances has he had from the OBR—that, moving forward, these sorts of documents will be password protected and, crucially, protected from foreign interference?

**James Murray:** I will admit that I was surprised to read the OBR’s report, which made it clear that any assumptions we might have had that this was a simple error were not true—more systemic issues were revealed in the report. As I understand it, there was functionality within the OBR’s IT and website systems to have greater security, but they were not configured correctly to provide that security. For me, that underscores the fact that this is not one inadvertent error by one official; it is a systemic issue with the information security, which is so important.

**Simon Hoare** (North Dorset) (Con): Although I remain convinced that there are ways of delivering the guardrails that the Treasury needs without the OBR, I know that the Chief Secretary and the Chancellor are not persuaded of that argument. However, might the Chief Secretary be persuaded that the resignation of the chair of the OBR and the recruitment process that is now under way presents an opportunity for the Treasury and the permanent secretary to reflect on what they need the OBR to be doing for the next five, 10, 15 or 20 years? What skills does the OBR need, what shape does it need to be, and what does it actually need to do to get the economy right? Will they be availing themselves of this opportunity to recast the OBR and reflect on its roles and responsibilities?

**James Murray:** I thank the hon. Gentleman for his question—I am glad that, not having had time to take his intervention yesterday, we are now back to business as usual with frequent exchanges across the Chamber. We probably disagree about the OBR’s role, but I hope he recognises the benefit of one of the changes to what the OBR will do that the Chancellor announced in last week’s Budget. As I said to the hon. Member for Maidenhead (Mr Reynolds) a few moments ago, although the OBR is required to produce two forecasts a year, the Chancellor has announced that the spring forecast will not include an assessment against the fiscal rules, and the Government will not respond with fiscal policy.

**Dr Scott Arthur** (Edinburgh South West) (Lab): I find it rather curious that Conservative Members have a lot to say about Hugh Dalton’s Budget in 1947, but so little to say about Liz Truss’s Budget in 2022.

**Perran Moon:** Selective amnesia.

**Dr Arthur:** Exactly. It is very curious.

All the staff in my office diligently followed Mr Speaker’s advice on cyber-security and the threat of foreign intervention in our IT, and it is right that we take these matters seriously. However, based on the reports we have seen, I am not convinced that the OBR had taken the same kinds of steps to protect its own systems. Were the OBR and other Government Departments and agencies offered this advice but just did not follow it, or has there been an oversight in how we are managing security right across Government?

**James Murray:** My hon. Friend is right to point out that while Conservative Members are keen to raise points of history, they seem to be rewriting history when it comes to their last few years in office. He asks an important question about cyber-security. The Government will work with the National Cyber Security Centre and the OBR to take forward the OBR report’s

recommendation that a forensic examination of potential premature access at previous fiscal events be carried out. For the avoidance of doubt, I should reiterate that the report found no evidence of hostile cyber-activity, but my hon. Friend is right to point out that information security and cyber-security are important for all of us across Government. Indeed, that was reflected in the spending review.

**Sir Ashley Fox (Bridgwater) (Con):** For the first time in its history, the OBR was forced to correct the record about the forecasting process in the run-up to the Budget. Is not the reason that the Chancellor selectively leaked information from the OBR to mislead the public and justify tax rises?

**Madam Deputy Speaker (Caroline Nokes):** Order. I am sure that the hon. Gentleman does not want to suggest that the Chancellor in any way misled anyone.

**Sir Ashley Fox:** I am grateful for your advice, Madam Deputy Speaker. Perhaps I can rephrase that: the Chancellor inadvertently misled the public to justify those tax rises.

**James Murray:** The OBR set out in black and white that the productivity downgrade reduced tax receipts by £16 billion, and identified the cause of that downgrade as the previous Government's record in office, whether their slashing of public investment or their mishandling of Brexit. In her speech on 4 November, the Chancellor was clear that this productivity downgrade, combined with the clear need to increase headroom to build resilience in the public finances, would require everyone to make a contribution. That is what happened at the Budget.

**Tom Hayes (Bournemouth East) (Lab):** It is a pleasure to see you in the Chair, Madam Deputy Speaker. I was disappointed, as were my constituents, by the botched and premature release of the Budget on the OBR website, and I welcome the news that the OBR is welcoming in

an expert in cyber-security. I sincerely hope that it is not the Leader of the Opposition—who, as we know, has form with accessing websites improperly. After all, the Conservatives really could not do without her.

My question is about the cyber-security expert reporting back. When do the Government expect to hear back, and can we be assured that, in the interim, the OBR has got its security systems into the shape they need to be in?

**James Murray:** The Government take this matter very seriously indeed and will move urgently to take forward that recommendation of the report, working with the National Cyber Security Centre. Cyber-security is an important matter for the OBR, and indeed for all Government Departments and bodies all year round, but the forecast is especially market sensitive, so it is particularly important to ensure that it is not published prematurely. That is why we take so seriously what happened last week, what seems to have happened in the spring, and what may even have happened at previous fiscal events.

**Jim Shannon (Strangford) (DUP):** The OBR's assessments have an incredible impact on households and businesses in Northern Ireland, and indeed across the whole United Kingdom. Can the Minister please outline what steps will be taken to ensure full transparency around this resignation and to safeguard trust in the OBR's future work, so that public confidence in our economy is in no way undermined?

**James Murray:** The hon. Gentleman is absolutely right to point out the importance of trust, and not just in the economy but in the public finances. In the Government's view, the OBR's role is a critical part of that trust. It is because of that role that the OBR plays in our robust and transparent fiscal framework that we take the premature release of this information so seriously and are following up the matters it raises so urgently.

## Official Secrets Act and Espionage

1.9 pm

**Matt Western** (Warwick and Leamington) (Lab) (*Urgent Question*): To ask the Chancellor of the Duchy of Lancaster if he will make a statement on espionage cases and the Official Secrets Act.

**The Minister for Security (Dan Jarvis)**: I thank my hon. Friend for securing this urgent question, following the deeply disappointing collapse of the prosecution case concerning two individuals charged under the Official Secrets Act 1911. The allegations were hugely concerning, and we recognise and share the public and parliamentary frustration about this outcome. The Government welcomed the Joint Committee on the National Security Strategy's inquiry and the opportunity it provided for parliamentary scrutiny on this important matter, alongside the ongoing review led by the Intelligence and Security Committee.

I will take this opportunity to thank the Joint Committee on the National Security Strategy, under my hon. Friend's chairship, for its diligent and rapid work. The Government will now take the time to consider the Committee's conclusions and recommendations properly, in conjunction with partners referenced in the report, before responding within the two-month timeframe.

However, I am glad that the JCNSS's report has reinforced two fundamental points that the Government have made throughout. First, and as the Government have been saying for several weeks, the report makes it clear that there was no evidence of attempts by any Minister, special adviser or senior official to interfere with the prosecution. The report states that it found no evidence of improper influence. Despite ongoing questions about a meeting of senior officials that took place on 1 September, chaired by the National Security Adviser, the report clarifies that there was no deliberate effort to obstruct the prosecution.

The first senior Treasury counsel had already made the judgment on the basis of the evidence that charges could not progress by 22 August, more than a week before the meeting took place. We have been consistent throughout on these points, which runs in sharp contrast to our critics, who initially criticised the Government for intervening in the case and then, when it became clear that that was nonsense, criticised us for not intervening in the case.

Secondly, the JCNSS report reinforces a fundamental point that I have made to this House previously: the root cause of the failure of this case was the outdated Official Secrets Act 1911, which predates the first world war. The 1911 Act created an unrealistic test by requiring the prosecution to prove that China was an enemy. The Law Commission had flagged the term "enemy" as being deeply problematic as far back as 2017. The Government will continue to work tirelessly to ensure that we have the most effective structures and processes in place to support law enforcement partners in mitigating and prosecuting foreign espionage wherever we find it.

More importantly, the ongoing disinformation around the collapse of this case has been distracting from the most important issue that we should be focused on: how the Government can work across this House to ensure

that Chinese espionage will never be successful in the United Kingdom. As the Prime Minister stated in his speech at the Lady Mayor's banquet on Monday:

"Protecting national security is our first duty and we will never waver from our efforts to keep the British people safe."

That is why, on 18 November, I set out a significant number of measures that this Government are taking to counter the threat that China and other state actors pose to UK democracy and society. In line with the JCNSS report, the Government will continue to strengthen our processes and preparedness for future threats, ensuring that we leverage our new security legislation effectively—

**Madam Deputy Speaker (Caroline Nokes)**: Order. The Minister will know that he should have restricted himself to three minutes for his response. That appears to have been four and a quarter minutes.

**Matt Western**: I thank the Minister for his comments, and I thank Mr Speaker for granting this urgent question demonstrating the importance of parliamentary security, safety and sovereignty. The case of alleged spying on behalf of China caused widespread concern among the public and Members of both Houses. My Committee, which is comprised of senior Members of both Houses, examined the timeline, and actions and decisions of the Government and the Crown Prosecution Service. While this was a highly unusual inquiry for a Committee to conduct, it was essential that Parliament examined the processes that led to the collapse of the case.

Our inquiry found nothing to suggest a co-ordinated, high-level effort to collapse the prosecution, nor deliberate efforts to obstruct or circumvent constitutional safeguards. However, we did find a process that is beset by confusion and misaligned expectations, and that can, at points, be best described as shambolic. There were systemic failures, and deficiencies in communication, co-ordination and decision making between the Crown Prosecution Service and the Government. Indeed, the episode reflects poorly on the otherwise commendable efforts of public servants to keep our country safe.

Given the conclusions I have just set out, will the Minister give reassurances that the Government will work closely with the CPS to ensure that communications and processes are tightened up, particularly when dealing with cases involving national security? Does the Minister acknowledge that the new National Security Act 2023, while comprehensive, may not entirely cover low-level espionage activity, especially given its structural parallels with the previous legislation? Finally, does the Minister agree that greater support should be given to the deputy National Security Adviser and civil servants acting as witnesses in such cases, to ensure top-level grip on cases with significant public exposure?

**Dan Jarvis**: As Mr Speaker has rightly acknowledged, these issues require a great deal of scrutiny from Parliament, and the Government are grateful for the opportunity to engage and work closely with Parliament on these matters, not least because they merit careful consideration, alongside decisive action by Ministers and senior officials. The Joint Committee on the National Security Strategy, led by my hon. Friend the Member for Warwick and Leamington (Matt Western), plays a vital role in providing that appropriate scrutiny. I say that not just as a Government Minister, but as a former member of his Committee.

The same principle applies to the ISC, which does important work. I take this opportunity to thank the Chair and the whole Joint Committee for undertaking this work and publishing a comprehensive report as quickly as they have.

My hon. Friend the Chair highlights some important aspects of the report's conclusions, recommendations and findings, following the work that the Committee undertook. As I have said, the Government approach this issue, and will consider the Committee's report, with the utmost seriousness. I can give him the assurance that he seeks that the Government are now carefully considering the findings of the report. I give him and the House an absolute assurance that we will respond within the agreed timeframe. He mentioned a couple of other points that I will respond to briefly now, although I am happy to engage with him in more detail, should he think that necessary.

My hon. Friend mentioned the role of the CPS. He will understand that as a Government Minister, I am incredibly limited in what I can say about the CPS, because it is operationally independent of Government. He makes a fair challenge, and we will look carefully at the report's findings in this area. He also mentioned the National Security Act 2023. While I am not in any way complacent about that legislation, we are in a much stronger position than we were. We keep these matters under review, and along with colleagues across Government, we are constantly seeking to assure ourselves that the legislative framework is fit for purpose and appropriate. I give him an absolute assurance that we take that incredibly seriously.

Finally, my hon. Friend mentioned the deputy National Security Adviser. Let me take the opportunity again to pay tribute to him for the important work that he does. He is a dedicated public servant, and his contribution to our national security is immense. The Government are grateful for his service, as I am sure is the whole House. I will look carefully at the points that my hon. Friend has made, and we will ensure that they are properly reflected in the response he receives from the Government.

**Madam Deputy Speaker (Caroline Nokes):** I call the shadow Chancellor of the Duchy of Lancaster.

**Alex Burghart (Brentwood and Ongar) (Con):** I thank the Joint Committee for its work. Its report is a damning indictment of the Government's handling of the China spy case. The investigation not only found

"serious systemic failures and deficiencies",

but calls the Government's handling of the matter "shambolic", as the hon. Member for Warwick and Leamington (Matt Western) just said. It also found—surprise, surprise—that there was enough evidence to prosecute the alleged spies. The Committee writes that

"China posed a range of threats to the United Kingdom's national security. In our view, it is plain that, taken together, these amounted to a more general active threat to the United Kingdom's national security."

The Labour party tried to blame the last Government for the collapse of the case, but this investigation has exposed the fact that that is plainly untrue. I was surprised to hear the Security Minister refer to the deficiencies of the 1911 Act. I draw his attention to paragraph 40 of the report; I think he probably should have read it before he came to the House. It was this

Government's incompetence that ultimately led to these two men not standing trial, and, most worryingly, the report reminds us that there may be many more such cases. Indeed, why should there not be, if foreign spies believe that they can act against this House with impunity and effective immunity?

It is obvious that this Government are not prepared to stand firm. Over the past few days we have heard from the press—not from reports to the House—that the Prime Minister is about to sign off the Chinese mega-embassy in London, despite major security concerns, and that he is preparing to travel to Beijing. Will he, I wonder, have the backbone to stand up for our interests while he is there?

I will ask the Security Minister three very simple and straightforward questions. First, did the Government provide the Joint Committee with the minutes of the 1 September meeting chaired by the National Security Adviser, and if not, why not? Secondly, during the many debates that we have had in the House on this matter, a number of Ministers appear to have made inaccurate and misleading statements on at least six occasions. Will the Minister ensure that corrections are made to *Hansard*, so that the record is straight? Thirdly, the Joint Committee has concluded, from the evidence it received, that China is a general threat to the United Kingdom's national security; do the Government agree, and if they do, how can they justify supporting the mega-embassy?

**Madam Deputy Speaker (Caroline Nokes):** Order. Before I call the Minister, may I make the point to those on both Front Benches that the Minister responding to an urgent question has three minutes? The Opposition Front Bencher, the hon. Member for Brentwood and Ongar (Alex Burghart), should have taken two minutes, and I should advise the Liberal Democrat spokesperson that she has one minute. I commend the hon. Member for Warwick and Leamington (Matt Western) for managing to stay well within his two minutes. I call the Minister.

**Dan Jarvis:** A few moments ago, I spoke of the careful consideration and appropriate scrutiny that this matter deserves. Many Members of both Houses and Members of all parties on the Joint Committee have adopted that view, but I have to say that I am disappointed that the hon. Member for Brentwood and Ongar (Alex Burghart) continues to choose a different approach. He did not seem to want to mention that much of the report refers to the time when his party was in government. Some might have hoped that he would use his contribution today to show a bit of humility, both to the House and to those in our national security community, not least given some of the low-brow political point scoring and baseless accusations that we have heard over the past few weeks.

In the aftermath of the trial's collapse, some Opposition Members accused Ministers, special advisers and civil servants of improper interference. This report makes it clear that that was baseless and untrue. There were some who suggested that some of our most experienced and most dedicated national security experts set out to deliberately withhold information from prosecutors in order to placate the Chinese Government. This report makes it clear that that was baseless and untrue. There were some who suggested that the Conservatives' failure to update critical national security legislation was immaterial

[*Dan Jarvis*]

to the case that was being brought to trial. This report makes it clear that the root cause of the collapse was the years of dither and delay that left outdated, ineffective legislation on the statute book long after we knew that it did not protect our country from the modern threats that we face. Some Opposition Members—although not all of them—were all over the place on that legislation, and were all over the place with regard to China, and some of them, sadly, still are.

On China, as the Prime Minister observed this week,

“We had the golden age of relations under David Cameron and George Osborne, which then flipped to an ice age, that some still advocate”,

but no matter how much Opposition Members may wish it to be so, not engaging with China is no option at all. We have made it clear that we will co-operate where we can, but we will always challenge where we must. When we say that national security is the first priority of this Government, we mean it, and since the trial’s collapse, I have announced a comprehensive package that will help us to tackle the economic, academic, cyber and espionage threats that China presents. The report to which the hon. Member has referred provides further useful thought on how we can best safeguard our national security, and the Government genuinely welcome that constructive feedback. I look forward to engaging with the Committee, and with responsible Members in all parts of the House, as we continue to consider how best to go on protecting our democracy and our nation.

The hon. Member asked me about the minutes—*[Interruption.]* He is still asking me about the 1 September meeting.

**Alex Burghart:** You never answered.

**Dan Jarvis:** I am going to give the hon. Member the answer. The minutes were provided by the Government to the Intelligence and Security Committee, so there is his answer. He also referred, on several occasions, to the application for the Chinese embassy. Let me explain to him, for the sake of absolute crystal clarity, what the position is with regard to the embassy. I think that will be helpful to other Members as well.

As Members will know, an independent planning decision will be made by the Secretary of State for Housing, Communities and Local Government by 20 January. National security is the first duty of government, and it has been our core priority throughout this process. The Home Office and the Foreign Office provided views on the security implications of this build throughout the process, and we have been clear about the fact that a decision should not have been taken until we had confirmed that those considerations had been resolved. The letter recently sent to the Ministry for Housing, Communities and Local Government now confirms that all national security issues raised have been addressed. Should the planning decision be approved, the new embassy will replace the seven different sites that currently comprise China’s diplomatic estate in London.

**Derek Twigg** (Widnes and Halewood) (Lab): I think that many of us are still somewhat bemused by the fact that somehow, despite the three witness statements, the Crown Prosecution Service thought that it could not go

ahead with a prosecution. I welcome much of what my hon. Friend the Minister has said, but I think it would be useful, following the questions asked and the points made by my hon. Friend the Member for Warwick and Leamington (Matt Western), if he agreed to come back to the Committee after the Government has responded to its report and recommendations, so that we can be given a clear timeline for the changes that rightly need to be made.

**Dan Jarvis:** My hon. Friend will understand that there is nothing more I can add with regard to his point about the Crown Prosecution Service. As for his substantive point about engagement with Committees of this House, let me give him that assurance. I genuinely welcome the constructive scrutiny carried out both by the Committee of which he is a member and the Committee chaired by my hon. Friend the Member for Warwick and Leamington. I think that they provide a huge amount of value, and I can give my hon. Friend the Member for Widnes and Halewood (Derek Twigg) an absolute assurance of our continued desire to co-operate closely with them.

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

**Lisa Smart** (Hazel Grove) (LD): The seriousness of the threat that Beijing poses to our national security cannot be overstated. Any attempt by China to interfere in our democracy must be rooted out, and the Government should implement the recommendations of the Committee’s report as a matter of urgency. The work that the National Security Adviser and his deputy are doing is vital to keeping our country safe, but the report is damning, and it describes aspects of the situation as “shambolic”. The Minister has previously mentioned his plans for new powers to counter foreign interference, and I would be grateful if he could provide a timeline for their introduction.

Let me once again urge the Minister to place China on the enhanced tier of the foreign influence registration scheme. If he will not do that today, I wonder whether he might give us a date in the diary—say, a week before the Prime Minister’s visit to Beijing; that may well coincide with the date of an announcement on the planning permission for the mega-embassy—and give the House the clarity that it deserves.

**Dan Jarvis:** I am grateful to the hon. Lady for her serious attention to these matters. I hope she will acknowledge that it was only a couple of weeks ago that I presented the House with a significant package of measures designed specifically to counter the threats that we have debating for a number of months, and I hope she will also acknowledge that it was indeed a significant package of measures, but of course we keep these matters under very close review, and I am certain that the Government will want to introduce further measures in due course.

The hon. Lady raises the issue of FIRS. As I have said to the House previously, there were Opposition Members who did not think that we would introduce FIRS on time, but we did so. It is a valuable tool and adds significant value to our capabilities with regard to our national security, but at the same time we have to very carefully deliberate the addition of more countries

to the enhanced tier. We keep that under very close review, and I would be very happy to discuss the matter with her further.

**Andy Slaughter** (Hammersmith and Chiswick) (Lab): The Joint Committee, of which I am a member, approached this issue in a non-partisan way, and I agree with the Minister that it is a pity that the Conservatives have not taken the same approach, particularly as it started on their watch. The strong impression that I form from the inquiry is that everyone thought they were doing the right thing, but in reality they were tip-toeing around the issues and staying in their own silos. Whether the Minister agrees with that analysis or not, can he tell us what organisational lessons he has learned that will prevent any repetition of, in his own words, this “deeply disappointing” outcome?

**Dan Jarvis:** I am grateful to my hon. Friend for his work on the Joint Committee, and I completely agree with the premise of his point: the Committee considered these matters in a non-partisan way. That is precisely the right approach. It is the approach that I will always seek to undertake, and I know that the majority of Members of this House will proceed in the same way.

My hon. Friend raises an entirely fair and reasonable challenge about the organisational lessons that have been learned as a consequence of this process. All Ministers, whether in this Government or in the previous Government, should have approached these kinds of reports with a degree of humility. Undoubtedly, there are lessons that will need to be identified, learned and implemented as a consequence of recent events. As I know he and the House would expect, the Government need to do that in a measured and considered way. I give him and the Joint Committee an absolute assurance that we will look at the detail of the report very closely indeed, and we will respond within the timeframe that the Committee has set us.

**Sir Julian Lewis** (New Forest East) (Con): Having previously read out in this Chamber the relevant section of the Official Secrets Act 1911, I am pleased that the report concludes that the decision not to prosecute under the terms of that Act flies in the face of common sense. What also flies in the face of common sense is the Government’s previous position that China poses a range of serious threats but does not constitute a threat itself. Is that still the Government’s position?

**Dan Jarvis:** The right hon. Gentleman knows that I always listen assiduously to what he has to say, given the experience that he brings to this House. I am certain that he will have looked very carefully at what the Prime Minister said in his Mansion House speech on Monday evening, but on the off-chance that he has not yet had the opportunity to do so, let me tell him and the House the essence of what the Prime Minister said with regard to China, because he very clearly set out the Government’s approach. He said that China

“poses real national security threats to the United Kingdom”, but that it is

“time for a serious approach, to reject the simplistic binary choice. Neither golden age, nor ice age...So our response will not be driven by fear, nor softened by illusion. It will be grounded in strength, clarity and sober realism.”

I agree with the Prime Minister, and I suspect that most sensible Members of this House do as well.

**Dame Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): I commend my hon. Friend the Member for Warwick and Leamington (Matt Western) for steering the report through his Joint Committee swiftly and sensitively, and for managing sensitive data. It is a great example of how the Committee corridor can really contribute to transparency for the public, and I look forward to the Government’s response. However, there are sensitive matters that are not covered by the existing scrutiny Committees of this House. I hope that the Minister will, on the basis of this example, be an advocate in Government for the establishment of a new Committee that can cover matters that do not currently have oversight because of their sensitivity.

**Dan Jarvis:** I completely agree with my hon. Friend’s assessment of the work of the Joint Committee. She is right to say it is a great example of the work of a Select Committee that has constructively contributed a very significant amount of useful information that the Government will now consider in great detail.

My hon. Friend’s second point is about the creation of another Select Committee, and she will understand that that is above my pay grade. I gently point to the fact that the Government want to have a very good, close and constructive relationship with the ISC. It will be for the ISC to take a view, but that may provide a forum for further parliamentary scrutiny of those matters.

**Mark Pritchard** (The Wrekin) (Con): Although I have huge respect for the Security Minister and, indeed, for the hon. Member for Warwick and Leamington (Matt Western) and the Joint Committee on the National Security Strategy Committee—I sat on that Committee for five years—is it not the case that this statement actually raises more questions? It is not case closed, as there are questions that are still outstanding. That is because the weakness here is that the Joint Committee does not have access to classified material; only the Intelligence and Security Committee does. Having sat on both Committees, I know there is a stark contrast between the types of witnesses who can be called and what the witnesses can actually say. Given the earlier question, will the Minister now commit to review the memorandum of understanding with the Intelligence and Security Committee to ensure that the right questions can be asked of the right Committee at the right time, so that we can have some definitive conclusions on this whole saga?

**Dan Jarvis:** I am grateful to the right hon. Gentleman for the experience that he brings to this House, not least because he has sat on both the Committees to which we have been referring. I slightly take issue with his assessment of what the report does, because the Government are very clear that it emphasises the key arguments that we have been bringing forward over the last couple of weeks.

On the right hon. Gentleman’s second point, he has raised the MOU previously. It is an entirely reasonable point for him to raise, both publicly and privately. Let me take it away and come back to him.

**Tulip Siddiq** (Hampstead and Highgate) (Lab): The Security Minister knows very well the case of my constituent, Nazanin Zaghari-Ratcliffe, who is accused of espionage by the Iranian state. In case he needs a

[Tulip Siddiq]

reminder, her horrifying ordeal is being dramatised on BBC iPlayer at the moment. The one thing that Nazanin has said to me constantly is that a hostage envoy would have really helped when dealing with her situation. I know this is about dealing with espionage cases from the other side, but for the sake of national security, has the Minister considered having a hostage envoy, as the Ratcliffe family keep raising with me?

**Dan Jarvis:** I am grateful to my hon. Friend for the contribution that she has made and for the work that she has done previously. I am joined on the Treasury Bench by the Under-Secretary of State for Foreign, Commonwealth and Development Affairs, my hon. Friend the Member for Lincoln (Mr Falconer), who listened very carefully to her comments, and has indicated that he would be very happy to discuss them further with her.

**Stephen Gethins** (Arbroath and Broughty Ferry) (SNP): May I thank the Minister for his responses today and for the way he is responding to this matter? I know he will be as concerned as the rest of us about descriptions of the process being “shambolic” and the criticism of systemic failures. Can the Minister tell us what has changed? Secondly, what has changed over the past almost four years? Russia’s invasion of Ukraine changed the world profoundly, and China continues to provide assistance to Russia.

**Dan Jarvis:** That is an entirely fair and reasonable question, and I can give the hon. Gentleman a very straight response. One of the things that has changed is that the Prime Minister—rightly, in my view—conducted a machinery-of-government change in September, which means that, as the Security Minister, I now sit not just in the Home Office, as was the case previously, but in the Cabinet Office. The purpose of that machinery-of-government change is to ensure that we can more effectively co-ordinate national security policy and activity across Government. It is relatively early days, but my analysis today is that that was the right move to make; I think it will enable the Government to make better, more informed and timely decisions in this area. At the same time, I approach these things with a degree of humility. We will look very carefully at the findings of the report and make sure that we consider them. We will look at what changes are necessary, and respond to the Joint Committee and to the House in due course.

**Dr Scott Arthur** (Edinburgh South West) (Lab): I thank the Minister for his responses. Throughout this affair, he has remained calm and consistent in answering points that—let’s be honest—have at times been smears from the Conservatives. I think the report from the Joint Committee has found them out, and that is why their Benches are empty today. Rather than hiding, the Conservatives should be here apologising.

Does the Minister welcome the fact that the report makes it clear that the root cause of the case collapsing was the dither and delay from the previous Government? Does he agree with the Prime Minister that that was nothing short of a dereliction of duty when it comes to our national security?

**Dan Jarvis:** I am grateful to my hon. Friend for his contribution today and on many previous occasions. The essence of his point is absolutely right. I do regret the tone of some of these debates in recent weeks; some of it has been entirely unnecessary, when we should have been coming together as a House to look at what we can do to ensure that the activity that we allegedly saw here is not able to happen again. That has always been my approach throughout, and it will continue to be my approach as we move forward.

The point my hon. Friend made about the recommendations in the report are absolutely right, and I think it vindicates the basic argument that the Government have sought to bring forward. I say that with humility, because we will want to look carefully at the detail of all the findings and all the recommendations. We will do that over the next number of weeks, and we will take on board lessons where they need to be learned.

**James Wild** (North West Norfolk) (Con): The report says that the National Security Adviser, Jonathan Powell, apparently had very “limited” engagement about the case. In contrast, one of his predecessors, Sir Stephen Lovegrove, with whom I worked in the Ministry of Defence, said he

“would have expected to be involved intimately in the provision of the Government evidence”.

Why was Jonathan Powell—and Lord Hermer, for that matter, who is described in the report as being “not proactive”—so passive on a matter of national security and alleged spying on Members of this House?

**Dan Jarvis:** I honestly do not believe that that is a fair and reasonable characterisation of the role played by the National Security Adviser. The National Security Adviser is an extremely experienced and dedicated public servant, who is dedicating his life to keeping our country safe. The hon. Member, because he is a very well-informed and assured Member of this House, will understand that specific restrictions were placed on the deputy National Security Adviser about what he could do and what he could say. Both the deputy National Security Adviser and the National Security Adviser acted with integrity throughout this process, and I know that the House will be grateful to them for it.

**James Naish** (Rushcliffe) (Lab): In the light of the important issues being discussed today about the concerning activities of China in the UK, can I ask the Minister what additional steps he is taking or planning to take to protect Hongkongers, Tibetans and Uyghurs from any form of transnational repression?

**Dan Jarvis:** I know my hon. Friend takes a very close interest in this subject. I hope he will have seen the very significant package of measures that the Government brought forward a couple of weeks ago. We take issues relating to transnational repression incredibly seriously. We welcome the report from the Joint Committee on Human Rights, to which we have responded. Through the defending democracy taskforce, we have conducted a review of transnational repression in our country. I hope he sees that we take these matters very seriously. The notion that any state, whether it be China or any other, would seek to harm or persecute anybody resident in the United Kingdom is totally unacceptable, and the Government have been consistent in making that point.

**Richard Tice** (Boston and Skegness) (Reform): This report by the Joint Committee on the National Security Strategy is not only damning; it refers to “systemic failures”, “shambolic” aspects and “inadequate” communications. I am particularly struck by paragraphs 41 to 45, which call into question the judgment of the Director of Public Prosecutions. The former independent reviewer of terrorism legislation, Lord Carlile, described the decision not to proceed with the case as “inexplicable”, and the Committee in paragraph 45 is gentle in saying that it was “surprised” by the decision not to proceed. The question has to be asked: do the Government still have confidence in the Director of Public Prosecutions?

**Dan Jarvis:** The hon. Member will understand that it would not be appropriate for me, as a Government Minister, to make commentary about the performance of the Director of Public Prosecutions. The CPS and the DPP are operationally independent of Government. The hon. Member will have heard me say that we approach these matters with a degree of humility, and that is the right approach. I gently say to him that he may also want to approach these matters with a degree of humility, given recent events in his own party.

**John Cooper** (Dumfries and Galloway) (Con): The Minister and I have clashed over Sun Tzu in the past, but at the risk of riling him again, I want to tell him that Sun Tzu said that sometimes a strategic advantage is to be had by feigning weakness. Every day we fail to add China to the enhanced tier of the foreign influence registration scheme, that is not us feigning weakness; it is weakness. Is that not the case?

**Dan Jarvis:** As Christmas approaches, I hope there may be an opportunity for me to have a cup of coffee with the hon. Gentleman, and we can compare our various quotes. I give him an assurance that I never had any concern about his seeking to quote Sun Tzu. My concern was that I think it is possible to find a quote from him that matches any particular argument one wants to progress.

The hon. Member’s substantive point was about FIRS, and he will have heard what I have said today and previously. The Government are looking very closely at whether additional countries should be added to the enhanced tier. When a decision is made about that, we will bring it forward in the usual way.

**Jim Shannon** (Strangford) (DUP): First, I thank the Minister very much for his careful and helpful answers to questions. Given the collapse of the recent espionage

case and the findings that failures in procedure and co-ordination undermined the prosecution, what specific actions will the Government take to restore confidence in parliamentary security, ensure alleged spy threats are fully investigated and pursue the course of justice so that something similar does not ever happen again?

**Dan Jarvis:** I am grateful to the hon. Gentleman, as I am always. He made an important point about parliamentary security, and I hope that, as a very dedicated parliamentarian, he will know that the Government take these matters incredibly seriously. That is why we are working very closely with Mr Speaker and this House, through the defending democracy taskforce, to make sure that we have the appropriate mitigations in place to counter the nature of the threat we face.

I hold the hon. Gentleman in very high regard, and I refer him to what the Prime Minister said on Monday. The Prime Minister made an important point that is highly relevant to the question the hon. Gentleman raised:

“Protecting our security is non-negotiable. Our first duty. But by taking tough steps to keep us secure, we enable ourselves to cooperate in other areas.”

I hope he agrees—I know he does—with that.

**Jim Allister** (North Antrim) (TUV): Today, the Minister has again said that the reason the case collapsed was the inadequacy of the 1911 Act. That raises this obvious question: how come these two gentlemen were ever charged in the first place? The evidential test at the moment they were charged is exactly the same as the evidential test when the case was dropped, so how did they come to be charged under this Act if it was inadequate? Is it not quite clear that the Act was more than adequate to charge them and more than adequate to convict them?

**Dan Jarvis:** I am not sure that anybody really thinks that the 1911 Act was appropriate. As the hon. and learned Member will know, because it is a statement of obvious truth, the decision to proceed was taken not under this Government, but under the previous one. All I am able to do in this House is to account for the decisions and actions taken by this Government. What this Government will always do is ensure that we protect our national security. It is our first duty and nothing matters more.

**Madam Deputy Speaker (Caroline Nokes):** I thank the Security Minister for his answers this afternoon.

## Venezuela: US Military

1.48 pm

**Calum Miller** (Bicester and Woodstock) (LD) (*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if she will make a statement on imminent US military strikes on land targets in Venezuela, and the implications for UK foreign policy.

**The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Mr Hamish Falconer)**: As my hon. Friend the Minister with responsibility for north America—the Minister of State, Foreign, Commonwealth and Development Office, my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty)—told the House yesterday, questions about United States military action in the Caribbean and Pacific are questions for the US. The UK has not been involved in US strikes in the Caribbean. The Foreign Office currently advises against all but essential travel to Venezuela due to ongoing crime and instability. As always, our travel advice remains under regular review to ensure that it reflects our latest assessments of risks to British nationals.

The UK stands with the Venezuelan people in their pursuit of a fair, democratic and prosperous future. Nicolás Maduro's claim to power is fraudulent. The UK continues to call on the Venezuelan authorities to publish the results of the 2024 presidential election in full. The Government announced sanctions against 15 more members of Maduro's regime in January. The UK will continue to work with our international partners to achieve a peaceful negotiated transition in Venezuela which ensures that the will of all Venezuelans is respected.

**Calum Miller**: I am grateful for the granting of this urgent question, Madam Deputy Speaker, and I am grateful to the Minister for that answer.

At oral questions yesterday, the Foreign Secretary and the Minister of State, Foreign, Commonwealth and Development Office, the hon. Member for Cardiff South and Penarth (Stephen Doughty) both stated that the UK was committed to upholding international law. Last night, Donald Trump announced that US military strikes against Venezuelan land targets would “start...very soon”. Does the Minister believe that such an action would be legal?

Over recent weeks, the US has acted with complete impunity in the Caribbean, conducting unilateral military strikes in international waters with no due process. Let me be very clear. President Maduro is a threat to democracy and civil liberty. He is an ally only to dictators such as Vladimir Putin and President Xi. Yet the UK's response to the culture of impunity in the Oval Office must be robust and consistent. We must always hold accountable those who breach international law. By failing to do so, we risk normalising abuses that are eroding the international liberal order, all to the benefit of strong men such as Maduro who reject entirely the rule of law.

I have several questions for the Minister. Have US strikes in the Caribbean already violated international law? What steps are the Government taking, including on halting intelligence sharing, to ensure that the UK cannot be complicit in other US violations? Has the

UK been complicit in illegal actions already taken by the US, including the alleged “double tap” operations authorised by War Secretary Hegseth? Does the Minister believe that War Secretary Hegseth has authorised the commitment of war crimes? Finally, will the Minister confirm what further steps the Government are taking to sanction Maduro and his associates, and to work with international allies to strengthen our collective diplomatic and economic pressure on his regime?

**Mr Falconer**: As this House will understand, we must be very careful on making assessments. We, of course, continue to stand by international law. I am not in a position to provide a detailed assessment of the strikes conducted by the US, which are clearly a matter for the US, as the Foreign Secretary and my hon. Friend the Minister of State said during oral questions yesterday. The Liberal Democrat spokesperson asks whether we were involved in the strikes. I confirm again, as we confirmed yesterday, that we were not. He will understand that I will not comment on intelligence matters from the Dispatch Box. He asks about our policy towards Venezuela. As I set out, we do not accept the legitimacy of the current Administration put in place by Nicolás Maduro, but we do maintain limited engagement with Venezuelan officials where necessary.

**Richard Burgon** (Leeds East) (Lab): This is an enormous military build-up under Trump, one of the largest in decades. Retired US generals, along with US politicians including Republicans, are warning that Trump's strikes off the coast of Venezuela are already violating international law. Yesterday, the Government told me that no British troops are aboard the US warships near oil-rich Venezuela, despite reports to the contrary. What are the Government doing to try to stop Trump from taking this dangerous, escalatory path, which he now says could include land strikes?

**Mr Falconer**: As the Minister of State made clear to my hon. Friend yesterday, the UK is not involved in these operations. There has been, as my hon. Friend mentions, much reporting and speculation in the US media and the US Congress. I do not think it is appropriate for me to comment on the deliberations of their House on these questions.

**Wendy Morton** (Aldridge-Brownhills) (Con): I am grateful to the hon. Member for Bicester and Woodstock (Calum Miller) for securing this urgent question. Venezuela may be thousands of miles away, but instability there has a direct impact on the safety and prosperity of the British people here. The restoration of democratic institutions is essential if Venezuela is to escape the political, economic and humanitarian crises imposed on its people by Nicolás Maduro's authoritarian regime. The Maduro regime is propped up by the same axis of authoritarian states that undermine the rules-based international order and foster instability around the world. We know the shocking level of smuggling that comes out of Venezuela, and at a moment when our allies appear to be taking quite decisive action, the world is watching how Britain responds.

What discussions are taking place with President Trump's Administration about the objectives and scope of any imminent US military action? What would be the implications for the wider UK-US defence partnership, particularly our joint counter-narcotics operations?

The House will also expect clarity on how the Government intend to hold the Maduro regime to account. What further diplomatic pressure, targeted sanctions and co-ordinated international action is the UK pursuing to support Venezuelans fighting for a peaceful, democratic transition?

Will the Minister also update the House on the Government's position regarding Venezuela's provocation and aggression towards Guyana, the risks of escalation and the steps being taken with CARICOM—Caribbean Community—partners?

Finally, given the scale of organised crime linked to the regime, what additional measures are being deployed to disrupt drug flows, money laundering and criminal networks that threaten communities here in the UK? Are Interpol and our intelligence partnerships being fully leveraged? Britain cannot afford to be a bystander. The Government must demonstrate clarity, conviction and leadership at this critical moment.

**Mr Falconer:** I thank the right hon. Lady for those important questions. The US is of course the UK's principal defence and security partner. We have extensive discussions on a wide range of shared security objectives, including counter-narcotics. We are committed to fighting the scourge of drugs and organised crime, including with our partners in Latin America and the Caribbean. We are, of course, continuing to work with our international partners to achieve a peaceful negotiated transition in Venezuela, which ensures that the will of all Venezuelans is respected.

**Dr Scott Arthur** (Edinburgh South West) (Lab): One of my guilty secrets is that I like to listen to CNN in the evening, so I know that people in the United States are divided on this issue. The Minister started by talking about sanctions. Have we assessed the impact of the sanctions on Venezuela? What efforts are we making with civil society there to protect human rights? I really respect the fact that we are not engaging with the way in which the United States is trying to deal with the drug trade there, but are we able to show leadership in the region by trying to restrict the drugs trade in a way that definitely fits with international law? When did he last speak to his counterpart in the US in an effort to reach a peaceful solution on this issue?

**Mr Falconer:** On my hon. Friend's last question, I understand that the Foreign Secretary has been in discussions with her US counterparts in recent days on these questions. He asks an important question about civil society. We strongly condemn the ongoing repression of civil society and members of the opposition in Venezuela. We continue to call for the unconditional release of those arbitrarily detained, including members of civil society and independent media, such as through the UK's published statement to the UN Human Rights Council in its most recent session.

**Sir Julian Lewis** (New Forest East) (Con): President Trump would no doubt argue that there is a parallel between this situation and George Bush senior's invasion of Panama in late 1989, but does the Minister agree with me that it will be interesting to see, if something like this goes ahead, what sort of outcry there is from either Russia or China? If there is no sort of outcry, would that not suggest that there is some sort of understanding between these three major powers that

they each leave each other to get on with, shall we say, unilateral actions within what they regard as their own spheres of influence?

**Mr Falconer:** The right hon. Gentleman is learned and offers the opportunity both to make historical comparisons and comment on the conduct of other powers. I will avoid the temptation on both. Clearly, the British position is that international law is vital. Counter-narcotics action is important and we support that.

**James MacCleary** (Lewes) (LD): Nicolás Maduro's presidency clearly has no legitimacy after he was so roundly defeated in last year's elections; he has continued to refuse to release any evidence to show that he was victorious, as he claims. However, does the Minister agree that the presidency of Venezuela is a decision for the Venezuelan people to make in a peaceful, democratic way, supported by the international community—not a decision for the US President to make, under threat of military force?

**Mr Falconer:** I am grateful to the hon. Gentleman for providing an opportunity for me to give a slightly fuller commentary. The UK is clear that the outcome of the 2024 presidential elections in Venezuela was neither free nor fair, and therefore Nicolás Maduro's claim to power is fraudulent. While the National Electoral Council of Venezuela has not yet published the results of the elections, the results published by the opposition appear to show Edmundo González securing the most votes in the presidential election by a significant margin. Clearly, proper process and a free and fair election is the way to determine the leadership in Venezuela.

**Dr Andrew Murrison** (South West Wiltshire) (Con): On data sharing with our allies, does the Minister agree that signals intelligence and human intelligence are not a pick and mix when it comes to the Five Eyes community? Will he assure the House that we will continue to provide the information that the US needs in order to deal with Venezuelan cocaine, most of which lands up in Europe? I need not remind the Minister that cocaine deaths in this country were up by a third in 2022-23. Will he ensure that we do not apply an overly lawyerly approach in our dealings with an ally doing its best to tackle the scourge of drugs in the US and the rest of Europe, and in particular on the streets of Britain?

**Mr Falconer:** I thank the hon. Gentleman—my predecessor—for his question. The Government stand by the principles of international law. I will not provide a detailed commentary on intelligence matters, obviously, but I will say that the Five Eyes remains a vital, vibrant and free-flowing intelligence sharing arrangement that allows us to tackle a range of threats. That includes the illegal drug trade, which is having such an impact in both America and the UK; like many others across the House, I see that impact in my constituency.

**Stephen Gethins** (Arbroath and Broughty Ferry) (SNP): Nicolás Maduro is no respecter of the international rules-based system, but we must be. We do not want to see chaos in Latin America, but we are seeing the biggest military build-up in the Caribbean since the Cuban missile crisis and the biggest US military build-up since the war in Iraq. What lessons would the Minister

[Stephen Gethins]

draw from previous regime change that the UK Government have been involved in, and what advice would he give his US counterparts?

**Mr Falconer:** Again, it is tempting to indulge in some historical analysis, but the advice we give our friends and allies is mostly done in private. Clearly, it is important that the rights of Venezuelans to free and fair elections are respected in the way that I outlined in my previous answer to the hon. Member for Lewes (James MacCleary).

**Mark Pritchard (The Wrekin) (Con):** I will continue with what has been a bit of a history lesson today. President Reagan had his famous wobble over the Falkland Islands but eventually he came to the right decision, supporting the UK at that time. This issue is about how we liaise with the United States as its closest ally—certainly, in our eyes we are its closest ally; whether it is the same the other way around, let us wait and see.

It could be Venezuela today but Cuba tomorrow, and then Haiti and so on and so forth. We need to be candid with the United States, to uphold international law and to encourage our cousins across the water to show restraint, while recognising the need for them to counter the very bad drugs trade going into the United States, which affects crime on the streets in many cities there.

Among the potential impacts of this action are the growing malign influence of both China and Russia in the region and how that might affect proximate Commonwealth countries such as Trinidad and Tobago or Guyana. There are unintended consequences from something that the United States might feel is completely legitimate. Finally, there is the issue of whether this legitimises Putin's actions in Ukraine.

**Mr Falconer:** I am grateful for the experience that the right hon. Member brings to these questions. I want to be absolutely clear about the pre-eminent role of international law and how important that is to this Government and the actions we take. Those are, of course, points that we make to our allies as well.

**Edward Morello (West Dorset) (LD):** I say to the right hon. Member for New Forest East (Sir Julian Lewis) that I suspect he grants President Trump far too much credit when it comes to understanding the Munroe doctrine—but that is an aside.

What legal advice have the Government received or obtained in regard to the legality or possible legal implications of support for the US, albeit through intelligence sharing, for any potential strikes on Venezuela?

**Mr Falconer:** As the House will know, Ministers receive legal advice on a range of matters relating to foreign policy, and that advice is subject to legal and professional privilege.

**Jeremy Corbyn (Islington North) (Ind):** I compliment the hon. Member for Bicester and Woodstock (Calum Miller) on securing this urgent question.

Could the Minister be very clear? What the US is doing, in bombing vessels at sea in both international and potentially territorial waters, is illegal, as is the harassment of Trinidadian fishing communities. The threat now of bombardment on the Venezuelan mainland is completely illegal within all sections of international law. Have the British Government made any representations to the US on this, and what role do the British Government play at the United Nations in the discussions about this issue? Does the Minister accept that this is an incredibly dangerous, massive build-up of military force in the Caribbean, and that it can only be dangerous to the people not just of Venezuela but of every other country and island within the region? Surely there should be some move towards peace, rather than allowing this military confrontation to develop.

**Mr Falconer:** The right hon. Gentleman brings considerable experience of Latin American issues to this House. On the legal position, I do not have much more to add. There has been extensive reporting over the last few days of some specific US strikes. I reiterate to him that they were not strikes in which the UK had any role, so we are not in a position to provide the fuller explanation that we would have, had we been involved—which we were not. On his wider question about build-up in the region, the House has heard his views.

**Martin Wrigley (Newton Abbot) (LD):** I thank the Minister for his answers so far. I reiterate the question of the legality of the US bombing ships that are simply accused of carrying drugs. Is the Minister willing to actually say whether he thinks that is legal or not legal in international waters?

**Mr Falconer:** I want to be absolutely clear that the UK Government stand behind international law, in relation to both the law of the sea and international humanitarian law. In every forum, that is what we stand for. I am not in a position to make assessments on individual strikes, for the reasons that I have set out, but I once again underline our position on IHL and the law of the sea.

**Jim Shannon (Strangford) (DUP):** I thank the Minister for his careful and thoughtful answers on an issue that concerns us greatly. Given the widespread concern about the potential for civilian casualties from these strikes near Venezuela, what assessment has been made to ensure that UK co-operation in the region does not in any way contribute to harming civilians, and remains fully consistent with our human rights obligations?

**Mr Falconer:** As ever, the hon. Gentleman asks an important question in a courteous way. The prospects for the people of Venezuela must be at the heart of our deliberations. We have been engaged with civil society and, where necessary, with the Venezuelan Government. We will continue to keep the human rights of the people of Venezuela in our minds.

## Fireworks (Noise Control etc)

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

2.9 pm

**Yasmin Qureshi** (Bolton South and Walkden) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision about the maximum noise levels of fireworks which may be sold to the public; to require that specified information about noise levels is included on labelling and in sales information for fireworks; to require the Secretary of State to review the impact of firework noise on the welfare of veterans, neurodivergent people, people with certain medical conditions, and animals; to provide local authorities with power to regulate the use of fireworks in certain circumstances, and to enforce such regulation; and for connected purposes.

Fireworks bring joy to many people and are an important part of celebrations, but every year I hear the same concerns from residents about the impact of loud, unpredictable fireworks going off late at night. They are not talking about organised displays; they mean sudden explosions in residential streets at 11 o'clock, midnight or later. These bangs startle children, frighten older people, distress pets and livestock, and overwhelm people managing health conditions or trauma. The same groups feel it most: children with sensory needs; older residents living alone; people with anxiety or heart conditions; and animals.

At the moment, there is very little anyone can do about it. Councils receive complaints but have no power to act, and the police understandably focus on more urgent priorities. Fireworks are often sold without clear information on how loud they are. This Bill would close those gaps in a simple, fair and proportionate way.

The public are ahead of us on this. Polling shows that 85% of people want stronger rules on fireworks, almost half want private backyard displays banned and a further third want tighter restrictions. This is not a new concern: over the years, Parliament's petition system has received hundreds of thousands of signatures calling for action.

One family told me that their autistic son becomes extremely distressed by unexpected fireworks. He screams, hides and cannot settle for hours. They want him to enjoy celebrations like any other child, but unpredictable late-night fireworks make evenings frightening, rather than joyful. Another constituent—a lady in her seventies who lives alone—said that loud fireworks at night make her feel as though she is in a war zone. She asks, quite reasonably, why something cannot be done about the loud ones. Research shows what our residents want. The problem is not organised displays that people can prepare for; the problem is unpredictable fireworks set off in neighbourhoods.

The impact on veterans is also well documented. The BBC reported on Pete White, an RAF veteran with PTSD for whom sudden loud fireworks triggered panic attacks, taking him straight back to the sounds of conflict. He described it as an "uncontrollable sense of terror". Organised displays with clear timings help him to prepare, but unexpected fireworks made life difficult for him. At one point, his anxiety became so severe that he struggled for weeks.

Combat Stress reports a 25% increase in calls at this time of year. It wants a review of current rules, clearer safety information and limits on when fireworks can be

sold and used. Help for Heroes and Combat Stress also found that 74% of veterans want stricter rules on fireworks, while 67% want fewer days of sale.

The effect on animals is significant. Since 2010, more than a thousand incidents involving horses have been recorded during fireworks season, including tragic fatalities. Many owners receive no notice before displays and cannot protect their animals in time. Farm animals are affected, too: stress can cause ewes to abort during lambing and can separate mothers from their young. Wildlife also suffers, with studies showing sharp increases in heart rates among birds and disruption to roosting. This distress is real and avoidable.

Fireworks also have a public health impact. Air pollution can rise several times higher than normal when fireworks are widely used, especially on still winter nights, and people with asthma, chronic obstructive pulmonary disease and other respiratory conditions are particularly affected. Health professionals have raised concerns about the pressure this places on vulnerable groups and on our NHS.

The Bill proposes to do five things. First, it would introduce a maximum noise limit. Some fireworks reach 120 decibels, which is far louder than necessary for home use. Research shows that reducing the noise down to between 90 dB and 97 dB is achievable and supported by health and welfare experts. The Bill sets a reasonable maximum noise level for fireworks sold to the public, but louder fireworks would still be available for licensed displays where there is notice and supervision.

Secondly, most fireworks provide little information about how loud they are. The Bill would require clear labelling so that people know what they are buying. It would also support councils and trading standards teams when responding to complaints.

Thirdly, councils say the current rules are almost impossible to enforce; fireworks are a transient nuisance and are gone by the time anyone arrives. The Bill would give councils the ability to introduce targeted, time-limited rules in areas with repeated problems. It would not be a blanket ban. It would build on tools councils already use for noise and antisocial behaviour, letting councils respond directly to their communities.

Fourthly, civil enforcement rules currently rely on the police, which is unrealistic and ineffective. The Bill would give councils the power to issue civil penalties similar to how they deal with littering, fly-tipping and environmental noise. It is practical, proportionate and fair.

Fifthly, the Bill would also require the Secretary of State to review the impact of firework noise on veterans, neurodivergent people, people with certain medical conditions and animals, ensuring that future policy is based on proper evidence.

Colleagues have brought forward important proposals before. My hon. Friend the Member for Bradford South (Judith Cummins), one of the Deputy Speakers, has focused on noise limits, while my hon. Friend the Member for Luton North (Sarah Owen) has focused on sales and licensing. This Bill is a bit different: it focuses on community impact, late-night misuse, unpredictability and, more importantly, council powers. These approaches complement each other. This Bill fills the missing part.

In conclusion, I am not a party pooper. I do not want to ban fireworks; I want the celebrations to continue. We want the loudest fireworks to be used safely, predictably

[Yasmin Qureshi]

and with respect for neighbours. People want their families, pets and vulnerable neighbours to feel safe in their homes. They want councils to have the ability to act, and they want fireworks to be sold responsibly and clearly labelled. This Bill offers a balanced and practical way forward. I commend it to the House.

*Question put and agreed to.*

*Ordered,*

That Yasmin Qureshi, Jim McMahon, Sarah Champion, Debbie Abrahams, Liz Saville Roberts, Emma Lewell, Jamie Stone, Nadia Whittome, Mr Tanmanjeet Singh Dhesi, Chris Law, Imran Hussain and Alex Sobel present the Bill.

Yasmin Qureshi accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Monday 26 January and to be printed (Bill 343).*

## Pension Schemes Bill

*Consideration of Bill, as amended in the Public Bill Committee*

### New Clause 30

#### FUNDING OF THE OMBUDSMAN FOR THE BOARD OF THE PENSION PROTECTION FUND

“(1) In the Pension Schemes Act 1993, in section 175(1) (general levy)—

(a) omit the “or” at the end of paragraph (d);

(b) after that paragraph insert—

“(da) of the Secretary of State under section 209(6) of the Pensions Act 2004 (payments to PPF Ombudsman), or”

(2) In section 209 of the Pensions Act 2004 (ombudsman for the Board of the Pension Protection Fund), omit subsections (7) and (8).”—(Torsten Bell.)

*This new clause (which is intended to be added after clause 112) enables the expenditure of the Ombudsman for the Board of the Pension Protection Fund to be paid from money raised by the general levy payable by occupational pension schemes, and removes the power to impose a separate levy to meet this expenditure.*

*Brought up, and read the First time.*

2.19 pm

**The Parliamentary Under-Secretary of State for Work and Pensions (Torsten Bell):** I beg to move, That the clause be read a Second time.

**Madam Deputy Speaker (Caroline Nokes):** With this it will be convenient to discuss the following:

Government new clause 31—*Indexation of periodic compensation for pre-1997 service: Great Britain.*

Government new clause 32—*Indexation of periodic compensation for pre-1997 service: Northern Ireland.*

Government new clause 33—*Financial Assistance Scheme: indexation of payments for pre-1997 service.*

Government new clause 34—*Exemption from public procurement rules.*

Government new clause 35—*Funding of the Board of the Pension Protection Fund.*

New clause 1—*Independent review into pension losses incurred by former employees of AEA Technology—*

“(1) The Secretary of State must, within three months of the passing of this Act, commission an independent review into the pension losses incurred by former employees of AEA Technology who—

(a) transferred their accrued pension benefits out of the UK Atomic Energy Authority (UKAEA) public service scheme to AEA Technology (AEAT) on privatisation in 1996, and

(b) suffered financial losses when AEA Technology went into administration in 2012 and the pension scheme entered the Pension Protection Fund (PPF).

(2) The review must examine—

(a) the extent and causes of pension losses incurred by affected individuals,

(b) the role of Government policy and representations in the transfer of pensions during the privatisation of AEA Technology,

(c) the findings of the Public Accounts Committee and the Work and Pensions Select Committee,

(d) the adequacy of safeguards provided at the time of privatisation,

- (e) potential mechanisms for redress or compensation, and
- (f) the estimated financial cost of any such mechanisms.

(3) The review must be—

- (a) conducted by an independent panel appointed by the Secretary of State, with relevant expertise in pensions, public policy, and administrative justice, and
- (b) transparent and consultative, including engagement with affected pensioners and their representatives.

(4) The panel must report its findings and recommendations to the Secretary of State and lay a copy of its final report before Parliament within 12 months of its establishment.

(5) The Secretary of State must, within 6 months of the publication of the report under subsection (4), lay before both Houses of Parliament a statement setting out the Secretary of State's response to that outcome."

*This new clause would require the Secretary of State to commission an independent review into the pension losses incurred by former employees of AEA Technology.*

**New clause 2—Transfer of British Coal Staff Superannuation Scheme investment reserve to members—**

"(1) Within 3 months of the passing of this Act, the Secretary of State must by regulations make provision for the transfer of the British Coal Staff Superannuation Scheme investment reserve to members of the scheme.

(2) Those regulations must include—

- (a) a timetable for transferring the total of the investment reserve to members of the scheme, and
- (b) plans for commissioning an independent review into how future surplus will be shared.

(3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament."

*This new clause would require the Secretary of State to set out in regulations a timetable for transferring the whole of the BCSSS investment reserve to members and committing to review how future surplus will be shared.*

**New clause 3—Terminal illness: means of demonstrating eligibility—**

"(1) The Secretary of State must by regulations make provision about how a person may demonstrate that they are terminally ill for purposes relating to compensation or assistance from the Pension Protection Fund or Financial Assistance Scheme.

(2) In making regulations under this section, the Secretary of State must seek to minimise the administrative burden placed upon the person with a terminal illness.

(3) Regulations under this section must provide that, where the Department of Work and Pensions ("the Department") holds a valid SR1 form in respect of a person seeking to demonstrate that they are terminally ill for purposes relating to compensation or assistance from the Pension Protection Fund or Financial Assistance Scheme, the Department must share that form with the Pension Protection Fund or the Financial Assistance Scheme.

(4) Regulations under this section must require the Pension Protection Fund and the Financial Assistance Scheme to make the appropriate payment or payments within a specified time of receipt of a valid application."

*This new clause would require the Secretary of State to provide, by regulations, for the use of a valid SR1 form to make it easier for a person to demonstrate that they are terminally ill for purposes related to compensation from the PPF or FAS.*

**New clause 4—Review into investment in defence companies—**

"(1) The Secretary of State must, within six months of the passing of this Act, carry out a review into investment in defence companies within Local Government Pension Schemes.

(2) The review must consider how the investment in defence companies—

- (a) impacts on, and
- (b) aligns with,

the UK Government's international obligations.

(3) The Secretary of State must prepare a report of the review and lay a copy of that report before Parliament."

*This new clause would require the Secretary of State to conduct a review into investment in defence companies within Local Government Pension Schemes and how that impacts and aligns with Government international obligations.*

**New clause 5—Review into defined benefit schemes' social impact—**

"(1) The Secretary of State must, within 12 months of the passing of this Act, carry out a review into the social impact of defined benefit schemes.

(2) The review must include an assessment of—

- (a) the efficacy of investment strategies in delivering social good, and
- (b) the potential impact of increasing investment in—
  - (i) social housing, and
  - (ii) green technology.

(3) For the purposes of this section—

"social good" means something which benefits society as a whole, and

"green technology" means the use of technology and science to create environmentally-friendly products and services.

(4) The Secretary of State must prepare a report of the review and lay a copy of that report before Parliament."

*This new clause would require the Secretary of State to review the efficacy of investment in terms of delivering social good and the benefits of directing more investment towards social housing and green technology.*

**New clause 6—Indexation of pre-1997 service—**

"(1) The Secretary of State must by regulations make provision for indexation on compensation in respect of pre-1997 rights for members of the Pension Protection Fund and the Financial Assistance Scheme.

(2) Those regulations must specify that—

- (a) pension payments from the PPF and FAS are increased each year in line with Consumer Prices Index (CPI) inflation for pensionable service before and after 6 April 1997,
- (b) where a PPF or FAS member has pensionable service prior to 6 April 1997 which has not increased each year in line with CPI inflation, but which their scheme provided for, the scheme manager must—
  - (i) determine the annual increase attributable to that service for each year since the date on which the annual payment was first payable, and
  - (ii) reimburse the member for the amount determined under paragraph (b)(i), and
- (c) increased payments must also apply to transferee members, to ill health payments and to payments to surviving dependants.

(3) Regulations under this section—

- (a) shall be made by statutory instrument, and
- (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament."

*This new clause would require the Secretary of State to provide, through regulations, for indexation on PPF and FAS compensation in respect of pre-1997 rights.*

**New clause 7—*Report on indexation of pre-1997 Pension Protection Fund and Financial Assistance Scheme benefits*—**

“(1) The Secretary of State must, within 12 months of the passing of this Act, publish a report on options for providing indexation to pension rights relating to pre-1997 service in the Pension Protection Fund (PPF) and the Financial Assistance Scheme (FAS).

(2) The report must consider—

- (a) the current absence of indexation on pre-1997 accrued rights and the financial impact on affected pensioners;
- (b) the number of pensioners affected and the mortality rates since the establishment of FAS and PPF, including evidence from the Pensions Action Group;
- (c) the feasibility of introducing indexation, in full or in part, for pre-1997 rights;
- (d) the potential use of scheme reserves, including residual funds from failed schemes transferred into the FAS, and the implications for taxpayers;
- (e) the urgency of reform given the age profile of affected members and the social impact of frozen incomes;
- (f) alternative funding mechanisms that could deliver indexation without undermining the sustainability of the PPF; and
- (g) comparative approaches to legacy benefit indexation in other jurisdictions.

(3) In preparing the report, the Secretary of State must consult—

- (a) the Pensions Regulator,
- (b) the Pension Protection Fund,
- (c) representatives of Financial Assistance Scheme members,
- (d) the Pensions Action Group, and
- (e) such other stakeholders as the Secretary of State considers appropriate.

(4) The Secretary of State must lay a copy of the report before both Houses of Parliament.”

*This new clause would require the Secretary of State to publish a report examining options for addressing the lack of indexation on pre-1997 pensionable service in the PPF and FAS, with particular regard to evidence provided by the Pensions Action Group, mortality data, scheme reserves, and the urgency of the issue.*

**New clause 8—*Universal Pension Advice Entitlement*—**

“(1) The Secretary of State must by regulations establish a system to ensure that every individual has a right to receive free, impartial pension advice at prescribed times.

(2) Regulations under subsection (1) must provide for individuals to be offered advice—

- (a) at or around the age of 40; and
- (b) at a prescribed age, not more than six years before the individual’s expected retirement age.

(3) The regulations must make provision about—

- (a) the content and scope of the free, impartial pension advice, which may include, but is not limited to, guidance on—
  - (i) pension types (including both defined contribution and defined benefit schemes),
  - (ii) investment strategies,
  - (iii) charges,
  - (iv) consolidation of pension pots, and
  - (v) retirement income options;
- (b) the qualifications, independence, and impartiality requirements for any person or body providing advice;
- (c) the means by which individuals are notified of their entitlement to receive the advice and how they may access it;

(d) the roles and responsibilities of pension scheme trustees, managers, and providers in facilitating access to advice;

(e) the sharing member information with prescribed persons or bodies subject to appropriate data protection safeguards.

(4) Regulations under this section may—

- (a) make different provision for different descriptions of pension schemes or different descriptions of individuals;
- (b) confer functions in connection with the provision or oversight of the advice on—
  - (i) the Pensions Regulator,
  - (ii) the Financial Conduct Authority,
  - (iii) the Money and Pensions Service, or
  - (iv) other prescribed bodies;
- (c) require the provision of funding for the advice service from prescribed sources.

(5) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

*This new clause makes provision by regulations for everyone to receive free, impartial pension advice at age 40 and again around five years before their expected retirement.*

**New clause 10—*Independent review of forfeiture of survivor pensions in police pension schemes*—**

“(1) The Secretary of State must commission an independent review into the impact and fairness of provisions within police pension schemes that result in the forfeiture, reduction, or suspension of survivor pensions on the grounds of—

- (a) remarriage or entry into a civil partnership by the surviving partner of a deceased scheme member; or
- (b) cohabitation with another person as if married or in a civil partnership.

(2) The review must examine—

- (a) the legal and policy basis for such provisions;
- (b) the financial, social, and emotional impact on affected individuals and families;
- (c) consistency with other public sector pension schemes, including schemes for—
  - (i) the Armed Forces,
  - (ii) the NHS, and
  - (iii) the civil service;
- (d) potential options for reform, including retrospective reinstatement of pensions;
- (e) any other matters the Secretary of State considers relevant.

(3) The Secretary of State must—

- (a) appoint an independent person or panel with relevant legal, pensions, and public policy expertise to conduct the review; and
- (b) publish the terms of reference no later than three months after this Act is passed.

(4) The person or panel appointed under subsection (3) must—

- (a) consult with relevant stakeholders, including—
  - (i) the National Association of Retired Police Officers (NARPO),
  - (ii) survivor pension recipients,
  - (iii) police staff associations, and
  - (iv) pensions experts;
- (b) consider written and oral evidence submitted by affected individuals; and
- (c) publish a report of its findings and recommendations within 12 months of appointment.”

*This new clause would require the Secretary of State to commission an independent review into the impact and fairness of provisions within police pension schemes that result in the forfeiture, reduction, or suspension of survivor pensions.*

**New clause 11—Independent review into state deduction in defined benefit pension schemes—**

“(1) The Secretary of State must, within three months of the passing of this Act, commission an independent review into the application and impact of state deduction mechanisms in occupational defined benefit pension schemes.

(2) The review must consider—

- (a) the origin, rationale and implementation of state deduction in the Midland Bank Staff Pension Scheme,
- (b) the clarity and adequacy of member communications regarding state deduction from inception to present,
- (c) the differential impact of state deduction on pensioners with varying salary histories, including an assessment of any disproportionate effects on—
  - (i) lower-paid staff, and
  - (ii) women,
- (d) comparisons with other occupational pension schemes in the banking and public sectors, and
- (e) the legal, administrative, and financial feasibility of modifying or removing state deduction provisions, including potential mechanisms for redress.

(3) The Secretary of State must ensure that the person or body appointed to conduct the review—

- (a) is independent of HSBC Bank plc and its associated pension schemes;
- (b) possesses relevant expertise in pensions law, occupational pension scheme administration, and equality and fairness in retirement income; and
- (c) undertakes appropriate consultation with—
  - (i) affected scheme members,
  - (ii) employee representatives,
  - (iii) pension experts, and
  - (iv) stakeholder organisations.

(4) The person or body conducting the review must—

- (a) submit a report on its findings to the Secretary of State within 12 months of the date the review is commissioned; and
- (b) the Secretary of State must lay a copy of the report before Parliament and publish the report in full.

(5) Within three months of laying the report before Parliament, the Secretary of State must publish a written response setting out the Government’s proposed actions, if any, in response to the report’s findings and recommendations.

(6) For the purposes of this section—

“state deduction” means any provision within a defined benefit occupational pension scheme that reduces pension entitlements by reference to the member reaching state pension age or by reference to any state pension entitlement;

“defined benefit pension scheme” has the meaning given in section 181 of the Pension Schemes Act 1993;

“Midland Bank Staff Pension Scheme” includes all associated legacy arrangements and any successor schemes administered by HSBC Bank Pension Trust (UK) Ltd.”

*This new clause would require the Secretary of State to commission an independent review into clawback provisions in occupational defined benefit pension schemes, in particular, the Midland Bank staff pension scheme.*

**New clause 12—Section 40 commencement—**

“(1) The provisions in section 40 shall not come into force except in accordance with regulations made by the Secretary of State.

(2) A statutory instrument containing regulations under subsection (1) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

*This new clause would require that the provisions in clause 40 could only be enacted once agreed through secondary legislation.*

**New clause 13—Targeted Advice Access for Under-Saving Cohorts—**

“(1) The Secretary of State must make regulations to provide enhanced access to pension advice or guidance for cohorts identified as under-saving for retirement.

(2) Regulations may make provision for—

- (a) identifying under-saving groups, including but not limited to—
  - (i) women,
  - (ii) ethnic minority groups, and
  - (iii) others affected by long-term pay or pension gaps;
- (b) mechanisms to fund and deliver targeted support;
- (c) reporting and evaluation requirements to assess take-up and effectiveness.

(3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

*This new clause allows for the creation of targeted pension advice or guidance interventions for groups at risk of under-saving for retirement.*

**New clause 14—Cap on cost of advice for pension holders—**

“(1) The Secretary of State may by regulations introduce a cap on the cost recoverable for providing pension advice per pension holder under any scheme operating free or subsidised advice.

(2) The cap may vary depending on—

- (a) the value of the pension pot;
- (b) the type of pension scheme;
- (c) the complexity of advice required.

(3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

*This new clause enables the introduction of a cost ceiling for advice provision to members of pension schemes.*

**New clause 15—Independent review into the British Coal Staff Superannuation Scheme—**

“(1) The Secretary of State must, within three months of the passing of this Act, commission an independent review into the treatment of members of the British Coal Staff Superannuation Scheme (BCSSS).

(2) The review must consider—

- (a) the origin and operation of the Government’s surplus-sharing arrangements with the BCSSS since 1994,
- (b) the adequacy of communication to scheme members regarding the use of surpluses,
- (c) the impact of the Government’s retention of scheme reserves on members’ retirement income,
- (d) representations made by the Trustees of the BCSSS calling for reserves to be released to members, and
- (e) options for reforming how any future surpluses in the BCSSS are shared between the Government and scheme members.

(3) The person or body appointed to conduct the review must—

- (a) be independent of the Government and the BCSSS Trustees,
- (b) possess relevant expertise in pensions law and scheme administration, and

- (c) consult with affected members, Trustees, pension experts, and stakeholder organisations.

(4) The review must report to the Secretary of State within 12 months of being commissioned, and the Secretary of State must lay the report before Parliament and publish it in full.

(5) Within three months of publication, the Secretary of State must publish the Government's response to the review's findings."

*This new clause would require the Secretary of State to commission an independent review into the treatment of members of the British Coal Staff Superannuation Scheme, including the handling of scheme reserves and future surplus-sharing arrangements.*

**New clause 16—Report on Pension Scheme Eligibility and Access—**

"(1) The Secretary of State shall, within 12 months of the passing of this Act, lay before Parliament a report into the operation of occupational pension schemes where certain categories of employees have been excluded on the basis of job classification or employment start date.

(2) The report must examine the case of employees and former employees of Fife Joinery Manufacturing (a subsidiary of Velux), including—

- (a) whether affected workers were provided with opportunity to join existing pension schemes,
- (b) the adequacy of record-keeping and employer accountability, and
- (c) potential remedies to ensure equal access to workplace pensions."

*This new clause would require the Secretary of State to report on the Velux Pensions case.*

**New clause 17—Clarification of pension scheme investment duties—**

"(1) The Pensions Act 1995 is amended as follows.

(2) In section 36 (Choosing investments), after subsection (9), insert—

"(10) Regulations under subsection (1) must provide—

- (a) that when interpreting the best interest or sole interests of members and beneficiaries for the purposes of this section and the regulations, the trustees of a trust scheme may (amongst other matters) take the following into account—
    - (i) system-level considerations,
    - (ii) the reasonably foreseeable impacts over the appropriate time horizon of the assets or organisations in which the trust scheme invests upon prescribed matters, including upon members' and beneficiaries' standards of living, and
    - (iii) the views of members and beneficiaries;
  - (b) that investment powers or discretions must be exercised in a manner that considers and manages the matters specified in subsection (10)(a)(i) and (ii) where they are financially material; and
  - (c) a prescribed definition of the term "appropriate time horizon" for these purposes.
- (11) For the purposes of this section, "system-level considerations" means, over the appropriate time horizon, risks and opportunities relevant to the scheme that—
- (a) cannot be fully managed through diversification alone, and
  - (b) arise from circumstances at the level of one or more economic sectors, financial markets or economies, including but not limited to those relating to environmental or social matters.
- (12) Regulations under subsection (1) must come into force no more than one year after the passing of the Pension Schemes Act 2025.

- (13) In complying with requirements imposed by this section and regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State."

(3) The Financial Conduct Authority must make general rules with effects corresponding to the provisions of subsection (1) for providers of pension schemes to which Part 7A of the Financial Services and Markets Act 2000 (inserted by section 48 of this Act) applies.

(4) The Secretary of State must make regulations with effects corresponding to the provisions of subsection (1) for scheme managers of the Local Government Pension Scheme.

(5) The rules and regulations under subsections (3) and (4) must come into force no later than the date on which regulations pursuant to section 36(10) of the Pensions Act 1995 (as amended by this Act) come into force."

*This new clause gives the Secretary of State a duty to make regulations clarifying investment duties of occupational pension schemes, including system-level considerations and other matters including impacts of investee firms, beneficiaries' standards of living and views. It also imposes duties on the FCA and the Secretary of State to make corresponding rules and regulations for workplace personal pension schemes and the Local Government Pension Scheme respectively.*

**New clause 18—Report on indexation of pre-1997 benefits—**

"(1) The Secretary of State must, within 6 months of the passing of this Act, publish a report on whether the Pension Protection Fund and the Financial Assistance Scheme should provide indexation on compensation in respect of pre-1997 rights, where pension schemes provided for that.

(2) The report must consider—

- (a) the potential benefits for affected pensioners;
- (b) approaches of occupational pension schemes to indexation of pre-1997 benefits;
- (c) the impact on compensation schemes' surpluses and on public finances;
- (d) international approaches to indexation of legacy pension benefits.

(3) The Secretary of State must lay a copy of the report before both Houses of Parliament."

*This new clause requires the Secretary of State to report on whether the PPF and FAS should provide indexation on compensation in respect of pre-1997 rights, where scheme rules provided for that.*

**New clause 19—Fossil fuels and climate change risk—**

"(1) The Pensions Act 1995 is amended as follows.

(2) In section 41A (Climate change risk), after subsection (6) insert—

- "(6A) Regulations under subsection (1) must, within 1 year of the Pension Schemes Act 2025 receiving Royal Assent, prohibit the trustees or managers of schemes of a prescribed description from holding relevant assets.
- (6B) The relevant assets in subsection (6A) are issuance by issuers which, in relation to thermal coal—
  - (a) derive 10% or more of annual revenue from its production, transport or combustion,
  - (b) produce annually 10 million tonnes or more, or
  - (c) have 5GW or more of power generation capacity.
- (6C) Within 2 years of the Pensions Act 2025 receiving Royal Assent, and every 3 years thereafter, the Secretary of State must carry out and publish a review on whether the definition of relevant assets should be extended to include—
  - (a) issuance by issuers which, in relation to thermal coal, derive a smaller proportion of revenue, produce a smaller amount or have a smaller amount of power generation capacity than the proportion and amounts specified in (6B),

(b) some or all new issuance by issuers of a prescribed description deriving a prescribed proportion or amount of their revenue from the extraction, transport, trading or combustion of prescribed fossil fuels, or

(c) some or all new or existing issuance by issuers of a prescribed description investing a prescribed proportion or amount in exploring for, or expanding the extraction of, prescribed fossil fuels.

(6D) Regulations under subsection (1) may implement the conclusions of the review referred to in (6C)."

(3) In subsection (8), at end insert—

““thermal coal” means coal and lignite used in the generation of electricity and in providing heat for industrial or residential purposes;

“issuance” means all investable assets, including equity and debt.”

(4) The Financial Conduct Authority must make general rules with effects corresponding to the provisions of subsection (1) for providers of pension schemes to which Part 7A of the Financial Services and Markets Act 2000 (inserted by section 48 of this Act) applies.

(5) The Secretary of State must make regulations with effects corresponding to the provisions of subsection (1) for scheme managers of the Local Government Pension Scheme.

(6) The rules and regulations under subsections (4) and (5) must come into force no later than the date on which regulations pursuant to section 41A(6A) of the Pensions Act 1995 (as amended by this Act) come into force.”

*This new clause would require Government and the FCA to make regulations and rules restricting exposure of some occupational and workplace personal schemes to thermal coal investments and to regularly review whether the restrictions should be extended to other fossil fuel investments.*

**New clause 20—Pensions and savings advice allowance—**

“(1) The Secretary of State must by regulations make provision for a tax-free pensions and savings advice allowance which individuals between the ages of 30 and 50 can withdraw from their pensions to access financial advice.

(2) Regulations must specify—

(a) the maximum amount for the pensions and savings advice allowance,

(b) the content and scope of the pensions and savings advice,

(c) the qualifications and independence requirements of any person or body providing pensions and savings advice,

(d) the means by which individuals are notified of their entitlement to the pensions and savings advice allowance and how they may access—

(i) the allowance, and

(ii) advisers who meet the requirements under subsection (2)(c),

(e) the roles and responsibilities of pension scheme trustees, managers, and providers in facilitating access to the pensions and savings advice allowance, and

(f) whether the pensions and savings advice allowance counts towards the Individual Lump Sum Allowance.

(3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

*This new clause requires the Secretary of State to introduce, by regulations, a pensions and savings advice allowance which individuals between the ages of 30 and 50 can withdraw from their pension savings tax-free to access appropriate financial advice.*

**New clause 21—Significant life event lump sum—**

“(1) The Secretary of State must by regulations make provision for a significant life event lump sum of up to £5,000 which a person is entitled to before they attain normal pension age.

(2) The regulations may prescribe circumstances in which, and conditions subject to which, a person may become entitled to a significant life event lump sum, including—

(a) purchasing a first home;

(b) getting married;

(c) unexpected loss of employment.

(3) The regulations must specify that the significant life event lump sum counts towards the Individual Lump Sum allowance.

(4) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

*This new clause would require the Secretary of State to introduce, by regulations, a significant life event lump sum of up to £5,000 tax-free which individuals can take from their lump sum allowance prior to reaching pension age.*

**New clause 22—Indexation of pre-1997 pensions—**

“(1) The Pensions Act 1995 is amended as follows.

(2) In Section 51 (Annual increase in rate of pension), omit subsections (1)(b) and (1)(c)(ii).

(3) In subsection (2), leave out from “pensionable service,” to “or”.

(4) In subsection (2), leave out from “commencement day]” to “—”.

(5) In subsection (2)(b), leave out from “pensionable service” to “, so much of”.

(6) In subsection (4ZE), leave out from “pensionable service” to “in subsections (3) to (4ZD)”.

(7) In subsection (5)(a), leave out “6 April 1997 or”.

(8) In subsection (8)(a) and (b), leave out “at any time on or after 6 April 1997”.

*This new clause would remove references to 6 April 1997 from section 51 of the Pensions Act 1995 in order to require that annual increases to pension payments in line with CPI and RPI apply to pensionable service both before and after 6 April 1997.*

**New clause 23—Indexation of pre-1997 service—**

“(1) The Secretary of State must by regulations make provision for the use of Pension Protection Fund surplus/reserve funds for the indexation on compensation in respect of pre-1997 rights for members of the Pension Protection Fund and the Financial Assistance Scheme.

(2) Those regulations must specify that—

(a) pension payments from the PPF and FAS are increased each year in line with Retail Prices Index (RPI) inflation for pensionable service before and after 6 April 1997,

(b) the cap on the annual increase is raised to 7%,

(c) where a PPF or FAS member has pensionable service prior to 6 April 1997 which has not increased each year in line with RPI inflation, the scheme manager must—

(i) determine the annual increase attributable to that service for each year since the date on which the annual payment was first payable, and

(ii) reimburse the member for the amount determined under paragraph (c)(i), and

(d) payments made to reimburse members under paragraph (c)(ii) must be made from Pension Protection Fund surplus funds and future funds.

(3) Regulations under this section—

(a) shall be made by statutory instrument, and

- (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.”

*This new clause would require the Secretary of State to provide, through regulations, for indexation on PPF and FAS compensation in respect of pre-1997 rights, for indexation to follow RPI inflation with a cap of 7%, and for retrospective payments to be funded from PFI surplus and/or reserve funds.*

**New clause 24—Indexation of pre-1997 pensions—**

“(1) The Pensions Act 1995 is amended as follows.

(2) In Section 51 (Annual increase in rate of pension), omit subsections (1)(b) and (1)(c)(ii).

(3) In subsection (2), after “52” insert “52A”.

(4) In subsection (2), leave out from “pensionable service,” to “or,”.

(5) In subsection (2), leave out from “commencement day]” to “—”.

(6) In subsection (2)(b), leave out from “pensionable service” to “; so much of”.

(7) In subsection (4ZE), leave out from “pensionable service” to “in subsections (3) to (4ZD)”.

(8) In subsection (5)(a), leave out “6 April 1997 or”.

(9) In subsection (8)(a) and (b), leave out “at any time on or after 6 April 1997”.

(10) After Section 52 (Restriction on increase where member is under 55) insert—

“52A Restriction on increase where a pension scheme is not in surplus

No increase under section 51 in the annual rate of a pension shall not be paid or shall not be paid in full unless the pension scheme is in surplus.””

*This new clause would remove references to 6 April 1997 from section 51 of the Pensions Act 1995 to require that annual increases to pension payments in line with CPI and RPI apply to pensionable service both before and after 6 April 1997, with the restriction that annual increases would only be paid if the pension scheme is in surplus.*

**New clause 25—Review of impact of this Act—**

“(1) Within five years of the passing of this Act, the Secretary of State must carry out a review of the impact of the provisions of this Act on actual and projected retirement incomes.

(2) The review must consider—

- (a) the impact of the provisions of this Act on actual and projected retirement incomes, and
- (b) whether further measures are needed to ensure that pension scheme members receive an adequate income in retirement.

(3) The Secretary of State must prepare a report of the review and lay a copy of that report before Parliament.”

*This new clause would require the Secretary of State to review the impact of this Act on retirement incomes and whether additional measures are needed to ensure the adequacy of retirement incomes.*

**New clause 26—Establishment of targeted investment vehicles for pension funds—**

“(1) The Secretary of State may by regulations make provision for the establishment or facilitation of one or more investment vehicles through which pension schemes may invest for targeted social or economic benefit.

(2) Regulations under subsection (1) must specify the descriptions of targeted social or economic benefit to which the investment vehicles are to contribute, which may include, but are not limited to, investment in—

- (a) projects that revitalise high street areas;
- (b) initiatives demonstrating social benefit;
- (c) affordable or social housing development;
- (d) capital projects that meet essential public needs, such as care homes;
- (e) clean, renewable energy projects.

(3) The regulations must make provision for—

- (a) the types of pension schemes eligible to participate in such investment vehicles;
- (b) the governance, oversight, and reporting requirements for the investment vehicles and participating pension schemes;
- (c) the means by which the contribution of such investments to targeted social or economic benefit is measured and reported;
- (d) the roles and responsibilities of statutory bodies, including the Pensions Regulator and the Financial Conduct Authority, in authorising, regulating, or supervising such investment vehicles and the participation of pension schemes within them.

(4) The regulations may—

- (a) make different provision for different descriptions of pension schemes, investment vehicles, or targeted social or economic benefits;
- (b) provide for the pooling of assets from multiple pension schemes within such vehicles;
- (c) require pension scheme trustees or managers to have regard to the availability and suitability of investment vehicles when formulating investment strategies, where consistent with—
  - (i) their fiduciary duties, and
  - (ii) the long-term value for money for members.

(5) In this Chapter, “pension scheme” has the same meaning as in section 1(5) of the Pension Schemes Act 1993.”

*This new clause would allow the Secretary of State to establish investment funds to encourage investment in areas such as high streets, social housing, care homes, clean renewable energy, and other investments with clear social benefits.*

**New clause 27—Review of proposed mandated investment powers and their impacts—**

“(1) The Secretary of State must, before making any regulations under this Act relating to mandated investment requirements for pension schemes, lay before Parliament a report reviewing the potential impacts of such powers.

(2) The report under subsection (1) must include an assessment of—

- (a) the extent to which any mandated investment requirements may conflict with the fiduciary duties of trustees and managers of occupational and personal pension schemes;
- (b) the potential effects of such requirements on the long-term financial returns of scheme members, including—
  - (i) risks relating to illiquid or politically directed assets,
  - (ii) risks to diversification, and
  - (iii) any expected increase in costs borne by savers;
- (c) the risk that mandated investment requirements could lead to politicisation of pension scheme decisions or undermine public confidence in the private pension system;
- (d) the adequacy of parliamentary oversight and scrutiny of the exercise of powers to mandate investment allocations, including whether additional safeguards are required;
- (e) the question of accountability in circumstances where mandated investments perform below expectations, including whether liability would rest with trustees, fund managers, or the Government;
- (f) the potential for market distortion arising from requirements that schemes invest in specific UK-based assets, including the risk of asset inflation or the creation of investment bubbles; and
- (g) alternative policy measures that could encourage pension scheme investment in the United Kingdom without the use of mandatory requirements, including the removal of regulatory barriers and the creation of suitable investment opportunities.

(3) The report must include a summary of views received from—

- (a) industry bodies representing pension schemes, trustees, and fund managers;
- (b) relevant financial regulators; and
- (c) any other persons the Secretary of State considers appropriate.

(4) The Secretary of State must publish a response addressing the findings and any recommendations contained in the report.

(5) No regulations requiring pension schemes to meet mandated investment allocations may be made under this Act until the report under subsection (1) has been laid before Parliament and the response under subsection (4) has been published.”

*This new clause requires the Secretary of State to review the potential effects of mandated investment powers including on risks to returns, fiduciary duties, market distortion, and accountability before any powers can be exercised.*

**New clause 28—Pension Protection Fund: members who have not attained normal pension age at assessment date—**

“(1) Schedule 7 of the Pensions Act 2004 is amended in accordance with subsections (2) to (7).

(2) In sub-paragraph 3(3), for “the appropriate percentage” substitute “100%”.

(3) Omit sub-paragraph 3(4).

(4) In sub-paragraph 11(3), for “90%” substitute “100%”.

(5) In sub-paragraph 14(3), for “90%” substitute “100%”.

(6) In sub-paragraph 15(3), for “90%” substitute “100%”.

(7) In sub-paragraph 19(3), for “90%” substitute “100%”.

(8) The Secretary of State must by regulations make provision for the retrospective payment of compensation to PPF members, as if the amendments made by this section to Schedule 7 of the Pensions Act 2004 had had effect on the day on which that Schedule came into force.”

*This new clause would provide that pension scheme members who have not reached Normal Pension Age by the Pension Protection Fund assessment date receive compensation at a rate of 100% instead of 90%, and provides for retrospective application.*

**New clause 29—Pension Protection Fund: estimate of cost of increasing compensation for surviving spouses or partners of members—**

“(1) The Pension Protection Fund (PPF) must prepare and publish an annual estimate of the cost of increasing the value of compensation paid to surviving spouses or partners of PPF members to a sum equivalent to the value of any payments to which they would have been entitled had the scheme not entered the PPF.

(2) The first assessment under this section must be published before the end of the 2025/26 financial year.”

*This new clause would require the Pension Protection fund (PPF) to publish annually an assessment of the costs of increasing compensation to the spouses or partners of PPF members to equal the amount they would have received if the pension scheme had not entered the PPF.*

**New clause 36—Local Government Pension Scheme: expenses and duties of administering authorities—**

“(1) The Secretary of State must by regulations make provision for—

- (a) a cap on the management expenses that can be claimed by administering authorities, such that they do not exceed ten basis points of the asset base of the pension fund,
- (b) a cap on the investment management expenses that can be claimed by administering authorities, such that they do not exceed five basis points of the asset base of the pension fund,

(c) a cap on the general administrative expenses that can be claimed by administering authorities, such that they do not exceed five basis points of the asset base of the pension fund.

(2) Regulations under this section must also require administering bodies to provide to the Local Government Pension Scheme Advisory Board—

- (a) evidence that they have considered and acted on any guidance issued by the Local Government Pension Scheme Advisory Board, and
- (b) evidence of the steps that they have taken to comply with their fiduciary duties in respect of pension scheme members and Scheme employers.

(3) In making regulations under this section, the Secretary of State must consult the Local Government Pension Scheme Advisory Board.

(4) In this section—

“administering authorities” has the meaning given by Schedule 1 to the Local Government Pension Scheme Regulations 2013, and

“Scheme employer” has the meaning given by Schedule 1 to the Local Government Pension Scheme Regulations 2013.”

**Amendment 1, in clause 1, page 3, line 7, at end insert “, or**

(b) secure employee representation on the company’s board.”

*This amendment would add employee representation on boards as a requirement on asset pool companies for Local Government Pension Schemes within the scheme regulations under clause 1.*

**Government amendments 20 and 21.**

**Amendment 2, in clause 2, page 4, line 7, at end insert—**

“(ba) the funds or other assets for which a scheme manager is responsible (other than money needed for making payments under the scheme from the pension fund maintained by that scheme manager) should be invested in a way that is compliant with the UK’s duty not to aid or assist serious breaches of international law, including genocide and other atrocity crimes, and illegal military occupation.”

*This amendment would require that investments of the local government pension scheme should be compliant with the UK’s duty not to aid or assist serious breaches of international law.*

**Amendment 3, page 4, line 7, at end insert—**

“(ba) the funds or other assets for which a scheme manager is responsible (other than money needed for making payments under the scheme from the pension fund maintained by that scheme manager) must be divested from any oil and gas companies within 5 years of the passing of this Act.”

*This amendment would require that local government pension schemes divest from oil and gas companies within 5 years.*

**Government amendments 22 and 23.**

**Amendment 17, in clause 9, page 9, line 25, leave out from “does” to the end of line 25 and insert**

“apply to a scheme that is being wound up unless the trustees determine by resolution that it shall not apply.”

*This amendment would ensure that the principles for surplus extraction shall also apply to surplus release after further wind-up, so that employers are not incentivised to wind-up funds rather than release surplus to pensioners.*

**Amendment 18, in clause 10, page 10, line 21, after “notified” insert “and consulted”**

*This amendment would ensure that members of pension funds have to be consulted on surplus extraction.*

Amendment 4, page 10, line 36, at end insert—

- “(e) about the proportion of any surplus that may be allocated, or the manner in which it may be determined, for the purpose of contributing to the provision of free, impartial pension advice and guidance services for scheme members.”

*This amendment enables a proportion of surplus funds to be used to fund free pension advice.*

Amendment 19, page 10, line 36, at end insert—

- “(e) that the trustees are satisfied that it is in the interests of the members that the power to pay surplus is exercised in the manner proposed;
- (f) that the trustees have taken full account of—
- (i) the extent to which members’ pensions have kept up with the cost of living and inflation (as defined in the relevant rules and deeds), and
- (ii) any previously rejected requests for discretionary pension increases.”

*This amendment would reinstate the current requirement that ensures trustees consent to the paying of surplus as proposed, and creates an obligation on trustees to take account of any erosion in members’ standards of living.*

Amendment 5, in clause 11, page 11, line 38, at end insert—

- “(aa) make, publish and keep under review the consistency of—
- (i) regulated VFM schemes, or
- (ii) regulated VFM arrangements,
- with the goals of the Paris Agreement on climate change and clean energy;”

*This amendment would require pension funds and managers to show whether their portfolio investments are consistent with the Paris Agreement.*

Amendment 6, page 11, line 38, at end insert—

- “(aa) make, publish and keep under review the compliance of—
- (i) regulated VFM schemes, or
- (ii) regulated VFM arrangements,
- with statutory and regulatory targets for reducing sewage discharges by water and sewerage undertakers,”

*This amendment would require pension funds and managers to monitor and report on the compliance of water and sewerage companies they invest in with targets for reducing sewage discharges.*

Amendment 7, page 12, line 10, at end insert—

- “(d) publish or share with prescribed persons, for the purpose of enabling VFM assessments to be made, prescribed categories of information (referred to as “climate alignment metric data”) regarding the scheme’s exposure to climate-related financial risks and the alignment of its investments with the goals of the Paris Agreement on climate change and clean energy.”

*This amendment, with Amendment 5 would require pension funds and managers to show whether their portfolio investments are consistent with the Paris Agreement.*

Amendment 8, page 12, line 10, at end insert—

- “(d) publish or share with prescribed persons, for the purpose of enabling VFM assessments to be made, prescribed categories of information (referred to as “sewage discharge compliance data”) regarding the scheme’s exposure to, and investment in, companies holding permits to discharge sewage, including those companies’ performance against statutory and regulatory targets for reducing sewage discharges.”

*This amendment, with Amendment 6, would require pension funds and managers to monitor and report on the compliance of water and sewerage companies they invest in with targets for reducing sewage discharges.*

Amendment 9, page 12, line 41, leave out “that provides money purchase benefits”

*This amendment, together with Amendment 10, would ensure that the value for money provisions introduced by this Bill apply to all occupational pension schemes.*

Amendment 10, page 13, line 5, at end insert—

- “(14) Value for money regulations may make different provision for different descriptions of relevant pension schemes and must make provision for the application of the value for money assessment with a VFM rating to defined benefit occupational pension schemes.”

*This amendment, together with Amendment 9, would ensure that the value for money provisions introduced by this Bill apply to all occupational pension schemes.*

Amendment 11, in clause 13, page 14, line 13, at end insert—

- “(iv) the consistency of the investment portfolio with the goals of the Paris Agreement on climate change and clean energy, including metrics for assessing climate-related financial risks and opportunities;”

*This amendment would require pension funds and managers to show whether their portfolio investments are consistent with the Paris Agreement.*

Amendment 12, page 14, line 13, at end insert—

- “(iv) the compliance of the investment portfolio with statutory and regulatory targets for reducing sewage discharges by water and sewerage undertakers, including metrics for assessing related environmental and financial risks and opportunities;”

*This amendment would require pension funds and managers to monitor and report on the performance of water and sewerage companies they invest in against targets for reducing sewage discharges.*

Government amendments 24 to 49.

Amendment 16, in clause 40, page 43, line 38, leave out from beginning to end of line 27 on page 46.

*This amendment would remove the ability of the Government to set mandatory asset allocation targets for certain pension schemes, specifically requiring investments in UK productive assets such as private equity, private debt, and real estate.*

Amendment 15, page 46, line 9, leave out from “Before” to the end of the subsection and insert

“implementing the first set of regulations under subsection (1) the Secretary of State must—

- (a) prepare and publish a report regarding—
- (i) what barriers pension funds, based in the United Kingdom, are facing that are preventing them from investing back into the United Kingdom due to—
- (A) legislation introduced after The Pensions Act 1995;
- (B) regulations introduced by the Financial Conduct Authority, Prudential Regulation Authority, HM Treasury, or Bank of England;
- (C) cultural and market behaviours;
- (ii) how financial interests of members of relevant Master Trusts and group personal pension schemes would be affected by the proposed regulations;
- (iii) what effects the proposed measures could be expected to have on economic growth in the United Kingdom;
- (iv) any other matters the Secretary of State considers appropriate; and
- (b) respond to any recommendations or issues raised in the report.”

*This amendment prevents use of the reserved mandation powers in this Bill until the Government produces a report on the reasons why the powers are needed and the effects of the use of the powers and resolves any issues raised in the report.*

Amendment 14, page 48, line 15, leave out paragraphs (a) to (c) and insert—

“(a) The scheme in question demonstrates strong potential for growth and an ability to innovate, and”

*This amendment would revert the text of section 28F(2) on the eligibility conditions for new entrant pathway relief to its form in the Bill as introduced.*

Government amendments 50 to 85.

Amendment 13, in clause 117, page 120, line 19, leave out “2035” and insert “this Parliament”

*This amendment provides that if section 40 is not commenced before the end of the current Parliament in respect of the insertion of certain provisions, then the insertion of those provisions would be automatically repealed at that time.*

Government amendments 86 to 89.

**Torsten Bell:** I start by thanking all hon. Members for their valuable contributions during the Bill’s passage to date. In particular, I thank members of the Public Bill Committee who offered line-by-line scrutiny. They have challenged the Government, but always constructively—that includes the shadow Economic Secretary to the Treasury, the hon. Member for Wyre Forest (Mark Garnier), who is not with us today. That reflects the broad consensus across the House that the Pension Schemes Bill is an important piece of legislation, and it is a consensus for which I am very grateful. The same consensus underpinned the introduction of automatic enrolment under the previous Government.

It is exactly because we as legislators have more than gently nudged people into pension savings that the Bill’s most fundamental job is to drive up returns on those savings. The case for this focus is clear: those retiring in 2050 are currently set to do so with lower private pension income than those retiring today. The Bill also recognises that, with the second largest pension system in the world, pensions matter not just to deliver an income in retirement but for the whole economy as the largest source of domestic capital. With those goals in mind, this Bill builds a solid foundation on which we can build, not least via the Pensions Commission over the next year, exactly as several hon. Members called for on Second Reading.

The vast majority of the amendments tabled by the Government are minor technical amendments, and there are two substantial areas on which I would like to dwell. The first is on pre-1997 indexation within the Pension Protection Fund and the financial assistance scheme.

The PPF is one of the most important legacies of the last Labour Government, but we have all heard about the challenges caused by the lack of indexation of compensation related to pre-1997 pensions. I am grateful for the time that affected pensioners have given me in discussing their experiences directly. I have listened carefully to them and to hon. Members who have kept attention on this issue.

I particularly acknowledge the contribution of my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) and her Work and Pensions Committee, as well as my hon. Friend the Member for Basingstoke (Luke Murphy) and the hon. Member for Aberdeen North (Kirsty Blackman) who raised this matter in

Committee. I am also grateful to the hon. Members for Didcot and Wantage (Olly Glover), for Caerfyrddin (Ann Davies), for Torbay (Steve Darling) and for Belfast South and Mid Down (Claire Hanna), and my hon. Friend the Member for Poole (Neil Duncan-Jordan), for their proposed new clauses and amendments related to this matter.

**Olly Glover** (Didcot and Wantage) (LD): I welcome that the Government have tabled these amendments to strengthen the Pension Protection Fund arrangements. However, that will be of little use to those such as the AEA Technology pension campaigners, about whom I have met the Minister. Despite many Select Committee reports and National Audit Office findings, they were badly advised by past Governments and have not been given a route to redress. I invite the Minister to reconsider his past decision and consider new clause 1.

**Torsten Bell:** I do not agree with the premise of the hon. Gentleman’s question, because I think that members of the scheme he mentions will benefit from the improvement in pre-1997 indexation within the PPF, albeit I am sure they would rather not be within the PPF, which applies to most people who have fallen into it. All I would gently say is that the change we are introducing was refused by Liberal Democrat Pension Ministers during the coalition Government, so this is a big step forward and will make a difference to others.

**Sean Woodcock** (Banbury) (Lab): I am delighted by the Chancellor’s announcement in last week’s Budget, having had decades of Tory Governments dithering and delaying while pensioners lost out. It is a great sign of what this Labour Government are delivering on pensions. Could the Minister confirm how much, or by what amounts, those affected are likely to benefit from the changes he has incorporated into this Bill?

**Torsten Bell:** My hon. Friend has been a powerful campaigner on this issue in the run-up to the Budget, and he brings me on to my next point. We are not just listening; we are acting. We have tabled new clauses 31 to 33 and Government amendment 87 to introduce prospective indexation of Pension Protection Fund and financial assistance scheme payments that relate to pensions built up before 6 April 1997. And directly to his question, these will be consumer prices index linked, capped at 2.5% and apply to members whose former schemes provided for such increases. I thank the Pension Protection Fund for its support on this measure and its implementation, which rests with the PPF.

**Dr Al Pinkerton** (Surrey Heath) (LD): I have been contacted by many Surrey Heath constituents who often worked for very large American companies such as Atos. These companies are refusing to offer the pre-1997 uplift, and from what I understand, the pensions fall outside both the PPF and the FAS. Can the Minister offer any reassurance to those pensioners today and explain how they can continue to survive on such diminishing returns from the pensions they paid into?

**Torsten Bell:** The hon. Gentleman asks an important question, and I shall come to exactly that issue when I finish discussing the changes within the PPF, because as he rightly notes there are wider indexation questions for solvent pension schemes.

[Torsten Bell]

On the PPF itself, this issue has been long running and many campaigners have long campaigned on it. Our changes aim to bring the matter to a conclusion. It is a step change that will make a meaningful difference to over 250,000 members. Over five years, the average PPF compensation will be boosted by £400 a year. Of course, I recognise that this does not go as far as some affected members would have wanted, but this change is real progress and rightly balances the interests of eligible members, levy payers, taxpayers and the Pension Protection Fund's ability to manage future risk. I hope all hon. Members will support this step forward, and on that basis, that those with related amendments will feel content not to press them today.

New clauses 22 and 24 and amendment 19 concern that issue of discretionary increases or pre-1997 indexation in solvent defined-benefit pension schemes more generally. I put on record that we all recognise the impact of the high inflation in recent years on the value of some pensioners' retirement income in exactly the way that has just been set out.

I want to be straightforward with the House that we do not support retrospectively changing scheme rules. Neither did previous Conservative or Liberal Democrat Governments, given that contribution levels were set on the basis of the scheme rules at the time they applied. As I have said before, and as I discussed recently with my hon. Friends the Members for Llanelli (Dame Nia Griffith) and for Ayr, Carrick and Cumnock (Elaine Stewart), wider changes in the Pension Schemes Bill relating to surplus release will put trustees in the lead in a way that will help on this issue.

**Dame Nia Griffith** (Llanelli) (Lab): The Minister will understand just how sceptical pensioners are because, quite frankly, they have seen their trustees try to make the companies do the right thing time and again. Will he agree to meet me and trustees from companies such as 3M and Hewlett Packard Enterprise to explain what mechanism he thinks will be available to them that will actually force the companies to give a decent, index-linked rise to their pensioners?

**Torsten Bell:** Absolutely, is the short answer. I am always very happy to meet my hon. Friend and near constituency neighbour. I will explain how the change may help in that situation, but I am very happy to take that meeting.

The changes give those trustees overseeing schemes without pre-'97 indexation greater leverage in discussions with employers on discretionary increases, should those trustees see fit. I would encourage them to do so.

The other substantial amendments are on the Pension Protection Fund administration levy paid by DB schemes, allowing the Secretary of State to recover the PPF's administration costs. It also covers the costs of administering the Fraud Compensation Fund. The levy was initially introduced to allow transparency when these administration costs were significant relative to the PPF's reserves, but this is no longer the case, with the levy standing at around £18.5 million while the PPF manages over £10 billion-worth of reserves. The PPF is now more than able to cover its administration costs, and transparency can be achieved in the normal way

through annual reports and accounts. These amendments therefore abolish the levy, simplifying the pension levy landscape.

I will now briefly cover some minor amendments, starting with those on the local government pension scheme. Amendment 22 exempts the Environment Agency, as a national body, from the requirement on other administering authorities to co-operate with strategic authorities on local investment opportunities.

New clause 34 introduces new wording to clause 4, with amendment 23 deleting the existing wording. Rather than stating in this Bill how procurement law affects the LGPS, new clause 34 will instead move the LGPS exemption directly into schedule 2 to the Procurement Act 2023, future-proofing the exemption from future changes to that Act.

Amendment 28 is the central amendment on small pots. It introduces the concept of a destination proposer. This allows for either a single entity or multiple entities to be designated as the proposer of pot transfers. This reflects recent work by the DWP and Pensions UK to consider a federated model as a potential alternative to a centralised data platform for delivering the small pots policy. I want to add that there is no change to the desired policy intent; this is about the mechanism by which we deliver it. We are committed to exploring both models in full.

Amendments 37 to 53, on the scale clauses, are minor in nature. They include clarifying the circumstances in which schemes may count assets held in other schemes towards the scale condition—the requirement to have at least £25 billion-worth of assets under management by 2030—and clarifying when the transition pathway relief will end. On guided retirements, amendment 54 simply removes a redundant interpretation provision. Government amendments 55 to 86 relate to clauses 100 and 107 of the Bill, on the validity of certain alterations to salary-related contracted-out pension schemes—more often referred to as the Virgin Media case.<sup>1</sup>

2.30 pm

Most importantly, Government amendment 59 clarifies the meaning of “qualifying legal proceedings”, specifying that the proceedings have to be before a UK court, concern a dispute about scheme rules, and involve trustees or managers and one or more members or beneficiaries of the scheme or their representatives. I ask hon. Members to support those amendments, all of which go with the grain of the discussion we had in Committee.

Hon. Members have tabled a range of wider amendments. We had the chance to debate many of them in Committee, and I will respond further to them at the end of the debate. However, I thank the hon. Members for Torbay and for Caerfyrddin for new clause 2 and new clause 15 on the British Coal staff superannuation scheme, both of which would require the Government to commission an independent review of the sharing of surplus funds with members. Upon reflection, we do not believe in waiting that long, or that more reviews are necessary. Instead, we are acting now.

The Budget last week confirmed the transfer of the full £2.5 billion-worth of reserves.<sup>2</sup> Implementation is a matter for trustees, but we understand that they have put processes in place so that the first payments will be made on 23 December—just a matter of weeks. The change is the result of the powerful advocacy of so many of my hon. Friends on the Labour Benches, not

1.[Official Report, 12 January 2026; Vol. 778, c. 6WC.](Correction)

2.[Official Report, 12 January 2026; Vol. 778, c. 6WC.](Correction)

least my hon. Friend the Member for Blaenau Gwent and Rhymney (Nick Smith).

While I am on the subject of powerful advocacy, I thank my right hon. Friend the Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) for tabling new clause 17, which seeks to clarify the scope of trustees' investment duties, which are sometimes referred to as fiduciary duties. This is a long-running debate, and almost everyone involved in it agrees on one fundamental principle: a trustee's primary duty is to act in the interests of scheme members. Nothing should change or undermine that. His new clause highlights that different trustees continue to take different approaches to interpreting those duties, and in particular in how they take into account structural factors such as climate risk and members' standards of living when they are making investment decisions. That matter is raised again in a number of the amendments tabled, and we discussed it at some length in Committee.

Having discussed this matter with my right hon. Friend, I agree that more clarity about the ability of trustees to take into account such factors would help. But rather than hardwiring that into primary legislation, there are advantages to consulting more fully and retaining an ability to be responsive to future developments. I can therefore announce today that I intend to bring forward legislation that will allow the Government to develop statutory guidance for the trust-based private pensions sector. The guidance will encapsulate those wider factors set out in his new clause, with the goal being to provide practical support to trustees about how to comply with their existing duties in considering these factors, including what we mean by systemic risks and standards of living. There is good support in the industry for providing that clarity, giving added confidence to trustees that they can invest in the long-term interests of their members and our society. We will set out more details on our guidance plans in due course.

**Steve Darling** (Torbay) (LD): Would the Minister be kind enough to share the timescale he is working to for these proposals?

**Torsten Bell:** I thank the hon. Member, who was one of the contributors to our debates on this matter in Committee. I hope to bring forward clarity on the next steps in a matter of months.

**Peter Swallow** (Bracknell) (Lab): I thank the Minister for making this important announcement about a consultation on the role of trustees. As part of that consultation, will he keep in mind the important issue of pre-1997 indexation so that we can ensure that trustees are acting in the best interests of their pensioners?

**Torsten Bell:** My hon. Friend has discussed this challenge with me many times and is a powerful campaigner for his affected constituents. I give him absolutely that assurance, and I extend to him the same offer I have given to other hon. Friends: I will be happy to meet him and affected constituents, or trustees who have been affected by this issue.

**Sir Julian Lewis** (New Forest East) (Con): The Minister has indeed been most accessible, and I am extremely grateful to him for the meeting he held with members of the ExxonMobil pensioners group. I am still being lobbied very hard by ExxonMobil pensioners who are concerned that whereas changes introduced in the Budget

will benefit members of the FAS and PPF schemes, private defined-benefit scheme members will not benefit. He knows far more about the subject than I do, but can he not see that there is a feeling that they are being discriminated against? Is there nothing he can offer to make them feel somewhat more included in the beneficial steps being taken for members of other schemes?

**Torsten Bell:** I thank the hon. Gentleman for that and for our conversations on this matter in recent months. Although I think it is completely reasonable that people would feel like that—so would many of us if we had seen the high inflation of recent years eat into our non-index-linked pension payments—let me explain the consistency of the Government's position. We are providing pre-'97 indexation on compensation relating to pensions now held within the PPF to those who were in schemes that did provide for indexation. There is no question of retrospectively changing the entitlement within the schemes; we are simply requiring that the compensation within the PPF and the FAS recognises that the schemes that people were in did previously recognise the need for indexation.

Other schemes within PPF and outside the PPF, including the one that the right hon. Member for New Forest East (Sir Julian Lewis) mentioned, did not provide for indexation in their scheme rules. He is right to say that, on those matters, the changes that I have outlined today on the PPF do not provide relief. I have gone on to say that because of the changes we are bringing forward in the surplus rules, I think the trustees—as was discussed with some of his trustees—do have more ability and more leverage with which to ask for those discretionary increases, but I completely appreciate that that is different in form from the compensation indexation that we are providing within the PPF.

**Sir Julian Lewis:** The problem, as the Minister knows from our meeting, is that the trustees are rather hemmed in by not having the leverage or the freedom to act if the company itself—particularly if it is headquartered abroad—is disinclined to pass on any surpluses that it might have available.

**Torsten Bell:** I recognise the right hon. Member's point. I think the level of pessimism may be overstated. My view is that our changes on surplus, which put trustees clearly in the driving seat, provide for more ability for trustees to seek to change that balance of power within their relationship. I do not want to prejudice the individual discussions between all trustees and their employers—those will be different in different circumstances—but trustees are in a stronger position given the changes on surplus release that we are introducing through this Bill. But I am not pretending for a second that that solves overnight the points that the right hon. Member is making.

**Kirsty Blackman** (Aberdeen North) (SNP): To take us back to the consultation and action to provide guidance for trustees, we all think that is a good thing, as trustees have a difficult job to do and providing them with more guidance is incredibly helpful. On the timeline for the consultation and the legislation arising from it, it would be incredibly helpful if the Minister could, as soon as possible, provide us with a road map for what that will

[Kirsty Blackman]

look like when it returns to the House and, in particular, set out whether it will involve primary or secondary legislation.

**Torsten Bell:** The hon. Member brings me back to the part of my speech I was coming to. The direct, quick answer to her question is that I would envisage taking powers in primary legislation and then consulting on the statutory guidance relating to the powers provided to the Government. That is the order in which I would think about it, but, exactly as she has asked for, I will endeavour to provide more clarity on the timeline.

As I said, I think there is good support for such a change across the industry—actually, I heard calls for it long before I became Pensions Minister—and it is time that we get on with setting out more details and providing that clarity to trustees so that, rather than debating whether trustees have the ability to invest with these longer-term structural or systemic factors in mind, they can get on with doing so, if they so wish. I should say that this is about giving trustees that ability and not specifying that they must do so.

I hope I have usefully set the scene for the debate. Let me close my opening remarks by reiterating my thanks to everyone who has engaged with the Bill so far. I look forward to hearing hon. Members' further contributions this afternoon.

**James Wild** (North West Norfolk) (Con): Before speaking to new clauses 24 and 25 and amendments 14, 15 and 16, I shall begin by reiterating the position adopted by my hon. Friend the Member for Wyre Forest (Mark Garnier), the shadow Economic Secretary to the Treasury—he is not here today, as the Minister acknowledged—which is that we support many of the planned changes in the Bill because, fundamentally, we all want a pensions system that is more accessible to the average person and gives all our constituents dignity in retirement. We want to see a Bill that helps make the system work better, and some of its measures will undoubtedly do that.

Equally, the higher-tax Budget, of which the Minister was a controlling mind, is relevant. We know from media reports that he feels passionately about the Budget—he used industrial language that is perhaps more expected from industry than from a think-tanker, and it is certainly not for the Chamber. We also know that, because of the briefings that appeared in the press, hundreds of thousands of people drew down their pensions prematurely, damaging their savings income as a result. The Budget also increases taxes on pension contributions. Taxing people's incomes, savings and pensions more is the wrong political choice.

There is much in the Bill that we agree with, but some fundamental issues remain. Arguably the most pressing issue is the fact that the Bill does not address pensions adequacy. Research from Pensions UK shows that over 50% of savers will fail to meet the retirement incomes set by the Pensions Commission. The simple, uncomfortable truth is that this will affect millions of people, and that is despite the introduction of auto-enrolment and the triple lock introduced under the last Conservative Government.

The Bill was an opportunity to do more, but it does not currently do so. We are therefore giving the Government another chance through new clause 25, which would require the Secretary of State to conduct a review within five years and to recommend further measures. We recognise that the second phase of the pension review is ongoing, and we have faith in Baroness Drake to lead that review, but we have concerns that it will not report until 2027. We maintain that this part of the pensions review should be fast-tracked, so could the Minister at least clarify in which quarter of 2027 we can expect that report to be published?

Amendment 14 would change the wording on the eligibility conditions for new entrant pathway relief back to the form it was in when the Bill was first introduced. This means that schemes would qualify for relief if they simply demonstrated strong growth potential and an ability to innovate. All of us on these Benches understand the economies of scale and agree on the need for them, but we have concerns about the changes to the eligibility requirements. The benefit of the existing market is that its diversity provides choice, creates competition and incentivises innovation. As it stands, though, the Bill will disadvantage niche or boutique funds. Specifically, if the amendment made in Committee is enacted, existing companies that previously qualified for the pathway will now be excluded.

An example is Penfold, whose workplace pension was launched in 2022 and has grown quickly to over £1 billion of assets under management, tripling the rate since the start of 2024. Even with this trajectory, the timing of the scale test gives insufficient time to reach the £10 billion threshold for the transition pathway. We therefore agree with the chief executive officer of Penfold when he said:

“The original drafting created the scale that everyone agrees is vital, while still leaving room for challengers to innovate without the threat of a hard scale deadline that deters private investment”. He is right. These are exactly the type of businesses that the Government should be supporting.

I shall turn now to the issue of indexation to pre-1997 pensionable service. We all want pensioners to have dignity in retirement, but when people have done the right thing by putting money in their pension and it is not followed through, that does not give pensioners the dignity they deserve. The issue around the pre-1997 indexation is also time-sensitive, like the infected blood scandal, and the longer the can is kicked down the road, the smaller the problem will become, sadly. We therefore broadly welcome the Minister's commitment to taking primary powers through Government new clauses 31, 32 and 33. Our new clause 24 was seeking to achieve a similar outcome.

We pay tribute to the lobbying from groups including the Pensions Action Group and the Deprived Pensioners Association. Also, my hon. Friend the shadow Economic Secretary to the Treasury wanted to acknowledge our right hon. Friend the Member for Herne Bay and Sandwich (Sir Roger Gale) for his continued representations on this issue. The Minister has already been pressed by a number of Members about the concerns of organisations, such as the Esso Pensioners Working Group, that want to understand further how the Government will ensure that these groups are not forgotten.

Finally, I want to turn to the part of the Bill with which we have our most fundamental disagreement: namely, the part that deals with mandation. Amendment 15

would prevent the use of the reserve mandation powers until the Government produced a report on the reasons why the powers were needed and the effects of the use of such powers, and resolved any issues raised in that report. It simply asks the Government to undertake an analysis of the barriers that pension funds are facing, rather than rushing to use mandation as perfectly reasonable. Amendment 16 would remove the power altogether.

2.45 pm

Let us be in no doubt: this is a bad policy. First, it goes against the fiduciary duty of trustees to act in the best interests of savers. As the Minister has said many times, the most important thing is better returns for members. We agree, so how does forcing pension funds to invest in what the Government want them to invest in guarantee the best return for those members? Governments—particularly, but not uniquely, this one—do not always know best, and they certainly do not know better than the professionals.

Secondly, trustees and fund managers currently bear a legal responsibility to protect and grow these savings. If mandated investments failed, who would be accountable for the losses? Thirdly, this measure risks politicising the process. The role of trustees is to secure the best return for members, not to follow political whims. This is taxpayers' hard-earned savings, not the Government's money. The Government have already secured a commitment from industry to invest more into the UK through the Mansion House accord, which we support. We have only to look at comments from the Association of British Insurers, the Pensions Management Institute, Aviva, the Society of Pension Professionals and many others to see that they oppose this mandation power. The industry does not agree with the Government's approach and neither do we, which is why we voted against these powers in Committee and why we intend to press our amendments to a vote today.

To conclude, there is much agreement on the Bill, but there are important issues still to be addressed, especially around the reserve mandation power. It is fundamentally wrong, and I urge the Minister to listen to the industry and to back our amendments.

**Dame Nia Griffith:** I rise to speak to my new clause 22. There is a group of pensioners who have worked hard for very prestigious companies, and those companies have grown rich and successful on the back of the work that those pensioners have done. These are companies with good reputations. People think of them as being honourable and successful. Many of us will have a computer with "HP" on it. Companies such as Hewlett Packard Enterprise, 3M and a number of others that have already been mentioned have treated their pensioners very shabbily indeed, because they are refusing to index-link the pensions of former employees that were accrued before 1997. In other words, people who worked hard to help build up the success of those companies have had no increase for as long as 23 years. Just imagine how much less they can buy with that pension now compared with 23 years ago. The cost of living crisis over the past few years has exacerbated their problems, eroding their pensions at a frightening rate. What is absolutely terrifying for many of those pensioners is how on earth they are going to manage in the next few years.

Through new clause 22, we are asking for the index-linking to take place from now on, not retrospectively for all the years when there have been no increases, nice though that would be. This is not about some form of compensation for the past. It is about going forward and trying to future-proof these pensions so that they at least they maintain the value they have now. It would not be a retrospective measure; it is about how we want the companies to behave from now on in respect of their pension funds, just as any other legislation would apply from now on.

When the employees were recruited to these companies, they would have thought, "Oh, this is a good job. It's a good company and it's got a pension scheme." They would have assumed that any pension scheme worth its salt, particularly from a reputable company, would be index-linked. Sadly, however, these companies have found a loophole in the Pensions Act 1995, because it refers to 1997 as the start date for its provisions. In other words, the companies have been able to say that, according to the letter of the law, they do not have to index-link pensions accrued pre-1997, even though it would be in the spirit of the Act to do so. New clause 22 would amend the Pensions Act 1995 by removing references to 6 April 1997 from section 51 of that Act, thereby requiring annual increases to pension payments in line with CPI and RPI to apply to pensionable service both before and after that date.

Why do we need to legislate? We need to do so because efforts by trustees over many years have failed. We have had instances of unanimous votes by trustees for inflation-based rises being rejected by companies. We have had trustees appointed by companies. Essentially, the power structure is such that the company has the final word, no matter how healthy the pension funds are.

A recent newsletter for 3M pensioners said,

"Given that the Scheme's financial position is very positive, and the funding level exceeds the regulatory expectations for solvency levels... we had hoped that the Company would permit some discretionary increases to affected members. Sadly, the Company did not agree to this and has not changed its position on the matter."

Time and again, pensioners have been given that type of answer to a very reasonable, rational request.

**Sir Julian Lewis:** May I applaud the hon. Lady's speech? That is exactly what has happened to so many ExxonMobil pensioners in my constituency and beyond.

**Dame Nia Griffith:** Indeed, the right hon. Member mentions yet another world-renowned, multinational, household name.

Our Labour Government have just announced that we will change the law to enable the payment of inflation increases on the pre-1997 pensions to Pension Protection Fund and financial assistance scheme members. That is an important principle. If we are doing it for pensioners whose companies have gone bust, we should ensure that successful multinationals like Hewlett Packard Enterprise and 3M pay up for former employees.

**Alan Gemmell (Central Ayrshire) (Lab):** Will my hon. Friend allow me to put on the record my thanks to my constituent Patricia Kennedy and the pre-1997 pensions justice campaign for asking for exactly what she suggests?

[Alan Gemmell]

The Minister has taken a brave decision on the Pension Protection Fund pensions, and we should try to do that now for those pre-1997 pensioners.

**Dame Nia Griffith:** Indeed. I thank my hon. Friend for mentioning Patricia Kennedy, who has been incredibly hard-working and has really tried to put the facts and figures together.

Let me give the House an example now that I had intended to quote later. The number of companies that have reneged on giving out index-linked pensions is extraordinary. Listen to this list, citing the number of years for which companies have not indexed pensions: Goldman Sachs—10 years; KPMG—15 years; Lloyd's Register—nine years; Johnson & Johnson—11 years; NCR (Scotland)—11 years; Chevron—13 years, 3M—16 years; Pfizer—16 years; AIG—18 years; American Express—20 years, Atos/Sema—20 years; STMicroelectronics—21 years; Hewlett Packard Enterprise—22 years; and Wood Group—23 years. Given that, we can imagine the loss in value of those pensions now.

**Dr Pinkerton:** The hon. Lady mentioned Atos. I have several constituents who worked for that company who find themselves in precisely the situation she describes. I thank her for the speech she is making and, on behalf of my constituents, I hope that those on the Front Bench are listening to her suggestions.

**Dame Nia Griffith:** As I said, it is an important principle on the PPF; if we are doing it for those pensioners for the companies that have gone bust, we really should be doing it for the successful companies, too.

**Peter Swallow:** My hon. Friend is being extremely generous in giving way. Effectively—not legally—the Government act as the trustee for the PPF, which is why they have been able to take this decision. Does she agree that if the Government see fit to use their role to increase PPF pensions, trustees of these companies should act just as the Government have done to address this injustice?

**Dame Nia Griffith:** The problem is that many of the trustees are trying to get these increases, but the difficulty they are encountering is that the power structure is such that the company has the last word. Sometimes trustees are actually appointed by the company; sometimes it is a unanimous decision that is then rejected by the company, as I mentioned with the 3M trustees. We see time and again the efforts of trustees totally decimated.

I was interested in what the Minister said in his opening speech about the new powers. What we really want from the Front Bench is some support to help these trustees to use the legislation to which the Minister refers—that is, part of this Bill—and to try to make it work.

**Torsten Bell:** Just reflecting on the excellent speech that my hon. Friend is making, I should add that the Pensions Regulator will be bringing forward guidance to provide exactly that kind of clarity to trustees.

**Dame Nia Griffith:** I thank the Minister for that, but it is a matter of action and ensuring that it really happens. We are too used to regulators not having the powers they are supposed to have or not being effective in using them. We need some action, and hopefully the Minister will help us to see how it could be done.

There is a bitter irony that the Pension Protection Fund is funded by a levy on the very same companies that are refusing to index-link their own pensioners' pensions. We know from lots of evidence that the only way the companies will listen is through legislation. These companies are multinationals, and in countries where there is legislation, they pay up—so they do respond if there is a law.

As I was saying, saying that the trustees have the powers is sadly very far removed from the reality. Trustees of various countries have asked repeatedly for indexation, and before handing over any surplus to the companies, they will be very wary because they do not trust them at all. They will want cast-iron guarantees on indexation.

Let us look at the scale of the problem. Seventy-five per cent of UK defined-benefit schemes already provide pre-1997 indexation. The remaining 25% represents approximately 1.5 million members, including some 734,000 pensioners, with 80% of all pensioners concentrated within just 200 large schemes with strong employers. As we have seen, employer discretion has failed in practice, and many pensioners have had years of zero increases.

New clause 22 would set the statutory principle that there should be indexation. The Government can then design proportionate safeguards—for example, phasing in, exemptions and triggers—in order to protect genuinely weak schemes and to ensure, as the Society of Pension Professionals says, that schemes are not pushed into having to be picked up by the Pension Protection Fund.

We want action on this. We are talking about a small, manageable number of schemes, but we want the trustees really to be given the powers to force those companies to make that indexation. If the Minister is not minded to put this provision into the legislation, as we want, we want to see some concerted action and a genuine way forward. If that proves not to work, there needs to be an opportunity to come back and put this into secondary legislation instead.

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

**Steve Darling:** For people who are lucky in the lottery of life, their pension can be one of their biggest assets, but, sadly, we know that 12 million people across the United Kingdom are not saving enough. That is around the population of Belgium. Talking more broadly, there is much about the legislation to be welcomed. I am sure the Minister had his best birthday ever by spending it in the Bill Committee. I am sure that as a 14-year-old, he dreamed of that day, on Committee corridor—sadly I am not joking.

**Torsten Bell** *indicated assent.*

**Helen Whately** (Faversham and Mid Kent) (Con): The Minister is nodding!

**Steve Darling:** Thank you for the audio description!

There is much to be welcomed in the Bill, and the way that we rattled through it in Committee demonstrated that there is lots of good within it. However, as a constructive Opposition and a critical friend, I will spend most of my time reflecting on where there could be improvement.

We Liberal Democrats still feel that there are chances to ensure a mid-life MOT on investment opportunities, including five years before retirement. We think that that could be strengthened significantly. I come from an area of sadness in respect of my father, who saw the poverty of his father, a lorry driver, and threw significant amounts of his income into his personal pension just before the 1998 stock market crash. He saw the value of his investment halved. Nobody would expect a lorry driver to understand the full ins and outs of investing in the appropriate manner. It is important to reflect the fact that people live their lives without really understanding financial markets, and further strengthening that part of the Bill would be welcome.

3 pm

People are keen to see that their investments are doing good, whether by tackling climate change or cleaning up our waterways. We have tabled amendments to address that. The Liberal Democrats welcome the Minister's announcement of a consultation to drive that forward.

We also welcome the British Coal staff superannuation scheme carve-out announced in the Budget last week. I suggest that the Minister ought to listen to my hon. Friend the Member for Didcot and Wantage (Olly Glover) and other colleagues. My hon. Friend's new clause 1 relates to the AEA Technology. There is a strong case for that, as the National Audit Office has confirmed. I ask the Minister, with all due respect, to reflect on that and see it as an opportunity for another carve-out. Politics is about remedying such injustices.

**Sir Julian Lewis:** I applaud what the hon. Gentleman has said about the AEAT pensioners' difficulties. It is quite shocking that, despite the fact that a previous Conservative pensions Minister, Paul Maynard, said that he would instruct his civil servants to work on a redress scheme, changes of Minister and Government have meant that the machine has carried on as before, even though a parliamentary Committee did an investigation, found in favour of the pensioners and said that they should get redress.

**Steve Darling:** The right hon. Member makes a powerful point. I am sure that the Minister will take note and reflect on it further.

I would like to reflect on the proposals to enhance pre-1997 pensions by up to 2.5%, which the Chancellor announced last week. Amendments providing for those measures have now been tabled. We know that there is significant surplus in the Pension Protection Fund. We question whether it is right for the Government to balance their financial books on the backs of that pension pot. I understand that their argument is that, because those billions are taken into account as far as Government finances are concerned, it is not possible to release as much as could be released from that pot to support pensioners with the cost of living crisis, but I urge Ministers to reflect on that.

Colleagues have also highlighted new clause 22 and pensioners who worked at American Express, Esso and Hewlett Packard. Those companies—strangely enough, it seems to be overseas companies—have left pensioners out in the cold. I hope that that consultation is able to pick up on that and give clear guidance to trustees on how they ought to support those members.

Surplus funds is another area that the Bill addresses. It is about getting the balance right. In winding up, will the Minister reflect on how surplus funds could support members and oil the wheels of the economy? That is important. Pensions should be about driving the economy. They are a big beast that should be an engine for change. In fact, the last area that I will touch on is how pensions should be the engine for change. As colleagues have alluded to, mandation feels a bit like the cold hand of Big Brother on the economy. I trust the Minister implicitly in respect of mandation, when he says, "Honestly, guv, it's not really something I want to do," but who knows who will walk in his footsteps? We need only look to the other side of the Atlantic, and at the gentleman in the Oval Office, to see the extraordinary things happening there.

**Sarah Olney (Richmond Park) (LD):** Does my hon. Friend agree that, although it is certainly advantageous to encourage pension funds to invest in the UK, mandation creates the risk of reducing returns on investments? Would it not be better to incentivise pension funds to invest more productively—in housing and social care—through the creation of appropriate investment vehicles, and to encourage investment in British start-ups to allow them to scale up and create an attractive environment for investment?

**Steve Darling:** It is almost as if my hon. Friend had just seen the next section of my speech. We see such investment as an opportunity to drive social rented housing, our high streets and other investment in our communities. We need to ensure that UK institutions are the first, second and third investors in opportunities in the UK so that overseas investors see that we are backing ourselves and then pile in after us. That is essential.

We will vote against mandation. There is much to welcome in the Bill, but the devil is in the detail.

**Cameron Thomas (Tewkesbury) (LD):** My hon. Friend speaks well about what is good in the Bill, but there is room for improvement. A number of my Gloucestershire constituents were employees of Gulf Oil before its merger with Chevron. Following the merger, they were moved on to the Chevron pension scheme. Between them, they have hundreds of years of service, but they are not protected against inflation, and over years of inflation, the value of their pensions has been eroded significantly. Does my hon. Friend agree that his new clause 7 is a genuine opportunity for pension justice—one that we hope the Labour Government support?

**Steve Darling:** I wholeheartedly agree with my hon. Friend. I am sure that the Pensions Minister is listening. Politics is all about calling out injustice, and my hon. Friend does a good job of that for his constituents.

**Neil Duncan-Jordan (Poole) (Lab):** I will speak to a number of amendments tabled in my name. I thank the Pensions Minister for discussing them with me yesterday. I look forward to his comments later in the debate.

[*Neil Duncan-Jordan*]

I spent a number of years as a regional trade union official with responsibility for the local government pension scheme, and I think it is important that we see pensions as a force for social good. My amendments aim therefore to make our occupational pensions more progressive. We should remember that such funds represent the deferred wages of millions of workers, and directing pension funds toward socially beneficial projects is one way in which the Government can rewire our economic model, so that it delivers for ordinary people.

In my view, workers' money should be invested in sectors such as green technology and social housing—stable, reliable sectors that build a better future for the very people whose contributions fund them. Whether this is done through an expanded National Wealth Fund, which could direct investment into socially useful projects, or some other mechanism, it would clearly boost much-needed growth and GDP. What could be more progressive than using workers' pension funds to build the council houses we so desperately need? That would be a tremendous step forward which not only ensured a solid investment for the funds, but provided decent homes at affordable rents. I designed new clause 5 to address this issue, and I hope the Minister will do more to encourage schemes to redirect their investments in that way.

Likewise, amendment 3 recognises that the voluntary approach to disinvestment in fossil fuels has not worked. The LGPS currently invests over £16 billion in fossil fuels, while 85% of all pension schemes lack a credible climate action plan. The environmental crisis is the great challenge facing us all. Workers' wages should not be fuelling the climate catastrophe. Fundamentally, there is no retirement without our environment, and I hope the Government will emphasise that position to trustees more forcefully. We need a commitment from all LGPS schemes and pools to having a five-year plan to end their relationship with these harmful investments.

The overwhelming majority of the public would also be horrified to learn that their savings were invested in illegal wars abroad, such as the genocide in Gaza. We know that over £12 billion of LGPS funds are invested in companies that support the illegal settlements in some way, or produce arms or fuel for fighter jets used in the war. We must ensure that pension funds are not complicit in war crimes and human rights violation, whether in Gaza or elsewhere in the world.

The Minister will have noticed the strong cross-party support for my amendment 2, and I urge him to give a statement in the strongest possible terms that the LGPS should not be involved in funding breaches of international law in any form. I understand that many of the pools have money in tracker funds that are connected to arms companies, but that needs to be challenged. If that means disinvesting from arms manufacturers implicated in these breaches, so be it.

That brings me to the important matter of worker representation. Having a seat at the table is one way in which we can influence how money is invested. That is why it is important that we ensure trade unions have a voice on all future pension boards and committees, as outlined in my amendment 1. There is currently no requirement for worker representation on the boards of LGPS pools; the Government reducing the number of pools to six gives us an ideal opportunity in law to

guarantee proper worker representation. Fundamentally, it is vital that the workers who pay into the funds have a fair voice in decisions on how their money is invested. I hope the Minister will begin talks with local government trade unions to see how we can bring that about.

Last week's budget announcement on the pre-1997 pension indexation was welcome, and many have already quoted that this afternoon, but only those whose schemes were eligible for indexation and are members of the Pension Protection Fund and financial assistance scheme will see the benefit. Hundreds of thousands of retired workers whose pension funds were taken over by other companies, such as Hewlett Packard in the case of some of my constituents, and are still in operation will not be protected as was intended in the Budget for that other group; and the money they put into their company pensions before 1997 will continue to be frozen. I know the Minister recognises that over this period their pensions have become virtually worthless. That is why the Government must put pressure on trustees of all schemes to pay some of their surplus funds and ensure that their former staff get the pensions they deserve.

The Pension Schemes Bill offers a once-in-a-lifetime opportunity to help the environment and society more generally by the way we invest. The £3 trillion in UK pension funds could be used to address the historical transfer of wealth away from ordinary working people toward the wealthiest individuals and corporations in our society. Given that pensions account for 40% of wealth in this country, change must include consideration of how this vast pool can be used to improve the lives of those whose pay slips created it. The call to use our money and make pensions more progressive is therefore overwhelming. I look forward to hearing the Minister set out in the strongest possible terms the commitments the Government are making to bring that about.

3.15 pm

**Sir Roger Gale** (Herne Bay and Sandwich) (Con): There is clearly a great deal of good in the Pension Schemes Bill; that is why it went through Committee relatively easily. I do not wish to be a dog in the manger about that, but instead to recognise the good in the Bill. I shall focus on the issues raised in new clauses 22 and 24.

I do not pretend to be expert in these matters, but I do know injustice when I see it. As you know, Madam Deputy Speaker, I fought for many years for the uprating of frozen pensions for ex-pat citizens overseas. That is a shame from which the reputation of this country will take a long time to recover, and I fear that we are about to endorse yet another such shame.

There is absolutely no doubt in most people's minds that the Pensions Act 1995 was flawed. This issue is an unintended consequence that was not foreseen. That it has taken this long to get to grips with it is wrong, but we now have the opportunity to set things right. The hon. Member for Llanelli (Dame Nia Griffith), in an excellent speech, set out the stall very clearly indeed. I have huge sympathy with her new clause. Were it to be called, I would vote for it without any question.

The right hon. Lady made it very plain—it is indeed very plain—that there is no suggestion that any redress should be retrospective; there is no question of any vast back payments to those whose pensions have been

affected. I listened carefully to what the Minister said about retrospection—by the way, I agree that retrospective legislation normally ends in tears—but the proposed measure is not retrospective in that sense.

We come to how to get this right. It seems to me that the Government's proposals are hugely complicated—unnecessarily so—and do not actually do the job. New clause 24, tabled by Opposition Front Benchers, who I know have put a lot of effort into trying to get this right, gives a get-out in the form of a lack of surplus, which I believe would enable those companies that have neglected their duties until now to carry on neglecting their duties. For that reason, my personal preference is for new clause 22.

I represent the remains of the Pfizer empire in Sandwich. Not entirely surprisingly, I have therefore a significant number—one is a significant number, by the way—of constituents who were affected by the pre-1997 section in the 1995 Act. I find it quite appalling that companies of size and international importance that have been named today—including Pfizer in my own constituency, which is a good employer—should have put themselves in the position that they are in when in some cases, for up to 25 years, pensioners have not been rewarded in the manner to which I believe them to be entitled. As I say, for my money, Pfizer is an excellent company. It does good work and is a good employer, but somewhere along the line, in the back office—probably in the United States—a decision was taken not to uprate pensions. That is quite simply wrong.

While I understand that the Minister comes to this issue with a reasonably open mind and a good heart, I do not think that his proposal does the job and I am not certain that the Opposition Front-Bench amendment does the job. I believe that new clause 22, in the name of the hon. Member for Llanelli, would do the job. I hope that further and very serious consideration will be given to adopting that resolution.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): I rise in support of the Government's new clauses, particularly those that relate to the pre-1997 pensionable service indexation where scheme rules allow. That will mean that pensioners whose pension schemes became insolvent through no fault of their own and that have failed to keep pace with inflation will have that rectified. As I mentioned yesterday in my speech on the Budget, that will benefit more than 250,000 Pension Protection Fund and financial assistance scheme members.

I pay particular credit to the Pension Action Group, the PAG. It was formed in 2003 following the collapse of the Allied Steel and Wire pension scheme, which left thousands of workers without employment or their promised occupational pension. They are not covered by the Pension Protection Fund, which was introduced by the Pensions Act 2004 for members of defined benefit schemes whose employer went bust after 6 April 2005. The Pensions Action Group campaigned first for the financial assistance scheme to be set up for members of schemes that went bust, then for improvements to FAS benefits to bring them into line with those of PPF members.

In the last Parliament, members of the Pensions Action Group gave evidence to the Work and Pensions Committee on the hardship experienced due to the policy of not indexing pre-1997 benefits. As a relatively

new Select Committee Chair, I remember hearing from them at a separate meeting, and it was so moving. Within weeks, unfortunately, different members were dying because of their age. Benefits were not going to their families, and they were not going to have the benefits that we see rightly being given to this group.

FAS members did most of their service before 1997, and most were in schemes that provided for indexation on all members' pensionable service. Non-indexation of FAS compensation meant that the average award—about £2,700—was progressively lower than the amount expected from the original pension schemes. Terry Monk told the Committee that

“people should get what they paid for—end of story.”

Richard Nicholl said that

“people paid extra effectively, for full indexation...it is only fair that it goes to those who have paid for it.”

I pay credit to the Deprived Pensioners Association, which gave evidence to the Committee about the impact of the non-indexation of pre-1997 on PPF members. Having heard their evidence, the Committee recommended that the Government legislate to allow both compensation schemes, FAS and PPF, to provide indexation on pre-1997 benefits where scheme rules allowed.

I am incredibly grateful to the Pensions Minister for listening and to the Secretary of State for Work and Pensions, who came to the Committee a couple of weeks ago and listened to concerns from members, including the hon. Member for Torbay (Steve Darling). What has happened is right, and I reiterate my thanks.

**Manuela Perteghella** (Stratford-on-Avon) (LD): I rise to speak to two new clauses that stand in my name. The first is new clause 3, which concerns the use of the special rules for end of life form to ease the burden on people with a terminal illness seeking support from the Pension Protection Fund or the financial assistance scheme; the second is new clause 19, which deals with fossil fuels and climate risk. Those issues are very different in nature, but they share a common thread: both seek to improve the governance, fairness and long-term resilience of our pension system. I will also speak in support of new clause 11, as it seeks to remedy HSBC's unjust clawback policy that the Midland Clawback Campaign has been fighting against.

New clause 3 concerns terminal illness and the use of the special rules for end of life form, or SR1. This amendment was born out of the experience of one of my constituents, Nigel. Nigel was diagnosed with incurable stage 4 pancreatic cancer. He told me about the issues he faced in providing several forms, applications and other bits of paper to providers just to demonstrate eligibility and his terminal illness. He told me his story and about the hurdles he encountered following his diagnosis, at what was a very stressful time.

**Jim Shannon** (Strangford) (DUP): I have been contacted by some Members of the Northern Ireland Assembly about this issue—the thresholds in cases where a death occurs unexpectedly or suddenly, or when an illness comes on very quickly. When the Minister sums up at the end, I hope he will address that issue, for the sake of those Northern Ireland Assembly Members who asked me to raise that very question today. The hon. Lady is right; well done to her for highlighting this issue.

**Manuela Perteghella:** I thank the hon. Member for his intervention. When people get terminal illnesses, it is a time full of grief and stress, so new clause 3 aims to address the bureaucratic barriers those people face in accessing compensation or assistance from the Pension Protection Fund or the financial assistance scheme. At a moment when time is precious and stress is already immense, too many people are forced to navigate repeated administrative hurdles simply to demonstrate what another arm of the state has already accepted.

The new clause would require the Secretary of State to set out a clear, fair and straightforward process for demonstrating terminal illness—one that places the least possible administrative burden on the individual. Critically, where the Department for Work and Pensions already holds a valid SR1 form confirming a terminal diagnosis, that form must be shared with the PPF or the FAS; the person should not have to start again from scratch and provide several forms or applications again. Once the necessary information has been received, the PPF and the FAS should be required to make payments within a defined timeframe.

These are not abstract procedural improvements: they would materially affect the quality of the precious time a terminally ill person has left. New clause 3 reflects the explanatory statement's intent to allow a valid SR1 form to serve as sufficient proof of terminal illness for these purposes, reducing duplication and speeding up support. It is a modest, humane and pragmatic change, and I hope the Minister will consider it in his concluding remarks.

I turn now to new clause 19, which deals with fossil fuels and climate risk. The new clause would require the Secretary of State to make regulations that would require specific schemes to exit investments in firms that are significantly exposed to thermal coal, and thereafter to review whether that restriction should extend to oil and gas expansion. This is a financial risk measure as much as it is a climate one. Despite the welcome climate reporting requirements in the Pension Schemes Act 2021, schemes remain heavily invested in the most damaging fossil fuels. These investments are doubly harmful. They risk becoming stranded as technology and policy move on, and they depress returns across the rest of the portfolio by contributing to climate damage that ultimately, as we have already heard, drags down the entire global economy.

3.30 pm

The amendment would provide a measured, proportionate and financially rational way to divest. It does not force an immediate blanket divestment from all fossil fuels. It allows for staged action following consultation, subject to parliamentary approval and grounded firmly in the fiduciary duty set out in the 2021 Act to secure effective governance of climate-related risks.

**Edward Morello (West Dorset) (LD):** I thank my hon. Friend for speaking to this important new clause, which relates to the fundamental fact that pensions are about planning for the future, and climate change is about making sure that we have a future for all. Having pension funds supporting anything that undermines the outlook for future generations should be prevented in any which way we can. I just wanted to lend my support to her wonderful amendment.

**Manuela Perteghella:** I thank my hon. Friend for his important intervention. New clause 19 would not create a precedent for ministerial direction of investments more broadly, if that is an issue. In fact, it would be much narrower than the Government's own proposed reserve power. Existing measures cannot substitute for action now. Large schemes remain invested in the most dangerous fossil fuels, and the Government have not yet even consulted on transition plan requirements for pension schemes, meaning that enforcement is unlikely before the end of this decade.

I urge the Minister to acknowledge that transition plans alone are too little, too late, and we must address pension fund climate risks this decade. New clause 19 would provide a route to do so responsibly and effectively. Taken together, these two new clauses—one addressing long-term systemic financial risk and the other addressing immediate human need—would make our pension system more responsible, more resilient and more compassionate. I hope the Minister will consider them both in that spirit.

Finally, I will speak in support of new clause 11, which would introduce an independent review into state deduction in defined benefit pension schemes. That is necessary because Midland bank's—now HSBC—outdated clawback policy has misled 51,000 former employees and deprived them of the pensions they were promised. This policy, which was abandoned by most organisations in the 1980s, allows HSBC still to deduct the value of an employee's state pension using a 77-year-old formula, with payslips disguising it as “state deduction”. It hits the lowest-paid staff hardest and disproportionately affects women. For the same reason of long-standing injustice, I also support all the new clauses and amendments in relation to the indexation of pre-1997 benefits. In conclusion, this Bill is a chance to make pensions fairer, greener and more ethical and to put some of this historic injustice right.

**Liam Byrne (Birmingham Hodge Hill and Solihull North) (Lab):** I begin by congratulating the Minister on bringing the Bill forward to this stage. He has been one of the country's practical idealists since I first began working with him in 2008, and he is demonstrating those credentials once again in stewarding this Bill through the House today with such expertise and intelligence. He, like me, has long been concerned not only by the endemically low investment rates in this country—now languishing at the lowest in the G7—but that we should build up a system of universal basic capital, so that the wealth we create in this country is more fairly shared.

I rise to speak to clause 17, which is in my name, and I give enormous thanks to the 33 Members from all parts of the House who have added their names to it. That depth of cross-party support tells us something important: that here in this House is broad and deep support for the principles enshrined in the new clause. There is a shared belief across this House that working people should be able to use their savings to build a richer and stronger country in which to retire.

My new clause calls for something very simple. It calls for something that has been missing for far too long. As we know, pension fund trustees have fiduciary duties to the people they represent and the people they serve, but those duties need clarity, and for too long that clarity has been missing. What we have instead is confusion,

and from that confusion comes a caution, and from that caution comes a world in which pension scheme providers are simply not investing what they could and what they should in the productive assets of our country.

The flight of British savings from investment here has long bedevilled the country. It is a sight to behold. We are not short of savings, but we are desperately short of investment. We have somehow magicked a situation in which we have £3 trillion-worth of long-term savings, but we have the lowest investment rate in the G7. I think the Bill will help to turn that around. I think it will help to break that curse. There is much in it that is welcome: the consolidation of funds, the consolidation of pots, the simplification of structures, and a stronger framework for long-term investment. For all its virtues, however, as it is drafted today we are still left with the core problem, and unless we solve that core problem, the Bill's noble ambitions will be defeated by its notable omissions. We risk creating bigger and better-managed funds that still fail to invest in our country, and still fail to invest in our country's future.

The Bill will fail to channel the investment that we need in affordable homes, in net-zero investments, in cleaner power systems, in affordable transport systems, in the social care that we all need for the future, in regeneration, and in the national infrastructure of growth. It will fail because it fails, as currently drafted, to clarify exactly what it is that pension fund trustees can consider. We want those trustees to have the freedom to invest in good things here, not out of some patriotic flourish but because it is plainly in members' best interests. When national investment grows, our national productivity rises, and when pension pots get bigger, they will get bigger faster if we have a country that is more productive and growing faster than it is today. When a country grows, the returns that shape retirement grow with it.

Many scheme providers today simply do not feel that they have the permission to make those investments. They are unsure of the law. They fear litigation. They worry about the possibility that looking at system-level risks, from low productivity or high housing costs or climate stress, might fall outside their legal remit. This is where the problem lies. It is a paradox that I think we can no longer ignore. We ask trustees to act in members' best interests, yet the law today is so unclear that many of them feel unable to invest in the very things that could secure the long-term interests of their members: growth, productivity, and the living standards on which those members will one day rely. Today's rules were built to ensure prudence, but what they are doing is creating paralysis. A framework that was meant to safeguard the future is, in practice, preventing pension savers from shaping that future. Scheme providers want to do more, members expect them to do more and our country needs them to do more, but all that can only happen if Parliament now provides the clarity that the courts have not provided.

This is not an academic matter. At a recent conference, fewer than one in five practitioners said that fiduciary duty was "completely clear". I believe that 31 industry leaders have now written to the Minister for Pensions to request that legal clarification, including a dozen chief executives. Publicly, the chief executive of Nest, the provider of the UK's largest defined-contribution scheme, has said much the same.

Fiduciary duty dates back to case law that is centuries old, back to a 19th-century brick factory in Pontefract and, before that, the inheritance of a market lease at some point in 1726. I am afraid that these cases simply cannot answer the questions that trustees must answer today, and they cannot help with the challenges that trustees face today: globalised portfolios, system-wide risks, intergenerational impacts, and the real-world living standards of their members. That is why the spirit of new clause 17 is so important, modest though it is. It does not alter the statutory purpose of pension schemes, and it does not ask a single saver to accept lower returns. What it does is cut through the confusion and allow the Government to produce regulations and guidance that spell out clearly and consistently what trustees must consider, and what they may consider, when making investment decisions.

I warmly welcome the Minister's commitment to introduce new legislation. I hope that if he gets his skates on, he can table an amendment in the other place once the Bill moves from our precious hands, but mere guidance is not enough, because sometimes it can be ignored. Guidance does not eliminate liability risk and does not give trustees a solid statutory floor, so I urge the Minister to ensure that the legislation he brings forward delivers guidance that is statutory in its bite. I urge him to go big, by pairing guidance with underpinning regulation that gives trustees legal clarity; to go broad, by ensuring that every single kind of scheme falls within the ambit of the legislation; and to be specific, by explaining precisely what those powers can be used for and the way in which they can be allowed to ensure productive investment. That clarity, if we get it right, could avoid the need to resort to the mandating powers that some Members of this House have objected to. It could unlock investment by giving schemes confidence to act, rather than making them fearful and hesitant.

We in this House have a profound duty to ensure that the maximum amount of pension savings in this country not only yield a return to give comfort to savers in their golden years, but do a double duty: they should help to provide the productive investment that we need to build a bigger and richer country. After all, a nation that invests is a nation that builds, and a nation that builds is a nation that will grow its pension pots to help ensure that pension savers enjoy their golden years in comfort.

The steps that we have heard from the Minister go some distance towards helping us deliver on the spirit of new clause 17. I am very grateful to him for his announcement today, which could unlock billions of pounds for affordable homes, clean energy and comfort in retirement for millions of the people we came to this House to serve.

**Ann Davies (Caerfyrddin) (PC):** I thank the Minister for his opening remarks this afternoon. The Bill has provided an opportunity for the Labour UK Government to address long-standing pension injustices. Such injustices include the British Coal staff superannuation scheme scandal, whereby surplus sharing arrangements saw billions of pounds heading to the Treasury while former mineworkers' pensions were eroded, and the lack of indexation for pre-1997 pension accruals under the financial assistance scheme and the Pension Protection Fund, which has caused hardship for pensioners. Addressing such scandals is exactly what my new clauses 2 and 6 set out to do.

[Ann Davies]

New clause 2 would require the Secretary of State to set out a timetable for transferring the whole of the BCSSS investment reserve to members, and to commit to a review on how future surplus will be shared. The coal mining legacy of south Wales extends to my constituency of Caerfyrddin, with the Amman and Gwendraeth valleys bearing the scars of previous industry, so it is of no surprise that my constituents were among those whose funds had been withheld, causing immense hardship for pensioners who had paid into the system for decades. In fact, it affected over 180 residents in my constituency, 20 of whom came to a drop-in earlier this year to share their stories of how this long-running issue has affected their lives.

When the hon. Member for Aberdeen North (Kirsty Blackman) kindly moved new clause 2 on my behalf in Committee, the Minister's answer gave some hope for long-awaited action. I therefore welcome the recent confirmation that the UK Government have finally listened and have implemented the transfer of the full £2.3 billion reserve to trustees. I pay tribute to my constituents for their hard work, and to former mineworkers everywhere for their long-fought campaign to make this day a reality. On behalf of 180 of my constituents, I thank the Minister.

Former Allied Steel and Wire workers have also campaigned tirelessly to receive their rightful dues in retirement. When the company went bust in 2002, ASW employees lost not only their livelihoods, but the pensions they had worked hard for, and which they were relying on for security later in life. The financial assistance scheme and the Pension Protection Fund were introduced to provide some relief to pensioners in such a situation, but pension contributions made before April 1997 were not inflation-proofed, leaving pensioners without the secure retirement that they were promised.

3.45 pm

In Committee, I put forward two amendments to extend the indexation of compensation under FAS and the PPF to cover both pre-1997 and post-1997 service, and to reimburse members for the annual increases they should rightly have received. After the Minister for Pensions responded that the amendments could not work, I went back to the drawing board—we never give up in Wales, do we?—and sought advice to address his concerns. New clause 6, which is the result of that advice, would require the Secretary of State to make regulations to provide for that indexation.

I welcome the recently announced action by the UK Government to finally start addressing this injustice, but limiting pre-1997 indexation to a 2.5% cap for those whose schemes originally offered it simply does not go far enough. I would add that, as of earlier this afternoon, I have still not received an answer to my written question asking how many FAS and PPF members will not benefit from the Government's measure because of this caveat. I would welcome a response, I hope within the next few days.

The UK Government should instead adopt my new clause 6, which provides no cap on inflation, includes reimbursements to make good losses and specifies its application to transferee members, ill health payments and payments to surviving dependants. Affected pensioners

must be at the heart of action to address the pension injustices that they have faced for so long. I urge the UK Government to listen to the continued concerns and to make the necessary changes to deliver real justice. For former ASW workers, that means providing full pre and post-1997 indexation—and backdated, please.

**Dr Scott Arthur** (Edinburgh South West) (Lab): I thank the Minister for introducing the debate. I want to speak in support of Government new clauses 31 to 33, and in the context of new clause 22. Before I do so, let me say that I think it is really good that today's debate has brought people together after four days of debate on the Budget. There seems to be a lot of agreement today, which is good. In particular, we are agreeing on the pre-1997 measures that were announced in the Budget last week. Nobody mentioned them much in their speeches over the past few days, but today we are all talking about them, which I think is really good.

I warmly welcome the Government's confirmation in the Budget that we will legislate to allow the Pension Protection Fund and the financial assistance scheme to provide some inflation protection for pre-1997 pensions. This is an issue I have campaigned on, alongside Members from across the House, and I am genuinely pleased to see concrete progress included in the new amendments to the Pension Schemes Bill before the House. I thank the Minister for meeting me in the Treasury in the week running up to the Budget, and for drawing the Chancellor into that discussion. We had our picture taken in the Chancellor's office, and one of my constituents spotted that there was a mouse trap, which shows that the Treasury hangs on to even the crumbs, as well as to the pounds and pennies.

For years, more than a quarter of a million PPF and FAS members have seen a significant part of their pension frozen—left to lose value year after year—and last week's announcement begins to right that wrong. It matters deeply for people in Scotland. More than 26,000 pensioners will be helped by this change, which is 26,000 former workers in manufacturing, retail, hospitality and countless other industries. Having spoken to many constituents in this position, I know that many of them have felt forgotten. This reform sends a message that they have not been forgotten, and also that they have been listened to, which I think is even more important.

This decision is important not only for what it delivers, but for what it signals. By acting, the Government have effectively acknowledged that the lack of pre-1997 indexation was an injustice. By recognising that injustice in the public system, I feel that the Government have established an expectation that the private sector must also look at this matter.

The private sector requires encouragement in this area, as a number of companies—primarily under US ownership, in my assessment—are not currently providing regular discretionary increases on pre-1997 pension payments. Many of my constituents, pensioners who used to work for the likes of ExxonMobil—it has been mentioned a few times—and Johnson & Johnson, have told me of sponsoring companies taking a 10-year funding holiday from pension payments into the fund, while simultaneously blocking the indexation in payments. I take the view that the money in the funds belongs to the pensioners and that the funds themselves have a

responsibility to move that money from the funds into pensioners' pockets—and hopefully into the tills of local businesses in my constituency.

The Pensions Regulator itself notes that 17% of pre-1997 pensioners receive no inflation protection, not because of actuarial need but because scheme rules enable companies to do so. For a long time this was an academic matter because inflation was so low, but over the past five years it has eaten some pensions alive, and affected pensioners in Edinburgh South West are now really feeling it. I hope very much that the private pension schemes that do not already provide significant indexation to pre-1997 pensions but have the financial capacity to do so—many do—will see the signal from the Government's changes to the PPF and the FAS schemes and improve their own schemes for the benefit of those pensioners. I have some slight concerns about the Bill, in that it might not go far enough in forcing them to make those improvements, but I have great faith in the Minister's negotiating powers.

It is hoped that the surplus release enabled by the Bill will help to underpin additional corporate investment in the UK, but there is a risk that in cases such as ExxonMobil it may simply enable such companies to move the money in those funds outside the UK and into the bank balances of shareholders in other countries. That money really does belong in pensioners' bank accounts, but there is a credible argument for also using it to invest in the UK. It does not seem like a good outcome for that money to be lost to our economy.

That can be avoided by addressing the issues of trustee governance. Some trustees undoubtedly act in the interest of scheme beneficiaries, but scheme rules do not always allow it and contrary guidance from the Pensions Regulator may be non-binding. Additionally, trustee boards often lack independence, particularly when we see a majority or even all members have been appointed by the employer—perhaps a conflict of interest. Mindful of that, I commend the Minister for announcing that his Department will consult on trust-based pension scheme governance, strengthening the member voice and supporting lay trustees working closely with the Pensions Regulator to ensure that trustees act in the interests of all beneficiaries, and comply with the law and their scheme rules. Again, the money belongs to those beneficiaries.

I have high hopes for the review, as we need significant reform if we are to secure meaningful protection for these pensioners. The urgency is clear: many of these individuals and their spouses are of an advanced age—I hope none of them hears me say that and thinks it is an insult—and we need to act quickly if they are to benefit. Addressing this injustice requires not only technical improvements in governance and trusteeship, but the political will to act. I am proud that this Labour Government are stepping up to act and looking at this issue in detail. We saw progress last week in the Budget and there is a commitment to do more.

Before I end, I want to touch on two slightly aligned issues. First, we have spoken a lot, across the House, about people who have pre-1997 private pensions and we worry that those pensions are not enough to support them. Each week, in Oxfords in my constituency, I go to a community meal where I meet people who do not have any private pension. They survive on the state pension, often in quite difficult circumstances. When we talk about poor pensioners, it is right that we think

about pre-1997 and others with private pensions who are struggling, but we should never forget who is really feeling the cost of living crisis.

Secondly, I have to thank my union, the University and College Union, for the work it has done over many years to protect my pension. I know I will benefit from that. Hardly a month goes by without me getting an email from it saying that there is some risk to pensions in a university somewhere in the UK. I commend it for its work.

**Kirsty Blackman:** I appreciate the chance to speak in this debate, especially without time limits—it is lovely. I absolutely love a very technical debate in the Chamber, but unfortunately not enough Members do. It would have been nice to see huge numbers delighted to talk about the technical aspects of legislation, but being a veteran of previous Finance Bills, I am aware that there is not often a huge turnout for these debates.

I am thankful for—but have a few criticisms of—the Government's position throughout the Bill. I will start with a couple of issues around timing. It is appreciated that the changes are being made. The hon. Member for Edinburgh South West (Dr Arthur) mentioned the Budget debates, and I mentioned in my speech then how delighted I was that the change had been made, and how great it was that pre-1997 indexation would be taking place.

However, when I made my speech last Thursday, we had not yet seen the Government amendments. I was aware that there would be Government amendments, because it had been announced, but we did not have the opportunity to properly scrutinise them, or to consider whether those amendments should be amended, because of the timeline of when the details were provided. I appreciate that the Minister tabled the amendments in advance of the deadline, which is great, but there are questions that I potentially would have asked, and I may have tabled some probing amendments, if I had seen those Government amendments in advance.

On the 1997 indexation, I apologise that on Thursday, when I was talking about this, I mentioned the FSA instead of the FAS—I apologise to the Food Standards Agency; I did not mean anything by it. If I do that again, I apologise. In terms of the PPF and the FAS, the PPF got in touch with me last week, and I had a good meeting with it about what the indexation will look like and how many members would potentially be impacted. It suggested that it was getting in touch with 165,000 members, which I thought was a very significant number, with an impressively fast turnaround in the time it was looking to reach out to them. Those are significant numbers, and I appreciate that.

However, I am concerned that the uplift does not involve a one-off payment in order to bring the pre-1997 contributions up to some sort of level. The contributions were made pre-1997, so the compound interest on that would be unbelievable—it would be very significant. If there is no one-off payment to be made, and no recognition of the fact that the indexation has not taken place, then we are looking at adding 2.5% a year on to a tenner—or whatever—instead of 2.5% every year up until now, which would be a significantly different sum.

I appreciate that the change has been made, and I also appreciate that the PPF levy is still going to have the potential to reduce to zero. The PPF's plans are still

[Kirsty Blackman]

intended to go ahead, and it is still able to meet its financial obligations, even with the changes that have been proposed by the Government. However, I would appreciate it if the Government considered the possibility of a small one-off addition to the pre-1997 accrual that members have, in order to bring them closer to what the pension should have been if they had had that indexation previously.

Older pensioners are the group affected, some of whom are very unwell. As was mentioned by the Chair of the Work and Pensions Committee, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), a number of them are no longer with us. The Chair also mentioned Terry Monk, who has been in regular contact with me via email, and I thank him and all of the members who have fought so hard for this change. They have achieved something, although I expect they will probably go on fighting for more. I can understand that and I will be happy to back them in the search for more justice.

On some of the other issues that have been brought up in this debate, around the fiduciary duties, the right hon. Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) and I probably have a similar idea of what “best interests” looks like, what the words “best interests” mean, and what the interests of scheme members are. Some of the ideas that he was talking about around investments are ideas that I would fully align with.

However, we can all define best interests in different ways. The shadow spokesperson, the hon. Member for North West Norfolk (James Wild), talked about the fact that fiduciary duties mean having to get the best returns—he said something like that—but it is not the best returns, but the best interests. Some people may define best interests as best returns, but some people may not. Some might define best interests as better transport systems for the majority of the scheme beneficiaries who live in a certain area, for example; if there were a more efficient transport system, more housing and better schools and hospitals, that would significantly benefit those members in that area.

4 pm

**Liam Byrne:** The hon. Lady is absolutely right. Many members would say that they wanted their investments to help to create a more equal country—a less unequal country—not least because we now know from the work of the OECD and the International Monetary Fund that more unequal countries grow more slowly.

**Kirsty Blackman:** Absolutely. Productivity and growth are real possibilities if there is better patient capital investment, not just in social housing and renewable energy projects, which I would dearly love to see and have spoken a lot about—in particular social housing—but in tech and appliances, so that companies can use capital investment that is invested for the long term. That could have a significant impact on productivity.

Turning back to the Minister’s announcement around fiduciary duties and that definition, although there will of course be political argument about what best interests mean and how we define best interests,

trustees will at least have the benefit of the guidance and will not necessarily labour under the misapprehension that they have to get the best possible financial return.

I draw the Government’s attention to the Well-being of Future Generations Act 2015 in Wales, which I talk about a lot, and which is about making the best decisions for the future. It is not necessarily about chasing economic growth at any cost; it is not necessarily about building certain things. Instead, it is about ensuring that future generations are best provided for. Some of the lessons that could be learned from that could be put into the fiduciary duties consultation that is coming forward about what the term best interests actually means and how it could be defined.

We have largely covered the mandation powers and their direction in the discussion of fiduciary duties. I am pretty relaxed about there being some mandation and some requirement, not least because of the points the right hon. Member for Birmingham Hodge Hill and Solihull North made about the growth in the economy that is likely to occur should capital be invested more in things that will increase productivity. There probably is a balance to be struck between benefiting pensioners of today and the future; if there is a lower return for pensioners 30 years in the future, we might again be causing a level of generational unfairness that we need to think about. How does that balance up? Does that new hospital or that new social housing provide enough of a benefit for those younger people, who will become pensioners in 30 or 40 years? Does that stack up? I do not think that will be an easy decision to make.

However, generally I think we can look at mandation; I do not take an ideological position against it like some with Conservative beliefs. I am, though, happy to support the Conservatives in their amendment that would require a report on what those mandation powers look like, because the more transparency from the Government—the more transparency from everybody in this place, frankly—the better. I therefore think a report on that would be absolutely grand.

I will mention a couple of other things. New clause 3 about terminal illness is a really neat solution to a problem. My local authority has implemented a “Tell us once” policy, whereby if someone has had a bereavement in their family, for instance, they have only to tell their distressing story to the local authority once and everything will be changed—their council tax and benefits—and they will no longer get various charges. I therefore think the solution proposed in new clause 3 is neat.

The Minister might come up with some issues around potential data sharing between the PPF and the DWP. However, if he could come up with a solution so that people do not have to tell their distressing story numerous times—having to explain again to somebody else that they are terminally ill and having to provide a huge amount of paperwork to do that when they have already had to do that with the DWP—that would be hugely helpful.

My understanding from my conversation with the PPF on Friday is that it is pretty good at supporting members, and I felt that it would be willing to be flexible about this should it get direction from the Minister and should the data-sharing issues be sorted out, but I am just guessing—I am not putting words in

the PPF's mouth. I just feel that it is a very member-focused organisation and might be quite keen to support its members in that regard.

**Dr Arthur:** This is a very slight aside, but is it not interesting that, when it comes to claiming benefits, there are so many silos and barriers to organisations, councils, Government agencies and Departments talking to each other, but they suddenly start speaking to each other and the benefits are stopped overnight when someone passes away?

**Kirsty Blackman:** I would like to see much more conversation. Gateway benefits allow people eligibility for other things, and sometimes those do not work either. A person might be eligible for universal credit, but they do not necessarily get the follow-through to free school meals, for example. Anything we can do to make that path smoother, either in the cessation of benefits or in agreement on eligibility, would be really helpful. I agree with the hon. Gentleman; we have seen issues with carers, for example, being chased for overpayments that were not their fault.

Again, I support the Government's move on the consolidation of small pots, which I think is incredibly sensible. I am famously a massive supporter of the pensions dashboard and have never been at all critical of its timelines, but when it comes online there will be a rush for consolidation anyway. This is all about consolidation for people who have not touched their small pots, and making sure they get a return from that is totally sensible.

Guided retirement and the mid-life MOT are mentioned in a number of amendments, and ensuring that people are given the correct advice at the correct time is incredibly important. When the Government do their sufficiency review—when we are looking at the adequacy of pensions and what people will get when they hit retirement—I would be very surprised if that and the consultation do not conclude that more people need more advice earlier. The more advice that people have on their pension, and the more money they put into their pension at the earliest time, the bigger their pension will be.

I have already mentioned compound interest: if we put £100 into our pension when we were 21, it will be significantly bigger by the time we retire than if we put £100 into our pension when we are 40. That is just a fact. The more advice that we can give people at various important life stages, but particularly significantly before retirement, would be really helpful. That is another thing that should be included.

Finally, the hon. Member for Boston and Skegness (Richard Tice) spoke at a press conference about the local government pension scheme and how terrible it is that it is spending so much money on fees. That was in September, after Second Reading, at which he did not speak about that. He did not table any amendments on it before the Committee stage, and he has not shown up to raise it on Report. It is almost as if Reform MPs are saying things in press conferences and not doing any actual work. *[Interruption.]* I told him I was going to mention him. It is almost as if they make statements in press conferences and do not do anything, just as they have not shown up today.

Should a Reform Member have been particularly keen to make changes to the LGPS—such as to cap the level of fees it can pay, which are probably not unreasonable,

as the LGPS is phenomenally successful in its returns for members—they could have amended the Bill, but they would have had to show up to do so. I suggest that the media organisations who are happy to cover press conferences ask the Members giving those press conferences what they will actually do to get their policies implemented. If such Members have an opportunity, they should use it rather than just shouting from the sidelines.

As I think I have made clear, I am largely supportive of an awful lot of things in the Bill, the direction of travel and many of the technical measures, which are great fun to have a good look at. I have some concerns about pre-1997 indexation. I am delighted that it has happened, but more could have been done. I will be interested to follow the progress of the fiduciary duty statutory guidance and the sufficiency and adequacy review and whether there will be mandation powers.

Lastly, on new clause 3, can we please make it easier for members who are terminally ill to have that conversation? I would very much appreciate the Minister committing to taking that away and considering how the PPF and FAS can get that information more easily without requiring people to jump through significant hoops.

**Jayne Kirkham** (Truro and Falmouth) (Lab/Co-op): I welcome the real progress made on the pre-1997 fund. I do not have as much specific technical knowledge as most hon. Members in the Chamber, and I was not on the Bill Committee, but I have looked at the amendments and would like to comment on them, as I was lucky enough to chair a local government pension scheme committee—I think it was very well run—and sit on a pool oversight board. I will use that experience as an example.

Our LGPS in Cornwall was a good example of responsible investment and good practice in the sector. The Bill will consolidate LGPS funds into six pools from eight on the basis that that will be effective in achieving scale and diversification of assets and cost savings. Brunel—the pool that Cornwall is in—is not to go forward. Forming Brunel was costly and, as I said on Second Reading, the Cornwall fund was due to break even following the forming of that pool only this year. The costs involved in moving to another fund are expected to be high, which concerns me, as that may impact members, though we hope those costs will be recouped by investment growth as a result of the consolidation.

Being in a bigger pool did enable funds to invest in local infrastructure such as housing, transport and clean energy. Cornwall was good at that: we used our £2.3 billion—not a huge fund when we think of the size of many of these pools—to invest in affordable rental housing near Camborne, where 67 new homes were built on a brownfield site. I am looking forward to seeing the infrastructure projects that further consolidation will make possible.

On Second Reading, I raised concerns that moving to larger funds may affect local links. Brunel is a strong south-west pool and, although it covers as far up as Oxford, we have managed within that pool to be effective on a local level.

The Environment Agency—I noted the amendment on that—was part of our pool, and it did have slightly different rules, which was tricky and somewhat impacted

[Jayne Kirkham]

on our pool. I am pleased that the scheme managers will now have a duty to co-operate with strategic authorities, as the inability to do that often led to perhaps unintended consequences. In social housing, for example, we may have been looking at investments that were the same as the local authority's. It would make sense to be able to talk about such investments so that we are not doing silly things like competing against each other.

In Cornwall, we had a strong responsible investment policy, and our carbon-neutral date was earlier than the rest of the pool by five years. We were able to maintain those policies and our environmental, social and governance focus by having a strong presence on the oversight board, which enabled us to influence the pool and be a bit different within it. I hope that will continue so that pools do not end up following the lowest common denominator when it comes to things like social impact, investment and ESG matters, but instead will be raised up to the highest level. In our local fund, we had employers and employees on our pension committee, and that worked well. The union reps and the employers gave some very valuable input, and I think that would be valuable for the larger pools as well.

Our local social impact fund was, in the end, 7.5% of our investments. We could channel our investment into rented housing and local renewables in Cornwall, as well as more widely around the UK, and I hope that local government pension schemes will still be able to set their own local investment targets in that way, even when working with local authorities.

4.15 pm

I welcome the new guidance on fiduciary duties. The trustees need that confidence, because they can be uncertain about what they can and cannot invest in, and they are nervous about that. When I chaired the committee, we wanted to ensure that our local impact portfolio enabled us to combine our fiduciary responsibilities to our members with delivering positive social and environmental change in Cornwall, where we were and where our members lived and worked, but that uncertainty produced concern at times.

To conclude, I really support the Bill and its aims. The Cornwall pension fund benefited from its initial consolidation into the pool by being able to invest in local infrastructure, and we made responsible investment one of our top priorities; I believe that has continued since I stepped down as chair. There are issues to do with consolidation and growth that I would like the Minister to look at, and I look forward to hearing his response.

**Vikki Slade** (Mid Dorset and North Poole) (LD): I welcome the overall thrust of the Bill. Measures such as the pension pot consolidations are long overdue and will make a real difference to savers, particularly small savers. Every new year, I try to tidy up the numerous tiny pensions from jobs I had in my 20s and 30s, but the pots are so small that the cost of a financial planner and the exit fees would wipe them out, so this reform is great news for consumers who have been on low incomes and have moved from job to job. I urge the Government to go further by lifting the threshold. After all, a pension pot of £10,000 will generate a payback of only around

£50 a month, which is barely enough to cover a basic weekly shop. The Bill goes in the right direction, but it does not go far enough or move fast enough. I am concerned that it leaves groups of pensioners who did the right thing by saving for the future considerably out of pocket.

Like others in the Chamber, I welcome the long-overdue decision to provide some indexation for pre-1997 pensions in the PPF and FAS, but let us be clear: this is not full justice. These pensioners have endured decades without inflation protection, and a CPI increase capped at 2.5% starting in two years' time, at a time when the cost of living has soared, is still going to leave people struggling. They expected fairness and parity with post-1997 benefits, but what they have received is a compromise that falls short of restoring their full dignity and security in retirement. I call on Ministers to support the calls of many people, including the hon. Member for Llanelli (Dame Nia Griffith), to ensure that pensioners outside the PPF and the FAS are fully supported.

The case of AEA Technology pensioners is a long-running injustice that I have been dealing with since my first days in this place. Employees, who were often nuclear scientists and safety engineers, were promised pensions "no less favourable" than the civil service scheme, and many worked at the Winfrith atomic energy establishment, just outside my constituency in Dorset. I have met and talked to a number of them, including Peter, Phil, Sally and Michael, as well as Jonathan, who wrote to me saying that

"nearly 20% of AEAT pensioners have died since the campaign started in 2012, including my colleague and campaigner Derek Whitmell. This has echoes of the Post Office and infected blood scandals. Delay by the Government is simply unacceptable...this is now in sharp focus for me with Derek's passing".

Those pensioners trusted the promise that the Government gave them at the time, yet after AEAT collapsed, their pensions were cut by almost half, with inflation protection stripped away. Today, the fund holds far in excess of what is needed to restore their pensions in full, yet thousands of them remain short-changed.

I recognise the changes in the pre-1997 pensions announced last week, but they are woefully inadequate. That is not just unfair; it is a breach of trust. New clause 1, tabled by my hon. Friend the Member for Didcot and Wantage (Olly Glover), calls for an independent review so that we can finally deliver justice for those pensioners, just as the Government have started to deliver justice on many other historical scandals, which I welcome. This is one of those scandals.

I turn to another. While the Government's intention to allow surplus sharing of defined benefit schemes is welcome, the Bill as drafted leaves pensioners exposed. UK DB schemes hold an estimated £222 billion in surplus, yet 88% of those funds have failed to use those surpluses to restore pensions eroded by inflation. Companies such as BP transfer the assets to insurers in bulk annuity deals worth £50 billion annually, while pensioners see their living standards fall.

My amendments 17, 18 and 19 seek to put fairness at the heart of the process. Amendment 17 would ensure that surplus sharing principles applied even when schemes were wound up. Amendment 18 would require consultation with members before the surplus was extracted, and amendment 19 would reinstate trustee consent and

oblige trustees to consider whether pensions had kept pace with inflation and past requests for discretionary increases.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I have several BP pensioners, with BP obviously having operated the Sullom Voe terminal in Shetland for many years. The injustice they suffered, which left them with a pension worth about 11% less than it should have been because of the decisions of the trustee in 2021 and 2022, showed the inadequacy of the control and independence of the trustee in relation to the company. Does my hon. Friend agree that that requires urgent attention?

**Vikki Slade:** I thank my right hon. Friend for his intervention—he has stolen my next line.

John, who works at the BP depot at Wytch Farm, which is the largest onshore oil site in England in Poole harbour, told me that his pension has been eroded by 11%—he probably got the same letter as my right hon. Friend's constituents. Even modest requests for discretionary increases made by the trustees have been refused by the parent company. Those discretionary increases were affordable; they would not have required any additional funds from the company. Another of my constituents, Suzie, who sits on the steering group, told me that the issue affects 56,000 pensioners from BP alone, but the change—a small one—would support pensioners from many other companies.

I will end by talking to new clause 3, tabled by my hon. Friend the Member for Stratford-on-Avon (Manuela Perteghella). I do so in memory of my mum Lin Foster, who died before she could access her pensions, and in support of my constituent Judith, who came to see me about her sister Alison, who died after receiving a terminal brain tumour diagnosis. Alison found that the paperwork required to access her lump sum meant that she would have to articulate and confront her impending death—something that she simply could not do on top of everything else. It meant that, as a result, she missed out on funds that could have made her last few months more bearable, as well as on potentially accessing treatments that might have given her a bit more time with her family. This simple clause would have allowed her medical team to make that declaration on her behalf via an SR1 and to reduce the administration for all concerned.

The Bill goes a long way in improving the lives of pensioners, but for the pensioners who are missing out, small changes could make a huge difference. I urge Ministers to think about the impact they could have on lives by little tweaks that will not cost the Government anything, or very much, at all.

**Peter Swallow:** Can I say at the outset how much I have enjoyed the debate? I particularly want to highlight the contributions of my hon. Friend the Member for Llanelli (Dame Nia Griffith), who powerfully raised some of the issues that I will go on to address, and—purely because I enjoyed the fiscal geekery—the contribution from the hon. Member for Aberdeen North (Kirsty Blackman), who rivals the Minister himself in her enthusiasm for financial issues. What a delight it was to experience that.

I welcome the opportunity to speak on this Bill, which touches on several issues close to my constituents in Bracknell Forest. It is also worth acknowledging the

strong action that the Chancellor took in the Budget to support all pensioners by raising the state pension by up to £550. That is possible only thanks to Labour's steadfast commitment to the triple lock on pensions. That is real action on pensioner poverty, at a time when the Conservatives and Reform have flirted with scrapping the triple lock.

Similarly, the Bill delivers real benefits to private pension savers across the country by simplifying and streamlining the system. The measures will increase their returns—around 3,300,000 workers on defined contribution schemes in the south-east alone stand to benefit by about £29,000 more for their retirement—while helping to unlock around £50 billion of investment in the UK economy. Hon. Members need only follow the Minister on Twitter to see why it is so important that we increase investment in the UK economy after many years of under-investment by the previous Government.

I thank the Minister for the work to get the Bill to this stage. I welcome in particular the measures providing for action on an issue close to the hearts of many in Bracknell Forest: the slow erosion of pre-1997 defined benefit pensions. It is for that reason that I will focus on new clause 22, which calls for the indexation of pre-1997 pensions. I sympathise deeply with the spirit of the new clause. The erosion of those pensions is an injustice—one that urgently needs addressing. It is important to say that not all pre-1997 schemes are in surplus. Although I agree that that is not the fault of their members, legislating to index would put entire schemes at risk, and I believe that that is not a risk that any sensible Government would take. However, it is vital that the Bill marks the beginning of further action to bring justice to those with pre-1997 defined benefit pensions whose schemes are now in generous surplus.

I was delighted when the Chancellor announced at the Budget statement that members of the Pension Protection Fund will have their accruals protected from inflation, ending years of degradation. That has been carried through in amendments before us. I welcome the recognition in principle that those with pre-1997 pensions are indeed facing an injustice, and that action must be taken to rectify it. I have met many constituents who were formerly employed by HP and later HPE, which used to be based in Bracknell. They are now members of the HPE pension scheme, and have seen their returns decimated. I have spoken with other pensioners in other schemes, too—many of which have been mentioned by others Members across the House. It is not right that people who have worked hard and paid into their pensions now face ever-diminishing life savings through no fault of their own, despite many schemes, including HPE, having significant reserves.

One of my constituents, Ed, began drawing from his pension nine years ago. In that time, his pension has increased only three times, by three separate percentage increments: 3%, 1%, and 1%. He says that, had his pension risen in line with inflation, he would have seen his pension increase by around 38% over the years to 2025. As a result—this is the real-life impact—he has seen a dramatic fall in his living standards. Ed is not alone. Constituents in Bracknell and across the country should not have to fight any more to make themselves heard and achieve justice.

This is an opportune moment to do what we can to put that right. In the Bill, the Government are reforming the use of surpluses, rightly strengthening the hands of

[Peter Swallow]

trustees to act, as the Government themselves have done for the PPF scheme, for which they effectively act as the trustee—they are leading by example. I thank the Chancellor and the Pensions Minister for meeting me to discuss that before the Budget. The Minister has been clear on his expectations of trustees following the passage of the Bill, including in his contribution today, and I thank him for his comments, specifically on strengthening guidance for trustees.

Today must be the beginning, not the end, of the story. I have written to the trustees of the HPE scheme urging them to use the powers in this Bill to right the wrong.

I wanted to take this opportunity to call once more on the trustees of the HPE scheme, and other schemes similarly in surplus, to do everything in their power to ensure that pre-1997 pensions are protected from inflation, and I wanted to do so on the Floor of this House because I think it important that we are as clear as possible that trustees will be given the powers they need to act and should follow through with concrete action to protect pensions. That is the right thing to do, and with the powers the Government are granting in the Bill, it is now in their hands to do it.

4.30 pm

**John Milne** (Horsham) (LD): I shall speak to new clauses 8 and 13, which stand in my name, among others.

With its title, the Pensions Schemes Bill, this piece of legislation was probably never destined to grab headlines—sorry, Minister, but that is the case—which is a pity, because it contains some genuinely intelligent measures, developed over years with significant cross-party support, and could go some way to boosting UK plc, as we all want. Directing more of our pension fund savings into UK investments is a long-overdue mission; however, it is not just about what you do, but how you do it, and as I argued in Committee, I am not convinced the Government have struck the right balance with their plan to take sweeping powers of mandation. Yes, we should be concerned about very low pension fund investment into the UK, but the reason behind that is not some form of trustee treason; rather, it is a logical and predictable response to the UK's regulatory framework and a market that over-emphasises costs, which discourages any kind of active management strategy.

Mandation is the wrong solution. There are other ways to reach the same outcome through partnership, building on the consensus achieved in the Mansion House accord. I strongly urge the Government to look again at creating more ready-made investment vehicles. The biggest risk in mandation is that it could force pension funds to make sub-optimal investments, because they are chasing the same limited supply of UK assets as everyone else.

In addition to more support for innovation and start-ups, like others who have spoken today, I see a fantastic opportunity for large-scale investment in social housing, care homes, high streets, environmental schemes and infrastructure. That would bring huge social rewards, as well as boosting growth, which is the Government's mission. That will not happen, though, unless the

Government help local and regional authorities to pump prime the system with a stream of investable products. To me, that seems like a small ask, and I hope the Government will reconsider.

I am pleased by Ministers' positive response to some of the amendments we fought for in Committee. That does not always happen. The scandalous treatment of pre-1997 pension savings has been left unresolved for decades, so I welcome this Government being the first to act and their decision to link compensation payments from the PPF and FAS to CPI inflation. Of course, this is far from a complete solution, and indexation applies only going forward, but given that until now there had been no sign of compensation of any kind or of any group, I will take this as a partial win. I pay tribute to persistence of all my Horsham constituents who have raised pre-'97 indexation with me time and again.

Compensation by the PPF is certainly a solution, but we are in danger of missing a one-off opportunity to access pension surpluses. The Bill will give trustees increased access to surplus savings, which have built up in many funds in recent years, which is good, but without some sort of extra push from the Government, it seems to me likely that none or little of the money will go toward pre-1997 pension injustices. In the Work and Pensions Committee last week, I asked the Secretary of State whether he truly believed that the Bill as it stands would help people, and I got a "Yes, Minister" kind of answer:

"I am not going to call stumps on brand new legislation before it has had a chance to have an effect, so let's see what effect it has."

That is not good enough. The companies that have not been shamed into action in a quarter of a century are not miraculously going to discover altruism today. Some form of compulsion is required.

I hope that the pre-1997 section will be taken further in the Lords, where the balance of power gives the Liberal Democrats somewhat more leverage than we had in Committee. [Interruption.] It is a wonderful institution—so democratic, is it not? I also welcome the decision to abolish the Pension Protection Fund levy, which had become effectively redundant; that was the subject of another Lib Dem amendment. That move will reduce hidden fees for pension schemes and pass those savings directly to savers.

However, other things are still missing. As someone with a professional background in pensions communications, I argued in Committee for the Government to enable free universal pension guidance at the age of 40, among other stages, when there is still time to change outcomes, rather than waiting all the way to the moment of retirement itself. There is a ticking time bomb of pension inadequacy that must be addressed today, and pensions guidance is an incredibly low-cost way to improve outcomes. The Pension Wise service would be an excellent vehicle for that, and it is ready and waiting for us to use it. If the Government will not back new clause 8, will the Minister meet with me and members of industry to look at how an auto-enrolment trial could finally move this proposal forward?

That brings me to new clause 13, tabled by myself and my hon. Friend the Member for Torbay (Steve Darling), which seeks to strengthen the people-focused elements of the Bill by using pensions services to offer free, accessible guidance to the groups we know are

under-saving. If we look at minority ethnic savers, we see that their pension pots average £52,000—less than half of the £115,000 that applies to white British savers. Let us also consider that women are on average set to retire on just £13,000 a year, compared with £19,000 for men—a third less. Disabled workers are approaching retirement with average pension savings of £47,980—just a third of the UK average. The Government rightly say that they want people to be independent, financially resilient and able to pay their own way, but that cannot happen if entire groups—women, ethnic minorities and disabled people—are destined to retire on a fraction of what others are provided with.

There is a lot to like in this Bill, but legislative opportunities come up only once in a blue moon, and a lot more could be done here. I ask the Government to support new clauses 8 and 13.

**Elaine Stewart** (Ayr, Carrick and Cumnock) (Lab): I rise to speak to new clause 22. Let me begin by recognising the work of the Hewlett Packard Pension Association, particularly the work of Patricia Kennedy from Ayrshire—she hoped to be in the Gallery today, but she was too ill to travel. Patricia has been a driving force to keep this issue alive, but of course this is not about only one individual; it is about all pre-1997 pensioners.

Earlier this year, I was proud to host Patricia and many of her fellow campaigners in Parliament. That meeting made clear the human cost of inaction—pensioners seeing their incomes erode for decades, and families struggling because the system has failed them. That is why new clause 22 matters. At its heart, the new clause sets a simple principle: pensions earned before 1997 should not be left to wither away. It also follows a principle that the Government have already adopted.

I welcome the Minister's commitment in his opening remarks to work with trustees to ensure that schemes in surplus, such as Hewlett Packard Enterprise, work to benefit pensioners. If good co-operation is not forthcoming, will the Government look to other legislative means to correct this course? Many of these schemes are backed by profitable multinationals, yet discretion has failed. It has failed with Wood Group, Hewlett Packard Enterprise, STMicroelectronics, Atos/Sema, American Express, AIG, Pfizer, 3M, Chevron, NCR Scotland, Lloyd's Register, and Johnson & Johnson.

Some pensioners have gone for 10, 15 or 23 years without a single increase. That is not fairness. NC22 would correct that. I am sure all Labour Members agree that pensioners should not depend on the whims of employers, and we should be wary of accidentally creating an entrenched situation in which pensioners in failed schemes receive protection while those in solvent schemes remain unprotected—to me, that seems inconsistent. New clause 22 would address that inconsistency, ensuring that every pensioner has the security and dignity they deserve, regardless of when their service was accrued. I thank the Minister for meeting me to talk over my worries about this Bill.

**Susan Murray** (Mid Dunbartonshire) (LD): I start by thanking my hon. Friends the Members for Torbay (Steve Darling) and for Mid Dorset and North Poole (Vikki Slade), who have clearly devoted a lot of time and care to scrutinising the Bill—along with others, of course—and tabling constructive amendments.

As we have heard, the UK pensions market is currently worth around £3 trillion—a staggering sum. The right hon. Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) has already highlighted the opportunity for national investing, as well as to improve the quality of life for pension holders. For too many people, though, the rules and regulations that determine what they will receive in retirement are opaque—as anyone who has worked through the Bill will know—and often deeply confusing. That is why I welcome the Liberal Democrat proposals to introduce a simple traffic light system, which will help people to understand their scheme and how well their pension is performing.

However, understanding is only one part of the picture; people must also be confident that their pension is being managed legally and ethically. I therefore welcome the amendment tabled by the hon. Member for Poole (Neil Duncan-Jordan), which would ensure that British pension funds are compliant with the UK's duty not to aid or assist serious breaches of international law. After the horror we have witnessed in Gaza over the past two years, and judging by the strength of feeling expressed both by my constituents and by Members across this House, I believe that safeguard would be warmly welcomed.

Like other Members, I cannot speak in this debate without raising the topic of pre-1997 pensions.

**Peter Swallow:** I apologise for interrupting the hon. Lady just as she is getting on to a point that, as she knows, I care deeply about, but I wanted to tease out a point about ethical investment. What I am struggling with is that her Front-Bench spokesperson, the hon. Member for Torbay (Steve Darling), has spoken against mandation, but the hon. Lady has talked passionately about the need to ensure ethical investment. Will she address the fact that there is a conflict here? I am deeply sympathetic to both viewpoints and understand both of them, but I also recognise that there is a conflict. We either have a system in which pension schemes are given clear guidance about where they should invest and what they should invest in, or we do not; we cannot have both. Will the hon. Lady address that conflict and come down on one side of the fence or the other, not—if I may very gently say so—do the Lib Dem thing of sitting on that fence too much?

**Susan Murray:** I appreciate the hon. Gentleman's point, but the important thing is that there is clear guidance for pension funds to make sure we do not assist breaches of international law. I think that would make things very clear, and quite easy for pension funds to understand and implement.

My constituency of Mid Dunbartonshire has many pensioners who are reliant on schemes that do not provide annual indexation. That is why I was pleased to add my name to Liberal Democrat new clause 7, which takes a nuanced and responsible approach. It calls for an assessment of the position faced by pre-1997 pensioners, and of options to address the reality that their pensions have effectively been frozen for many years. As the hon. Member for Ayr, Carrick and Cumnock (Elaine Stewart) mentioned, when schemes that are in surplus are able to ensure that pension holders have a better quality of life, we should fully support as many of them as possible.

Ultimately, this is about fairness and openness in our system. Pension schemes hold an almost unimaginable amount of money and are among the

[Susan Murray]

most powerful financial actors in our economy, which could help to reduce the inequity in our communities. They are too large and too complex for any individual saver or campaign group to challenge alone, and it therefore falls to us in this House to ensure that schemes operate fairly, ethically and transparently, and that the people who contribute to them and rely on them can retire with dignity and confidence.

4.45 pm

**Clive Jones** (Wokingham) (LD): My constituent David worked for 3M for 31 years, 23 of them pre-1997. His pension payment for service prior to 1997 has not increased since 2008, since when it has lost 40% of its purchasing power. Other constituents have lost more. Another constituent worked for ExxonMobil, which he says gave him written documentation that he would receive annual increases at 80% of RPI. However, since legislation changed in 1995, that has not happened. Those are just two of the 40-plus constituents who have contacted me about the injustice experienced by pensioners whose pension schemes are failing to provide an inflation increase on their service prior to 1997. I know that many more across the country face the same injustice. Their stories are deeply troubling. Rather than enjoying a well-earned retirement, pensioners are left struggling to keep pace with the cost of living, often while their pension scheme is in surplus.

**Helen Maguire** (Epsom and Ewell) (LD): I have a similar constituency case with a similar example of discretionary increases. Those were 80% of RPI, but in 2023 that was reduced to half. That has left my constituent, among others, unable to afford their bills and their home. Although I am pleased to see the pre-1997 pension indexation in the Budget for PPF and FAS members, I remain concerned for constituents such as mine. Does my hon. Friend agree that there needs to be a plan for those impacted by a sudden decrease in inflation payments?

**Clive Jones:** I absolutely agree with my hon. Friend. There needs to be some sort of plan, and sooner rather than later.

The Government appear to recognise the injustice and are proposing to use surplus funds in the PPF to provide inflation increases on some pre-1997 pensions. Why are we not seeking to resolve the same issue for company defined-benefit pension schemes? Many of these pension schemes have a funding surplus but choose not to use it to support their former employees, despite often being asked to do so by trustees who are ignored by foreign-based employers. Surely that cannot be right.

Research by the Pensions Regulator has revealed that even among schemes whose rules allow for discretionary benefits, less than a third had provided those benefits in the previous three years. Employer discretion has failed in practice and will continue to fail unless Parliament acts. The Pension Schemes Bill fails to address this issue.

Only by amending the original legislation can we ensure fairness for those with pre-1997 service. The Society of Pension Professionals argues that legislation on pre-1997 benefits is unnecessary, but the evidence is clear: discretion, more often than not, is exercised to the detriment of pensioners. As I have said, trustees lack

the authority to act and pensioners are left behind. The problem appears to be concentrated in a small number of large companies. They were meant to provide long-term financial security for their employees. We must remember that all defined-benefit schemes paid levies into the PPF, creating a surplus that now funds indexation. If pensioners in the PPF deserve protection, so do those in live schemes who helped build the surplus in those schemes.

The Government have taken the first step by restoring indexation for some. They must now take the logical next step by extending inflation protection to all pre-1997 pensioners in live schemes. I believe that pre-1997 pension service should receive inflation protection on the same statutory basis as post-1997 service. This is about fairness, dignity and justice for those who worked hard, paid into schemes, were made promises, and now deserve security in retirement. Pensioners affected by this injustice live in every constituency, and they deserve the support of this House of Commons and the Government. Our constituents affected by these injustices simply ask for fairness, and hopefully the Minister will make sure that it happens soon.

**Ayoub Khan** (Birmingham Perry Barr) (Ind): I hope to devote a large portion of my speech to new clause 36, which stands in my name, but let me first swiftly acknowledge the new clauses tabled by the hon. Member for Poole (Neil Duncan-Jordan), the right hon. Member for Birmingham Hodge Hill and Solihull North (Liam Byrne), the hon. Member for Stratford-on-Avon (Manuela Perteghella) and the hon. Member for Llanelli (Dame Nia Griffith).

While pension fund managers should no doubt ensure that they deliver sufficient returns to their clients, they must also reflect on the duties that they have not only to those who make contributions, but to society at large. That means not using public money to prop up industries that rail against our primary objectives, be they preventing violations of human rights, upholding our commitment to net zero or delivering unfettered justice for those who have been wronged, as in the case of those whose pension contributions made before 1997 have not risen with inflation. I wholeheartedly align myself with the hon. Member for Mid Dunbartonshire (Susan Murray) on the need for ethical parameters.

In tabling new clause 36, I hoped to bring a focus to the practices relating to pension funds that fall under the local government pension scheme—those that make provision for the employees of schools, universities, local authorities and police forces, to name just a few. Those pension fund managers preside over £390 billion in assets, under the management of members of the investment banking sector. Given that much, if not all, of the funding that flows from our schools, councils and the like comes from taxpayers' money, we have a right to ensure that none of it is being put to waste. I regret to report, however, that these local government pension funds are heading for an absolute embarrassment of riches. While public money sits idle in a vault, lining the pockets of the investment bankers who manage the funds, we are experiencing deep funding crises in our schools, our universities and our local councils.

Year after year, since the moment when these pension funds were established, we have seen the same tactics deployed by those who preside over them. Councils,

schools and others end up putting too much of their budgets towards employer contributions, leaving them with less money to spend on the things that matter, while obscene amounts of money are left to be used as a lucrative plaything for the investment banking sector.

When calculating the money that councils, schools and the like must pay into their employees' pensions, the pension fund managers first estimate the annual rate of return that they expect to get from their assets. To do that, they enlist the work of an actuary firm—usually one of the “big four”—which takes into account market conditions and various risk factors in order to come up with a figure. The work of these actuaries is incredibly precise, yet every year they end up drastically underestimating the amount by which the local government pension funds will grow over the next year. Why? Because the local pension boards set the assumptions and parameters on the basis of which they make such calculations, often with the intention of overstating elements that may hit the fund's assets, such as market volatility and uncertainty. From there, by default, they then skim a substantial percentage off the fund's assets, usually about 0.5%. While that may not seem a lot, given that, for example, West Midlands Pension Fund holds £21.2 billion-worth of assets, it means that at least £1 billion is being scraped off the top every year.

When a highly conservative estimate for growth is combined with lofty management expenses, the result is one thing, and one thing only: our councils, schools and key institutions end up putting more than they need into the banking sector, under the guise of securing their employees a comfortable retirement. Then, once they get to the end of the year and have mysteriously exceeded their artificially conservative projections for growth, the pension fund managers are left with an even bigger pot of money, from which they take their mandatory percentage fee.

It is this repeated cycle of grossly inflating the contributions of our state institutions that is resulting in more and more taxpayer money being used not to fix our crumbling public services that benefit society as a whole, but for city bankers to make big bets on the market and make profits. It is the equivalent of pension funds setting the rules of the game, marking their own homework and keeping the proceeds for themselves, rather than refunding those who put into the system. It has got to the point that even the LGPS Scheme Advisory Board, which advises local pension boards, has said that they need to stop overcharging their clients and underestimating their growth. Unfortunately, however, all the power lies in the hands of the Secretary of State to make the changes that would put much-needed investment back into our schools, councils and the like.

I will give an example. Research by David Bailey, of the University of Birmingham, and John Clancy, of Birmingham City University, has shown that Birmingham city council has handed over £1.2 billion in employer contributions to the West Midlands Pension Fund in the past 10 years. By 2022 the council was being asked to pay an extra 37% on top of its standard bill, whereas the nine other core city councils in the UK were asked to pay an average of around 17%. Birmingham city council is calculated to have overpaid the West Midlands Pension Fund by roughly £547 million. In 2023 the

council declared section 114 bankruptcy, and this year it has approved council tax rises of 21% and £300 million in cuts to vital services.

Hypothetically, had that payment never been made, Birmingham city council would have needed neither to declare bankruptcy, nor to approve budget cuts that reduced its offer to bare-bones skeleton services. The implications that clamping down on the excesses of local pension boards would have for local councils, schools and universities, and for the British taxpayer, are truly incomprehensible, yet as things stand we are shying away from rebalancing the books and from deploying as much of the Government's investment into public services as we can.

That leads me to my new clause 36, which would put a cap on the investment expenses that can be claimed on LGPS pension funds. In the case of the West Midlands Pension Fund, the management expenses that are charged amount to an increase of four percentage points in employer contributions. Because the fund charges 60 basis points in management fees, Birmingham council tax payers are paying £13.4 million to the investment managers, which works out at £50 on every band D council tax payer's bill. However, if new clause 36 were to be put in place, only £3.30 would be charged to every council tax payer's bill. In the same period, the pension fund has consistently failed to report where the investment management expenses that it charges go, and whom they benefit.

As I say, my new clause 36 would implement a cap on the fees that investment bankers can take from pension funds. While that would certainly mark a great step forward in ensuring that excessive wealth gets put into the hands of the private sector, we must also do more to ensure that our schools and councils pay no more in employer contributions than they must, so that they can put more investment into things that really matter—whether that is local government funding for adult social care or for schoolchildren with special education needs, or being able to put more teaching staff in our classrooms.

**Torsten Bell:** With the leave of the House, I will respond to as many of the points raised as I can manage.

I thank hon. Members for their speeches today. They have shown not only the depth of knowledge in this House, but the breadth of pensions issues that matter to all of us and to our constituents. I start by thanking those who have welcomed some of the changes that we have introduced and set out today. My hon. Friends the Members for Oldham East and Saddleworth (Debbie Abrahams) and for Edinburgh South West (Dr Arthur) spoke about the PPF, and I appreciate their remarks. On the changes we have set out on the statutory guidance for trustees, the speech by my right hon. Friend the Member for Birmingham Hodge Hill and Solihull North (Liam Byrne) is much appreciated, as is that from the hon. Member for Aberdeen North (Kirsty Blackman).

**Claire Hanna** (Belfast South and Mid Down) (SDLP): Like others, I was delighted to see in the Budget the pre-1997 indexing. The Minister will know that that softens but does not correct a wrong, and it leaves tens of thousands of former employees of Harland & Wolff and Visteon, including my constituents, without indexation. New clauses 28 and 29, in my name, would address that, and I hope the Minister might be able to incorporate them in the future.

**Torsten Bell:** I thank my hon. Friend for her intervention. I covered that extensively in my opening remarks.

I want to mention two points raised in the debate. The hon. Member for North West Norfolk (James Wild) asked about the timeline for the Pensions Commission. I can assure him that nothing is going slowly, so the final report will be delivered in early 2027, which is significantly quicker than the last one in the 2000s. I will update the House as soon as I have more to say on that front. The hon. Member for Caerfyrddin (Ann Davies) asked how many people will benefit from the change to the PPF indexation and how many will not benefit. The answer is that 250,000 members will benefit and 90,000 will not benefit, because their schemes did not provide for indexation in the scheme rules in the first place. I hope that answers the question she raised.<sup>1</sup>

5 pm

I will focus the remainder of my remarks on issues that I did not have a chance to touch on in my opening speech, although I would add that I have heard the powerful speeches of hon. Members—including those of my hon. Friends the Members for Bracknell (Peter Swallow) and for Ayr, Carrick and Cumnock (Elaine Stewart) and the hon. Member for Wokingham (Clive Jones)—that took us back to the issue of pre-1997 indexation. I hope trustees will have heard the powerful case they have all made.

I thank my hon. Friend the Member for Poole (Neil Duncan-Jordan) for his comments and amendments on the local government pension scheme. Amendment 1 rightly focuses us all on ensuring that members' voices are heard as part of the LGPS governance arrangements. There are already well-established routes at the level of the administering authorities, and that continues to be important, because that is where the crucial investment strategies will be set. He raised pools, and I commit to discussing that further with the Minister for Local Government and Homelessness, and monitoring in more detail what is happening as those organisations go through a significant period of change.

Amendments 2 and 3 and new clause 4 relate to what the LGPS should or should not invest in. As hon. Members will all be aware, the Government's general position is that investment strategies are set locally by each pension fund. Importantly, that includes decisions on how environmental, social and governance issues are to be taken into account. I encourage LGPS authorities to take such matters incredibly seriously, as my hon. Friend the Member for Truro and Falmouth (Jayne Kirkham) did from her own experience.

**Neil Duncan-Jordan:** I want to press the Minister slightly more on the need for UK pension funds not to invest in companies that could be guilty of war crimes and breaking international law. Would he like to reflect on that?

**Torsten Bell:** Specifically on the question of having regard to international law, I emphasise that compliance extends far beyond the LGPS, and it obviously reaches right across Government. That said, the LGPS, as a public sector scheme, has particularly high expectations on responsible investment, and I have heard the points my hon. Friend has made.

The hon. Members for Torbay (Steve Darling), for Horsham (John Milne) and for Stratford-on-Avon (Manuela Perteghella) broadened this debate beyond the LGPS, not least on questions of climate change and the wider social impact of investments. The Department for Work and Pensions is currently conducting a review of the task force on climate-related financial disclosures requirements, and we have also asked the Pensions Regulator to assess the practicalities of transition plans for pension schemes. As I mentioned in my opening remarks, we will also bring forward legislation to clarify that trustees can take systemic factors into account when making their investment decisions. I hope this provides hon. Members with significant reassurance on those points.

The hon. Members for North West Norfolk and for Torbay returned to the issue, which we discussed extensively in Committee and on Second Reading, on the limited reserve or backstop asset allocation power. As I have repeatedly made it clear to this House, we do not currently anticipate it will need to be used. That is precisely because of the industry's commitment to the Mansion House accord and wider support from the pension industry for greater investment in private assets.

I welcome the recognition of the importance of the pipeline of projects by the hon. Member for Horsham, and I encourage him to make sure that no Liberal Democrat anywhere opposes construction projects—I have seen the leaflets—be they for energy, roads, housing or anything else.

A crucial point was raised in Committee about the importance of monitoring these commitments, and I can confirm that since then the ABI and Pensions UK have committed that they will work together to track progress. I hope that helps answer some of the questions raised in Committee.

The proposals to add to the matters on which the Government must report are, I believe, unnecessary, as any exercise of the power would be subject to a wide range of safeguards—not only the production of a report about the impacts on savers and growth, but a savers' interest test.

The hon. Member for Stratford-on-Avon spoke powerfully to her new clause 3, as did the hon. Member for Mid Dorset and North Poole (Vikki Slade). I believe the PPF works hard to make sure that it can deal quickly with payments for people with terminal illness, and the Bill contains other measures that mean it can do that at an earlier point in someone's prognosis. The SR1 form would already be sufficient for the PPF to provide the certainty that the hon. Member for Stratford-on-Avon is looking for. I have checked with the PPF to ensure that currently within the PPF and the FAS we do not currently have any outstanding requests for such payments where they have been unable to make them, for example for the reasons of not having sufficient evidence. That said, she has spoken powerfully on that point and I will speak to the PPF at my next meeting with the chief executive and the chair to see what more can be done. I thank her for raising those issues.

I also thank the hon. Member for Horsham for bringing us back to the question of advice and guidance. Most of us do need help in preparing for retirement. However, I take a slightly more positive view of the current provision of free guidance through the Money and Pensions Service. I also agree a bit more with the

1.[*Official Report*, 12 January 2026; Vol. 778, c. 6WC.](Correction)

hon. Member for Mid Dunbartonshire (Susan Murray) that the task of Government is to reduce the complexity in our pensions system, rather than just hoping that ever more advice will help savers to navigate it. That is exactly why the parts of the Bill on guided retirement and small pots are so important as we move forward.

I would just like to cover some of the commitments I made in Committee. *[Interruption.]* I know this is going to be electric for all Members. That is the kind of enthusiasm I hope to see from more Members across the House. I will make a quick update on pensions dashboards, which at least one Member will appreciate. User testing on pensions dashboards has begun. I know that will thrill everybody in this House. *[HON. MEMBERS: "Hear, hear."]* That is the attitude we need! *[Laughter.]* It will ramp up over the course of the next year, with greater volumes and more focus on consumer behaviour. We will be conducting a full evaluation of pensions dashboards over the coming years as the service goes live. That will include the impact of dashboards on engagement with pensions. I commit to update the House on that work in due course.

Following on from other issues raised in Committee, I am pleased to report that following the findings of the curriculum and assessment review, the Government will make financial education compulsory in primary schools in England.

One issue raised in Committee was the Department's monitoring and evaluation plans for the policy programme set out in the Bill, not least the guided retirement measures. Those comments have been taken on board; an updated impact assessment this week lays out how we intend to approach monitoring impact.

I have endeavoured to do justice to the very wide range of different issues raised during the debate today. I hope hon. Members will support Government amendments that build on policies that will make a real difference to all our constituents in the decades to come.

*Question put and agreed to.*

*New clause 30 accordingly read a Second time, and added to the Bill.*

### New Clause 31

#### INDEXATION OF PERIODIC COMPENSATION FOR PRE-1997 SERVICE: GREAT BRITAIN

“(1) Schedule 7 to the Pensions Act 2004 (pension compensation provisions) is amended in accordance with subsections (2) and (3).

(2) In paragraph 28—

(a) for sub-paragraph (2) substitute—

“(2) Where a person is entitled to periodic compensation under any of those paragraphs, the person is entitled, on the indexation date, to an increase under this paragraph of—

(a) where sub-paragraph (2A) applies, the aggregate of the amount mentioned in sub-paragraph (2C) and the amount mentioned in sub-paragraph (2E);

(b) where sub-paragraph (2B) applies, the aggregate of the amount mentioned in sub-paragraph (2D) and the amount mentioned in sub-paragraph (2E);

(c) in any other case, the amount mentioned in sub-paragraph (2E).

(2A) This sub-paragraph applies where, immediately before the assessment date—

(a) the admissible rules of the scheme included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person's pre-1997 service to be increased annually,

(b) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and

(c) that requirement applied in relation to pre-1997 service in respect of which the compensation is payable.

(2B) This sub-paragraph applies where—

(a) the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period,

(b) that accrual was in relation to GMP indexed service in respect of which the compensation is payable, and

(c) immediately before the assessment date the admissible rules of the scheme—

(i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(a), or

(ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.

(2C) The amount mentioned in this sub-paragraph is—

(a) the appropriate percentage of the amount of the pre-1997 underlying rate immediately before the indexation date, or

(b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which the person was so entitled.

(2D) The amount mentioned in this sub-paragraph is—

(a) the appropriate percentage of the amount of the notional pre-1997 underlying rate immediately before the indexation date, or

(b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which the person was so entitled.

(2E) The amount mentioned in this sub-paragraph is—

(a) the appropriate percentage of the amount of the post-1997 underlying rate immediately before the indexation date, or

(b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which the person was so entitled.

(2F) In any case where it is unclear to the Board whether, immediately before the assessment date, the admissible rules of the scheme included a requirement of the kind mentioned in sub-paragraph (2A)(a), this paragraph has effect as if the scheme included such a requirement.

(2G) In any case where it is unclear to the Board whether, immediately before the assessment date, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(a) (including such a requirement included by virtue of sub-paragraph (2F)) applied in relation to particular pre-1997 service, this paragraph has effect as if the requirement applied in relation to such service.

(2H) In any case where it is unclear to the Board whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, this paragraph has effect as if the scheme so provided.

- (2I) In any case where it is unclear to the Board whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of sub-paragraph (2H)) was in relation to particular GMP indexed service, this paragraph has effect as if the accrual was in relation to such service.”
- (b) in sub-paragraph (3)—
- (i) in the opening words for “sub-paragraph (2)” substitute “sub-paragraphs (2) to (2E)”;
- (ii) for both definitions of “underlying rate” substitute—
- ““notional pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 3 or 22, the aggregate of—
- (a) a prescribed percentage of so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service, and
- (b) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amount within paragraph (a) of this definition immediately before the indexation date;
- “notional pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
- (a) a prescribed percentage of so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service,
- (b) a prescribed percentage of so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to pre-1997 service, and
- (c) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amounts within paragraphs (a) and (b) of this definition immediately before the indexation date;
- “post-1997 underlying rate” means, in the case of periodic compensation under paragraph 3 or 22, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service, and
- (b) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amount within paragraph (a) of this definition immediately before the indexation date;
- “post-1997 underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service,
- (b) so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to post-1997 service, and
- (c) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amounts within paragraphs (a) and (b) of this definition immediately before the indexation date;
- “pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 3 or 22, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service, and
- (b) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amount within paragraph (a) of this definition immediately before the indexation date;
- “pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service,
- (b) so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to pre-1997 service, and
- (c) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amounts within paragraphs (a) and (b) of this definition immediately before the indexation date.”;
- (c) in sub-paragraph (5)—
- (i) in paragraph (a), for “sub-paragraph (2), each definition of “underlying rate”” substitute “sub-paragraphs (2C) to (2E), each definition of “notional pre-1997 underlying rate”, “post-1997 underlying rate” and “pre-1997 underlying rate””;
- (ii) in paragraph (c), for “sub-paragraph (2), the definition of “underlying rate”” substitute “sub-paragraphs (2C) to (2E), the definition of “notional pre-1997 underlying rate”, the definition of “post-1997 underlying rate” and the definition of “pre-1997 underlying rate””;
- (d) in sub-paragraph (6), before the definition of “post-1997 service” insert—
- ““GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;
- “GMP indexed service” means—
- (a) pensionable service which is within paragraph 36(4)(a) and occurs during the GMP indexation period, or
- (b) pensionable service which is within paragraph 36(4)(b) and meets such requirements as may be prescribed;
- “guaranteed minimum pension” has the same meaning as in the Pension Schemes Act 1993 (see section 8(2) of that Act);”;
- (e) in sub-paragraph (7), for “and “pre-1997 service”” substitute “, “pre-1997 service” and “GMP indexed service””.
- (3) In paragraph 29, for sub-paragraph (2) substitute—
- “(2) The Board may also determine the percentage that is to be—
- (a) the appropriate percentage for the purposes of sub-paragraphs (2C) and (2D) of paragraph 28;
- (b) the appropriate percentage for the purposes of sub-paragraph (2E) of that paragraph,
- (and where it does so, the definition of “appropriate percentage” in paragraph 28(3) does not apply in relation to the sub-paragraph in question).”
- (4) Schedule 5 to the Pensions Act 2008 (pension compensation payable on discharge of pension compensation credit) is amended in accordance with subsections (5) and (6).
- (5) In paragraph 17—
- (a) for sub-paragraph (2) substitute—
- “(2) Subject to sub-paragraph (3), the transferee is entitled, on each indexation date, to an increase of—
- (a) where sub-paragraph (2A) applies, the amount mentioned in sub-paragraph (2E);
- (b) where sub-paragraph (2B) applies, the amount mentioned in sub-paragraph (2F);
- (c) where sub-paragraph (2C) applies, the amount mentioned in sub-paragraph (2G);
- (d) where sub-paragraph (2D) applies, the amount mentioned in sub-paragraph (2H).
- (2A) This sub-paragraph applies where—
- (a) the transferor’s PPF compensation is payable in accordance with paragraph 3, 5, 8, 11, 15 or 22 of Schedule 7 to the Pensions Act 2004 (“the relevant Schedule 7 provisions”), and
- (b) immediately before the assessment date—

- (i) the admissible rules of the scheme in respect of which that compensation is payable included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person's pre-1997 service to be increased annually,
  - (ii) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and
  - (iii) that requirement applied in relation to pre-1997 service in respect of which that compensation is payable.
- (2B) This sub-paragraph applies where—
- (a) the transferor's PPF compensation is payable in accordance with the relevant Schedule 7 provisions,
  - (b) the scheme in respect of which that compensation is payable provided a guaranteed minimum pension that accrued during the GMP indexation period,
  - (c) that accrual was in relation to GMP indexed service in respect of which that compensation is payable, and
  - (d) immediately before the assessment date the admissible rules of that scheme—
- (i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(b)(i), or
  - (ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.
- (2C) This sub-paragraph applies where—
- (a) the transferor's PPF compensation is payable in accordance with the relevant Schedule 7 provisions, and
  - (b) neither sub-paragraph (2A) nor sub-paragraph (2B) applies.
- (2D) This sub-paragraph applies where the transferor's PPF compensation is payable otherwise than in accordance with the relevant Schedule 7 provisions.
- (2E) The amount mentioned in this sub-paragraph is the aggregate of the appropriate percentage of the pre-1997 underlying rate and the appropriate percentage of the post-1997 underlying rate.
- (2F) The amount mentioned in this sub-paragraph is the aggregate of the appropriate percentage of the notional pre-1997 underlying rate and the appropriate percentage of the post-1997 underlying rate.
- (2G) The amount mentioned in this sub-paragraph is the appropriate percentage of the post-1997 underlying rate.
- (2H) The amount mentioned in this sub-paragraph is the appropriate percentage of the general underlying rate."
- (b) in sub-paragraph (3), for "(2)" substitute "(2E), (2F), (2G) or (2H) (as the case may be)";
- (c) after sub-paragraph (3) insert—
- "(3A) For the purposes of sub-paragraphs (2A) to (2C)—
- (a) in any case where it is unclear to the Board whether, immediately before the assessment date, the admissible rules of the scheme included a requirement of the kind mentioned in sub-paragraph (2A)(b)(i), those sub-paragraphs have effect as if the scheme included such a requirement;
  - (b) in any case where it is unclear to the Board whether, immediately before the assessment date, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(b)(i) (including such a requirement included by virtue of paragraph (a)) applied in relation to particular pre-1997 service, those sub-paragraphs have effect as if the requirement applied in relation to such service;

- (c) in any case where it is unclear to the Board whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, those sub-paragraphs have effect as if the scheme so provided;
  - (d) in any case where it is unclear to the Board whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of paragraph (c)) was in relation to particular GMP indexed service, those sub-paragraphs have effect as if the accrual was in relation to such service."
- (d) in sub-paragraph (4)—
- (i) in the opening words, for "sub-paragraph (2)" substitute "sub-paragraphs (2) to (2H)";
  - (ii) for the definition of "the underlying rate" substitute—
- "“the general underlying rate”, as at an indexation date, is the aggregate of—
- (a) the general indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
  - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
  - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b);
- “the notional pre-1997 underlying rate”, as at an indexation date, is the aggregate of—
- (a) the notional pre-1997 indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
  - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
  - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b);
- “the post-1997 underlying rate”, as at an indexation date, is the aggregate of—
- (a) the post-1997 indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
  - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
  - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b);
- “the pre-1997 underlying rate”, as at an indexation date, is the aggregate of—
- (a) the pre-1997 indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
  - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
  - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b).”;
- (e) omit sub-paragraphs (5) and (6);
- (f) before sub-paragraph (7) insert—

“(6A) For the purposes of paragraph (a) of the definition of “the general underlying rate”, “the general indexed proportion” is such proportion as is determined in accordance with regulations made by the Secretary of State.

(6B) For the purposes of paragraph (a) of the definition of “the notional pre-1997 underlying rate”, “the notional pre-1997 indexed proportion” is such proportion of the amount mentioned in sub-paragraph (3)(a) of the paragraph of Schedule 7 to the Pensions Act 2004 under which the transferor’s PPF compensation is payable that is attributable to pre-1997 service as may be prescribed.

(6C) For the purposes of paragraph (a) of the definition of “the post-1997 underlying rate”, “the post-1997 indexed proportion” is the proportion of the amount mentioned in sub-paragraph (3)(a) of the paragraph of that Schedule under which the transferor’s PPF compensation is payable that is attributable to post-1997 service.

(6D) For the purposes of paragraph (a) of the definition of “the pre-1997 underlying rate”, “the pre-1997 indexed proportion” is the proportion of the amount mentioned in sub-paragraph (3)(a) of the paragraph of that Schedule under which the transferor’s PPF compensation is payable that is attributable to pre-1997 service.”;

(g) in sub-paragraph (7), for ““the underlying rate”” substitute ““the general underlying rate”, the definition of “the notional pre-1997 underlying rate”, the definition of “the post-1997 underlying rate” and the definition of “the pre-1997 underlying rate””;

(h) in paragraph (9)—

(i) before the definition of “post-1997 service” insert—  
““GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997; “guaranteed minimum pension” has the same meaning as in the Pension Schemes Act 1993 (see section 8(2) of that Act);”;

(ii) in the definition of “post-1997 service” for “has” substitute “, “pre-1997 service” and “GMP indexed service” have”;

(iii) after that definition insert—

““the assessment date” , in relation to a pension scheme, has the same meaning as in that Schedule (see paragraph 2 of that Schedule);”.

(6) In paragraph 20, in sub-paragraph (1)(b), for “for the purposes of paragraph 17(2)” substitute “—

(i) of the pre-1997 underlying rate and of the notional pre-1997 underlying rate for the purposes of sub-paragraphs (2E) and (2F) of paragraph 17;

(ii) of the post-1997 underlying rate for the purposes of sub-paragraphs (2E), (2F) and (2G) of that paragraph;

(iii) of the general underlying rate for the purposes of sub-paragraph (2H) of that paragraph.”” —( *Torsten Bell.* )

*This new clause makes provision for certain compensation paid by the Pension Protection Fund in respect of a person’s pre-1997 pensionable service under legislation extending to England and Wales and Scotland to be increased annually.*

*Brought up, read the First and Second time, and added to the Bill.*

### New Clause 32

#### INDEXATION OF PERIODIC COMPENSATION FOR PRE-1997 SERVICE: NORTHERN IRELAND

“(1) Schedule 6 to the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)) (pension compensation provisions) is amended in accordance with subsections (2) and (3).

(2) In paragraph 28—

(a) for sub-paragraph (2) substitute—

“(2) Where a person is entitled to periodic compensation under any of those paragraphs, the person is entitled, on the indexation date, to an increase under this paragraph of—

(a) where sub-paragraph (2A) applies, the aggregate of the amount mentioned in sub-paragraph (2C) and the amount mentioned in sub-paragraph (2E);

(b) where sub-paragraph (2B) applies, the aggregate of the amount mentioned in sub-paragraph (2D) and the amount mentioned in sub-paragraph (2E);

(c) in any other case, the amount mentioned in sub-paragraph (2E).

(2A) This sub-paragraph applies where, immediately before the assessment date—

(a) the admissible rules of the scheme included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person’s pre-1997 service to be increased annually,

(b) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and

(c) that requirement applied in relation to pre-1997 service in respect of which the compensation is payable.

(2B) This sub-paragraph applies where—

(a) the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period,

(b) that accrual was in relation to GMP indexed service in respect of which the compensation is payable, and

(c) immediately before the assessment date the admissible rules of the scheme—

(i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(a), or

(ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.

(2C) The amount mentioned in this sub-paragraph is—

(a) the appropriate percentage of the amount of the pre-1997 underlying rate immediately before the indexation date, or

(b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which the person was so entitled.

(2D) The amount mentioned in this sub-paragraph is—

(a) the appropriate percentage of the amount of the notional pre-1997 underlying rate immediately before the indexation date, or

(b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which the person was so entitled.

(2E) The amount mentioned in this sub-paragraph is—

(a) the appropriate percentage of the amount of the post-1997 underlying rate immediately before the indexation date, or

(b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which the person was so entitled.

(2F) In any case where it is unclear to the Board whether, immediately before the assessment date, the admissible rules of the scheme included a requirement of the kind mentioned in sub-paragraph (2A)(a), this paragraph has effect as if the scheme included such a requirement.

- (2G) In any case where it is unclear to the Board whether, immediately before the assessment date, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(a) (including such a requirement included by virtue of sub-paragraph (2F)) applied in relation to particular pre-1997 service, this paragraph has effect as if the requirement applied in relation to such service.
- (2H) In any case where it is unclear to the Board whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, this paragraph has effect as if the scheme so provided.
- (2I) In any case where it is unclear to the Board whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of sub-paragraph (2H)) was in relation to particular GMP indexed service, this paragraph has effect as if the accrual was in relation to such service.”
- (b) in sub-paragraph (3)—
- (i) in the opening words for “sub-paragraph (2)” substitute “sub-paragraphs (2) to (2E)”;
- (ii) for both definitions of “underlying rate” substitute—
- ““notional pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 3 or 22, the aggregate of—
- (a) a prescribed percentage of so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service, and
- (b) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amount within paragraph (a) of this definition immediately before the indexation date;
- “notional pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
- (a) a prescribed percentage of so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service,
- (b) a prescribed percentage of so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to pre-1997 service, and
- (c) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amounts within paragraphs (a) and (b) of this definition immediately before the indexation date;
- “post-1997 underlying rate” means, in the case of periodic compensation under paragraph 3 or 22, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service, and
- (b) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amount within paragraph (a) of this definition immediately before the indexation date;
- “post-1997 underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service,
- (b) so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to post-1997 service, and
- (c) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amounts within paragraphs (a) and (b) of this definition immediately before the indexation date;

- “pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 3 or 22, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service, and
- (b) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amount within paragraph (a) of this definition immediately before the indexation date;
- “pre-1997 underlying rate” means, in the case of periodic compensation under paragraph 5, 8, 11 or 15, the aggregate of—
- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to pre-1997 service,
- (b) so much of the amount mentioned in sub-paragraph (3)(aa) of the paragraph in question as is attributable to pre-1997 service, and
- (c) so much of the amount within sub-paragraph (3)(b) of that paragraph as is referable to the amounts within paragraphs (a) and (b) of this definition immediately before the indexation date.”;
- (c) in sub-paragraph (5)—
- (i) in paragraph (a), for “sub-paragraph (2), each definition of “underlying rate”” substitute “sub-paragraphs (2C) to (2E), each definition of “notional pre-1997 underlying rate”, “post-1997 underlying rate” and “pre-1997 underlying rate””;
- (ii) in paragraph (c), for “sub-paragraph (2), the definition of “underlying rate”” substitute “sub-paragraphs (2C) to (2E), the definition of “notional pre-1997 underlying rate”, the definition of “post-1997 underlying rate” and the definition of “pre-1997 underlying rate””;
- (d) in sub-paragraph (6), before the definition of “post-1997 service” insert—
- ““GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;
- “GMP indexed service” means—
- (a) pensionable service which is within paragraph 36(4)(a) and occurs during the GMP indexation period, or
- (b) pensionable service which is within paragraph 36(4)(b) and meets such requirements as may be prescribed;
- “guaranteed minimum pension” has the same meaning as in the Pension Schemes Act (see section 4(2) of that Act);”;
- (e) in sub-paragraph (7), for “and “pre-1997 service”” substitute “, “pre-1997 service” and “GMP indexed service””.
- (3) In paragraph 29, for sub-paragraph (2) substitute—
- “(2) The Board may also determine the percentage that is to be—
- (a) the appropriate percentage for the purposes of sub-paragraphs (2C) and (2D) of paragraph 28;
- (b) the appropriate percentage for the purposes of sub-paragraph (2E) of that paragraph,
- (and where it does so, the definition of “appropriate percentage” in paragraph 28(3) does not apply in relation to the sub-paragraph in question).”
- (4) Schedule 4 to the Pensions (No.2) Act (Northern Ireland) 2008 (pension compensation payable on discharge of pension compensation credit) is amended in accordance with subsections (5) and (6).
- (5) In paragraph 17—
- (a) for sub-paragraph (2) substitute—
- “(2) Subject to sub-paragraph (3), the transferee is entitled, on each indexation date, to an increase of—
- (a) where sub-paragraph (2A) applies, the amount mentioned in sub-paragraph (2E);
- (b) where sub-paragraph (2B) applies, the amount mentioned in sub-paragraph (2F);

- (c) where sub-paragraph (2C) applies, the amount mentioned in sub-paragraph (2G);
- (d) where sub-paragraph (2D) applies, the amount mentioned in sub-paragraph (2H).
- (2A) This sub-paragraph applies where—
  - (a) the transferor's PPF compensation is payable in accordance with paragraph 3, 5, 8, 11, 15 or 22 of Schedule 6 to the 2005 Order ("the relevant Schedule 6 provisions"), and
  - (b) immediately before the assessment date —
  - (i) the admissible rules of the scheme in respect of which that compensation is payable included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person's pre-1997 service to be increased annually,
  - (ii) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and
  - (iii) that requirement applied in relation to pre-1997 service in respect of which that compensation is payable.
- (2B) This sub-paragraph applies where—
  - (a) the transferor's PPF compensation is payable in accordance with the relevant Schedule 6 provisions,
  - (b) the scheme in respect of which that compensation is payable provided a guaranteed minimum pension that accrued during the GMP indexation period,
  - (c) that accrual was in relation to GMP indexed service in respect of which that compensation is payable, and
  - (d) immediately before the assessment date the admissible rules of that scheme—
    - (i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(b)(i), or
    - (ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.
- (2C) This sub-paragraph applies where—
  - (a) the transferor's PPF compensation is payable in accordance with the relevant Schedule 6 provisions, and
  - (b) neither sub-paragraph (2A) nor sub-paragraph (2B) applies.
- (2D) This sub-paragraph applies where the transferor's PPF compensation is payable otherwise than in accordance with the relevant Schedule 6 provisions.
- (2E) The amount mentioned in this sub-paragraph is the aggregate of the appropriate percentage of the pre-1997 underlying rate and the appropriate percentage of the post-1997 underlying rate.
- (2F) The amount mentioned in this sub-paragraph is the aggregate of the appropriate percentage of the notional pre-1997 underlying rate and the appropriate percentage of the post-1997 underlying rate.
- (2G) The amount mentioned in this sub-paragraph is the appropriate percentage of the post-1997 underlying rate.
- (2H) The amount mentioned in this sub-paragraph is the appropriate percentage of the general underlying rate."
- (b) in sub-paragraph (3), for "(2)" substitute "(2E), (2F), (2G) or (2H) (as the case may be)";
- (c) after sub-paragraph (3) insert—
  - "(3A) For the purposes of sub-paragraphs (2A) to (2C)—
    - (a) in any case where it is unclear to the Board whether, immediately before the assessment date, the admissible rules of the scheme included a requirement of the kind mentioned in sub-

- paragraph (2A)(b)(i), those sub-paragraphs have effect as if the scheme included such a requirement;
- (b) in any case where it is unclear to the Board whether, immediately before the assessment date, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(b)(i) (including such a requirement included by virtue of paragraph (a)) applied in relation to particular pre-1997 service, those sub-paragraphs have effect as if the requirement applied in relation to such service;
- (c) in any case where it is unclear to the Board whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, those sub-paragraphs have effect as if the scheme so provided;
- (d) in any case where it is unclear to the Board whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of paragraph (c)) was in relation to particular GMP indexed service, those sub-paragraphs have effect as if the accrual was in relation to such service."
- (d) in sub-paragraph (4)—
  - (i) in the opening words, for "sub-paragraph (2)" substitute "sub-paragraphs (2) to (2H)";
  - (ii) for the definition of "the underlying rate" substitute—
    - ""the general underlying rate", as at an indexation date, is the aggregate of—
      - (a) the general indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
      - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
      - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b);
    - "the notional pre-1997 underlying rate", as at an indexation date, is the aggregate of—
      - (a) the notional pre-1997 indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
      - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
      - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b);
- "the post-1997 underlying rate", as at an indexation date, is the aggregate of—
  - (a) the post-1997 indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,
  - (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
  - (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b);
- "the pre-1997 underlying rate", as at an indexation date, is the aggregate of—
  - (a) the pre-1997 indexed proportion of the aggregate of the initial annual rate of compensation and (in the case of compensation payable under paragraph 6), the revaluation amount,

- (b) so much of any actuarial increase under paragraph 16A as relates to the amount in paragraph (a), and
- (c) so much of any annual increase to which the transferee is entitled under this paragraph in respect of earlier indexation dates as relates to the amounts in paragraphs (a) and (b).”;
- (e) omit sub-paragraphs (5) and (6);
- (f) before sub-paragraph (7) insert—
  - “(6A) For the purposes of paragraph (a) of the definition of “the general underlying rate”, “the general indexed proportion” is such proportion as is determined in accordance with regulations made by the Department.
  - (6B) For the purposes of paragraph (a) of the definition of “the notional pre-1997 underlying rate”, “the notional pre-1997 indexed proportion” is such proportion of the amount mentioned in sub-paragraph (3)(a) of the paragraph of Schedule 6 to the 2005 Order under which the transferor’s PPF compensation is payable that is attributable to pre-1997 service as may be prescribed.
  - (6C) For the purposes of paragraph (a) of the definition of “the post-1997 underlying rate”, “the post-1997 indexed proportion” is the proportion of the amount mentioned in sub-paragraph (3)(a) of the paragraph of that Schedule under which the transferor’s PPF compensation is payable that is attributable to post-1997 service.
  - (6D) For the purposes of paragraph (a) of the definition of “the pre-1997 underlying rate”, “the pre-1997 indexed proportion” is the proportion of the amount mentioned in sub-paragraph (3)(a) of the paragraph of that Schedule under which the transferor’s PPF compensation is payable that is attributable to pre-1997 service.”;
- (g) in sub-paragraph (7), for ““the underlying rate”” substitute ““the general underlying rate”, the definition of “the notional pre-1997 underlying rate”, the definition of “the post-1997 underlying rate” and the definition of “the pre-1997 underlying rate””;
- (h) for sub-paragraph 9 substitute—
  - “(9) In this paragraph—
    - “GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;
    - “guaranteed minimum pension” has the same meaning as in the Pension Schemes Act (see section 4(2) of that Act);
    - “post-1997 service”, “pre-1997 service” and “GMP indexed service” have the same meaning as in paragraph 28 of Schedule 6 to the 2005 Order (annual increase in periodic compensation);
    - “the assessment date”, in relation to a pension scheme, has the same meaning as in that Schedule (see paragraph 2 of that Schedule).”
- (6) In paragraph 20, in sub-paragraph (1)(b), for “for the purposes of paragraph 17(2)” substitute “—
  - (i) of the pre-1997 underlying rate and of the notional pre-1997 underlying rate for the purposes of sub-paragraphs (2E) and (2F) of paragraph 17;
  - (ii) of the post-1997 underlying rate for the purposes of sub-paragraphs (2E), (2F) and (2G) of that paragraph;
  - (iii) of the general underlying rate for the purposes of sub-paragraph (2H) of that paragraph.”—(*Torsten Bell.*)

*This new clause makes provision for certain compensation paid by the Pension Protection Fund in respect of a person’s pre-1997 pensionable service under legislation extending to Northern Ireland to be increased annually.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 33

### FINANCIAL ASSISTANCE SCHEME: INDEXATION OF PAYMENTS FOR PRE-1997 SERVICE

“(1) The Financial Assistance Scheme Regulations 2005 (S.I. 2005/1986) are amended as follows.

(2) In paragraph 7(1)(b) of Schedule 2 (determination of annual and initial payments), after “(b)(i)” insert “, (ia) and (ib)”.

(3) Paragraph 9 of that Schedule is amended in accordance with subsections (4) to (6).

(4) In sub-paragraph (2)—

(a) in paragraph (a) of the definition of “underlying rate”, after sub-paragraph (i) insert—

“(ia) where sub-paragraph (2A) applies, the product of X multiplied by so much of the expected pension as is attributable to pre-1997 service;

(ib) where sub-paragraph (2B) applies, the product of X multiplied by the relevant percentage of so much of the expected pension as is attributable to pre-1997 service;”;

(b) in paragraph (b) of the definition of “underlying rate”—

(i) omit the “and” at the end of sub-paragraph (i);

(ii) after that sub-paragraph insert—

“(ia) where sub-paragraph (2A) applies, so much of the expected pension as is, proportionally, attributable to pre-1997 service;

(ib) where sub-paragraph (2B) applies, the relevant percentage of so much of the expected pension as is, proportionally, attributable to pre-1997 service; and”;

(c) after the definition of “post-1997 service” insert—

““pre-1997 service” means—

(a) pensionable service (whether actual or notional) which occurs before 6th April 1997; or

(b) where the annual payment is payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred before 6th April 1997;

“relevant percentage” means such percentage as may be determined by the Secretary of State;”.

(5) After sub-paragraph (2) insert—

“(2A) This sub-paragraph applies where, immediately before the qualifying pension scheme began to wind up—

(a) the scheme rules included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person’s pre-1997 service to be increased annually,

(b) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and

(c) that requirement applied in relation to pre-1997 service in respect of which the annual payment is payable.

(2B) This sub-paragraph applies where—

(a) the qualifying pension scheme provided a guaranteed minimum pension that accrued during the GMP indexation period,

(b) that accrual was in relation to GMP indexed service in respect of which the annual payment is payable, and

(c) immediately before the scheme began to wind up the scheme rules—

(i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(a), or

(ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.

(2C) For the purposes of sub-paragraphs (2A) and (2B)—

- (a) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, the scheme rules included a requirement of the kind mentioned in sub-paragraph (2A)(a), those sub-paragraphs have effect as if the scheme included such a requirement;
- (b) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(a) (including such a requirement included by virtue of paragraph (a)) applied in relation to particular pre-1997 service, those sub-paragraphs have effect as if the requirement applied in relation to such service;
- (c) in any case where it is unclear to the scheme manager whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, those sub-paragraphs have effect as if the scheme so provided;
- (d) in any case where it is unclear to the scheme manager whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of paragraph (c)) was in relation to particular GMP indexed service, those sub-paragraphs have effect as if the accrual was in relation to such service.

(2D) In sub-paragraphs (2B) and (2C)—

“GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;

“GMP indexed service” means—

- (a) pensionable service (whether actual or notional) which occurs during the GMP indexation period; or
- (b) where the annual payment is payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred during the GMP indexation period.”

(6) In sub-paragraph (3)—

- (a) after “attributable to” insert “pre-1997 service or”;
- (b) for “that amount” substitute “the amount in question”.

(7) In paragraph 7(1)(b) of Schedule 2A (determination of ill health and interim ill health payments), after “(b)(i)” insert “, (ia) and (ib)”.

(8) Paragraph 9 of that Schedule is amended in accordance with subsections (9) to (11).

(9) In sub-paragraph (2)—

(a) after the definition of “E” insert—

““EA” means so much of the expected pension as is attributable to pre-1997 service;

“EB” means the relevant percentage of so much of the expected pension as is attributable to pre-1997 service;”;

(b) after the definition of “post-1997 service” insert—

““pre-1997 service” means—

(a) pensionable service (whether actual or notional) which occurs before 6th April 1997; or

(b) where the ill health payment is payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred before 6th April 1997;

“relevant percentage” means such percentage as may be determined by the Secretary of State;”;

(c) in paragraph (a) of the definition of “underlying rate”, after sub-paragraph (i) insert—

“(ia) where sub-paragraph (2A) applies, the product of X multiplied by (C x EA);

(ib) where sub-paragraph (2B) applies, the product of X multiplied by (C x EB);”;

(d) in paragraph (b) of the definition of “underlying rate”—

(i) omit the “and” at the end of sub-paragraph (i);

(ii) after that sub-paragraph insert—

“(ia) where sub-paragraph (2A) applies, so much of the amount “A” for the purposes of paragraph 2 as is, proportionately, attributable to pre-1997 service;

(ib) where sub-paragraph (2B) applies, the relevant percentage of so much of the amount “A” for the purposes of paragraph 2 as is, proportionately, attributable to pre-1997 service; and”;

(10) After sub-paragraph (2) insert—

“(2A) This sub-paragraph applies where immediately before the qualifying pension scheme began to wind up—

(a) the scheme rules included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person’s pre-1997 service to be increased annually,

(b) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and

(c) that requirement applied in relation to pre-1997 service in respect of which the ill health payment is payable.

(2B) This sub-paragraph applies where—

(a) the qualifying pension scheme provided a guaranteed minimum pension that accrued during the GMP indexation period,

(b) that accrual was in relation to GMP indexed service in respect of which the ill health payment is payable, and

(c) immediately before the scheme began to wind up the scheme rules—

(i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(a), or

(ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme

(2C) For the purposes of sub-paragraphs (2A) and (2B)—

(a) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, the scheme rules included a requirement of the kind mentioned in sub-paragraph (2A)(a), those sub-paragraphs have effect as if the scheme included such a requirement;

(b) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(a) (including such a requirement included by virtue of paragraph (a)) applied in relation to particular pre-1997 service, those sub-paragraphs have effect as if the requirement applied in relation to such service;

(c) in any case where it is unclear to the scheme manager whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, those sub-paragraphs have effect as if the scheme so provided;

(d) in any case where it is unclear to the scheme manager whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of paragraph (c)) was in relation to particular GMP indexed service, those sub-paragraphs have effect as if the accrual was in relation to such service.

(2D) In sub-paragraphs (2A) to (2C)—

“GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;

“GMP indexed service” means—

- (a) pensionable service (whether actual or notional) which occurs during the GMP indexation period; or
- (b) where the ill health payment is payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred during the GMP indexation period;

“guaranteed minimum pension” has the meaning given in section 8(2) of the 1993 Act.”

(11) In sub-paragraph (3)—

- (a) after “attributable to” insert “pre-1997 service or”;
- (b) for “that amount” substitute “the amount in question”.

(12) In paragraph 6 of Schedule 3 (determination of certain annual payments)—

(a) in sub-paragraph (2)—

(i) in the definition of “underlying rate”, after paragraph (a) insert—

“(aa) where sub-paragraph (2A) applies, the product of X multiplied by—

(i) where the beneficiary is a qualifying member or a survivor or surviving dependant of a qualifying member who died on or after the calculation date—

(aa) where the qualifying member is not a qualifying member to whom regulation 17D applied, so much of the revalued notional pension as is attributable to pre-1997 service; or

(bb) where the qualifying member is a qualifying member to whom regulation 17D applied, so much of the sum of R-A as is attributable to pre-1997 service; and

(ii) where the beneficiary is a survivor or surviving dependant in respect of whom a survivor notional pension has been determined, so much of the survivor notional pension as is attributable to the qualifying member’s pre-1997 service;

(ab) where sub-paragraph (2B) applies, the product of X multiplied by—

(i) where the beneficiary is a qualifying member or a survivor or surviving dependant of a qualifying member who died on or after the calculation date—

(aa) where the qualifying member is not a qualifying member to whom regulation 17D applied, the relevant percentage of so much of the revalued notional pension as is attributable to pre-1997 service; or

(bb) where the qualifying member is a qualifying member to whom regulation 17D applied, the relevant percentage of so much of the sum of R-A as is attributable to pre-1997 service; and

(ii) where the beneficiary is a survivor or surviving dependant in respect of whom a survivor notional pension has been determined, the relevant percentage of so much of the survivor notional pension as is attributable to the qualifying member’s pre-1997 service;”;

(iii) after the definition of “post-1997 service” insert—

““pre-1997 service” means—

(a) pensionable service (either actual or notional) which occurred before 6th April 1997; or

(b) where the pension was payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred before 6th April 1997;

“relevant percentage” means such percentage as may be determined by the Secretary of State;”;

(b) after sub-paragraph (2) insert—

“(2A) This sub-paragraph applies where immediately before the qualifying pension scheme began to wind up—

(a) the scheme rules included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person’s pre-1997 service to be increased annually,

(b) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and

(c) that requirement applied in relation to pre-1997 service in respect of which the annual payment is payable.

(2B) This sub-paragraph applies where—

(a) the qualifying pension scheme provided a guaranteed minimum pension that accrued during the GMP indexation period,

(b) that accrual was in relation to GMP indexed service in respect of which the annual payment is payable, and

(c) immediately before the scheme began to wind up the scheme rules—

(i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(a), or

(ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.

(2C) For the purposes of sub-paragraphs (2A) and (2B)—

(a) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, the scheme rules included a requirement of the kind mentioned in sub-paragraph (2A)(a), those sub-paragraphs have effect as if the scheme included such a requirement;

(b) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(a) (including such a requirement included by virtue of paragraph (a)) applied in relation to particular pre-1997 service, those sub-paragraphs have effect as if the requirement applied in relation to such service;

(c) in any case where it is unclear to the scheme manager whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period those sub-paragraphs have effect as if the scheme so provided;

(d) in any case where it is unclear to the scheme manager whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of paragraph (c)) was in relation to particular GMP indexed service, those sub-paragraphs have effect as if the accrual was in relation to such service.

(2D) In sub-paragraphs (2A) to (2C)—

“GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;

“GMP indexed service” means—

(a) pensionable service (whether actual or notional) which occurs during the GMP indexation period; or

(b) where the pension was payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred during the GMP indexation period;

“guaranteed minimum pension” has the meaning given in section 8(2) of the 1993 Act.”;

(c) in sub-paragraph (3), after “attributable to” insert “pre-1997 service and”.

(13) In paragraph 6 of Schedule 5 (determination of certain ill health payments)—

(a) in sub-paragraph (2)—

(i) in the definition of “underlying rate”, after paragraph (a) insert—

“(aa) where sub-paragraph (2A) applies, the product of X multiplied by (C x VA);

(ab) where sub-paragraph (2B) applies, the product of X multiplied by (C x VB);”;

(ii) after the definition of “post-1997 service” insert—  
““pre-1997 service” means—

(a) pensionable service (either actual or notional) which occurred before 6th April 1997; or

(b) where the pension was payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred before 6th April 1997;

“relevant percentage” means such percentage as may be determined by the Secretary of State;”;

(iii) after the definition of “V” insert—

““VA” means—

(a) where the beneficiary is a qualifying member or a survivor or surviving dependant of a qualifying member who died on or after the calculation date—

(i) where the qualifying member is not a qualifying member to whom regulation 17D applied, so much of the revalued notional pension as is attributable to pre-1997 service; or

(ii) where the qualifying member is a qualifying member to whom regulation 17D applied, so much of the sum of R-A as is attributable to pre-1997 service; and

(b) where the beneficiary is a survivor or surviving dependant in respect of whom a survivor notional pension has been determined, so much of the survivor notional pension as is attributable to the qualifying member’s pre-1997 service;

“VB” means—

(a) where the beneficiary is a qualifying member or a survivor or surviving dependant of a qualifying member who died on or after the calculation date—

(i) where the qualifying member is not a qualifying member to whom regulation 17D applied, the relevant percentage of so much of the revalued notional pension as is attributable to pre-1997 service; or

(ii) where the qualifying member is a qualifying member to whom regulation 17D applied, the relevant percentage of so much of the sum of R-A as is attributable to pre-1997 service; and

(b) where the beneficiary is a survivor or surviving dependant in respect of whom a survivor notional pension has been determined, the relevant percentage of so much of the survivor notional pension as is attributable to the qualifying member’s pre-1997 service;”;

(b) after sub-paragraph (2) insert—

“(2A) This sub-paragraph applies where immediately before the qualifying pension scheme began to wind up—

(a) the scheme rules included a requirement for all or any part of so much of the annual rate of a pension in payment under the scheme as is attributable to a person’s pre-1997 service to be increased annually,

(b) that requirement did not apply only in relation to a guaranteed minimum pension provided by the scheme, and

(c) that requirement applied in relation to pre-1997 service in respect of which the ill health payment is payable.

(2B) This sub-paragraph applies where—

(a) the qualifying pension scheme provided a guaranteed minimum pension that accrued during the GMP indexation period,

(b) that accrual was in relation to GMP indexed service in respect of which the ill health payment is payable, and

(c) immediately before the scheme began to wind up the scheme rules—

(i) did not include a requirement of the kind mentioned in sub-paragraph (2A)(a), or

(ii) included such a requirement only in relation to a guaranteed minimum pension provided by the scheme.

(2C) For the purposes of sub-paragraphs (2A) and (2B)—

(a) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, the scheme rules included a requirement of the kind mentioned in sub-paragraph (2A)(a), those sub-paragraphs have effect as if the scheme included such a requirement;

(b) in any case where it is unclear to the scheme manager whether, immediately before the scheme began to wind up, a requirement of the scheme of a kind mentioned in sub-paragraph (2A)(a) (including such a requirement included by virtue of paragraph (a)) applied in relation to particular pre-1997 service, those sub-paragraphs have effect as if the requirement applied in relation to such service;

(c) in any case where it is unclear to the scheme manager whether the scheme provided a guaranteed minimum pension that accrued during the GMP indexation period, those sub-paragraphs have effect as if the scheme so provided;

(d) in any case where it is unclear to the scheme manager whether the accrual of a guaranteed minimum pension provided by the scheme (including by virtue of paragraph (c)) was in relation to particular GMP indexed service, those sub-paragraphs have effect as if the accrual was in relation to such service.

(2D) In sub-paragraphs (2A) to (2C)—

“GMP indexation period” means the period beginning with 6 April 1988 and ending with 5 April 1997;

“GMP indexed service” means—

(a) pensionable service (whether actual or notional) which occurs during the GMP indexation period; or

(b) where the pension was payable to, or in respect of, a qualifying member who is, or was, a pension credit member of the scheme, pension credit rights deriving from rights attributable to service (whether actual or notional) which occurred during the GMP indexation period;

“guaranteed minimum pension” has the meaning given in section 8(2) of the 1993 Act.”;

(c) in sub-paragraph (3), after “attributable to” insert “pre-1997 service and”.—(Torsten Bell.)

*This new clause makes provision for certain assistance paid under the Financial Assistance Scheme Regulations 2005 in respect of a person’s pre-1997 pensionable service to be increased annually.*

*Brought up, read the First and Second time, and added to the Bill.*

### New Clause 34

#### EXEMPTION FROM PUBLIC PROCUREMENT RULES

“(1) After paragraph 2 of Schedule 2 to the Procurement Act 2023 (general vertical arrangements exemption from public procurement rules) insert—

- 2A “(1) A contract between a local government pension scheme manager and an asset pool company providing for the company—
- (a) to manage the funds and other assets for which the scheme manager is responsible,
  - (b) to make and manage investments on behalf of the scheme manager, and
  - (c) if the contract so provides, to carry out other investment management activities for or on behalf of the scheme manager,

if each of the conditions set out in sub-paragraph (2) is met.

(2) The conditions are—

- (a) that more than 80% of the activities of the company are investment management activities carried out for or on behalf of local government pension scheme managers;
  - (b) that no person exercises a decisive influence on the activities of the company (either directly or indirectly) other than—
    - (i) the participating scheme managers in the company, acting in their capacity as local government pension scheme managers, and
    - (ii) where the only shareholder in the company is another company (see section 1(9)(a) of the Pension Schemes Act 2025), that other company;
  - (c) that the company does not carry out any activities that are contrary to the interests of—
    - (i) the participating scheme managers in the company, in their capacity as local government pension scheme managers, or
    - (ii) where the only shareholder in the company is another company, that other company.
- (3) The contracts covered by this paragraph include a contract where the local government pension scheme manager concerned is already a participating scheme manager in the company (as well as one where the scheme manager concerned will become a participating scheme manager in the company as a result of entering into it).
- (4) An appropriate authority may by regulations make provision about how a calculation as to the percentage of activities carried out by an asset pool company is to be made for the purposes of sub-paragraph (2)(a).
- (5) For the purposes of sub-paragraph (2)(b), a person does not exercise a decisive influence on the activities of the asset pool company only by reason of—
- (a) being a director, officer or manager of the company, acting in that capacity, or
  - (b) where the only shareholder in the company is another company, being a director, officer or manager of that other company.
- (6) In this paragraph—
- “asset pool company” has the meaning given by section 1(7)(a) of the Pension Schemes Act 2025;
- “investment management activities” means activities involved in or connected with the management of funds or other assets for which a scheme manager is responsible (including making and managing investments on behalf of the scheme manager);
- “local government pension scheme manager” means a person who is, by virtue of section 4(5) of the Public Service Pensions Act 2013, a scheme manager for a pension scheme for local government workers in England and Wales;

“participating scheme manager”, in relation to an asset pool company, means a local government pension scheme manager who participates in the company within the meaning of section 1(9)(b) of the Pension Schemes Act 2025.”—(Torsten Bell.)

*This new clause amends the Procurement Act 2023 to create a new category of exempted contract covering certain investment management contracts between a local government scheme manager and the asset pool company. This is intended to replace Clause 4 in the current print of the Bill.*

*Brought up, read the First and Second time, and added to the Bill.*

### New Clause 35

#### FUNDING OF THE BOARD OF THE PENSION PROTECTION FUND

“(1) The Pensions Act 2004 is amended in accordance with subsections (2) to (5).

(2) Omit section 116 (power of Secretary of State to pay grants to Board of Pension Protection Fund).

(3) Omit section 117 (power of Secretary of State to impose administration levy on pension schemes).

(4) In section 173 (Pension Protection Fund), in subsection (3), before paragraph (a) insert—

“(za) any sums required to meet expenditure of the Board that is attributable to the operation or administration of the Pension Protection Fund,”

(5) In section 188 (fraud compensation fund), in subsection (3), before paragraph (a) insert—

“(za) any sums required to meet expenditure of the Board that is attributable to the operation or administration of the Fraud Compensation Fund,”

(6) No amount is payable to the Secretary of State by virtue of section 117 of the Pensions Act 2004 (administration levy) in respect of the financial years beginning with 1 April 2023 and 1 April 2024.

(7) In the Pensions Act 2008, in Schedule 10 (interest on late payment of levies), omit paragraph 3 (which makes an amendment about interest for late payment of the administration levy that has not been brought into force).—(Torsten Bell.)

*This new clause (which is intended to be added after clause 112) enables administrative expenses of the Board of the Pension Protection Fund to be paid out of the Pension Protection Fund and the Fraud Compensation Fund, and removes the existing administration levy mechanism; it also clarifies that no administration levy is payable for 2023/24 or 2024/25.*

*Brought up, read the First and Second time, and added to the Bill.*

### New Clause 3

#### TERMINAL ILLNESS: MEANS OF DEMONSTRATING ELIGIBILITY

“(1) The Secretary of State must by regulations make provision about how a person may demonstrate that they are terminally ill for purposes relating to compensation or assistance from the Pension Protection Fund or Financial Assistance Scheme.

(2) In making regulations under this section, the Secretary of State must seek to minimise the administrative burden placed upon the person with a terminal illness.

(3) Regulations under this section must provide that, where the Department of Work and Pensions (“the Department”) holds a valid SR1 form in respect of a person seeking to demonstrate that they are terminally ill for purposes relating to compensation or assistance from the Pension Protection Fund or Financial Assistance Scheme, the Department must share that form with the Pension Protection Fund or the Financial Assistance Scheme.

(4) Regulations under this section must require the Pension Protection Fund and the Financial Assistance Scheme to make the appropriate payment or payments within a specified time of receipt of a valid application.”—(*Manuela Perteghella.*)

*This new clause would require the Secretary of State to provide, by regulations, for the use of a valid SR1 form to make it easier for a person to demonstrate that they are terminally ill for purposes related to compensation from the PPF or FAS.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The House divided: Ayes 87, Noes 299.*

## Division No. 377]

[5.11 pm

### AYES

|                            |                                                       |
|----------------------------|-------------------------------------------------------|
| Amos, Gideon               | MacDonald, Mr Angus                                   |
| Anderson, Lee              | Maguire, Helen                                        |
| Aquarone, Steff            | Martin, Mike ( <i>Proxy vote cast by Bobby Dean</i> ) |
| Babarinde, Josh            | Mathew, Brian                                         |
| Bennett, Alison            | Maynard, Charlie                                      |
| Berry, Siân                | Medi, Llinos                                          |
| Blackman, Kirsty           | Miller, Calum                                         |
| Bowie, Andrew              | Milne, John                                           |
| Brewer, Alex               | Mohamed, Iqbal                                        |
| Brown-Fuller, Jess         | Moran, Layla                                          |
| Cane, Charlotte            | Morello, Edward                                       |
| Carmichael, rh Mr Alistair | Morgan, Helen                                         |
| Chadwick, David            | Morrison, Mr Tom                                      |
| Chambers, Dr Danny         | Munt, Tessa                                           |
| Coghlan, Chris             | Olney, Sarah                                          |
| Collins, Victoria          | Perteghella, Manuela                                  |
| Cooper, Daisy              | Pinkerton, Dr Al                                      |
| Corbyn, rh Jeremy          | Pochin, Sarah                                         |
| Dance, Adam                | Ramsay, Adrian                                        |
| Darling, Steve             | Reynolds, Mr Joshua                                   |
| Davies, Ann                | Roome, Ian                                            |
| Dean, Bobby                | Rosindell, Andrew                                     |
| Dewhurst, Charlie          | Sabine, Anna                                          |
| Dillon, Mr Lee             | Savage, Dr Roz                                        |
| Doogan, Dave               | Saville Roberts, rh Liz                               |
| Dyke, Sarah                | Shannon, Jim                                          |
| Forster, Mr Will           | Slade, Vikki                                          |
| George, Andrew             | Smart, Lisa                                           |
| Gethins, Stephen           | Sollom, Ian                                           |
| Gidson, Sarah              | Stone, Jamie                                          |
| Gilmour, Rachel            | Sultana, Zarah                                        |
| Gordon, Tom                | Swann, Robin                                          |
| Green, Sarah               | Taylor, Luke                                          |
| Hanna, Claire              | Thomas, Cameron                                       |
| Harding, Monica            | Tice, Richard                                         |
| Heylings, Pippa            | Voaden, Caroline                                      |
| Hobhouse, Wera             | Wilkinson, Max                                        |
| Hussain, Mr Adnan          | Wilson, Munira                                        |
| Jardine, Christine         | Wilson, rh Sammy                                      |
| Jarvis, Liz                | Wishart, Pete                                         |
| Jones, Clive               | Wrigley, Martin                                       |
| Khan, Ayoub                |                                                       |
| Kruger, Danny              |                                                       |
| Lake, Ben                  |                                                       |
| Logan, Seamus              |                                                       |
| MacCleary, James           |                                                       |

**Tellers for the Ayes:**  
Susan Murray and  
Claire Young

### NOES

|                     |                   |
|---------------------|-------------------|
| Abbott, Jack        | Al-Hassan, Sadik  |
| Abrahams, Debbie    | Ali, Rushanara    |
| Ahmed, Dr Zubir     | Ali, Tahir        |
| Akehurst, Luke      | Anderson, Callum  |
| Alaba, Mr Bayo      | Antoniazzi, Tonia |
| Aldridge, Dan       | Arthur, Dr Scott  |
| Alexander, rh Heidi | Asato, Jess       |

|                                                               |                                                                     |
|---------------------------------------------------------------|---------------------------------------------------------------------|
| Asser, James                                                  | Ellis, Maya                                                         |
| Atkinson, Catherine                                           | Entwistle, Kirith                                                   |
| Baines, David                                                 | Esterson, Bill                                                      |
| Baker, Alex                                                   | Evans, Chris                                                        |
| Baker, Richard                                                | Fahnbulleh, Miatta                                                  |
| Ballinger, Alex                                               | Fenton-Glynn, Josh                                                  |
| Bance, Antonia                                                | Ferguson, Mark                                                      |
| Barker, Paula                                                 | Ferguson, Patricia                                                  |
| Barron, Lee                                                   | Fleet, Natalie                                                      |
| Barros-Curtis, Mr Alex                                        | Foody, Emma                                                         |
| Beales, Danny                                                 | Fookes, Catherine                                                   |
| Beavers, Lorraine                                             | Foster, Mr Paul                                                     |
| Bell, Torsten                                                 | Foy, Mary Kelly                                                     |
| Benn, rh Hilary                                               | Francis, Daniel                                                     |
| Betts, Mr Clive                                               | Furniss, Gill                                                       |
| Billington, Ms Polly                                          | Gardiner, Barry                                                     |
| Bishop, Matt ( <i>Proxy vote cast by Sir Nicholas Dakin</i> ) | Gardner, Dr Allison                                                 |
| Blake, Rachel                                                 | Gemmell, Alan                                                       |
| Blundell, Mrs Elsie                                           | German, Gill                                                        |
| Bonavia, Kevin                                                | Gilbert, Tracy                                                      |
| Bowie, Andrew                                                 | Gittins, Becky ( <i>Proxy vote cast by Sir Nicholas Dakin</i> )     |
| Brackenridge, Mrs Sureena                                     | Glendon, Mary                                                       |
| Brash, Mr Jonathan                                            | Goldsborough, Ben                                                   |
| Buckley, Julia                                                | Gosling, Jodie                                                      |
| Butler, Dawn                                                  | Grady, John                                                         |
| Byrne, rh Liam                                                | Greenwood, Lilian                                                   |
| Cadbury, Ruth                                                 | Griffith, Dame Nia                                                  |
| Caliskan, Nesil                                               | Gwynne, Andrew ( <i>Proxy vote cast by Sir Nicholas Dakin</i> )     |
| Campbell, rh Sir Alan                                         | Hack, Amanda                                                        |
| Campbell, Irene                                               | Haigh, rh Louise                                                    |
| Campbell-Savours, Markus                                      | Hamilton, Fabian                                                    |
| Carden, Dan                                                   | Hamilton, Paulette                                                  |
| Carling, Sam                                                  | Harris, Carolyn                                                     |
| Champion, Sarah                                               | Hatton, Lloyd                                                       |
| Charalambous, Bambos                                          | Hayes, Tom                                                          |
| Charters, Mr Luke                                             | Hazeltown, Claire                                                   |
| Collier, Jacob                                                | Hendrick, Sir Mark ( <i>Proxy vote cast by Sir Nicholas Dakin</i> ) |
| Collinge, Lizzi                                               | Hillier, Dame Meg                                                   |
| Collins, Tom                                                  | Hinchliff, Chris                                                    |
| Conlon, Liam                                                  | Hinder, Jonathan                                                    |
| Coombes, Sarah                                                | Hodgson, Mrs Sharon                                                 |
| Cooper, Andrew                                                | Hopkins, Rachel                                                     |
| Cooper, Dr Beccy                                              | Hughes, Claire ( <i>Proxy vote cast by Sir Nicholas Dakin</i> )     |
| Costigan, Deirdre                                             | Hume, Alison                                                        |
| Cox, Pam                                                      | Huq, Dr Rupa                                                        |
| Coyle, Neil                                                   | Hurley, Patrick                                                     |
| Craft, Jen                                                    | Ingham, Leigh                                                       |
| Creagh, Mary                                                  | Irons, Natasha                                                      |
| Creasy, Ms Stella                                             | Jameson, Sally                                                      |
| Crichton, Torcuil                                             | Jermy, Terry                                                        |
| Curtis, Chris                                                 | Jogee, Adam                                                         |
| Dakin, Sir Nicholas                                           | Johnson, rh Dame Diana                                              |
| Dalton, Ashley                                                | Jones, Gerald                                                       |
| Darlington, Emily                                             | Jones, Ruth                                                         |
| Davies, Jonathan                                              | Josani, Gurinder Singh                                              |
| Davies, Paul                                                  | Joseph, Sojan                                                       |
| De Cordova, Marsha                                            | Juss, Warinder                                                      |
| Dean, Josh                                                    | Kane, Chris                                                         |
| Dearden, Kate                                                 | Kane, Mike                                                          |
| Dewhurst, Charlie                                             | Kaur, Satvir ( <i>Proxy vote cast by Sir Nicholas Dakin</i> )       |
| Dickson, Jim                                                  | Kendall, rh Liz                                                     |
| Dixon, Anna                                                   | Khan, Afzal                                                         |
| Dixon, Samantha                                               | Khan, Naushabah                                                     |
| Dodds, rh Anneliese                                           | Kirkham, Jayne                                                      |
| Dollimore, Helena                                             | Kitchen, Gen                                                        |
| Dowd, Peter                                                   | Kumar, Sonia                                                        |
| Duncan-Jordan, Neil                                           | Kumaran, Uma                                                        |
| Edwards, Lauren                                               |                                                                     |
| Edwards, Sarah                                                |                                                                     |
| Efford, Clive                                                 |                                                                     |
| Egan, Damien                                                  |                                                                     |

Kyrke-Smith, Laura  
 Lamb, Peter  
 Law, Noah  
 Leadbeater, Kim  
 Leishman, Brian  
 Lewin, Andrew  
 Lewis, Clive  
 Long Bailey, Rebecca  
 MacAlister, Josh  
 Macdonald, Alice  
 MacNae, Andy  
 Madders, Justin  
 Malhotra, Seema  
 Martin, Amanda  
 Maskell, Rachael  
 Mather, Keir  
 Mayer, Alex  
 McAllister, Douglas  
 McCarthy, Kerry  
 McCluskey, Martin  
 McDonald, Andy  
 McDonald, Chris  
 McDonnell, rh John  
 McEvoy, Lola  
 McFadden, rh Pat  
 McGovern, Alison  
 McIntyre, Alex  
 McKenna, Kevin  
 McMahon, Jim  
 McMorris, Anna  
 McNally, Frank  
 Midgley, Anneliese  
 Minns, Ms Julie  
 Mishra, Navendu  
 Moon, Perran  
 Morden, Jessica  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, rh Ian  
 Murray, Katrina  
 Myer, Luke  
 Naish, James  
 Naismith, Connor  
 Nash, Pamela  
 Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan (*Proxy vote cast  
 by Sir Nicholas Dakin*)  
 Onwurah, Dame Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Tristan  
 Owatemi, Taiwo  
 Owen, Sarah  
 Paffey, Darren  
 Patrick, Matthew  
 Payne, Michael  
 Peacock, Stephanie  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Poynton, Gregor  
 Quigley, Mr Richard  
 Qureshi, Yasmin

Race, Steve  
 Rand, Mr Connor  
 Ranger, Andrew  
 Rayner, rh Angela  
 Reeves, rh Ellie  
 Reid, Joani  
 Reynolds, rh Jonathan  
 Rhodes, Martin  
 Riddell-Carpenter, Jenny  
 Rimmer, Ms Marie  
 Roca, Tim  
 Rodda, Matt  
 Russell, Sarah  
 Rutland, Tom  
 Sandher, Dr Jeevun  
 Sowards, Mark  
 Shah, Naz  
 Shanker, Baggy  
 Shanks, Michael  
 Siddiq, Tulip  
 Slaughter, Andy  
 Slinger, John  
 Smith, Cat  
 Smith, David  
 Smith, Jeff  
 Smyth, Karin  
 Snell, Gareth  
 Sobel, Alex  
 Stainbank, Euan  
 Stevens, rh Jo  
 Stevenson, Kenneth  
 Stewart, Elaine  
 Stone, Will  
 Strathern, Alistair  
 Streeting, rh Wes  
 Strickland, Alan  
 Sullivan, Dr Lauren  
 Swallow, Peter  
 Tami, rh Sir Mark  
 Tapp, Mike  
 Taylor, David  
 Taylor, Rachel  
 Thomas, Gareth  
 Thompson, Adam  
 Tidball, Dr Marie  
 Toale, Jessica  
 Tomlinson, Dan  
 Trickett, Jon  
 Tufnell, Henry  
 Turmaine, Matt  
 Turner, Karl  
 Twigg, Derek  
 Twist, Liz  
 Uppal, Harpreet  
 Vaz, rh Valerie  
 Vince, Chris  
 Wakeford, Christian  
 Walker, Imogen  
 Ward, Chris  
 Ward, Melanie  
 Waugh, Paul  
 Welsh, Michelle  
 Western, Andrew  
 Western, Matt  
 Wheeler, Michael  
 Whitby, John  
 Whittome, Nadia  
 Williams, David  
 Witherden, Steve  
 Woodcock, Sean  
 Wrighting, Rosie  
 Yang, Yuan

Yasin, Mohammad  
 Yemm, Steve  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Jade Botterill and**  
**Stephen Morgan**

*Question accordingly negated.*

## **New Clause 26**

### **ESTABLISHMENT OF TARGETED INVESTMENT VEHICLES FOR PENSION FUNDS**

‘(1) The Secretary of State may by regulations make provision for the establishment or facilitation of one or more investment vehicles through which pension schemes may invest for targeted social or economic benefit.

(2) Regulations under subsection (1) must specify the descriptions of targeted social or economic benefit to which the investment vehicles are to contribute, which may include, but are not limited to, investment in—

- (a) projects that revitalise high street areas;
- (b) initiatives demonstrating social benefit;
- (c) affordable or social housing development;
- (d) capital projects that meet essential public needs, such as care homes;
- (e) clean, renewable energy projects.

(3) The regulations must make provision for—

- (a) the types of pension schemes eligible to participate in such investment vehicles;
- (b) the governance, oversight, and reporting requirements for the investment vehicles and participating pension schemes;
- (c) the means by which the contribution of such investments to targeted social or economic benefit is measured and reported;
- (d) the roles and responsibilities of statutory bodies, including the Pensions Regulator and the Financial Conduct Authority, in authorising, regulating, or supervising such investment vehicles and the participation of pension schemes within them.

(4) The regulations may—

- (a) make different provision for different descriptions of pension schemes, investment vehicles, or targeted social or economic benefits;
- (b) provide for the pooling of assets from multiple pension schemes within such vehicles;
- (c) require pension scheme trustees or managers to have regard to the availability and suitability of investment vehicles when formulating investment strategies, where consistent with—
  - (i) their fiduciary duties, and
  - (ii) the long-term value for money for members.

(5) In this Chapter, “pension scheme” has the same meaning as in section 1(5) of the Pension Schemes Act 1993.’—(*Steve Darling.*)

*This new clause would allow the Secretary of State to establish investment funds to encourage investment in areas such as high streets, social housing, care homes, clean renewable energy, and other investments with clear social benefits.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time:—*

*The House divided: Ayes 77, Noes 298.*

**Division No. 378]**

**[5.24 pm**

### **AYES**

Amos, Gideon  
 Aquarone, Steff  
 Babarinde, Josh  
 Bennett, Alison

Berry, Siân  
 Blackman, Kirsty  
 Brewer, Alex  
 Brown-Fuller, Jess

Cane, Charlotte  
 Carmichael, rh Mr Alistair  
 Chadwick, David  
 Chambers, Dr Danny  
 Coghlan, Chris  
 Collins, Victoria  
 Cooper, Daisy  
 Corbyn, rh Jeremy  
 Dance, Adam  
 Darling, Steve  
 Davies, Ann  
 Dean, Bobby  
 Dillon, Mr Lee  
 Doogan, Dave  
 Dyke, Sarah  
 Forster, Mr Will  
 George, Andrew  
 Gethins, Stephen  
 Gidson, Sarah  
 Gilmour, Rachel  
 Gordon, Tom  
 Green, Sarah  
 Hanna, Claire  
 Harding, Monica  
 Heylings, Pippa  
 Hobhouse, Wera  
 Hussain, Mr Adnan  
 Jardine, Christine  
 Jarvis, Liz  
 Jones, Clive  
 Khan, Ayoub  
 Lake, Ben  
 Logan, Seamus  
 MacCleary, James  
 MacDonald, Mr Angus  
 Maguire, Helen

Martin, Mike (*Proxy vote cast by Bobby Dean*)  
 Mathew, Brian  
 Maynard, Charlie  
 Medi, Llinos  
 Miller, Calum  
 Milne, John  
 Mohamed, Iqbal  
 Moran, Layla  
 Morello, Edward  
 Morgan, Helen  
 Morrison, Mr Tom  
 Munt, Tessa  
 Olney, Sarah  
 Perteghella, Manuela  
 Pinkerton, Dr Al  
 Ramsay, Adrian  
 Reynolds, Mr Joshua  
 Roome, Ian  
 Sabine, Anna  
 Savage, Dr Roz  
 Saville Roberts, rh Liz  
 Slade, Vikki  
 Smart, Lisa  
 Sollom, Ian  
 Stone, Jamie  
 Sultana, Sarah  
 Taylor, Luke  
 Thomas, Cameron  
 Voaden, Caroline  
 Wilkinson, Max  
 Wilson, Munira  
 Wishart, Pete  
 Wrigley, Martin  
**Tellers for the Ayes:**  
 Susan Murray and  
 Claire Young

### NOES

Abbott, Jack  
 Abrahams, Debbie  
 Ahmed, Dr Zubir  
 Akehurst, Luke  
 Alaba, Mr Bayo  
 Aldridge, Dan  
 Alexander, rh Heidi  
 Al-Hassan, Sadik  
 Ali, Rushanara  
 Ali, Tahir  
 Anderson, Callum  
 Antoniazzi, Tonia  
 Arthur, Dr Scott  
 Asato, Jess  
 Asser, James  
 Atkinson, Catherine  
 Baines, David  
 Baker, Alex  
 Baker, Richard  
 Ballinger, Alex  
 Bance, Antonia  
 Barker, Paula  
 Barron, Lee  
 Barros-Curtis, Mr Alex  
 Beales, Danny  
 Beavers, Lorraine  
 Bell, Torsten  
 Benn, rh Hilary  
 Betts, Mr Clive  
 Billington, Ms Polly  
 Bishop, Matt (*Proxy vote cast by Sir Nicholas Dakin*)

Blake, Rachel  
 Blundell, Mrs Elsie  
 Bonavia, Kevin  
 Brackenridge, Mrs Sureena  
 Brash, Mr Jonathan  
 Buckley, Julia  
 Butler, Dawn  
 Cadbury, Ruth  
 Caliskan, Nesil  
 Campbell, rh Sir Alan  
 Campbell, Irene  
 Campbell-Savours, Markus  
 Carden, Dan  
 Carling, Sam  
 Champion, Sarah  
 Charalambous, Bambos  
 Charters, Mr Luke  
 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

Dakin, Sir Nicholas  
 Dalton, Ashley  
 Darlington, Emily  
 Davies, Jonathan  
 Davies, Paul  
 De Cordova, Marsha  
 Dean, Josh  
 Dearden, Kate  
 Dickson, Jim  
 Dixon, Anna  
 Dixon, Samantha  
 Dodds, rh Anneliese  
 Dollimore, Helena  
 Dowd, Peter  
 Edwards, Lauren  
 Edwards, Sarah  
 Efford, Clive  
 Egan, Damien  
 Ellis, Maya  
 Entwistle, Kirith  
 Esterson, Bill  
 Evans, Chris  
 Fenton-Glynn, Josh  
 Ferguson, Mark  
 Ferguson, Patricia  
 Fleet, Natalie  
 Foody, Emma  
 Fookes, Catherine  
 Foster, Mr Paul  
 Foy, Mary Kelly  
 Francis, Daniel  
 Furniss, Gill  
 Gardiner, Barry  
 Gardner, Dr Allison  
 Gemmell, Alan  
 German, Gill  
 Gilbert, Tracy  
 Gittins, Becky (*Proxy vote cast by Sir Nicholas Dakin*)  
 Glindon, Mary  
 Goldsborough, Ben  
 Gosling, Jodie  
 Grady, John  
 Greenwood, Lilian  
 Griffith, Dame Nia  
 Gwynne, Andrew (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hack, Amanda  
 Haigh, rh Louise  
 Hamilton, Fabian  
 Hamilton, Paulette  
 Harris, Carolyn  
 Hatton, Lloyd  
 Hazelgrove, Claire  
 Hendrick, Sir Mark (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hillier, Dame Meg  
 Hinchliff, Chris  
 Hinder, Jonathan  
 Hodgson, Mrs Sharon  
 Hopkins, Rachel  
 Hughes, Claire (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hume, Alison  
 Huq, Dr Rupa  
 Hurley, Patrick  
 Ingham, Leigh  
 Irons, Natasha  
 Jameson, Sally  
 Jermy, Terry  
 Jogee, Adam  
 Johnson, rh Dame Diana

Jones, Gerald  
 Jones, Ruth  
 Josan, Gurinder Singh  
 Joseph, Sojan  
 Juss, Warinder  
 Kane, Chris  
 Kane, Mike  
 Kaur, Satvir (*Proxy vote cast by Sir Nicholas Dakin*)  
 Kendall, rh Liz  
 Khan, Afzal  
 Khan, Naushabah  
 Kirkham, Jayne  
 Kitchen, Gen  
 Kumar, Sonia  
 Kumaran, Uma  
 Kyrke-Smith, Laura  
 Lamb, Peter  
 Law, Noah  
 Leadbeater, Kim  
 Leishman, Brian  
 Lewin, Andrew  
 Lewis, Clive  
 Long Bailey, Rebecca  
 MacAlister, Josh  
 Macdonald, Alice  
 MacNae, Andy  
 Madders, Justin  
 Malhotra, Seema  
 Martin, Amanda  
 Maskell, Rachael  
 Mather, Keir  
 Mayer, Alex  
 McAllister, Douglas  
 McCarthy, Kerry  
 McCluskey, Martin  
 McDonald, Andy  
 McDonald, Chris  
 McDonnell, rh John  
 McEvoy, Lola  
 McFadden, rh Pat  
 McGovern, Alison  
 McIntyre, Alex  
 McKenna, Kevin  
 McMahon, Jim  
 McMorris, Anna  
 McNally, Frank  
 Midgley, Anneliese  
 Minns, Ms Julie  
 Mishra, Navendu  
 Moon, Perran  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, rh Ian  
 Murray, Katrina  
 Myer, Luke  
 Naish, James  
 Naismith, Connor  
 Nash, Pamela  
 Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan (*Proxy vote cast by Sir Nicholas Dakin*)  
 Onwurah, Dame Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Tristan

Owatemi, Taiwo  
 Owen, Sarah  
 Paffey, Darren  
 Patrick, Matthew  
 Payne, Michael  
 Peacock, Stephanie  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Poynton, Gregor  
 Quigley, Mr Richard  
 Qureshi, Yasmin  
 Race, Steve  
 Ranger, Andrew  
 Rayner, rh Angela  
 Reeves, rh Ellie  
 Reid, Joani  
 Reynolds, rh Jonathan  
 Rhodes, Martin  
 Richards, Jake  
 Riddell-Carpenter, Jenny  
 Rigby, Lucy  
 Rimmer, Ms Marie  
 Roca, Tim  
 Rodda, Matt  
 Russell, Sarah  
 Rutland, Tom  
 Sandher, Dr Jeevun  
 Sewards, Mark  
 Shah, Naz  
 Shanker, Baggy  
 Shanks, Michael  
 Shannon, Jim  
 Siddiq, Tulip  
 Simons, Josh  
 Slaughter, Andy  
 Slinger, John  
 Smith, Cat  
 Smith, David  
 Smith, Jeff  
 Smyth, Karin  
 Snell, Gareth  
 Sobel, Alex  
 Stainbank, Euan  
 Stevens, rh Jo  
 Stevenson, Kenneth  
 Stewart, Elaine

Stone, Will  
 Strathern, Alistair  
 Streeting, rh Wes  
 Strickland, Alan  
 Sullivan, Dr Lauren  
 Swallow, Peter  
 Swann, Robin  
 Tami, rh Sir Mark  
 Tapp, Mike  
 Taylor, David  
 Taylor, Rachel  
 Thomas, Gareth  
 Thompson, Adam  
 Tidball, Dr Marie  
 Toale, Jessica  
 Tomlinson, Dan  
 Trickett, Jon  
 Tufnell, Henry  
 Turmaine, Matt  
 Turner, Karl  
 Turner, Laurence  
 Twigg, Derek  
 Twist, Liz  
 Uppal, Harpreet  
 Vaz, rh Valerie  
 Vince, Chris  
 Wakeford, Christian  
 Walker, Imogen  
 Ward, Chris  
 Ward, Melanie  
 Waugh, Paul  
 Welsh, Michelle  
 Western, Andrew  
 Western, Matt  
 Wheeler, Michael  
 Whitby, John  
 Whittome, Nadia  
 Williams, David  
 Wilson, rh Sammy  
 Witherden, Steve  
 Woodcock, Sean  
 Wrighting, Rosie  
 Yang, Yuan  
 Yasin, Mohammad  
 Yemm, Steve  
 Zeichner, Daniel

#### **Tellers for the Noes:**

**Jade Botterill and  
 Stephen Morgan**

*Question accordingly negated.*

### **Clause 1**

#### **ASSET POOL COMPANIES**

*Amendments made:* 20, page 3, line 24, leave out from “whose” to “, and” and insert

“shares are all held by scheme managers only or by another company limited by shares and registered in the United Kingdom whose shares are all held by scheme managers only”.

*The amendment ensures that a company can be an asset pool company either if its shareholders consist only of scheme managers or if it only has one shareholder, being a company whose shareholders consist only of scheme managers.*

Amendment 21, page 3, line 26, after “company” insert—

“( ) being a shareholder in another company which is the only shareholder of the company,”—(*Torsten Bell.*)

*The amendment is consequential on amendment 20, which allows scheme managers to arrange for a company wholly owned by scheme managers to hold the shares in an asset pool company.*

### **Clause 2**

#### **ASSET MANAGEMENT**

*Amendments made:* 22, page 4, line 9, leave out from “Wales” to end of line and insert

“each scheme manager (other than the Environment Agency) co-operates with an appropriate strategic authority”.—(*Torsten Bell.*)

*The amendment refines the duty under clause 2(2)(c) for scheme regulations to require scheme managers to co-operate with strategic authorities. The new wording reflects a policy intention for the regulations to require each authority to co-operate (in relation to developing local investment opportunities) with the strategic authority whose area covers the area of the scheme manager. The Environment Agency’s area is the whole of England and so it is excluded by the amendment because the intended policy approach does not work for it.*

### **Clause 4**

#### **EXEMPTION FROM PUBLIC PROCUREMENT RULES**

*Amendment made:* 23, page 5, line 35, leave out clause 4.—(*Torsten Bell.*)

*This amendment is consequential on NC34 which inserts a new clause intended to supersede the current Clause 4.*

### **Clause 22**

#### **SMALL POTS REGULATIONS**

*Amendment made:* 24, page 23, line 25, leave out “specify” and insert “prescribe”—(*Torsten Bell.*)

*This amendment is consequential on Amendment 25.*

### **Clause 23**

#### **SMALL POTS DATA PLATFORM**

*Amendments made:* 25, page 23, line 32, leave out “person specified in the regulations” and insert “prescribed person”.

*This amendment makes use of the defined term “prescribed” to clarify how the regulations may identify a person who is to make proposals as to the destination of small pots.*

Amendment 26, page 24, leave out line 1.

*This amendment is consequential on Amendment 28.*

Amendment 27, page 24, line 16, leave out “The” and insert “A”.

*This amendment is consequential on Amendment 28.*

Amendment 28, page 24, line 18, leave out subsection (5) and insert—

“(5) Small pots regulations may, in compliance with subsection (1)—

(a) prescribe one person to make all of the proposals required to be made under that subsection, or

(b) prescribe two or more persons in relation to different descriptions of those proposals.

(6) Small pots regulations must require a proposal made by virtue of subsection (1) to be notified to the trustees or managers of the auto-enrolment scheme that holds the pension pot to which the proposal relates unless those trustees or managers are themselves the destination proposer).

(7) A person prescribed under subsection (1) is referred to in this Chapter as a ‘destination proposer’.—(*Torsten Bell.*)

*This amendment ensures that the task of proposing destinations for small dormant pots may be undertaken by different persons, and defines such persons as “destination proposers”.*

### Clause 28

#### TIMING OF TRANSFERS

*Amendment made:* 29, page 27, line 23, leave out “by the small pots data platform operator under” and insert “by virtue of”—(*Torsten Bell.*)  
*This amendment is consequential on Amendment 28.*

### Clause 29

#### AUTHORISATION OF CONSOLIDATOR SCHEMES ETC BY THE PENSIONS REGULATOR

*Amendment made:* 30, page 28, line 1, leave out “the small pots data platform operator” and insert “a destination proposer”—(*Torsten Bell.*)  
*This amendment is consequential on Amendment 28.*

### Clause 31

#### FURTHER PROVISION ABOUT CONTENTS OF SMALL POTS REGULATIONS

*Amendments made:* 31, page 29, line 28, leave out paragraph (h) and insert—

“(h) require a destination proposer, the trustees or managers of a relevant pension scheme, or the Secretary of State, to pay compensation to an individual who has suffered a loss as a result of a breach of the regulations;”.

*This amendment makes a change consequential on Amendment 28; it also adds the Secretary of State to the list of persons who can be required to pay compensation for mistakes made operating the small pots regime.*

*Amendment 32,* page 30, line 14, leave out “the small pots data platform operator” and insert “a destination proposer”.

*This amendment is consequential on Amendment 28.*

*Amendment 33,* page 30, line 22, leave out “the small pots data platform operator” and insert “a destination proposer”.

*This amendment is consequential on Amendment 28.*

*Amendment 34,* page 30, line 24, leave out “the small pots data platform operator” and insert—

“(i) a destination proposer, or (ii) the Secretary of State by virtue of section 31(1)(h) (compensation).”—(*Torsten Bell.*)

*This amendment is consequential on Amendment 28.*

### Clause 36

#### INTERPRETATION OF CHAPTER

*Amendments made:* 35, page 32, line 29, at end insert— “‘destination proposer’ has the meaning given by section 23(7);”.  
*This amendment is consequential on Amendment 28.*

*Amendment 36,* page 33, leave out lines 19 and 20.—(*Torsten Bell.*)

### Clause 40

#### CERTAIN SCHEMES PROVIDING MONEY PURCHASE BENEFITS: SCALE AND ASSET ALLOCATION

*Amendments made:* 37, page 39, line 17, after “Trust” insert “(“the RMT”)”.

*This amendment introduces a defined term which is used in text added to the inserted section 28A by Amendment 42 and other amendments.*

*Amendment 38,* page 39, line 20, leave out “relevant master trust” and insert “RMT”.

*This amendment is consequential on Amendment 37.*

*Amendment 39,* page 39, line 23, leave out “A relevant Master Trust” and insert “The RMT”.

*This amendment is consequential on Amendment 37.*

*Amendment 40,* page 39, line 25, leave out “and” and insert “to”.

*This amendment is consequential on Amendment 42.*

*Amendment 41,* page 39, line 29, leave out “relevant master trust” and insert “RMT”.

*This amendment is consequential on Amendment 37.*

*Amendment 42,* page 39, line 33, at end insert—

“(aa) if one or more relevant Master Trusts are connected with the RMT, the total value of assets of those schemes that—

- (i) represent accrued rights of members of those schemes,
- (ii) are held subject to the main scale default arrangement, and
- (iii) are managed under the investment strategy mentioned in paragraph (a)(iii);”.

*This amendment ensures that, when determining whether a relevant Master Trust has sufficient assets to be approved under the new section 28A of the Pensions Act 2008, the assets of connected relevant Master Trusts are included.*

*Amendment 43,* page 39, leave out lines 34 and 35 and insert—

“(b) if one or more group personal pension schemes are connected with the RMT, the total value of assets of those schemes that—”.

*This amendment is consequential on Amendment 44.*

*Amendment 44,* page 40, line 1, leave out subsection (5) and insert—

“(5) A reference in subsection (4) to a relevant Master Trust or a group personal pension scheme being ‘connected’ with the RMT is to a relevant Master Trust or a group personal pension scheme having a prescribed connection with the RMT.

(5A) Regulations under subsection (5) may, for example, provide—

- (a) that a relevant Master Trust is connected with the RMT only if it has the same scheme funder or scheme strategist as the RMT, or
- (b) that a group personal pension scheme is connected with the RMT only if its provider is also the scheme funder or scheme strategist of the RMT.”

*This amendment would mean that regulations would set out the relationship that must exist between the RMT and other relevant Master Trusts, or group personal pension schemes, for their assets to be pooled for the purposes of gaining approval under the new section 28A of the Pensions Act 2008.*

*Amendment 45,* page 40, line 31, leave out “the” and insert “a”.

*This amendment clarifies that the reference is not to a particular relevant Master Trust.*

*Amendment 46,* page 40, line 37, leave out “Regulator” and insert “Authority”.

*This amendment ensures consistent use of the defined term “the Authority”.*

Amendment 47, page 42, leave out lines 1 and 2 and insert—

“(b) if one or more group personal pension schemes are connected with the GPP, the total value of assets of those schemes that—”.

*This amendment is consequential on Amendment 49.*

Amendment 48, page 42, leave out lines 8 and 9 and insert—

“(c) if one or more relevant Master Trusts are connected with the GPP, the total value of assets of those schemes that—”.

*This amendment is consequential on Amendment 49.*

Amendment 49, page 42, line 27, leave out subsection (8) and insert—

“(8) A reference in subsection (4) to a group personal pension scheme or a relevant Master Trust being “connected” with the GPP is to a group personal pension scheme or a relevant Master Trust having a prescribed connection with the GPP.

(8A) Regulations under subsection (8) may, for example, provide—

(a) that a group personal pension scheme is connected with the GPP only if it has the same provider as the GPP, or

(b) that a relevant Master Trust is connected with the GPP only if its scheme funder or scheme strategist is also the provider of the GPP.—(Torsten Bell.)

*This amendment would mean that regulations would set out the relationship that must exist between the GPP and other group personal pension schemes, or relevant Master Trusts, for their assets to be pooled for the purposes of gaining approval under the new section 28B of the Pensions Act 2008.*

*Amendment proposed:* 16, page 43, line 38, leave out from beginning to end of line 27 on page 46.—(James Wild.)

*This amendment would remove the ability of the Government to set mandatory asset allocation targets for certain pension schemes, specifically requiring investments in UK productive assets such as private equity, private debt, and real estate.*

*Question put,* That the amendment be made.

*The House divided:* Ayes 143, Noes 304.

**Division No. 379]**

**[5.36 pm**

# **AYES**

|                             |                           |
|-----------------------------|---------------------------|
| Amos, Gideon                | Cooper, Daisy             |
| Anderson, Lee               | Cooper, John              |
| Andrew, rh Stuart           | Cross, Harriet            |
| Aquarone, Steff             | Dance, Adam               |
| Argar, rh Edward            | Darling, Steve            |
| Atkins, rh Victoria         | Davies, Gareth            |
| Babarinde, Josh             | Davies, Mims              |
| Bacon, Gareth               | Davis, rh David           |
| Baldwin, Dame Harriett      | Dean, Bobby               |
| Barclay, rh Steve           | Dewhurst, Charlie         |
| Bennett, Alison             | Dillon, Mr Lee            |
| Bhatti, Saqib               | Dowden, rh Sir Oliver     |
| Bool, Sarah                 | Duncan Smith, rh Sir Iain |
| Bowie, Andrew               | Dyke, Sarah               |
| Braverman, rh Suella        | Evans, Dr Luke            |
| Brewer, Alex                | Forster, Mr Will          |
| Brown-Fuller, Jess          | Fortune, Peter            |
| Cane, Charlotte             | Freeman, George           |
| Carmichael, rh Mr Alistair  | French, Mr Louie          |
| Cartlidge, James            | Fuller, Richard           |
| Chadwick, David             | Gale, rh Sir Roger        |
| Chambers, Dr Danny          | George, Andrew            |
| Cleverly, rh Sir James      | Gidson, Sarah             |
| Clifton-Brown, Sir Geoffrey | Gilmour, Rachel           |
| Cocking, Lewis              | Glen, rh John             |
| Coghlan, Chris              | Gordon, Tom               |
| Collins, Victoria           | Grant, Helen              |

Green, Sarah  
Griffiths, Alison  
Harding, Monica  
Harris, Rebecca  
Heylings, Pippa  
Hinds, rh Damian  
Hoare, Simon  
Hobhouse, Wera  
Holden, rh Mr Richard  
Holmes, Paul  
Huddleston, Nigel  
Hudson, Dr Neil  
Hunt, rh Sir Jeremy  
Jardine, Christine  
Jarvis, Liz  
Johnson, Dr Caroline  
Jones, Clive  
Kruger, Danny  
Lamont, John  
Leigh, rh Sir Edward  
Lewis, rh Sir Julian  
Lopez, Julia  
MacCleary, James  
MacDonald, Mr Angus  
Maguire, Helen  
Mak, Alan  
Martin, Mike (*Proxy vote cast by Bobby Dean*)  
Mathew, Brian  
Mayhew, Jerome  
Maynard, Charlie  
Miller, Calum  
Milne, John  
Mohindra, Mr Gagan  
Moran, Layla  
Morello, Edward  
Morgan, Helen  
Morrison, Mr Tom  
Morton, rh Wendy  
Mullan, Dr Kieran  
Mundell, rh David  
Munt, Tessa  
Murray, Susan  
Murrison, rh Dr Andrew  
Norman, rh Jesse  
O'Brien, Neil  
Olney, Sarah  
Perteghella, Manuela

Philp, rh Chris  
Pinkerton, Dr Al  
Pochin, Sarah  
Pritchard, rh Mark  
Raja, Shivani (*Proxy vote cast by Mr Mohindra*)  
Reynolds, Mr Joshua  
Robertson, Joe  
Roome, Ian  
Rosindell, Andrew  
Sabine, Anna  
Savage, Dr Roz  
Shannon, Jim  
Simmonds, David  
Slade, Vikki  
Smart, Lisa  
Smith, Greg  
Sollom, Ian  
Spencer, Dr Ben  
Spencer, Patrick (*Proxy vote cast by Mr Mohindra*)  
Stephenson, Blake  
Stone, Jamie  
Stride, rh Sir Mel  
Stuart, rh Graham  
Swann, Robin  
Taylor, Luke  
Thomas, Bradley  
Thomas, Cameron  
Trott, rh Laura  
Tugendhat, rh Tom  
Vickers, Martin  
Vickers, Matt  
Voaden, Caroline  
Whately, Helen  
Wild, James  
Wilkinson, Max  
Williamson, rh Sir Gavin  
Wilson, Munira  
Wilson, rh Sammy  
Wood, Mike  
Wright, rh Sir Jeremy  
Wrigley, Martin  
Young, Claire

**Tellers for the Ayes:**  
Rebecca Paul and  
Katie Lam

# **NOES**

|                                                                |                                                               |
|----------------------------------------------------------------|---------------------------------------------------------------|
| Abbott, rh Ms Diane ( <i>Proxy vote cast by Apsana Begum</i> ) | Bance, Antonia                                                |
| Abbott, Jack                                                   | Barker, Paula                                                 |
| Abrahams, Debbie                                               | Barron, Lee                                                   |
| Ahmed, Dr Zubir                                                | Barros-Curtis, Mr Alex                                        |
| Akehurst, Luke                                                 | Beales, Danny                                                 |
| Alaba, Mr Bayo                                                 | Beavers, Lorraine                                             |
| Aldridge, Dan                                                  | Begum, Apsana                                                 |
| Al-Hassan, Sadik                                               | Bell, Torsten                                                 |
| Ali, Rushanara                                                 | Benn, rh Hilary                                               |
| Ali, Tahir                                                     | Betts, Mr Clive                                               |
| Anderson, Callum                                               | Billington, Ms Polly                                          |
| Antoniazzi, Tonia                                              | Bishop, Matt ( <i>Proxy vote cast by Sir Nicholas Dakin</i> ) |
| Arthur, Dr Scott                                               | Blundell, Mrs Elsie                                           |
| Asato, Jess                                                    | Bonavia, Kevin                                                |
| Asser, James                                                   | Brackenridge, Mrs Sureena                                     |
| Atkinson, Catherine                                            | Brash, Mr Jonathan                                            |
| Baines, David                                                  | Buckley, Julia                                                |
| Baker, Richard                                                 | Burgon, Richard                                               |
| Ballinger, Alex                                                | Burton-Sampson, David                                         |
|                                                                | Butler, Dawn                                                  |

Byrne, Ian  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Caliskan, Nesil  
 Campbell, rh Sir Alan  
 Campbell, Irene  
 Campbell-Savours, Markus  
 Carden, Dan  
 Carling, Sam  
 Champion, Sarah  
 Charalambous, Bambos  
 Charters, Mr Luke  
 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  
 Creasy, Ms Stella  
 Crichton, Torcuil  
 Curtis, Chris  
 Dakin, Sir Nicholas  
 Dalton, Ashley  
 Darlington, Emily  
 Davies, Jonathan  
 Davies, Paul  
 De Cordova, Marsha  
 Dean, Josh  
 Dearden, Kate  
 Dickson, Jim  
 Dixon, Anna  
 Dixon, Samantha  
 Dodds, rh Anneliese  
 Dollimore, Helena  
 Dowd, Peter  
 Duncan-Jordan, Neil  
 Edwards, Lauren  
 Edwards, Sarah  
 Efford, Clive  
 Egan, Damien  
 Ellis, Maya  
 Entwistle, Kirith  
 Esterson, Bill  
 Evans, Chris  
 Fenton-Glynn, Josh  
 Ferguson, Mark  
 Ferguson, Patricia  
 Fleet, Natalie  
 Foody, Emma  
 Fookes, Catherine  
 Foster, Mr Paul  
 Foy, Mary Kelly  
 Francis, Daniel  
 Frith, Mr James  
 Furniss, Gill  
 Gardiner, Barry  
 Gardner, Dr Allison  
 Gemmell, Alan  
 German, Gill  
 Gilbert, Tracy  
 Gittins, Becky (*Proxy vote cast by Sir Nicholas Dakin*)  
 Glindon, Mary  
 Goldsborough, Ben  
 Gosling, Jodie

Grady, John  
 Greenwood, Lilian  
 Griffith, Dame Nia  
 Gwynne, Andrew (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hack, Amanda  
 Haigh, rh Louise  
 Hamilton, Fabian  
 Hamilton, Paulette  
 Harris, Carolyn  
 Hatton, Lloyd  
 Hayes, Tom  
 Hazelgrove, Claire  
 Hendrick, Sir Mark (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hillier, Dame Meg  
 Hinchliff, Chris  
 Hinder, Jonathan  
 Hodgson, Mrs Sharon  
 Hopkins, Rachel  
 Hughes, Claire (*Proxy vote cast by Sir Nicholas Dakin*)  
 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, Ruth  
 Josan, Gurinder Singh  
 Joseph, Sojan  
 Juss, Warinder  
 Kane, Chris  
 Kane, Mike  
 Kaur, Satvir (*Proxy vote cast by Sir Nicholas Dakin*)  
 Kendall, rh Liz  
 Khan, Afzal  
 Khan, Naushabah  
 Kirkham, Jayne  
 Kitchen, Gen  
 Kumar, Sonia  
 Kumaran, Uma  
 Kyrke-Smith, Laura  
 Lamb, Peter  
 Law, Noah  
 Leadbeater, Kim  
 Leishman, Brian  
 Lewin, Andrew  
 Lewis, Clive  
 Long Bailey, Rebecca  
 MacAlister, Josh  
 MacDonald, Alice  
 MacNae, Andy  
 Madders, Justin  
 Malhotra, Seema  
 Martin, Amanda  
 Maskell, Rachael  
 Mather, Keir  
 Mayer, Alex  
 McAllister, Douglas  
 McCarthy, Kerry  
 McCluskey, Martin  
 McDonald, Andy  
 McDonald, Chris  
 McDonnell, rh John

McEvoy, Lola  
 McFadden, rh Pat  
 McGovern, Alison  
 McIntyre, Alex  
 McKenna, Kevin  
 McMahon, Jim  
 McMorris, Anna  
 McNally, Frank  
 Midgley, Anneliese  
 Minns, Ms Julie  
 Mishra, Navendu  
 Mohamed, Iqbal  
 Moon, Perran  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, rh Ian  
 Murray, Katrina  
 Myer, Luke  
 Naish, James  
 Naismith, Connor  
 Nash, Pamela  
 Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan (*Proxy vote cast by Sir Nicholas Dakin*)  
 Onwurah, Dame Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Tristan  
 Owatemi, Taiwo  
 Owen, Sarah  
 Paffey, Darren  
 Patrick, Matthew  
 Payne, Michael  
 Peacock, Stephanie  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Poynton, Gregor  
 Quigley, Mr Richard  
 Qureshi, Yasmin  
 Race, Steve  
 Rand, Mr Connor  
 Ranger, Andrew  
 Rayner, rh Angela  
 Reeves, rh Ellie  
 Reid, Joani  
 Reynolds, rh Jonathan  
 Rhodes, Martin  
 Riddell-Carpenter, Jenny  
 Rigby, Lucy  
 Rimmer, Ms Marie  
 Roca, Tim  
 Rodda, Matt  
 Russell, Sarah  
 Rutland, Tom  
 Sandher, Dr Jeevun

Sewards, Mark  
 Shanker, Baggy  
 Shanks, Michael  
 Siddiq, Tulip  
 Simons, Josh  
 Slaughter, Andy  
 Slinger, John  
 Smith, Cat  
 Smith, David  
 Smith, Jeff  
 Smyth, Karin  
 Snell, Gareth  
 Sobel, Alex  
 Stainbank, Euan  
 Stevens, rh Jo  
 Stevenson, Kenneth  
 Stewart, Elaine  
 Stone, Will  
 Strathern, Alistair  
 Streeting, rh Wes  
 Strickland, Alan  
 Sullivan, Dr Lauren  
 Swallow, Peter  
 Tami, rh Sir Mark  
 Tapp, Mike  
 Taylor, David  
 Taylor, Rachel  
 Thomas, Gareth  
 Thompson, Adam  
 Tidball, Dr Marie  
 Timms, rh Sir Stephen  
 Toale, Jessica  
 Tomlinson, Dan  
 Trickett, Jon  
 Tufnell, Henry  
 Turmaine, Matt  
 Turner, Laurence  
 Twigg, Derek  
 Twist, Liz  
 Uppal, Harpreet  
 Vaz, rh Valerie  
 Vince, Chris  
 Wakeford, Christian  
 Walker, Imogen  
 Ward, Chris  
 Ward, Melanie  
 Waugh, Paul  
 Welsh, Michelle  
 Western, Andrew  
 Western, Matt  
 Wheeler, Michael  
 Whitby, John  
 Whittome, Nadia  
 Williams, David  
 Witherden, Steve  
 Woodcock, Sean  
 Wrighting, Rosie  
 Yang, Yuan  
 Yasin, Mohammad  
 Yemm, Steve  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Jade Botterill and**  
**Stephen Morgan**

*Question accordingly negated.*

*Amendment proposed:* 15, page 46, line 9, leave out from “Before” to the end of the subsection and insert

“implementing the first set of regulations under subsection (1) the Secretary of State must—

- (a) prepare and publish a report regarding—
- (i) what barriers pension funds, based in the United Kingdom, are facing that are preventing them from investing back into the United Kingdom due to—
    - (A) legislation introduced after The Pensions Act 1995;
    - (B) regulations introduced by the Financial Conduct Authority, Prudential Regulation Authority, HM Treasury, or Bank of England;
    - (C) cultural and market behaviours;
  - (ii) how financial interests of members of relevant Master Trusts and group personal pension schemes would be affected by the proposed regulations;
  - (iii) what effects the proposed measures could be expected to have on economic growth in the United Kingdom;
  - (iv) any other matters the Secretary of State considers appropriate; and
- (b) respond to any recommendations or issues raised in the report.”—(*James Wild.*)

*This amendment prevents use of the reserved mandation powers in this Bill until the Government produces a report on the reasons why the powers are needed and the effects of the use of the powers and resolves any issues raised in the report.*

*Question put, That the amendment be made.*

*The House divided: Ayes 154, Noes 303.*

#### Division No. 380]

[5.38 pm

#### AYES

|                             |                           |
|-----------------------------|---------------------------|
| Amos, Gideon                | Duncan Smith, rh Sir Iain |
| Anderson, Lee               | Dyke, Sarah               |
| Andrew, rh Stuart           | Evans, Dr Luke            |
| Aquarone, Steff             | Forster, Mr Will          |
| Argar, rh Edward            | Fortune, Peter            |
| Atkins, rh Victoria         | Freeman, George           |
| Babarinde, Josh             | French, Mr Louie          |
| Bacon, Gareth               | Fuller, Richard           |
| Baldwin, Dame Harriett      | Gale, rh Sir Roger        |
| Barclay, rh Steve           | George, Andrew            |
| Bennett, Alison             | Gethins, Stephen          |
| Bhatti, Saqib               | Gidson, Sarah             |
| Blackman, Kirsty            | Gilmour, Rachel           |
| Bool, Sarah                 | Glen, rh John             |
| Bowie, Andrew               | Gordon, Tom               |
| Braverman, rh Suella        | Grant, Helen              |
| Brewer, Alex                | Green, Sarah              |
| Brown-Fuller, Jess          | Griffiths, Alison         |
| Cane, Charlotte             | Harding, Monica           |
| Carmichael, rh Mr Alistair  | Harris, Rebecca           |
| Cartlidge, James            | Heylings, Pippa           |
| Chadwick, David             | Hinds, rh Damian          |
| Chambers, Dr Danny          | Hoare, Simon              |
| Cleverly, rh Sir James      | Hobhouse, Wera            |
| Clifton-Brown, Sir Geoffrey | Holden, rh Mr Richard     |
| Cocking, Lewis              | Holmes, Paul              |
| Coghlan, Chris              | Huddleston, Nigel         |
| Collins, Victoria           | Hudson, Dr Neil           |
| Cooper, Daisy               | Hunt, rh Sir Jeremy       |
| Cooper, John                | Jardine, Christine        |
| Costa, Alberto              | Jarvis, Liz               |
| Cross, Harriet              | Johnson, Dr Caroline      |
| Dance, Adam                 | Jones, Clive              |
| Darling, Steve              | Kruger, Danny             |
| Davies, Ann                 | Lake, Ben                 |
| Davies, Gareth              | Lamont, John              |
| Davies, Mims                | Leigh, rh Sir Edward      |
| Davis, rh David             | Lewis, rh Sir Julian      |
| Dean, Bobby                 | Logan, Seamus             |
| Dewhurst, Charlie           | Lopez, Julia              |
| Dillon, Mr Lee              | MacCleary, James          |
| Doogan, Dave                | MacDonald, Mr Angus       |
| Dowden, rh Sir Oliver       | Maguire, Helen            |

|                                                         |                                                            |
|---------------------------------------------------------|------------------------------------------------------------|
| Mak, Alan                                               | Shannon, Jim                                               |
| Martin, Mike ( <i>Proxy vote cast by Bobby Dean</i> )   | Simmonds, David                                            |
| Mathew, Brian                                           | Slade, Vikki                                               |
| Mayhew, Jerome                                          | Smart, Lisa                                                |
| Maynard, Charlie                                        | Smith, Greg                                                |
| Medi, Llinos                                            | Sollom, Ian                                                |
| Miller, Calum                                           | Spencer, Dr Ben                                            |
| Milne, John                                             | Spencer, Patrick ( <i>Proxy vote cast by Mr Mohindra</i> ) |
| Mohamed, Iqbal                                          | Stephenson, Blake                                          |
| Mohindra, Mr Gagan                                      | Stone, Jamie                                               |
| Moran, Layla                                            | Stride, rh Sir Mel                                         |
| Morello, Edward                                         | Stuart, rh Graham                                          |
| Morgan, Helen                                           | Swann, Robin                                               |
| Morton, rh Wendy                                        | Taylor, Luke                                               |
| Mullan, Dr Kieran                                       | Thomas, Bradley                                            |
| Mundell, rh David                                       | Thomas, Cameron                                            |
| Munt, Tessa                                             | Tice, Richard                                              |
| Murray, Susan                                           | Trott, rh Laura                                            |
| Murrison, rh Dr Andrew                                  | Tugendhat, rh Tom                                          |
| Norman, rh Jesse                                        | Vickers, Martin                                            |
| O'Brien, Neil                                           | Vickers, Matt                                              |
| Olney, Sarah                                            | Voaden, Caroline                                           |
| Perteghella, Manuela                                    | Whately, Helen                                             |
| Philp, rh Chris                                         | Wild, James                                                |
| Pinkerton, Dr Al                                        | Wilkinson, Max                                             |
| Pochin, Sarah                                           | Williamson, rh Sir Gavin                                   |
| Pritchard, rh Mark                                      | Wilson, Munira                                             |
| Raja, Shivani ( <i>Proxy vote cast by Mr Mohindra</i> ) | Wilson, rh Sammy                                           |
| Reynolds, Mr Joshua                                     | Wishart, Pete                                              |
| Robertson, Joe                                          | Wood, Mike                                                 |
| Roome, Ian                                              | Wright, rh Sir Jeremy                                      |
| Rosindell, Andrew                                       | Wrigley, Martin                                            |
| Sabine, Anna                                            | Young, Claire                                              |
| Savage, Dr Roz                                          |                                                            |
| Saville Roberts, rh Liz                                 |                                                            |

**Tellers for the Ayes:**  
Rebecca Paul and  
Katie Lam

#### NOES

|                                                                |                                                               |
|----------------------------------------------------------------|---------------------------------------------------------------|
| Abbott, rh Ms Diane ( <i>Proxy vote cast by Apsana Begum</i> ) | Bishop, Matt ( <i>Proxy vote cast by Sir Nicholas Dakin</i> ) |
| Abbott, Jack                                                   | Blundell, Mrs Elsie                                           |
| Abrahams, Debbie                                               | Bonavia, Kevin                                                |
| Ahmed, Dr Zubir                                                | Brackenridge, Mrs Sureena                                     |
| Akehurst, Luke                                                 | Brash, Mr Jonathan                                            |
| Alaba, Mr Bayo                                                 | Buckley, Julia                                                |
| Aldridge, Dan                                                  | Burgon, Richard                                               |
| Al-Hassan, Sadik                                               | Burton-Sampson, David                                         |
| Ali, Rushanara                                                 | Butler, Dawn                                                  |
| Ali, Tahir                                                     | Byrne, Ian                                                    |
| Anderson, Callum                                               | Byrne, rh Liam                                                |
| Antoniazzi, Tonia                                              | Cadbury, Ruth                                                 |
| Arthur, Dr Scott                                               | Caliskan, Nesil                                               |
| Asato, Jess                                                    | Campbell, rh Sir Alan                                         |
| Asser, James                                                   | Campbell, Irene                                               |
| Atkinson, Catherine                                            | Campbell-Savours, Markus                                      |
| Baines, David                                                  | Carden, Dan                                                   |
| Baker, Richard                                                 | Carling, Sam                                                  |
| Ballinger, Alex                                                | Champion, Sarah                                               |
| Bance, Antonia                                                 | Charalambous, Bambos                                          |
| Barker, Paula                                                  | Charters, Mr Luke                                             |
| Barron, Lee                                                    | Collier, Jacob                                                |
| Barros-Curtis, Mr Alex                                         | Collinge, Lizzi                                               |
| Beales, Danny                                                  | Collins, Tom                                                  |
| Beavers, Lorraine                                              | Conlon, Liam                                                  |
| Begum, Apsana                                                  | Coombes, Sarah                                                |
| Bell, Torsten                                                  | Cooper, Andrew                                                |
| Benn, rh Hilary                                                | Cooper, Dr Beccy                                              |
| Betts, Mr Clive                                                | Corbyn, rh Jeremy                                             |
| Billington, Ms Polly                                           | Costigan, Deirdre                                             |
|                                                                | Cox, Pam                                                      |

Coyle, Neil  
 Craft, Jen  
 Creagh, Mary  
 Creasy, Ms Stella  
 Crichton, Torcuil  
 Curtis, Chris  
 Dakin, Sir Nicholas  
 Dalton, Ashley  
 Darlington, Emily  
 Davies, Jonathan  
 Davies, Paul  
 De Cordova, Marsha  
 Dean, Josh  
 Dearden, Kate  
 Dickson, Jim  
 Dixon, Anna  
 Dixon, Samantha  
 Dodds, rh Anneliese  
 Dollimore, Helena  
 Dowd, Peter  
 Duncan-Jordan, Neil  
 Edwards, Lauren  
 Edwards, Sarah  
 Efford, Clive  
 Egan, Damien  
 Ellis, Maya  
 Entwistle, Kirith  
 Esterson, Bill  
 Evans, Chris  
 Fenton-Glynn, Josh  
 Ferguson, Mark  
 Ferguson, Patricia  
 Fleet, Natalie  
 Foody, Emma  
 Fookes, Catherine  
 Foster, Mr Paul  
 Foy, Mary Kelly  
 Francis, Daniel  
 Frith, Mr James  
 Furniss, Gill  
 Gardiner, Barry  
 Gardner, Dr Allison  
 Gemmell, Alan  
 German, Gill  
 Gilbert, Tracy  
 Gittins, Becky (*Proxy vote cast by Sir Nicholas Dakin*)  
 Glindon, Mary  
 Goldsborough, Ben  
 Gosling, Jodie  
 Grady, John  
 Greenwood, Lilian  
 Griffith, Dame Nia  
 Gwynne, Andrew (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hack, Amanda  
 Haigh, rh Louise  
 Hamilton, Fabian  
 Hamilton, Paulette  
 Harris, Carolyn  
 Hatton, Lloyd  
 Hayes, Tom  
 Hazelgrove, Claire  
 Hendrick, Sir Mark (*Proxy vote cast by Sir Nicholas Dakin*)  
 Hillier, Dame Meg  
 Hinchliff, Chris  
 Hinder, Jonathan  
 Hodgson, Mrs Sharon  
 Hopkins, Rachel  
 Hughes, Claire (*Proxy vote cast by Sir Nicholas Dakin*)

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, Ruth  
 Josan, Gurinder Singh  
 Joseph, Sojan  
 Juss, Warinder  
 Kane, Chris  
 Kane, Mike  
 Kaur, Satvir (*Proxy vote cast by Sir Nicholas Dakin*)  
 Kendall, rh Liz  
 Khan, Afzal  
 Khan, Naushabah  
 Kirkham, Jayne  
 Kitchen, Gen  
 Kumar, Sonia  
 Kumaran, Uma  
 Kyrke-Smith, Laura  
 Lamb, Peter  
 Law, Noah  
 Leadbeater, Kim  
 Leishman, Brian  
 Lewin, Andrew  
 Lewis, Clive  
 Long Bailey, Rebecca  
 MacAlister, Josh  
 Macdonald, Alice  
 MacNae, Andy  
 Madders, Justin  
 Malhotra, Seema  
 Martin, Amanda  
 Maskell, Rachael  
 Mather, Keir  
 Mayer, Alex  
 McAllister, Douglas  
 McCarthy, Kerry  
 McCluskey, Martin  
 McDonald, Andy  
 McDonald, Chris  
 McDonnell, rh John  
 McEvoy, Lola  
 McFadden, rh Pat  
 McGovern, Alison  
 McIntyre, Alex  
 McKenna, Kevin  
 McMahon, Jim  
 McMorris, Anna  
 McNally, Frank  
 Midgley, Anneliese  
 Minns, Ms Julie  
 Mishra, Navendu  
 Moon, Perran  
 Morris, Grahame  
 Morris, Joe  
 Mullane, Margaret  
 Murphy, Luke  
 Murray, rh Ian  
 Murray, Katrina  
 Myer, Luke  
 Naish, James  
 Naismith, Connor  
 Nash, Pamela

Newbury, Josh  
 Niblett, Samantha  
 Nichols, Charlotte  
 Norris, Alex  
 Norris, Dan (*Proxy vote cast by Sir Nicholas Dakin*)  
 Onwurah, Dame Chi  
 Opher, Dr Simon  
 Oppong-Asare, Ms Abena  
 Osamor, Kate  
 Osborne, Tristan  
 Owatemi, Taiwo  
 Owen, Sarah  
 Paffey, Darren  
 Patrick, Matthew  
 Payne, Michael  
 Peacock, Stephanie  
 Pearce, Jon  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Pinto-Duschinsky, David  
 Pitcher, Lee  
 Platt, Jo  
 Poynton, Gregor  
 Quigley, Mr Richard  
 Qureshi, Yasmin  
 Race, Steve  
 Rand, Mr Connor  
 Ranger, Andrew  
 Rayner, rh Angela  
 Reeves, rh Ellie  
 Reid, Joani  
 Reynolds, rh Jonathan  
 Rhodes, Martin  
 Riddell-Carpenter, Jenny  
 Rigby, Lucy  
 Rimmer, Ms Marie  
 Roca, Tim  
 Rodda, Matt  
 Russell, Sarah  
 Rutland, Tom  
 Sandher, Dr Jeevun  
 Searwards, Mark  
 Shanker, Baggy  
 Shanks, Michael  
 Siddiq, Tulip  
 Simons, Josh  
 Slaughter, Andy  
 Slinger, John  
 Smith, Cat  
 Smith, David  
 Smith, Jeff  
 Smyth, Karin  
 Snell, Gareth

Sobel, Alex  
 Stainbank, Euan  
 Stevens, rh Jo  
 Stevenson, Kenneth  
 Stewart, Elaine  
 Stone, Will  
 Strathern, Alistair  
 Streeter, rh Wes  
 Strickland, Alan  
 Sullivan, Dr Lauren  
 Swallow, Peter  
 Tami, rh Sir Mark  
 Tapp, Mike  
 Taylor, David  
 Taylor, Rachel  
 Thomas, Gareth  
 Thompson, Adam  
 Tidball, Dr Marie  
 Timms, rh Sir Stephen  
 Toale, Jessica  
 Tomlinson, Dan  
 Trickett, Jon  
 Tufnell, Henry  
 Turmaine, Matt  
 Turner, Karl  
 Turner, Laurence  
 Twigg, Derek  
 Twist, Liz  
 Uppal, Harpreet  
 Vaz, rh Valerie  
 Vince, Chris  
 Wakeford, Christian  
 Walker, Imogen  
 Ward, Chris  
 Ward, Melanie  
 Waugh, Paul  
 Welsh, Michelle  
 Western, Andrew  
 Western, Matt  
 Wheeler, Michael  
 Whitby, John  
 Whittome, Nadia  
 Williams, David  
 Witherden, Steve  
 Woodcock, Sean  
 Wrighting, Rosie  
 Yang, Yuan  
 Yasin, Mohammad  
 Yemm, Steve  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Jade Botterill and**  
**Stephen Morgan**

*Question accordingly negated.*

*Amendments made:* 50, page 48, line 17, after “28A” insert “or 28B”.

*This amendment adds a missing cross reference.*

Amendment 51, page 51, line 22, leave out “Regulator” and insert “Regulatory Authority”.

*This amendment clarifies that the reference in the new section 28J(2)(a) of the Pensions Act 2008 is to the Regulatory Authority (as defined by regulations under the new section 99(2) of that Act).*

Amendment 52, page 52, line 31, leave out “they” and insert

“the provisions mentioned in paragraphs (a) and (b)”.—(*Torsten Bell.*)

*This amendment clarifies that transition pathway relief will be repealed five years after the relief first becomes available.*

### Clause 41

#### AMENDMENTS RELATED TO SECTION 40

*Amendment made: 53, page 53, line 33, after “the” insert “Pensions”.—(Torsten Bell.)*

*This amendment clarifies that the reference to the Regulator is to the Pensions Regulator.*

### Clause 53

#### PENSION BENEFITS STRATEGY

*Amendment made: 54, page 72, line 35, leave out subsection (6).—(Torsten Bell.)*

*This amendment removes a redundant interpretation provision.*

### Clause 100

#### SECTIONS 101 TO 103: INTERPRETATION AND SCOPE

*Amendments made: 55, page 105, line 7, after “a” insert “GB”.*

*This is a drafting correction to clarify that clause 100(3) is only about GB pension schemes.*

*Amendment 56, page 105, line 18, at end of line insert—*

*“( ) References to non-compliance with the requirements of paragraph (2)(a) and (b) of regulation 42 include non-compliance with the requirement in either paragraph (2)(a) or (2)(b) (as well as with both requirements).”*

*The amendment confirms that the phrase “non-compliance with the requirements of paragraph (2)(a) and (b) of regulation 42” covers failure to comply with either or both of those requirements. This deals with the possibility that the scheme actuary for a GB scheme was notified of a proposed alteration to the rules (so that paragraph 42(2)(a) was complied with) without the confirmation required by paragraph 42(2)(b) being given.*

*Amendment 57, page 105, line 33, leave out “a” and insert “the”.*

*This is a drafting correction to secure consistency in the way subsection (7) refers back to things mentioned in subsection (6). It should refer to “the alteration” (as well as “the scheme”) because subsection (7) is explaining what counts as “positive action” in relation to the alteration mentioned in subsection (6)(c).*

*Amendment 58, page 105, line 40, leave out from beginning of line to “which” in line 42 and insert—*

*“(b) notifying any members of the scheme in writing (in consequence of the trustees or managers being of the view mentioned in subsection (6)(c)) to the effect that the trustees or managers are taking (or have taken) any other step in relation to the administration of the scheme”.*

*The amendment applies where the trustees or managers of a GB scheme, after deciding that an alteration is void for non-compliance with regulation 42(2)(a) and (b), take any step in the administration of the scheme that has (or will have) the effect of altering payments to beneficiaries. Under the amended subsection (7)(b) such a step will only be “positive action” (for the purposes of subsection (6)(c)) if they notify beneficiaries that they are taking or have taken the step. If that happens the alteration in question is not a potentially remediable alteration and so is ineligible for retrospective validation under clause 101 or 102.*

*Amendment 59, page 106, leave out lines 5 to 13 and insert—*

*“(a) has, before this section comes into force, been determined by the court in qualifying legal proceedings,*

*(b) was in issue on or before 5 June 2025 in qualifying legal proceedings, but has been settled by agreement between the parties at any time before this section comes into force, or*

*(c) was in issue on or before 5 June 2025 in qualifying legal proceedings and remains in issue in those proceedings when this section comes into force.*

*(9) In subsection (8) “legal proceedings” means proceedings for the determination of a dispute that have been brought before a court in the United Kingdom; and such proceedings are “qualifying legal proceedings” if —*

*(a) they will determine a dispute as to the rules of the scheme, and*

*(b) the parties are (or include)—*

*(i) the trustees or managers of the scheme, and*

*(ii) one or more members or other beneficiaries of the scheme (or a person acting on behalf of one or more members or other beneficiaries).”—*  
*(Torsten Bell.)*

*Under clause 100(8) a purported alteration of a GB scheme is outside the scope of remediation under clauses 101 and 102 if its validity is or has been in issue in legal proceedings in circumstances specified in any of paragraphs (a) to (c). The new subsection (9) clarifies the proceedings which are to count for this purpose: proceedings before a UK court the parties to which are or include both the trustees or managers of the scheme in question and beneficiaries or their representative. The terms used in subsection (9) are intended to have their usual meaning in the law of England and Wales, or Scotland so that, for example, proceedings before a tribunal or proceedings on a complaint to an ombudsman would not count.*

### Clause 101

#### VALIDITY OF CERTAIN ALTERATIONS TO GB SALARY-RELATED CONTRACTED-OUT PENSION SCHEMES: SUBSISTING SCHEMES

*Amendments made: 60, page 106, line 17, leave out “scheme other than one” and insert*

*“GB scheme other than a potentially remediable alteration”.*

*This is a drafting amendment. It clarifies that the clause is only about GB pension schemes and corrects a potentially ambiguous reference in clause 101(1). The word “one” was intended to refer to a potentially remediable alteration, rather than to a GB scheme.*

*Amendment 61, page 106, line 37, leave out “under” and insert “as mentioned in”.*

*This is a drafting amendment for consistency with the language of subsection (5) of clause 101. It is not necessary for the actuary receiving a request to consider whether it was made “under” subsection (3), especially if received before subsection (3) is in force. Subsection (4) already makes clear that a request of the kind mentioned in subsection (3) can be made (and if made can be dealt with) before clause 101 is in force.*

*Amendment 62, page 106, line 39, that paragraph (a) of subsection (4) be transferred to the end of line 3 on page 107.*

*The amendment would transpose the two paragraphs of clause 101(4) to reflect the fact that consideration of the information available should happen first. If the actuary thinks there is missing information they can address that before going on to consider whether to give the confirmation mentioned in subsection (3)(b).*

*Amendment 63, page 107, line 18, at end insert—*

*“(8) This section has effect, in relation to a potentially remediable alteration purportedly made to a public service scheme, as if the references in subsections (3) and (7) to the trustees or managers of the scheme were references to the responsible authority.*

*(9) In subsection (8)—*

*“public service scheme” means—*

*(a) a pension scheme established under section 1 of the Public Service Pensions Act 2013, or*

(b) a statutory pension scheme which is connected with a scheme referred to in paragraph (a) (and for this purpose “statutory pension scheme” and “connected” have the meanings given in that Act);

“responsible authority”, in relation to a public service scheme, means the authority that is the responsible authority for the scheme by virtue of section 2 of, and Schedule 2 to, that Act.”—(Torsten Bell.)

*The amendment ensures that in the case of a public service pension scheme, things falling to be done by or to the trustees or managers of the scheme under clause 101(3) or (7) are to be done by or to the responsible authority for the scheme. The responsible authorities for public service schemes in Great Britain are identified in Schedule 2 to the Public Service Pensions Act 2013.*

## Clause 102

VALIDITY OF CERTAIN ALTERATIONS TO GB  
SALARY-RELATED CONTRACTED-OUT PENSION SCHEMES:  
WOUND UP SCHEMES AND OTHER SPECIAL CASES

*Amendments made:* 64, page 107, line 23, leave out “scheme” and insert

“GB scheme, or a part of a GB scheme.”.

*It is possible in certain circumstances for a part of a GB scheme to be wound up on its own. This would include a case where the part in question is a section of a segregated pension scheme. The amendment would secure that clause 102 applies to a potentially remediable alteration to a part of a GB scheme (as well as a GB scheme as a whole) that has been wound up before the clause comes into force.*

*Amendment 65, page 107, line 25, leave out “scheme” and insert*

“GB scheme, or a part of a GB scheme.”

*The amendment would ensure that clause 102 applies where the Board of the Pension Protection Fund has become responsible for part only of a GB pension scheme.*

*Amendment 66, page 107, line 29, after “a” insert “GB”.—(Torsten Bell.)*

*This is a drafting amendment to clarify that the provision refers only to a GB pension scheme.*

## Clause 104

SECTIONS 105 TO 107: INTERPRETATION AND SCOPE

*Amendments made:* 67, page 108, line 36, at end insert—

“(5A) References to non-compliance with the requirements of paragraph (2)(a) and (b) of regulation 42 include non-compliance with the requirement in either paragraph (2)(a) or (2)(b) (as well as with both requirements).”

*The amendment confirms that the phrase “non-compliance with the requirements of paragraph (2)(a) and (b) of regulation 42” covers failure to comply with either or both of those requirements. This deals with the possibility that the scheme actuary for an NI scheme was notified of a proposed alteration to the rules (so paragraph 42(2)(a) was complied with)) without the confirmation required by paragraph 42(2)(b) being given.*

*Amendment 68, page 109, line 13, leave out “a” and insert “the”.*

*This is a drafting correction to secure consistency in the way subsection (7) refers back to things mentioned in subsection (6). It should refer to “the alteration” (as well as “the scheme”) because subsection (7) is explaining what counts as “positive action” in relation to the alteration mentioned in subsection (6)(c).*

*Amendment 69, page 109, line 20, leave out from beginning of line to “which” in line 22 and insert—*

“(b) notifying any members of the scheme in writing (in consequence of the trustees or managers being of the view mentioned in subsection (6)(c)) to the effect that

the trustees or managers are taking (or have taken) any other step in relation to the administration of the scheme”.

*The amendment applies where the trustees or managers of an NI scheme, after deciding that an alteration is void for non-compliance with regulation 42(2)(a) and (b), take any step in relation to the administration of the scheme that has (or will have) the effect of altering payments to beneficiaries. The amendment secures that such a step will only be “positive action” (for the purposes of subsection (6)(c)) if they notify beneficiaries that they are taking or have taken the step. Where that happens, the alteration in question is not a potentially remediable alteration and so is ineligible for retrospective validation under clause 101 or 102.*

*Amendment 70, page 109, leave out lines 28 to 36 and insert—*

“(a) has, before this section comes into force, been determined by the court in qualifying legal proceedings,

(b) was in issue on or before 5 June 2025 in qualifying legal proceedings, but has been settled by agreement between the parties at any time before this section comes into force, or

(c) was in issue on or before 5 June 2025 in qualifying legal proceedings and remains in issue in those proceedings when this section comes into force.

(9) In subsection (8) “legal proceedings” means proceedings for the determination of a dispute that have been brought before a court in the United Kingdom; and such proceedings are “qualifying legal proceedings” if—

(a) they will determine a dispute as to the rules of the scheme, and

(b) the parties are (or include)—

(i) the trustees or managers of the scheme, and

(ii) one or more members or other beneficiaries of the scheme (or a person acting on behalf of one or more members or other beneficiaries).”—(Torsten Bell.)

*Clause 104(8) secures that a purported alteration of an NI scheme is outside the scope of remediation under clauses 105 and 106 if its validity is or has been in issue in legal proceedings in circumstances specified in any of paragraphs (a) to (c). The amendment is intended to clarify which legal proceedings are to count for this purpose, namely proceedings for the determination of a dispute before a court in the United Kingdom, the parties to which are or include both the trustees or managers of the scheme in question and beneficiaries under the scheme or a person representing beneficiaries. The terms used in the new subsection (9) are intended to have their usual meaning in the law of Northern Ireland domestic law, so that proceedings before a tribunal or on a complaint to an ombudsman would not count as “legal proceedings”.*

## Clause 105

VALIDITY OF CERTAIN ALTERATIONS TO NI  
SALARY-RELATED CONTRACTED-OUT PENSION SCHEMES:  
SUSISTING SCHEMES

*Amendments made:* 71, page 109, line 40, leave out “one” and insert “a potentially remediable alteration”.

*This is a drafting amendment which would correct a potentially ambiguous reference in clause 105(1). The word “one” was intended to refer to a potentially remediable alteration rather than to an NI scheme.*

*Amendment 72, page 110, line 18, leave out “under” and insert “as mentioned in”.*

*This is a drafting amendment for consistency with the language of subsection (5) of clause 105. It is not necessary for the actuary receiving a request to consider whether it was made “under” subsection (3), especially if received before subsection (3) is in force. Subsection (4) already makes clear that a request of the kind mentioned in subsection (3) can be made (and if made can be dealt with) before clause 101 is in force.*

Amendment 73, page 110, line 20, that paragraph (a) of subsection (4) be transferred to the end of line 25.

*The amendment would transpose the two paragraphs of clause 105(4) to reflect the fact that consideration of the information available should happen first. If the actuary thinks there is missing information they can address that before going on to consider whether to give the confirmation mentioned in subsection (3)(b).*

Amendment 74, page 110, line 28, leave out “a” and insert “an NI”.

*This is a drafting amendment to clarify that the provision refers only to an NI pension scheme.*

Amendment 75, page 110, line 30, leave out “Chapter 3 of”.

*The amendment make a drafting correction. The term “assessment period” is defined by Article 116 of the Pensions (Northern Ireland) Order 2005 for the purposes of Part 3 of the Order, and not just for Chapter 3 of that Part.*

Amendment 76, page 110, line 42, at end insert—

“(8) This section has effect, in relation to a potentially remediable alteration purportedly made to a public service scheme, as if the references in subsections (3) and (7) to the trustees or managers of the scheme were references to the responsible authority.

(9) In subsection (8)—

“public service scheme” means—

(a) a pension scheme established under section 1 of the Public Service Pensions (Northern Ireland) Act 2014 (2014 c. 2), or

(b) a statutory pension scheme which is connected with a scheme referred to in paragraph (a) (and for this purpose “statutory pension scheme” and “connected” have the meanings given in that Act);

“responsible authority”, in relation to a public service scheme, means the authority that is the responsible authority for the scheme by virtue of section 2 of and Schedule 2 to that Act.”—(*Torsten Bell.*)

*The amendment ensures that in the case of a public service pension scheme, things falling to be done by or to the trustees or managers of the scheme under clause 105(3) or (7) are to be done by or to the responsible authority for the scheme. The responsible authorities for public service schemes in Northern Ireland are identified in Schedule 2 to the Public Service Pensions (Northern Ireland) Act 2014.*

## Clause 106

### VALIDITY OF CERTAIN ALTERATIONS TO NI

#### SALARY-RELATED CONTRACTED-OUT PENSION SCHEMES: WOUND UP SCHEMES AND OTHER SPECIAL CASES

*Amendments made:* 77, page 111, line 5, leave out “a scheme” and insert

“an NI scheme, or a part of an NI scheme.”.

*It is possible in certain circumstances for a part of an NI pension scheme to be wound up on its own. This would include a case where the part in question is a section of a segregated pension scheme. The amendment would secure that clause 106 applies to a potentially remediable alteration to a part of an NI scheme (as well as an NI scheme as a whole) that has been wound up before the clause comes into force.*

Amendment 78, page 111, line 7, leave out “a scheme” and insert

“an NI scheme, or a part of an NI scheme.”.

*The amendment clarifies that clause 106(1)(b) applies only to an NI pension scheme. It would also ensure that clause 106 applies where the Board of the Pension Protection Fund has become responsible for part only of an NI pension scheme.*

Amendment 79, page 111, line 11, leave out “a” and insert “an NI”.—(*Torsten Bell.*)

*This is a drafting amendment to clarify that the provision refers only to an NI pension scheme.*

## Clause 107

### POWERS TO AMEND CHAPTER 1 ETC: NORTHERN IRELAND

*Amendments made:* 80, page 111, line 20, leave out “A Northern Ireland Department” and insert

“The Department for Communities in Northern Ireland”.

*The amendment identifies the Northern Ireland department which is to exercise the powers conferred by subsection (1) of clause 107.*

Amendment 81, page 111, line 27, at end insert—

“( ) Regulations under subsection (1) are subject to negative resolution.”

*The amendment makes provision corresponding to clause 103(3) for Northern Ireland. Provision corresponding to clause 103(6) is proposed by Amendment 83 in place of the current clause 107(4) which applied to both the regulation-making powers in clause 107.*

Amendment 82, page 111, line 28, leave out “A Northern Ireland Department” and insert

“The Department for Communities in Northern Ireland”.

*The amendment identifies the Northern Ireland department which is to exercise the powers conferred by subsection (3) of clause 107.*

Amendment 83, page 111, line 31, leave out subsection (4) and insert—

“(4) Regulations under subsection (3) may amend Northern Ireland legislation, or an Act of Parliament, passed or made before or in the same Session as this Act.

(4A) Regulations under subsection (3) which contain provision made under

subsection (4)—

(a) must be laid before the Northern Ireland Assembly after being made,

(b) take effect on such date as may be specified in the regulations, and

(c) cease to have effect on the expiry of the period of six months beginning with the day on which they take effect, unless the regulations have been approved during that period by resolution of the Assembly.

Paragraph (c) is without prejudice to the validity of anything done under the regulations or to the making of new regulations.

(4B) Regulations under subsection (3) which do not contain provision made under subsection (4) are subject to negative resolution.

(4C) In this section “subject to negative resolution” has the meaning given by section 41(6) of the Interpretation Act (Northern Ireland) 1954.”

*The amendment secures that regulations under clause 107(3) can amend primary legislation. Regulations which include provision doing that will need to be approved by resolution of the Northern Ireland Assembly within six months from being made. Otherwise, the regulations will expire at the end of that period.*

Amendment 84, page 111, line 34, leave out “A Northern Ireland Department” and insert

“the Department for Communities in Northern Ireland”.—(*Torsten Bell.*)

*The amendment is consequential on amendments 80 and 82.*

## Clause 116

### EXTENT

*Amendment made:* 85, page 119, line 24, leave out “105” and insert “104”.—(*Torsten Bell.*)

*The amendment corrects an error in subsection (2) of clause 116 as inserted in Public Bill Committee. Clause 104 should extend only to Northern Ireland, in addition to clauses 105 to 107.*

### Clause 117

#### COMMENCEMENT

*Amendments made:* 86, page 120, line 29, leave out from “force” to “the” in line 30 and insert “on”.

*The amendment would alter the commencement date for Chapter 1 of Part 4 (Validity of certain alterations to salary-related contracted-out pension schemes) to the date of Royal Assent to the Bill.*

Amendment 87, page 120, line 30, at end insert—

“(8A) Chapter 1A of Part 4 comes into force on such day as the Secretary of State may by regulations appoint.”

*This amendment provides that the new clauses inserted by NC31, NC32 and NC33 (which are intended to form a new Chapter in Part 4 of the Bill) come into force on such day as the Secretary of State may by regulations appoint.*

Amendment 88, page 120, line 37, at end insert—

“(d) section (Funding of the Board of the Pension Protection Fund)—

(i) comes into force on 1 April 2026, or,

(ii) if this Act is passed after that date, is treated as having come into force on that date;”.

*This amendment provides that the funding change for the Board of the Pension Protection Fund introduced by NC35 has effect from 1 April 2026.*

Amendment 89, page 120, line 37, at end insert—

“(e) section (Funding of the Ombudsman for the Board of the Pension Protection Fund) is treated as having come into force on 1 April 2007.”—(Torsten Bell.)

*This amendment provides that the funding change for the Ombudsman for the Board of the Pension Protection Fund introduced by NC30, which has in practice been in operation since 1 April 2007, is treated as having had effect since that date.*

*Third Reading*

*King’s consent signified.*

5.59 pm

**Torsten Bell:** I beg to move, That the Bill be now read the Third time.

Pensions matter. They are the means by which we deliver on some of the biggest promises we have made to the public: that the prospect of a comfortable retirement, with the option of leisure—hon. Members may choose not to take it—in later life, is there for the many, not just the few. We need not only to encourage people to save, but to ensure that those savings work as hard as possible for them to deliver that comfortable retirement. That is ultimately what this occasionally technical Bill is all about. Better returns mean better retirements, and there are few things more important than that.

The Bill adds wind to the sails of some of the major changes already under way in our pension landscape. Most importantly, it pushes ahead with the shift towards larger, better-governed schemes, better able to access and deliver returns for savers and to invest in a wider range of assets. It introduces a new value for money framework, so that schemes are judged on performance and service, not just cost. It removes one of the big barriers to people engaging with their pensions by consolidating small, inactive pension pots. It delivers reforms to ensure people are building up a pension, not just a savings pot, with simple default pensions that do not require each of us to become a financial expert as we approach retirement.

For defined benefit schemes, the Bill strengthens the local government pension scheme, puts more trustees in the driving seat for managing scheme surpluses, and

addresses the lack of pre-1997 indexation within the PPF and the FAS. Those are real improvements shaped by constructive debate and detailed scrutiny in this place and across the pension industry.

I again thank Members from all parts of the House for their contributions and I thank the Clerks for taking us through Committee. I also thank the Bill team—Jo, Amanda, Mike, James, Sagar, Saadia and Steve—and the many officials across DWP and the Treasury who have worked behind the scenes to support the Government in bringing forward this important legislation. I appreciate that it is not a short Bill. The PPF, the Financial Conduct Authority and the Pensions Regulator have also played important roles for which I am grateful. I commend all of them, and this Bill, to the House.

6.2 pm

**Helen Whately** (Faversham and Mid Kent) (Con): As this Bill nears the end of its journey through our House, I take a moment to acknowledge some of the people who have played their part, whether that is former Pensions Ministers, including my right hon. Friend the Member for Sevenoaks (Laura Trott), the former hon. Member for Hexham, my hon. Friend the Member for Wyre Forest (Mark Garnier), who cannot be with us today, or my hon. Friend the Member for South West Devon (Rebecca Smith), who also cannot be here today. My hon. Friend the Member for North West Norfolk (James Wild) did such a brilliant job speaking earlier this afternoon. I also thank the hard-working members of the Bill Committee, including my hon. Friend the Member for Mid Leicestershire (Mr Bedford). Many civil servants will have worked on this Bill and pensions experts will have contributed, and I thank them all for their hard work and expertise. May I also finally offer congratulations to the current Pensions Minister, the lucky one who gets to be here to see this Bill off to the other place?

We on the Conservative Benches do not agree with all of the Bill, but there is a lot in it that we do welcome, particularly the parts that the Minister inherited from us, including the consolidation of fragmented pension pots, the introduction of the value for money framework and the pensions dashboard. Those will help people to manage their pension savings and get better returns. We also welcome the Government’s amendment of the Bill, reflecting our new clause, to index pre-1997 pensions, for which there was significant consensus across the House. That will provide some dignity for pensioners who have seen their pensions eroded over the years, and we hope that the Government continue to work with campaign groups to see that through. I also thank my right hon. Friends the Members for Herne Bay and Sandwich (Sir Roger Gale) and for Hereford and South Herefordshire (Jesse Norman) for their representations on that.

The Bill also has some serious flaws. Nestled within the sensible reforms that the Government inherited is a power that no Government should wield: the power to mandate how pension funds invest. Today, the job of a pension fund manager is to make the best possible decisions for their fund members about where to invest. Their sole objective is the interests of those members. That is their legal duty, and mandation would change that, because mandation means the Government will be able to tell pension funds how to invest their assets. We

should not for a minute underestimate the significance of that. Ministers have insisted it is merely a backstop and a tool they hope never to use, but a threat made just in case is still a threat, and pension trustees know it. I say to the Pensions Minister that a Minister should always consider the worst thing that someone else might do in their position—in essence, “I am not a bad man, but what might a bad man do?” He might be confident that he would not abuse the power, but what if someone else had it?

Those in the pensions sector do not support this plan. Earlier in the year the Minister told them to “chillax”. He may be intensely relaxed, but I must say to him that he is also intensely wrong. Trustees are the custodians of people’s life savings. They are not there to carry out manifesto pledges or pet projects, and the Minister should not put himself or any future pensions Minister in a position to tell them to do so.

Instead of forcing pension funds to invest in the UK, Ministers should ask why they have not been investing and then do something about that. Our amendment 15 gave them the opportunity to diagnose these problems and resolve them, but, as we have just seen, they voted it down. In any event, they should stop making Britain a worse place in which to do business, ramping up taxes on employment, slapping on red tape, and briefing out bad Budget news for months in advance to kill confidence in every sector of the economy.

As my hon. Friend the Member for North West Norfolk (James Wild) said earlier, our other concern with the Bill is the relationship between scale and innovation. We agree with the need for scale, but the Government should avoid blocking the emergence of new entrants and the scaling up of existing smaller players.

Finally, there is the question of pension adequacy. While the Bill should help people to manage their pension savings and boost their returns, it falls short when it comes to tackling the serious problem of people under-saving for later life. Millions of people simply are not saving enough for old age. The Government should be acting now in this regard, rather than delaying the next phase of the pensions review and attacking pension savings at every turn. First they came for pensioners’ winter fuel payments, then they came for self-invested personal pensions, and last week they came for salary sacrifice—and that was not a small tweak. The cap on salary sacrifice will net the Treasury nearly £5 billion of extra tax revenue in 2029-30—money that would otherwise have gone into people’s pensions.

We have made our points, argued our position and put amendments to a vote, so we will not be voting against the Bill on Third Reading. However, I urge the Government to listen to the wise and the many expert words that will be spoken when it is debated in the other place, and to use that opportunity to fix it.

6.6 pm

**Kirsty Blackman** (Aberdeen North) (SNP): I figured that, as I had only about 17 minutes in which to speak on Report, the House deserved to hear from me again on Third Reading, but I shall be very brief in expressing my views and those of my hon. Friends.

Members spoke earlier about people’s understanding of pensions, and I continue to have concerns about people’s understanding of defined contribution schemes.

People who are given a figure for how much money is in their defined contribution scheme are often confused about what that will actually mean when they hit retirement. Those schemes are very different from defined benefit schemes, and, given the massive increase in the number of people investing in defined contribution schemes rather than defined benefit schemes, those issues will continue unless an incredible amount of education is provided so that people can understand what they might receive in their pensions, rather than just the amount in the total pot.

The Minister has made a number of changes to the Bill that I appreciate, not least the pre-1997 indexation for the Pension Protection Fund. The fiduciary duty announcement that he made today is, I think, extremely helpful in clarifying for trustees what their objectives are. He also mentioned that the Association of British Insurers had come up with an agreement. In my experience of serving on a significant number of Bill Committees, it is very unusual for so many changes to be made. I appreciate the fact that the Committee members were listened to, and that some of the concerns raised by Members in all parts of the Committee have been tackled during the Bill’s progress. I have already raised concerns about the short notice that we had for some of the amendments and new clauses and the fact that we were not properly able to scrutinise the Government changes, both in Committee on Report.

Finally, let me thank Matt and Fergus, who helped me with some of this. We rarely see pension Bills presented, and I would love to see another—shortly, probably. Given that the Minister has made commitments in relation to fiduciary duty, and given that he said he expected such a measure to appear in primary legislation with guidance to follow, I assume that a Bill will follow those commitments. I also think that the adequacy review may—hopefully—kick up some requirements for legislation.

This House should get used to talking about pensions. As the generations shift, the state pension will become a smaller percentage of what people rely on in retirement, and auto-enrolment and defined contribution schemes mean that significantly more people will rely on private pensions. Ensuring that they have the best possible outcomes for retirement is something that all Members of the House can support, and we need to have a legislative framework that keeps pace with how people are actually investing for the future, rather than one that reflects how people invested 20 or 30 years ago.

As the Minister will be aware, I would be delighted to debate more pensions Bills as they come forward. We will do our best to provide cross-party support wherever we can.

*Bill read the Third time and passed.*

## Business without Debate

### DELEGATED LEGISLATION

**Madam Deputy Speaker (Ms Nusrat Ghani):** With the leave of the House, we shall take motions 3 to 5 together.

*Motion made, and Question put forthwith (Standing Order No. 118(6)).*

## FINANCIAL SERVICES AND MARKETS

That the draft Financial Services and Markets Act 2023 (Prudential Regulation of Credit Institutions) (Consequential Amendments) Regulations 2025, which were laid before this House on 20 October, be approved.

That the draft Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025, which was laid before this House on 27 October, be approved.

## ENERGY

That the draft Heat Networks (Market Framework) (Great Britain) (Amendment) Regulations 2025, which were laid before this House on 30 October, be approved.—(*Gregor Poynton.*)

*Question agreed to.*

CHURCH OF ENGLAND (GENERAL SYNOD)  
(MEASURES)

[*Relevant documents: 247th Report of the Ecclesiastical Committee, Armed Forces Chaplains (Licensing) Measure; Abuse Redress Measure, HC 1453.*]

*Motion made, and Question put forthwith (Standing Order No. 118,(6)),*

That the Armed Forces Chaplains (Licensing) Measure (HC 1454), passed by the General Synod of the Church of England, which was laid before this House on 11 November, be presented to His Majesty for his Royal Assent in the form in which it was laid before Parliament.—(*Marsha de Cordova.*)

*Question agreed to.*

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

That the Abuse Redress Measure (HC 1455), passed by the General Synod of the Church of England, which was laid before this House on 11 November, be presented to His Majesty for his Royal Assent in the form in which it was laid before Parliament.—(*Marsha de Cordova.*)

*Question agreed to.*

## PETITIONS

## Pornography and violence against women

6.11 pm

**Mrs Sharon Hodgson** (Washington and Gateshead South) (Lab): On the eighth day of the UN's 16 days of activism against gender-based violence, I rise to present a petition on pornography on behalf of Washington and Gateshead South constituents. Pornography has never been more accessible than it is today, and we know that what is viewed online does not stay online. We therefore must ensure that safeguards are in place, so that those participating are safe, and that we protect the influence that it has on the younger generation, who watch it and then go on to believe that the violence they see in pornography is normal.

The petitioners therefore request that the House of Commons urge the Government to extend safeguards applied to pornography offline to pornography distributed online, to legally require all pornography websites accessed from the UK to verify the age and permission of every individual featured on their platform, and to give performers the right to withdraw their consent at any time to the continued publication of pornography in which they appear.

*Following is the full text of the petition:*

*[The petition of residents of the constituency of Washington and Gateshead South,*

*Declares that pornography use is fuelling sexual violence; violence against women is prolific in mainstream pornography; and sexual coercion is inherent to the commercial production of pornography.*

*The petitioners therefore request that the House of Commons urge the Government to extend safeguards applied to pornography offline to pornography distributed online; and to legally require all pornography websites accessed from the UK to verify the age and permission of every individual featured on their platform—and give performers the right to withdraw their consent at any time to the continued publication of pornography in which they appear.*

*And the petitioners remain, etc.]*

[P003139]

## Sunday rail services in Congleton

**Sarah Russell** (Congleton) (Lab): I rise to present a petition on Sunday rail services in Congleton. In presenting this petition, I thank councillors from the progressive coalition on Congleton town council, Richard Eadie and the Congleton Sustainable Travel group for acquiring the relevant signatures.

The petitioners request the House of Commons to urge the Department for Transport and the independent regulator, the Office of Rail and Road, to require a Sunday train service for Congleton of at least six trains each way between Stoke and Manchester, facilitated by a more equitable share of the Northern train crew resource and a requirement, at least in the interim, for certain CrossCountry trains to make an additional stop at Congleton throughout the day on Sundays; and to confirm and commit to a date when a sufficiently robust seven-day timetable will resume for Congleton.

*Following is the full text of the petition:*

*[The petition of residents of the United Kingdom,*

*Declares that Congleton has been without a Sunday train service for over a year; further that this lack of Sunday trains makes weekend trips from our local station of Congleton all but impossible; further that for a town the size of Congleton, which is rapidly expanding, the lack of a full 7 day per week timetable is not an acceptable level of service; and that this has continued for far too long; and notes that CrossCountry trains could make an additional stop at Congleton throughout the day on Sundays, causing the passengers on those trains little inconvenience while at the same time increasing passenger numbers on our train network.*

*The petitioners therefore request the House of Commons to urge the Department for Transport and the independent regulator, the Office of Rail and Road, to require a Sunday train service for Congleton of at least six trains each way between Stoke and Manchester, facilitated by a more equitable share of the Northern train crew resource and a requirement, at least in the interim, for certain CrossCountry trains to make an additional stop at Congleton throughout the day on Sundays, and to confirm and commit to a date when a sufficiently robust 7 day timetable will resume for Congleton.*

*And the petitioners remain, etc.]*

[P003141]

## Ely: Railway Upgrade

*Motion made, and Question proposed, That this House do now adjourn.—(Gregor Poynton.)*

6.14 pm

**Charlotte Cane** (Ely and East Cambridgeshire) (LD): I draw Members' attention to my entry in the Register of Members' Financial Interests as a district councillor for East Cambridgeshire.

The outline business case for the Ely area capacity enhancement scheme shows that for every £1 invested, there will be a return of £4.89—so you may wonder, Madam Deputy Speaker, why we need a half-hour debate on what is so obviously a great scheme. Yet successive Governments have failed to deliver the scheme. There have been feasibility studies, consultations and task groups aplenty; funding was even promised just in time for the 2024 election, but we could all see at the time that the many promised schemes totalled far more than the money available, so I was not surprised when the incoming Labour Government acknowledged that the outgoing Conservative Government had not put funding in place for the project. The sum of £500 million is a lot of money to find, but it would deliver almost a quarter of a billion pounds in return, so I hope that the Government will commit to the funding soon.

The outline business case was submitted in March 2022, after which progress was held at a red signal, where it remains to this day. I was disappointed that the Ely junction project was not one of the projects progressed in the spending review, but I have been heartened by the Department of Transport's responses to my written questions, in which Ministers recognise the undeniable benefits of the scheme. The Ely area capacity enhancement scheme would upgrade the railway to allow more trains to run through Ely, to improve connectivity and reliability for passenger services and to meet the demand for more rail freight between the port of Felixstowe, the west midlands and the north.

**Daniel Zeichner** (Cambridge) (Lab): The hon. Member is making an important speech, and I strongly support what she is doing. Would she agree with me that the enthusiasm for East West Rail now makes the case for doing the works on Ely junction even stronger?

**Charlotte Cane:** I absolutely agree. This gives us a real opportunity to sort out quite a lot of network issues in Cambridgeshire. I would be delighted if we could resolve them all; that would make a significant difference to rail in the area.

The scheme would support sustainable, long-term economic growth. The upgraded junction would increase resilience in our transport network. There is currently a single lead junction, which means that a failure in that section has the effect of practically stopping all rail traffic. Without the upgrade, if there is a failure, the other Peterborough track keeps working for a while, but the other lines, including Ely's, quickly fill up with stuck trains. Ely station is beautiful and the staff are great, but it is still frustrating to see the notices of delayed and cancelled trains building up as we wait for our own delayed train. Progressing the upgrade would allow us to strengthen the resilience of this network and mitigate the risk of any future bottlenecks.

The environmental benefit of the Ely junction upgrade is clear. Through upgrading rail freight capacity and increasing the number of journeys possible, we can take tens of thousands of freight journeys off the road and put them on to rail. Fewer lorry journeys mean not only less congestion, but fewer road accidents. Provisional figures for the first six months of this year show that there were 4,116 road casualties who were occupants of lorries—almost one accident involving a lorry every hour—and I am sad to say that 42 of those were fatal. Taking these lorries off the road can only improve safety, given the clear danger to their drivers and other road users.

**Adrian Ramsay** (Waveney Valley) (Green): The hon. Lady is making an important case for upgrading Ely junction. Would she agree that alongside that, as per Network Rail's business case, we need to upgrade the Haughley junction in my constituency, so that we can realise the many benefits of moving freight on to the rails from the port of Felixstowe and through the east to the midlands?

**Charlotte Cane:** I agree that Haughley junction is also very important to making the scheme deliver its full potential.

Fewer lorries will also help to protect the crumbling roads in my constituency, which struggle with the wear and tear placed by heavy goods vehicles travelling along them every day. That could save considerable expense in road maintenance and extend the life of those roads. The project is estimated to take 98,000 lorry journeys off the road every single year, and to cut car journeys by 376,000. When that is added to the capacity for more passenger rail services, it is estimated to reduce carbon emissions by 1.7 million tonnes of carbon dioxide over 60 years, and reduce congestion on our roads by 5.6 million hours every year. In the context of the urgent need to protect our environment and planet, that is a substantial impact.

England's Economic Heartland and Transport East co-produced the "Keeping Trade on Track" document, estimating the upgrade would result in an extra six freight trains per day to and from the port of Felixstowe—the equivalent of over 450 lorries, stretching over six miles every single day. For people who know the area, that is the distance on the A14 from the Quy junction to the east of Cambridge to the M11 junction to the west of Cambridge. I have to say that some mornings it feels like all 450 of them are on that stretch of road in front of me.

On that basis alone, the scheme has strong grounds for approval, but the name of the scheme does not give the full context to show just how important it is not only to Ely, but to the whole UK. If approved, it allows for an additional 2,900 extra freight services operating to and from Felixstowe port every year. Those freight services do not stop in Cambridgeshire. Some 70% of containers go from Felixstowe to the midlands, the north of England and Scotland—and, of course, the other way, too. And that is not all. Expanding capacity through the Ely junction upgrade will free up much needed capacity elsewhere.

Currently, freight trains from Felixstowe use the great eastern main line and north London line to access routes to the north and midlands, using the growing

[Charlotte Cane]

Thames ports. If Ely junction is approved, the demand for Felixstowe freight trains to use the north London line would be reduced and those would then be available to the London ports. Ely is mentioned in the strategies of Transport for London, Transport for the North and Midlands Connect, showing the benefit the scheme can have for those areas. Transport for the North said that its region will benefit by having access to a rail freight terminal that could result in extra freight trains from the south-east to the north. Transport East has told me it is keen to see improvements, as the project would benefit Norfolk, Suffolk and Greater Essex. England's Economic Heartland chairs the Ely taskforce, a group of local authorities, industry groups and rail operators, all of whom are desperate to have a clear pathway to the upgrade finally being progressed.

**Steve Barclay** (North East Cambridgeshire) (Con): I congratulate the hon. Lady on securing the debate. I very much support the case she is making. Given that the previous Government, in October 2023, did secure funding for this, it is deeply regrettable that the Labour Government have cut it. Does she agree that if we are to unlock the growth potential of Cambridgeshire as a whole and in particular Fenland, and to connect that to Cambridge's growth potential, we need Manea, March and Whittlesea stations to be better able to connect to the economy in Cambridgeshire?

**Charlotte Cane:** I agree. One of the big advantages of the scheme would be twice as many trains on that route. That would be a huge benefit to everyone along the route.

This is a truly national project, with national benefits. Since coming to office, the Government have been very keen to stress their growth credentials and they continue to search for a silver bullet to grow the economy quickly. Ely junction is not a magic bullet, but it can certainly help the Government on their quest. As I said, the scheme has a £4.89 cost to benefit ratio, returning £4.89 in benefits for every £1 invested. But that does not even reflect the full picture and the growth opportunities centred on Cambridge, Peterborough and, as we have heard, the Oxford-Cambridge growth corridor, so the real economic impact is likely to be significantly higher.

Let me give some examples. The Rail Freight Group says that the rail route through Ely is underperforming due to its capacity limitations, and that the upgrade would be an essential first step to achieving a positive outcome for the UK economy. Freightliner says that the junction is one of the principal bottlenecks restricting growth of rail freight volumes from Felixstowe, and that the wider economic benefits will be felt as far as Scotland, the midlands, Wales and the north of England. As I said, this is a truly national project, with national benefits.

England's Economic Heartland has spoken to the freight industry, which has said that there is significant unmet demand for increased levels of rail freight. Maritime Transport said that it has identified a strong demand from both importers and exporters, which see the environmental benefits in their supply chains using rail over road. The Eastern Powerhouse, chambers of commerce and the east of England all-party parliamentary group have all backed the scheme too. The rail industry, rail

operators, the maritime sector, the freight sector, local government and elected parliamentarians are all backing the scheme—a remarkably strong show of support. We also have hundreds of commuters waiting at stations for trains delayed by faults around Ely junction.

At a time when the Government need to do more to encourage people to use public transport, approving the Ely junction upgrade would stimulate an extra 277,000 rail passenger journeys per year. Network Rail estimates that the proposals would see the doubling of passenger services on the Ely-to-King's Lynn and Ipswich-to-Peterborough routes. The logic is simple: if we deliver more rail services, passengers will have not only more choice, but more opportunities to travel by rail. A higher-quality, higher-frequency passenger rail service can only encourage more passengers to choose public transport over car journeys, which benefits commuters and the environment.

In previous written questions, I have asked the Department to name a specific sum that it would cost to provide Network Rail with the funding needed to undertake detailed planning for the Ely junction upgrade, but I have not yet received an answer. Can the Minister provide the sum today? Stakeholders are very frustrated that we have to wait until the next spending review in the eternal hope that the scheme will finally be progressed. My constituents have been waiting for 25 years for this project. They, and businesses, have gone through reviews, reports, summaries and investigations, and countless proposals have been produced.

The business case has been made. We know the arguments and the benefits. We also know the financial situation that the Government find themselves in. What my constituents, businesses, and the rail, freight and maritime sectors need is clarity and a clear route forward. Will the Minister commit to asking the Rail Minister for a meeting with Network Rail and me to agree how we can deliver the Ely junction upgrade? At least then we could all be on the same platform, going in the same direction.

I am sure that, deep down, the Government support the scheme; I am confident that they understand its merits. But the Minister needs to understand that the scheme has been in varying states of limbo for 25 years now. The Minister has heard in this debate the support for the scheme from across the House, which shows how important the scheme is to our region. It is time to set Ely junction on track to fulfil the potential we all know it has, and to deliver economic growth for Ely and East Cambridgeshire—and for all the UK.

6.28 pm

**The Parliamentary Under-Secretary of State for Transport (Lilian Greenwood):** I am grateful to the hon. Member for Ely and East Cambridgeshire (Charlotte Cane) for securing this important debate on the Ely area capacity enhancement programme—EACE. I want to recognise her tireless advocacy on behalf of her constituents, rail passengers and freight operators across the region on a matter that affects many rail users, in one way or another.

As the hon. Lady said, the Ely area plays an essential role in our national rail network. It is a gateway for freight from the port of Felixstowe—one of Britain's largest container ports—and is a key connector for communities across East Anglia and beyond. The hon. Member is

absolutely right to highlight the constraints at Ely, which limit passenger capacity and hold back the full potential for rail freight growth in the east. Indeed, East Anglia is one of the fastest-growing parts of the country and this Government are extremely ambitious for the future prosperity of the region. Rail will continue to play a vital role in supporting new housing, unlocking jobs and strengthening sustainable freight links. The hon. Lady rightly highlighted the potential environmental benefits of moving freight from road to rail and, indeed, the safety benefits.

**Sam Carling** (North West Cambridgeshire) (Lab): I thank the hon. Member for Ely and East Cambridgeshire (Charlotte Cane) for securing this debate. As she said, there is a lot of support for this scheme across the political spectrum, and it has been on the books for a very long time—as a good indication, the number of years she just mentioned is longer than I have been alive. Can the Minister confirm that the Government recognise the huge growth that the scheme could unlock not only in my region of Cambridgeshire, but more broadly across the country, and that we therefore want to bring it forward as soon as the financial situation will allow?

**Lilian Greenwood:** My hon. Friend is a great champion for growth in his constituency and his region. I can assure him that this scheme is in the pipeline of future rail enhancements and will be reconsidered as further funding becomes available.

**Steve Barclay:** The Minister seems to be citing a lack of funding as the reason for the scheme not being funded, but when I spoke to the Rail Minister in his previous role as chair of Network Rail, it was a priority for Network Rail. Can the Minister confirm from the Dispatch Box that schemes with a worse benefit-cost ratio were funded in the spending review? In other words, did the Government choose to fund transport schemes with a lower BCR over funding the Ely junction?

**Lilian Greenwood:** As I am sure the right hon. Gentleman knows, there are a number of considerations that go into making decisions about which schemes go forward.

**Steve Barclay:** What about the BCR?

**Lilian Greenwood:** The BCR is, of course, one of the things that is considered, but wider strategic issues are always brought to bear. It is just one of the tests that is considered. I would not for a moment suggest that this scheme does not have a good BCR.

Improvements to East Anglia's rail network will benefit not only local passengers, but communities and businesses across the midlands and the north. I commend the collaboration shown by local partners, councils, industry and residents who have come together to present a united voice behind the scheme.

However, it is important that we address the funding position directly. On 8 July, the Secretary of State updated Parliament on which road and rail infrastructure schemes will progress following the spending review; as the hon. Member for Ely and East Cambridgeshire is aware, the EACE programme has unfortunately not been allocated funding at this stage.

As the hon. Lady rightly noted, the previous Government committed to a range of major schemes in their October 2023 Network North announcement, knowing full well, with a general election on the horizon, that there was no funding to deliver them. That, unfortunately, included the Ely area capacity enhancement. I recognise and share the frustration that has caused locally, and this Government are determined to ensure transparency regarding the future of this programme. We are committed to delivering infrastructure with the greatest benefit to passengers, freight and the wider economy as quickly as possible and within a fully funded and deliverable programme.

I appreciate that it is disappointing for the hon. Lady and the many supporters of this scheme, but it is not the end of the story—I want to be absolutely clear on that point. We fully recognise the strategic importance of the Ely area capacity enhancement programme, which is why, as I said in response to my hon. Friend the Member for North West Cambridgeshire (Sam Carling), we remain committed to supporting its place in the pipeline of future rail enhancements, and the programme will be kept under active review and considered carefully as further funding becomes available.

As the hon. Member for Ely and East Cambridgeshire pointed out, the scheme has a strong business case. Indeed, EACE would increase freight capacity from 36 to 42 daily trains to and from the port of Felixstowe, which would deliver huge benefits including supporting the economy, cutting emissions, reducing HGV congestion on roads like the A14 and strengthening our supply chains; the passenger benefits would also be substantial, delivering more reliable journeys and supporting growth across the region from Norwich and Ipswich to Cambridge and beyond.

I want to recognise, as the hon. Lady set out, the powerful and united voice of local and regional stakeholders, including Transport East, England's Economic Heartland, local authorities, ports and freight operators, and indeed MPs from across the political spectrum. My hon. Friend the Member for Cambridge (Daniel Zeichner) brings great knowledge and experience to this debate. The hon. Member for Ely and East Cambridgeshire herself has been vocal in championing this investment, and of course that local support strengthens the case for future funding.

The Rail Minister recently met the Mayor of Cambridgeshire and Peterborough to discuss how the Ely programme could support housing and economic development in the east of England, and the potential for raising third-party funding to support the scheme. Given the strong local support for the scheme, and the real development and growth opportunities it could unlock across the region, it is important that all sources of funding are fully explored. But I am sure the hon. Member for Ely and East Cambridgeshire will recognise that any private finance or alternative funding proposals would need to demonstrate value for money to the public sector.

As the hon. Lady may know, 44 level crossings would need to be upgraded or closed to deliver the increased capacity envisioned by EACE. I note that it has been suggested in the media that the cost of upgrading Ely North junction has ballooned from £25 million in 2012 to almost £500 million, but let me be clear that that is not the case. As one of my officials put it, this is like

[Lilian Greenwood]

comparing apples with deck chairs, as the Ely area capacity enhancement scheme comprises a much wider series of interventions, including upgrades to bridges, signalling and Ely station itself, as well as additional track and the upgrading and closure of level crossings, alongside the Ely North upgrades that were announced in 2012.

That is likely to be one of the most challenging and costly aspects of the scheme, particularly the planning consent, and securing local agreement to ease the delivery of these works on level crossings could radically reduce the cost of the scheme. The Rail Minister has asked the mayor to work with local highways authorities to explore how the required works around level crossings could be simplified or rationalised.

As we have observed, the investment case for EACE is strong. However, no development work has taken place on the scheme since it was closed by the previous Government in 2022. Upgrading the business case, including revised cost estimates, demand forecasts and benefits assessments, would be a positive first step in bringing the programme forward.

The Rail Minister has recently written to the mayor suggesting that he meets the chief executive of Network Rail to discuss how the EACE programme's business case could be updated, and the mayor's office would be well placed to co-ordinate other stakeholder engagement with Network Rail on that update. To that end, I encourage the hon. Member for Ely and East Cambridgeshire and other hon. Members to continue engaging with the mayor. It would also be important to time any business case updates to align with the potential release of funding at future spending reviews.

While we consider how best to progress EACE, I reassure the hon. Lady that Cambridgeshire is already benefiting from significant rail investment. The new Cambridge South station is forecast to open in June 2026, improving access to new housing and one of the most important life sciences campuses in the world. The Government have also reaffirmed their commitment to East West Rail serving Cambridge and allocated £2.5 billion of funding for the next stages of the project at the last spending review.

Investment in East West Rail demonstrates Government support for enhanced connectivity across the Oxford-Cambridge corridor, and that project can enable up to 100,000 new homes and is expected to boost the regional economy by £6.7 billion a year by 2050.

**Charlotte Cane:** It is wonderful that East West Rail is coming, but my constituents need to be able to get to it in Cambridge, which is why we need the upgrade at Ely junction.

**Lilian Greenwood:** The hon. Lady has made a compelling case for Ely junction and the wider Ely area capacity enhancement scheme. It is about ensuring that it is affordable and deliverable, which is precisely why we are keeping it in the pipeline for when further funding is available. We inherited terrible economic pressures and, in the Department for Transport, billions of pounds of schemes that were simply unfunded, which I am afraid is the position with the Ely area capacity enhancement scheme.

Let me finish by thanking the hon. Member again for securing this debate and for the passion with which she continues to champion the Ely area capacity enhancement scheme. I understand the disappointment that she and other stakeholders have expressed following the spending review earlier this year, but I hope that I have reassured her that the Government recognise EACE as a key strategic enhancement, that we see clear value in its future delivery, and that we will continue to work constructively with regional partners as we consider how and when best to take the programme forward.

The case that the hon. Member and others have articulated this evening and on many other occasions will remain central to ensuring that when future funding becomes available, the scheme will be well placed to progress. I look forward to continuing that dialogue and to unlocking the full potential of rail passengers and freight in the Ely area, and indeed wider Cambridgeshire, in the years ahead. My noble Friend the Rail Minister has notified me that he will be happy to meet her to discuss this further.

*Question put and agreed to.*

6.40 pm

*House adjourned.*

# Westminster Hall

Wednesday 3 December 2025

[DR ROSENA ALLIN-KHAN in the Chair]

## Local Media

9.30 am

**Peter Fortune** (Bromley and Biggin Hill) (Con): I beg to move,

That this House has considered the future of local media.

It is a pleasure to serve under your chairship, I think for the first time, Dr Allin-Khan. I will start by giving hon. Members some reassurance: I intend to give way every time someone asks, because I fully expect this to be one of the most intervened on speeches that I have ever given.

**Tom Hayes** (Bournemouth East) (Lab): Will the hon. Member give way?

**Peter Fortune**: I will happily give way—the hon. Gentleman wins the prize.

**Tom Hayes**: I look forward to collecting the prize. Does the hon. Member agree that local media is critical? In Bournemouth we have the *Daily Echo*, which dates back to 1900. With his grace, I give a shout-out to Toby Granville, James Johnson, Sarah Cartledge, Benjamin Paessler, Alexander Smith, Erin Rhodes, Jess Skelton, Simran Mehan, Richard McLaughlin, Amy Woodward, Emma Joseph, Isabella Holliday and Will Frampton. If that were not enough, does the hon. Member agree that it is great that we also have new media starting in Bournemouth? *Pier Journal* launched in 2022 with Sammy Murphy and Laura Williams at the helm, and Bournemouth One launched last year. We need to see more new media.

**Peter Fortune**: Well played! That was very good, and of course I agree. I used to work with Toby Granville, so I know him well. I think that sets the tone for a lot of the interventions that will come during this speech.

Where was I? Line two: I fully expect this to be one of the most intervened on speeches that I have ever given. Why? Because all hon. Members present will wish to pop up to record their love for their local newspaper, be it the *Watford Observer*, *The Oxford Times*, the *Farnham Herald*—

**Gregory Stafford** (Farnham and Bordon) (Con): I am grateful to my hon. Friend for mentioning the *Farnham Herald*. The Tindle group also includes the *Haslemere Herald*, the *Liphook Herald* and the *Bordon Herald*. Does he agree that local papers keep politicians honest, weigh behind the key issues that matter to our local communities and deliver real journalism, whether that be sport or news. Week after week, quality journalists, who live and breathe their own towns and know their areas, are working for the people in those areas.

**Peter Fortune**: I of course agree with my hon. Friend. The role that local media plays at the centre of the community is what I will develop during my speech, if I get to the second page. I mentioned the *Farnham Herald*, which he intervened on, and go on to the *Isle of Wight*

*County Press* and the *Stranraer and Wigtownshire Free Press*—all of us have examples of great local newspapers, which are at the heart of our community. We know that what they report matters, because it reflects our communities. While national and regional news have expanded, and the offering has widened, local, trusted news is still the go-to place for residents across our communities.

**Dr Neil Hudson** (Epping Forest) (Con): I congratulate my hon. Friend on securing this vital debate. In my constituency, we are fortunate to have excellent local media, such as the *Epping Forest Guardian* newspaper and *Everything Epping Forest* online, which provides invaluable coverage across our district. As he alluded to, many constituents rely on local media for timely and local news. Does he agree that sustaining the local media sector is vital and that the Government should do all they can to protect that community service?

**Peter Fortune**: My hon. Friend makes an important point, which I will get to as I develop my speech. I also have to declare an interest: I spent the majority of my working life in local news. Even as a child, I delivered copies of the local *Guardian* around south London. My first “proper” job was at the *South London Press*. Back in those days, we sold two paid-for editions each week and delivered numerous free titles across south London. Later, I spent nearly 10 years with Newsquest, with its huge footprint across the UK. I still write a monthly column for the *Bromley News Shopper*, our local oracle. The *News Shopper* dates back to 1965 and counts Norris and Ross McWhirter as former contributors. Indeed, it was deemed such a bastion of information that a young Rupert Murdoch took temporary ownership of it back in 1969.

**Mr Gregory Campbell** (East Londonderry) (DUP): Good grief!

**Peter Fortune**: Tell me about it. It remains the go-to place for my constituents across Bromley and Biggin Hill for the news that counts, and that is local news. It is where we go to find out what is happening, what new shops are opening in the high street, what that planning application is that everybody is talking about, or why the heck they have put in that stupid roundabout near Mike’s house. It is the place we go for the things that matter.

But times have changed. Since 13-year-old Peter spent his afternoon stuffing numerous leaflets into hundreds of papers ready for delivery in the early ’90s, technology, advertising and expectations have changed. The traditional model of delivering local news has evolved, and that has put real pressure on the industry—note that I say “model”, not the need for local news. In fact, I would argue that in an age of fake news—Mrs Fortune told me not to do an impression when I said “fake news”—and increasing pressures on council services, the need for trusted, informed and relevant local media is more important than ever before, but it is increasingly challenging to deliver it in the traditional paper format. A newspaper sliding through the letterbox once a week is simply no longer financially viable, especially with the model that relies on advertising revenue to fund the printing and delivery of the product. That does not remove the need for local news; it just changes the delivery method.

**Dr Danny Chambers (Winchester) (LD):** I want to give a big shout-out to the *Hampshire Chronicle*, which I write a monthly column for; that is one of the most vital ways to communicate with my constituents. I was speaking to the owner of the *Meon Valley Times*, which is a free service that anyone can access and is not behind a paywall. He told me about the difficulty of big social media companies populating their feeds with content from local journalists, who rarely get any financial benefit from that, despite doing the work. Does the hon. Member agree that these companies should be made to support local journalists and their hard work?

**Peter Fortune:** I do agree. That has been happening in local media since the invention of Facebook, which I will come to later.

Across the UK, local journalism attracts 42 million readers each week. It is the first port of call, be it print or digital in format, for communities who value a trusted source of information. While some formats may have changed from print to pixel, the trust in local brands has not, but the sector faces challenges, including the rapidly evolving digital environment, engagement with Government and public notice funding, and the conversation around a new relationship with the BBC.

**John Cooper (Dumfries and Galloway) (Con):** I started and ended my journalism career at the *Stranraer and Wigtownshire Free Press*, which has had a name-check, and I am delighted to report that people still queue up on a Thursday morning to buy it. It is thriving, but the BBC is a key issue, because the BBC's website is killing local papers—it is as simple as that. People can access the local news for free, although obviously we pay the licence fee. Is there an opportunity through the new charter to address the damage the BBC is doing to local papers?

**Peter Fortune:** I agree with my hon. Friend, and I will touch on the BBC charter later in my comments.

Let us start with the digital environment, which the hon. Member for Winchester (Dr Chambers) referred to. For an industry that relies on advertising revenue, the emergence of platforms such as Facebook fundamentally changed the marketplace. Over time, the industry has learned to adapt and channel-shift to keep pace with the changing news environment, but 20 years on from one epoch-defining technological advancement, we find another.

We marvel as we see artificial intelligence developing and becoming the new intermediary between readers and news. This technology can now scrape the internet for information and pump out unchecked, unverified content, which undermines the faith in professional journalism and the financial sustainability of newsrooms. This undercuts the very institutions that produce the content, results in decreasing web traffic, and drains advertising revenue. The Government must act to ensure a fair licensing market, transparency in AI training data and strong backing for the Competition and Markets Authority to level the playing field between publishers and the tech giants.

I touched on public notices. These statutory notices in local papers are a cornerstone of democratic accountability, ensuring that residents know about changes that affect them, yet the English Devolution and

Community Empowerment Bill risks removing this requirement and irreparably damaging the public's right to know. The Government should commit unequivocally to keeping public notices in local papers, especially at a time of major reform in local government.

Coming to the role of the BBC, the corporation has made valuable contributions through initiatives such as the local democracy reporting service, but we need to better understand how the relationship between local news and our national broadcaster can work more effectively to ensure that commercial operators are not inadvertently impacted due to BBC overreach.

**Mr Gregory Campbell:** On the issue of local and national BBC, does the hon. Member agree with me about one tremendously heartwarming story this week? I am not a rugby league fan but Kevin Sinfield does fantastic work, going beyond any category of endeavour to draw attention to the vile, awful condition of motor neurone disease. The promotion of that on local and national media helps to drive forward the campaign.

**Peter Fortune:** I entirely agree on that extraordinary story. I think Kevin Sinfield has run further than I have ever driven. The way he has used national, regional and local media to highlight the issue shows the strength and power of media, when harnessed and targeted properly, to have a positive impact.

When touching on the BBC, I want to talk about the royal charter, which is now being reviewed. This is the moment to reset the relationship with local media, focusing on collaboration, not competition, and ensuring that commercial newsrooms can thrive. Finally, I come to Government advertising: 80% of UK adults trust the information they see in local media, yet Government campaigns remain heavily skewed towards social platforms, missing millions who rely on print and digital news. Shifting more advertising spend to local publishers would not only improve reach and engagement but strengthen the financial sustainability of the sector.

I will draw my remarks to a close, because I wish to give hon. Members as much time as possible to share stories of their local news providers, although many have already done so. I am sure everybody recognises the value of their local title as much as I do the *Bromley News Shopper*. Although, as politicians, we may not always appreciate being the focus of news, I am sure we all recognise the huge importance of a trusted media source that is from and for the community.

With its sharp focus on local issues, scrutiny of key decisions and responsibility for training the next generation of journalists, local journalism is a public good. It informs, scrutinises and binds communities together, but it cannot survive on good will alone. The Government have the tools to act on artificial intelligence, public notices, the BBC and advertising. If we value trusted local journalism, now is the time to secure its future. Finally, by my reckoning, I have said the word "local" 28 times in this speech, because that is the point.

**Several hon. Members rose—**

**Dr Rosena Allin-Khan (in the Chair):** Many hon. Members wish to speak. I suggest a ballpark time of approximately four minutes. I call John McDonnell.

9.43 am

**John McDonnell** (Hayes and Harlington) (Lab): I do not do that baloney about what a pleasure it is to serve under your chairmanship, but congratulations on your elevation to the chair, Dr Khan.

**Dr Rosena Allin-Khan (in the Chair):** Thank you very much.

**John McDonnell:** I will be brief. I declare an interest as the secretary of the National Union of Journalists parliamentary group and my hon. Friend the Member for Salford (Rebecca Long Bailey) is the chair. This will be like a Metropolitan police interview between us, and I am not sure which element I am doing.

These debates have gone on for at least the 20 years that I have attended. What usually happens is that there is a large attendance, and hon. Members get up and list the names of local journalists to ingratiate themselves as much as possible. From the NUJ's point of view, however, that never works.

I will briefly run through the stats because what we are facing at the moment is pretty stark: 300 local papers have gone out of publication since 2005, which is when we had one of our earliest debates. An estimated 5.4 million people now live in deserts where there is no local paper. In my local area, like that of the hon. Member for Bromley and Biggin Hill (Peter Fortune), we had five but we are now down to one that is not really local. I take pleasure in the local journalism students at Brunel University doing their best to revive a paper, but it is a real struggle. We are almost in a monopoly situation now. Nationally, Newsquest, NationalWorld and Reach cover 51% of local papers. The situation is even worse for DAB radio, which is two thirds controlled by Bauer and Global; they have 60% of analogue radio as well.

The first issue for the agenda is that there is just a lack of regulation. We should not allow that sort of monopoly development to take place, so we urgently need to look again at regulation. We have just had another round of redundancies at Reach, as some Members will know because they signed the early-day motion on the issue. We have had 300 redundancies, and on top of that 50 sports journalists went during the summer as well.

The hon. Member for Bromley and Biggin Hill mentioned the issue with AI. The problem now is that the use of AI is very clever, because it looks as though news is almost localised when it is not—it is just a different use of language. It is a betrayal of local people that AI has been distorted in this way. We have stood back and watched this happen while the tech companies have exploited the whole industry and made fortunes. One calculation in our briefing was that the US tech firms have made about £15 billion of profits, a lot of it from us in this country.

My hon. Friend the Member for Salford and I will both dwell on something fairly obvious to us: regulation definitely needs to be looked at again. The NUJ has always suggested that there should be a 25% limit or cap on how much is owned by any particular corporation. We also want to look at new models of ownership. We have had this debate before and stimulated some development, but it was not consistently resourced. One argument we have put to the Government is that we need a journalism foundation that looks at new ideas to bring together people from all sides of the industry. We

are also calling on the Government to look at a tax on techs that can be reinvested in local journalism. We suggest 6%, but even limited taxation on the techs would mean we could provide a lot more support at local level.

I say to my right hon. Friend the Minister that it was a bit of a knock-back recently that the English Devolution and Community Empowerment Bill will not require local authorities to advertise in their local press. That is a valuable source of money. I am talking about information on alcohol licences and other local notices. We think that is a real step backwards and might, in itself, be make or break for some local newspapers. We would also like newspapers to be defined in the Bill as community assets, so that they have the same protection as other local community assets when they come up for sale.

The BBC charter renewal has been mentioned, and we think there is a real opportunity there. I should also mention the local reporter scheme via the BBC, which we negotiated under a Conservative Government. It was an advance, but it is now being exploited by some local papers that are exploiting the individual journalist to do other work, rather than local reporting. We need to review that, but we think the scheme is good in itself.

I have outlined a programme of reforms that we think the Government could readily work on. As we can see today, there is a lot of cross-party agreement on how we can go forward. As I repeat time and again, there is not a person here who does not value their local paper for holding him or her to account.

9.48 am

**Jim Shannon** (Strangford) (DUP): It is a pleasure to serve under your chairship, Dr Allin-Khan—and that is not baloney, because I mean it.

I congratulate the hon. Member for Bromley and Biggin Hill (Peter Fortune) on leading the debate. Local media is so important, especially for our communities. I have listened closely to what Members have said so far, and others will endorse that because we are all on the same page—literally. I, for one, strongly believe in local media and everything it stands for, so that is why I am here.

From newspapers to local radio, we sometimes underestimate the role that local media plays in society. It is so important for the likes of us as public representatives. It allows us to get in touch with the reader or listener directly. I remember my first story in the local press: it was about potholes at the harbour in Ballywalter. The guy in charge of the council said to me, “You do that. It’s your lead-off story as you start your life as a councillor.” That was in 1985. I can remember many of the things that were done to highlight what I was working on in our local newspapers. It is not a generational issue—for me, it probably is—but many others now go online to TikTok or X to get their news, and perhaps do not purchase the likes of papers any more.

I have a routine: every Monday I make a phone call to the editor of the local paper, Paul Symington, when I am at the airport or on the tube train on the way here, and tell him the things I am going to campaign for that week. He is very kind, he wants stories about the things we do, and we do it with a purpose in mind. I am a great believer that one photograph in the local paper is worth three paragraphs, so I try to feature pictorially in the paper—although I might not look all that well—at least one to three times a week, maybe more, because that is another way to tell a story.

[Jim Shannon]

My local newspaper, the *Newtownards Chronicle*, started way back in 1873—over 145 years ago—and I would love it to remain for many years. It is still going strong—it is probably the strongest newspaper we have. I love reading about the local stories and what is going on around the villages in my constituency. It allows me, perhaps from a distance, to learn what is going on and, more so, what needs to be done.

Each Friday, I read and scour the local papers—the *Chronicle*, the *Mourne Observer* and sometimes the *County Down Spectator*—to get the stories about people who are retiring from schools, hospitals and churches, about those who are being installed or have done charity fundraising, and about the schools that have achieved something. After that, some 20 to 30 letters go out to individuals to congratulate them. We should use our local papers for that purpose—that is the right thing to do.

I have talked about the *Newtownards Chronicle*, but I was saddened to hear that the *Down Recorder* closed its doors very recently. That was another long-standing paper in the area. The owner Marcus Crichton, who is a great man, said it is a difficult time for the industry, and he is right. It is so different from how it was 20 to 30 years ago. My girls in the office are all tech-friendly—unlike myself, unfortunately—and they sometimes show me news headlines on their phone. I say to myself, “My goodness! How did they get that headline so quick?” In modern society, that is now the way our staff and others do that for us.

As I have stated before, my constituency as a whole is very rural, and many down my neck of the woods do not have access to the same broadband as some urban areas, so access to online news is not great. My constituents rely on the local post office or corner shop to get their news by buying their local *Newtownards Chronicle*, or they keep the one radio in their house on all day to get the updates. That is the essence of local news and media, and I will forever fight to protect that.

As we have heard today, and will hear from others, there is a dangerous shift in how media is being portrayed. I want to be a voice for the home-grown methods of giving the people their news, and for not always relying on online websites or social media apps, which are inaccessible for many. I look forward to hearing the Minister’s response and the contributions of other Members.

9.52 am

**Mohammad Yasin** (Bedford) (Lab): It is an honour to serve under your chairmanship, Dr Allin-Khan.

The future of local news in the UK stands at a critical crossroads. I recently heard from the editors of two Bedford publications: the *Bedford Independent*, an online locally owned newsroom, and the *Times & Citizen*, with its digital platform *Bedford Today*, owned by National World. Both are concerned about proposals in the national licensing policy framework, which they fear will limit their ability to inform the public about decisions that affect their lives.

One proposal would remove the requirement to advertise new or varied premises licences in local newspapers. Public notices are often the only way that residents learn about licensing changes, redevelopment plans or proposals that could alter their communities. I recognise the Government’s rationale for reviewing an outdated

and sometimes cumbersome system. Modernisation, digital accessibility and simplification are worthy aims, and innovations such as the Public Notice Portal show how publishers can use digital tools to strengthen engagement. But reform must not come at the expense of local journalism.

Local newsrooms already operate in a tight fiscal environment. Public notices provide modest but vital revenue and the content for public-interest reporting. Removing them without a viable alternative risks undermining local democracy. That is especially acute for independent publishers like the *Bedford Independent*. With one full-time journalist and two part-time co-founders, as well as volunteers, it provides daily, regulated reporting that fills the gaps left by large corporations. Yet it remains excluded from public notices, overlooked for Government advertising and disadvantaged by algorithms that favour national outlets.

Nearly half of the UK’s districts now have two or fewer local news outlets. As the Department for Culture, Media and Sport develops its local media strategy, I urge the Government to safeguard the financial and civic functions of local journalism. Levelling the playing field is essential to sustaining informed communities and a healthy local democracy.

9.55 pm

**Rebecca Long Bailey** (Salford) (Lab): It is a pleasure to serve under your chairmanship, Dr Allin-Khan. I thank the hon. Member for Bromley and Biggin Hill (Peter Fortune) for securing this debate, and for his brilliant speech. I draw the House’s attention to my role as chair of the NUJ parliamentary group.

Since 2005, nearly 300 local papers have closed their doors. Millions now live in communities with only one local title, and millions more live in what we can only call news deserts, where meaningful local reporting just does not exist. We all know what that means: when there is no one in the room holding power to account, decisions are taken in the dark. When there is no local reporter at council meetings, in our courts or on our high streets, communities lose their voice. People lose the very information they need to understand what is happening in their constituencies, and what is happening in their lives.

The broken business models that we see today are a direct result of the local media market being dominated by a handful of corporations whose priorities have been consolidation, cost-cutting and the extraction of profit from once-thriving community institutions. Three companies now control over half the UK’s local papers and websites, and two companies dominate local radio. The same patterns are being replicated in the national media, with potential takeovers threatening to concentrate nearly half the newspaper market into the hands of a single individual. That is why new market rules must be introduced—not to punish success, but to safeguard the public interest. No private company should control more than 25% of the media market. Those holding more than 15% should be required to divest or establish publicly accountable structures.

I must stress that this crisis is not simply about ownership; it is about the hollowing out of newsrooms across the country. My right hon. Friend the Member for Hayes and Harlington (John McDonnell) mentioned the redundancies at Reach, with over 300 editorial jobs gone in September alone. Titles that once had rich, thriving newsrooms are being left with one dedicated

reporter, or sometimes none. Communities are being stripped of their chroniclers. Journalists are being stripped of their livelihoods. While the cuts happen, companies increasingly turn to AI to churn out homogenised, centralised copy. It is content that imitates local voices rather than reflects them, and that is just not journalism; it is misrepresentation, and the public know it. The overwhelming majority of people want transparency in AI-generated news, and they do not believe that the current safeguards are enough.

At the same time, tech giants continue to siphon off the advertising revenue that once sustained local titles, while refusing to contribute meaningfully to the journalism they profit from. They have taken billions, paid a fraction back in tax, and flooded our information environment with disinformation, extremism and chaos. This has gone on long enough. It is time for a reset. I urge the Minister to do what was suggested in the NUJ's news recovery plan, which my right hon. Friend the Member for Hayes and Harlington did a fantastic job of outlining.

The key points from the plan are: reform media ownership rules with a strengthened public interest test; establish a journalism foundation to support new media and invest in public interest journalism; introduce a 6% windfall tax on tech giants; retain public notice requirements, thereby protecting a vital revenue stream and a vital democratic function; designate local papers as assets of community value; reform the local democracy reporting scheme, to ensure that public money supports genuine local journalism; and finally, use the BBC charter renewal to reverse the damaging local radio cuts and guarantee sustainable funding for trusted independent local news.

9.59 am

**Brian Mathew** (Melksham and Devizes) (LD): It is a pleasure to serve under your chairship, Dr Allin-Khan. I thank the hon. Member for Bromley and Biggin Hill (Peter Fortune) for securing this timely debate, and everyone who has spoken so far. This really is an important issue. In Melksham and Devizes, we are lucky to have a local print newspaper in the *Melksham News*, which is both well regarded and widely read. It is staffed by fantastic journalists who work hard to bring local people the news that matters most to them. Importantly, those journalists are rooted in the local community, something that is essential to good local journalism.

Speaking to the *Melksham News*, I have been made aware that many local authorities exclusively publish their statutory advice for things such as road closures and consultations with larger corporate news outlets. I agree with the paper that it would surely be fairer, and indeed provide wider and more effective reach, if some of that ad spend was shared out among local, independent news outlets. Those notices should be an important source of income for small, independent publishers and it would be one small way in which we elected officials can continue to help our free and fair press.

Of course, it must be acknowledged that the way in which people consume their news is changing, and has been for many decades now—from broadsheets to radio to television and social media. However, we must do everything we can to preserve and help independent local news organisations, which are keeping the flame of

honest journalism alive. It was not lost on me that local papers were essential in pushing back on the misinformation spreading online last summer.

If the Government are serious about changing local media and its landscape and helping local journalists, they need to implement the changes recommended in the 2023 “Sustainability of local journalism” report. I now have a regular column in the *Melksham News* myself, and I have noticed that what I write about is picked up and discussed around the town. It is clear that it is being read and that there is a real desire for local news for local people.

10.2 am

**Rachael Maskell** (York Central) (Lab/Co-op): I am grateful to be called in this debate with you in the Chair, Dr Allin-Khan, and to the hon. Member for Bromley and Biggin Hill (Peter Fortune).

With the media industry's moves from print to broadcast to digital, and we with the rapid rise of generative artificial intelligence, there are new challenges before us. We must ensure that we have inclusive, authentic media that we can depend on as a reliable source within our democracy—media that can enable close scrutiny and ensure that we hold our country to account, while reaching deep into our communities and creating the connectivity that is so desperately needed in this time.

I am grateful that we have a daily paper, *The Press*, in print in York. Although its content has thinned over the years, it still provides a substantial record of all that is occurring within our community, with high-quality journalism and interest, as it has done for 143 years. It is so important that local news outlets continue; many journalists learn their skills and cut their teeth there, and they ensure that proper accountability within our communities. As we have heard already in this debate, it is important to ensure that the industry can continue to put planning applications and alcohol licensing information in the papers—not just because of the revenue stream, but because it enables our community to engage. We have seen that in our city, where communities have campaigned as a result of seeing such placements of information.

I also recognise the breadth of media within York, including the newer forms. There is YorkMix, That's TV, the *Yorkshire Post*—a campaigning paper—YO1 Radio and Jorvik Radio, a real community-based radio station. Our universities also have papers, and I when I visited Archbishop Holgate's school last week, I found that my Q&A there was on the record. It is great to see young people engaging in the future of media.

In the light of the fact that we are looking at the new royal charter, I want to turn to BBC Radio York. It has battled so well to bring its expertise and experience to our city, and to shine a light on good-quality journalism and connectivity. If we are to rebuild our national sources of media, we have to start with the local. I therefore urge the Government to look at how we can move more content to local outlets, rather than pursuing the regionalisation that we have seen. That regionalisation breaks connectivity and, in its last iteration, has not been a positive step; we must review that. What we need are more hours of local content—that hyper-local approach makes a difference. If we are to rebuild trust in the BBC, we need to go from the local to the national, not the national to the regional.

[*Rachael Maskell*]

The new media in this volatile and heated media space provides unfiltered, biased content, when we need critical analysis of what we are witnessing and a recognition of the profiteering of the tech giants. We need serious regulation, and fast: this new digital world is spinning out of control and the toxicity it generates is making some people incredibly vulnerable. It can be incredibly dangerous, and it is building division and hate. A media that started out to extend democracy is now rapidly shutting it down. We must look at regulation—we could have a commission that pulls the industry together to do that. I recommend the NUJ's "A Future for News" plan, which sets out a balanced approach to how we move forward.

As we navigate this new world of fact and fake, we must ensure that the route out is through our local media outlets, so we can hold on to authenticity and rebuild trust.

**Several hon. Members** *rose*—

**Dr Rosena Allin-Khan (in the Chair):** A couple of Members have dropped out of the debate, so we have a bit more time. There is no time limit, and anyone who spoke for four minutes or who has not yet spoken may make another intervention.

10.7 am

**Jim McMahon** (Oldham West, Chadderton and Royton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Dr Allin-Khan; it is great to see you at the top table, keeping these debates in order.

This is an important debate. The connection that Members have shown to their local titles speaks volumes about the significance that they hold in their communities. In my own town, titles such as the *Oldham Evening Chronicle*, *The Oldham Times*, *Oldham Reporter* and *Manchester Evening News*, as well as the wider ecosystem that includes Oldham Community Radio, ITV Granada and BBC North West, contribute to trusted, deep-rooted reporting that has told the story of Oldham, Chadderton and Royton for well over a century in some cases.

None of those outlets has been able to stand still; each has felt the pressures of a rapidly changing media landscape. In the UK, print news consumption has decreased from 59% of residents in 2013 to just 12% in 2025. I pay tribute to the journalists, editors, photographers, production teams and printers who keep that ecosystem alive; above all, I pay tribute to the local reporters who turn up to court hearings, local council meetings, planning committees and community gatherings. Even in an age of live streams, real understanding still comes from being in the room—hearing the side conversations, tone, and context before and after the formal debate has taken place. I also acknowledge the fantastic work of the more than 165 BBC-funded local democracy reporters whose work is shared across multiple titles. By August 2025 this scheme, funded by the licence fee, had produced more than 500,000 stories.

The transition to digital has been deeply challenging, however. In many towns and cities, the daily printed paper is no longer the anchor that it was. News now appears instantly and freely—and often without any attribution at all—across apps that are designed to capture attention and keep users locked to the platform,

rather than directing them back to the journalist who created the work in the first place. Commercial advertising has also migrated to global platforms, but the platforms do not send anyone to cover Oldham council meetings, the magistrates court or community events.

It is a fact that the UK has historically been slow and timid in confronting such challenges. We have a highly regulated broadcast media and press in this country, yet multibillion-dollar platforms operate with standards far below those that we expect of our newspapers and broadcasters. A newspaper is a publisher; it takes full legal responsibility for its content and is subject to clear regulation, complaint mechanisms and restrictions on foreign influence.

Platforms such as X or Facebook are still not held to the same standards. Some are deliberately structured to amplify foreign influence and cause political disruption, without any consequence at all in the law. Yet those platforms rely on journalism created by others to hook in readers and give credibility to their feeds; there, it sits alongside misinformation, conspiracy theories, racism and online hate. A public good is used to normalise extreme content, which grooms and radicalises its audiences through the algorithms.

How do we sustain local media in a world where facts and fiction are constantly blurred? Other countries have recognised the challenge and have acted. In Australia, the news media bargaining code requires platforms such as Facebook and Google to negotiate payments to publishers or face binding arbitration. As a result, nearly 250 million Australian dollars a year now flow back into Australian journalism, supporting around 30 organisations and saving local titles that might otherwise have folded. Across the European Union, article 15 of the copyright directive requires platforms to pay for the use of news content. France, Germany and Spain now have frameworks ensuring that revenue is distributed from the tech giants. Those models are not perfect, but they prove that intervention is possible, workable and effective. They also mean that the UK now is an outlier.

There is no good reason why we cannot take action. The issue could be addressed by the Government introducing a proposal for a British news co-operative, jointly owned by regulated news organisations, empowered to negotiate collective licensing agreements with global platforms, backed by firm legislation and distributing the dividend to support a vibrant local press. If we take action, those titles that we have all talked about today will be something of the future as well as something of our proud past.

10.12 am

**Chris Kane** (Stirling and Strathallan) (Lab): Back in 1991, when I was 15 years old, I applied for work experience at Central FM in Stirling. I was meant to be there for a week, and I stayed for 10 years as a broadcaster. Those were golden days of Scottish local radio, shaped by stations such as Central, Radio Forth and Radio Clyde, by familiar voices, great music and genuinely local news. When a winter storm hit, we tuned in to hear which schools would be closed. We rallied behind Cash for Kids and other campaigns that defined that era.

A few years later I began writing for the *Stirling Observer*. I can still picture the newsroom buzzing with reporters, sub-editors, photographers, and the sense of

a team that knew its community inside-out. Then came the world wide web. None of us realised how profoundly it would change everything. When I started at Central FM, I had 17 radio stations to choose from. Today my teenage children can access almost any station on earth—if they choose to listen to radio at all, that is. They consume radio in ways that would have been unimaginable to me as a teenager.

I start with those reflections because they remind us that change in the media landscape is not new. What is new is the speed and scale of the disruption we now face, and the reality that the future of local journalism is genuinely at risk if we choose not to protect it. The consolidation of power among the world's tech giants and the unprecedented influence they hold over what information we see is deeply troubling. They extract extraordinary profits, while Governments and communities are left to face the democratic and social consequences of their decisions. The House of Lords Communications and Digital Committee's "The future of news" report warned that,

"the period of having informed citizens with a shared understanding of facts is not inevitable and may not endure", and it is right.

Recent legislation has helped. The Media Act 2024 gives broadcasters clarity. The Digital Markets, Competition and Consumers Act 2024 begins to address imbalances between publishers and platforms. The Online Safety Act 2023 is a great first step, but it will need constant attention to ensure it remains up to the task. It is clear that much more will be required.

We might need better legislation to ensure that local journalism has a fighting chance in a world being reshaped by AI, which is already challenging how people access news. Too often AI is scraping journalists' work without permission, payment or attribution. By serving up instant summaries of that material, it risks becoming the main gateway between readers and local information, using content it did not create and preventing those who did create it from earning a living or building the trusted relationships that sustain local reporting.

One of the biggest missteps we made at the start of the age of social media and smartphones was to blindly follow the tech companies into the brave new digital future they were creating without proper oversight or guardrails. Let us not make the same mistake with AI.

The upcoming BBC charter renewal is an opportunity to look again at how the BBC can support local news, rather than compete with it. The BBC is a vital institution and the local democracy reporting service shows the good it can do, but the move into local online news has created pressure for commercial services that rely on digital audiences to survive. In rural areas like mine, resilience has to be part of the conversation. When the BBC begins to ask whether it is time to switch off digital broadcasting because digital connectivity is almost universal, I would invite them to visit places such as Killin in my constituency, where residents are still waiting for FM radio to reach them—a technology first introduced by the BBC in the 1950s.

Grassroots competition should not be feared. Many talented journalists who have faced redundancy are using platforms such as Substack to build genuinely local alternatives. They may well become the next generation of local media. The Government have a procurement role, too. Our advertising and procurement choices

should reward those who are genuinely investing in local reporting—yet that commitment is not always clear. Reach's recent redundancies, including that of a *Stirling Observer* reporter with nearly 30 years of experience, and STV's shocking plans for significant redundancies in the north of Scotland show how fragile the ecosystem has become. Public money should support organisations that maintain real journalistic capacity, whether that is a long-standing local title rooted in its community or an experienced local journalist building a new platform.

A healthy, sustainable and independent local media sector is not a luxury; it is part of the democratic infrastructure of our country. I welcome the Government's plans for a local media strategy and would be grateful if the Minister could update us on how that work is developing. We should support and invest in local media. If we lose it, we will miss it more than we can ever imagine.

10.17 am

**Luke Myer** (Middlesbrough South and East Cleveland) (Lab): It is a pleasure to serve with you in the Chair, Dr Allin-Khan. I am grateful for the opportunity to speak on this issue, which is fundamental to our democracy. We have some fantastic local news sources in our area, from *Talk of the Town* in Loftus to *Greater Nunthorpe News*, to which I am proud to contribute a column.

This debate is all about the people who make our news and the people who rely on it—people like Lynne and Steve Nicholls from Moorsholm, who for 14 years produced the excellent *Coastal View & Moor News*, a two-person operation delivering a free community newsletter to every home. They celebrated our area's achievements, campaigned on our local fights and gave communities across East Cleveland a voice of our own. Their retirement last year marked the end of a remarkable chapter, but their work shows what genuinely local journalism can achieve.

This debate is about the future, but this tradition goes right back to our roots as a democratic society. In the 1840s, Teesside Chartists such as 19-year-old George Markham Tweddell produced radical newspapers, including his *Stokesley News and Cleveland Reporter*, which set out to

"give the ordinary people of Cleveland a newspaper that would reflect their more liberal opinions rather than those of the landowning classes".

That was not a view shared by the Stockton Conservative association at the time, which grumbled about the

"newspapers and tracts of an objectionable and mischievous tendency"

that were

"exclusively circulated among the lower classes".

However, that determination—that refusal to be silenced—is where local journalism on Teesside began.

Today, the main local news presence, *Teesside Live*, serves hundreds of thousands of people across our area. The journalists are dedicated, but it is fair to say they are working under immense strain. The traditional advertising model is collapsing. More than 300 local newspapers closed between 2009 and 2019. Reach, which owns *Teesside Live*, deserves credit for keeping the paper alive, but in doing so it has had to make cuts. We have heard about some of the decisions that Reach has made across the country recently. Reporters are expected

[Luke Myer]

to cover far more ground with far fewer resources, and with the shift to online, the pressure to publish quickly and at volume is intense. We have seen elsewhere in the country how that can lead to lapses in standards, such as the clickbait headlines recently ruled “misleading” by the Independent Press Standards Organisation.

Ultimately, this is about our democracy. Just as it was for Tweddell, we now need to prepare for a wholly new age. If local media is diminished, so too is our democracy: communities become less informed, space for debate narrows and trust erodes. More than half of people now get their news from social media, and people are more exposed to misinformation than ever before. Ofcom says that 43% of UK adults recall encountering misinformation—and those are only the people who are equipped to recognise it.

Meanwhile, hostile states exploit this landscape. *The Washington Post* reported last year that the Russian Foreign Ministry is using disinformation online to weaken western democracy. Such tactics aim to destabilise free societies, and they rely on weakened, hollowed-out information environments to succeed. That is why strong, independent and accountable local journalism matters. It provides trusted information about the places where people actually live. It can counter falsehoods with facts and create a democratic culture that is rooted in community.

The challenge now is to meet audiences where they are without abandoning the standards that make local journalism trustworthy in the first place. First, we must build sustainable funding models for public interest journalism, including community and co-operative ownership, as Members have spoken about. Secondly, we must uphold high standards with stronger regulation. Thirdly, we must help local outlets to innovate safely and embrace digital tools, including AI, without sacrificing trust. Fourthly, we must strengthen media literacy in schools and communities so that people can recognise misinformation when they see it. I welcome the measures in the curriculum review in that regard.

Above all, we must remember that local media is not a luxury, as my hon. Friend the Member for Stirling and Strathallan (Chris Kane) said. When it collapses, civic engagement falls, scrutiny is weakened and communities lose the mirror to themselves. Tweddell wrote that his paper sought to be

“the unflinching advocate of civil and religious liberty.”

Let us ensure that 200 years later our local media can adapt to be the same.

10.21 am

**Alison Hume** (Scarborough and Whitby) (Lab): It is a pleasure to serve under your chairship, Dr Allin-Khan. I thank the hon. Member for Bromley and Biggin Hill (Peter Fortune) for securing this important debate.

According to the *Press Gazette*, nearly 300 local papers have closed since 2005. We are at a tipping point. The Public Interest News Foundation estimates that 12.5 million people live in areas where there is only one local paper, while 5.4 million people live in news deserts. Local papers provide reliable information at a time when misinformation runs rampant online.

My constituency is lucky to have *The Scarborough News* and *Whitby Gazette*, which publish a quality weekly paper with a small and dedicated staff. Regionally,

we have the *York Press*, as was mentioned by my hon. Friend the Member for York Central (Rachael Maskell), and the campaigning newspaper *The Yorkshire Post*. On the air, we have This is the Coast, Coast & County, and of course BBC Radio York and BBC Radio Tees.

However, journalists have told me that they are increasingly worried about their own survival—and these journalists are veteran survivors. They have raised concerns about Government proposals to remove the legal requirements to publish alcohol licensing notices and notices on local authority governance changes. The National Union of Journalists has highlighted that local papers remain the main source of news for the digitally excluded. One local editor put it plainly when he said that

“denuding print audiences of the right to know what is happening in their community does not feel like community empowerment to me.”

I agree with him.

Taken together, the changes would deliver a double blow to an already fragile sector. They would deprive titles of reliable revenue, potentially putting papers at risk and impeding the flow of information in our communities. The Secretary of State has committed to publishing a local media strategy to ensure that there is trusted local news across the UK. Ahead of the publication of that strategy, I urge the Minister to consider the impact on these valued and trusted titles of proposed changes to the requirement to report notices. If we value local media and the democracy it sustains, we must legislate to protect it.

**Dr Rosena Allin-Khan (in the Chair):** Thank you, everyone, for keeping to such good time and enabling all colleagues to get in. We now come to the Front Benchers. I call the Liberal Democrat spokesperson.

10.24 am

**Anna Sabine** (Frome and East Somerset) (LD): I thank the hon. Member for Bromley and Biggin Hill (Peter Fortune) for securing this important debate. I want to start by paying tribute to the brilliant work being done in my constituency by news outlets such as the *Frome Times*, *The Midsomer Norton, Radstock & District Journal* and *The Somerset Leveller*. Publications like these hold power to account. They inform people on issues that matter locally, and they keep our communities engaged. They are exemplars of what local journalism should be. Many of us in this House would not be as connected to our local community without local papers, often thanks to columns in our local papers that reach people who might not otherwise be following politics or who may not have access to the internet.

However, local news is facing many challenges. As we know, audiences are migrating from print and television to online sources. Advertising revenues have fallen dramatically. Online intermediaries dominate the news value chain, and local publishers face fierce competition for attention from audiences who are increasingly unwilling to pay for news. Perhaps most worryingly of all, a growing number of people are disengaging from news entirely.

News providers have responded with innovation—for example, exploring AI, developing podcasts and implementing paywalls and subscription models—but conditions remain extremely tough, and that has led to a huge variation in local news provision across the UK.

Some communities are well served, while others face local news deserts, and this postcode lottery of democratic accountability should concern us all.

**Edward Morello** (West Dorset) (LD): The constant consolidation of local newspapers into large news corporations risks a difficult balance between their need to make money and the audience size. We have lost papers in Lyme Regis, and Sherborne is now covered by Somerset's *Western Gazette* as almost an afterthought. Does my hon. Friend agree that, while we understand the need for these companies to make profit, recognising the need of local people is equally important?

**Anna Sabine**: I do agree, and I will come on to talk about the community impact of how we support local news.

The *Frome Times*—which, the hon. Member for Bromley and Biggin Hill might like to know, does slide through letterboxes for free every fortnight and employs a band of teenagers to do newspaper rounds—is an example of a local newspaper that is serving communities. A recent survey by the town council found that the newspaper is the way that most people in Frome find out what is happening locally. The editor of the *Frome Times* told me:

“For many years, successive governments have discussed local journalism, including the 2023 report on the Sustainability of Local Journalism. Yet, from the coal face, little has changed. The most meaningful support the industry could receive is a genuine ‘levelling of the playing field’. For too long, dominance has rested with three corporate publishers, whose sales are declining and whose journalism is increasingly distant from local communities. Yet, government bodies (via Omnicom) and local authorities continue to rely on them for advertising spend. Decisions about which parts of the industry to support must ask one simple question: does this actually serve the community it claims to represent?”

I would be grateful if the Minister would commit to reviewing how local councils and Government Departments procure their advertising spend and ensuring that some account is taken of the community impact of that spending.

The DCMS's BBC mid-term review published in January 2024 made 39 recommendations for the BBC and Ofcom. Ofcom's subsequent review of local media examined how we maintain widespread availability of local news, communicate its importance, provide easy access to reliable news online and secure genuine audience engagement. Its proposals deserve serious consideration: an innovation fund for local news providers, a public interest news institute to support sustainability and develop a talent pipeline, and news vouchers, allowing citizens to directly support their local outlets.

It is frustrating that the Government have recently taken steps that will make funding for local journalism less sustainable. The Liberal Democrats tabled an amendment to the Planning and Infrastructure Bill that would ensure that when public notices are printed, at least one must appear in a local newspaper. Public notices are worth £32 million a year to local journalism. We cannot pull the rug from underneath the sector while business costs are skyrocketing.

Liberal Democrats also support the expansion of the BBC's local democracy reporting service. That scheme has been a lifeline, placing dedicated reporters in local newsrooms to cover councils, courts and public bodies, although we recognise the challenges that the online

content can pose to local news outlets. The scheme thrives, but only if it is provided with sustainable funding. Has the Minister spoken to colleagues in the BBC about future funding for the scheme?

In a time of fake news and misinformation, we increasingly recognise the importance of an independent and free press in our society. It is not a luxury; it is essential to a healthy democracy. My party has consistently defended public service broadcasters such as the BBC and Channel 4. We need to ensure that we protect their independence and impartiality. That is why we want the BBC to remain universally available, properly resourced and free at the point of use, and why we will continue to champion high-quality independent journalism at both local and national level. If we are serious about protecting our democracy, we must ensure that local news is properly supported, fairly funded and given the tools it needs to continue informing, empowering and connecting the communities it serves.

10.29 am

**Joe Robertson** (Isle of Wight East) (Con): It is a pleasure to serve with you in the Chair, Dr Allin-Khan. I congratulate my hon. Friend the Member for Bromley and Biggin Hill (Peter Fortune) on bringing forward this very important debate and on giving a characteristically heartfelt and amusing speech.

It is a particular pleasure for me to be speaking in this debate, coming from the Isle of Wight, which is probably a rare example of a very vibrant local area for independent local press, including the *Isle of Wight Observer*, *Isle of Wight County Press*, *Island Echo*, *OnTheWight*, Isle of Wight Radio and Vectis Radio. We are very far from being a local news desert, as sadly too many places in this country are. Quality journalism is a cornerstone of any democratic system. In order to exercise the right to vote, the public needs to understand what decisions have been taken in their name and what those seeking power propose to do with that power. It is the media that helps people hold decision makers to account. It was Tip O'Neill, former Speaker of the House of Representatives, who once said, “All politics is local.” It must therefore follow that local media plays a central role in the functioning of our democracy. Indeed, the Opposition say that it does. As my hon. Friend the Member for Bromley and Biggin Hill put it, “It is the place you go for the things that matter.”

The UK news media sector serves audiences on more platforms than ever, with 96% of UK adults saying they consume news in some form. However, hundreds of local newspaper titles have closed in the past two decades, a trend accelerated by the covid pandemic, and those that have survived now often operate with reduced resources and fewer journalists. Local journalism is under unprecedented pressure from corporate consolidation—as we have heard—big-tech dominance and declining revenue models. Audiences have migrated from print and broadcast to online platforms, advertising revenues have fallen, and global tech intermediaries such as Google and Meta now capture the vast majority of digital advertising income.

At the same time, competition for audience attention has intensified, driven by clickbait metrics, and a growing proportion of people are disengaging from news. However, the migration to online should not be seen entirely as incompatible with vibrant local media. Indeed, the *Island*

[Joe Robertson]

*Echo* on the Isle of Wight was established in 2012 and is entirely online. It is a successful and highly relied upon source of local news for residents on the Isle of Wight, making full use of digital opportunities, including updates via phone and tying in with some of those big social media giants such as Facebook.

**Jess Brown-Fuller** (Chichester) (LD): The shadow Minister makes a very valid point about businesses diversifying and utilising the new online space. I have V2 Radio in my patch, which is a relatively new radio station, but in order to attract people to its radio station, it also puts its news on social media and has a really active website. It also plays a huge role with the voluntary sector in large campaigns that spread across the constituency. It does a Christmas appeal every year and a “Beds for Kids” campaign earlier this year, getting beds for young people who do not have them. Does the shadow Minister agree that the companies that are diversifying and making sure that their news gets to everybody who wants it are more likely to succeed in this complicated framework that we now live in?

**Joe Robertson:** The hon. Lady is absolutely right. Some of those local independent media are some of the best innovators. *OnTheWight* is an independent news outlet run by Simon and Sally Perry in my constituency. It started as a town-based Ventnor blog, and by using online opportunities, is now a trusted source for Isle of Wight news.

The growing consolidation of local media ownership and the dominance of major companies such as Newsquest, Reach and even the BBC—whose role I will touch on later—is reshaping the local media landscape and presenting challenges. It leads to reduced local editorial staff, more standardised content produced from remote hubs and, in some cases, the disappearance of physical distribution. However, the intervention of large companies is not always problematic for local news. The *Isle of Wight County Press* is owned by one of those big corporates, but it is still dominated by local news that is produced by local journalists, with a local editor. Indeed, it is the biggest selling weekly local newspaper in the UK.

In my constituency, there is also a newsprint-based outlet called the *Isle of Wight Observer*, which was launched in 2018. Its success is largely based on the weekly hardcopy paper that people pick up from the local newsagent on a Friday, showing that such outlets are thriving in many parts of the UK. It has done well by reporting on local issues and holding those in authority to account. There is nothing quite so concerning as when I get a call from the editor of the *Isle of Wight Observer*; I can assure Members that it causes much more anxiety, when I know that my local newspaper editors have spotted something and need clarification, than a phone call from an editor of a national media outlet, such as *The Sun* or *The Mirror*. I am sure we are all better Members for the role of local media such as the *Isle of Wight Observer*.

Without the journalists, photographers, editors and designers who dedicate their careers to serving the communities that they know and love, who will be the first to raise concerns when something goes wrong? It is worth remarking on the fact that some of the national

household names—the journalists we know today who report on current affairs, politics or sport—started their careers in local media, in local titles. Local media is a breeding ground for many of those big, successful journalists, and it is one that national outlets rely on.

Local authority advertising has already been referred to by Members, including public notices and planning applications. Historically, it has provided an essential revenue stream that supports true local journalism. As councils move more notices online—indeed, the English Devolution and Community Empowerment Bill aims to remove the requirement to publish public notices in local newspapers—it presents a challenge in not only lost revenue but the transparency of councils’ decision making, which are of course held to account by local people understanding what is going on. Statutory notices play an important role not only online but in print, because many people, especially older people, still consume much of their local news in a hardcopy print format.

The role of the BBC has also been discussed. It plays a vital role in our public service media environment, and it is also a competitor at local level. The charter review presents an opportunity for the Government to look at that relationship again. The local democracy reporting service has been successful in using the licence fee to support local news output, although the right hon. Member for Hayes and Harlington (John McDonnell) rightly commented on some of the challenges with, and caused by, that service. It has reached the major milestone of locally producing over 500,000 pieces of independent journalism, covering some of the information that would not ordinarily be reported on, and which may not, in basic terms, have commercial value, but again casts a light on local decision making, particularly that of local councils. The service was launched almost eight years ago.

In conclusion, politics is the better for local media. It is where decision makers are held to account, and it is the medium through which people can better understand the world around them. Like anything, local media needs to adapt, but it also needs the support to do so in a rapidly changing world.

10.39 am

**The Minister for Creative Industries, Media and Arts (Ian Murray):** It is brilliant to see you in the Chair, Dr Allin-Khan, and it is great to have this wonderful debate with you presiding over us. I thank the hon. Member for Bromley and Biggin Hill (Peter Fortune) for securing an important debate. We can see from the contributions that it has been an important one, which everyone is interested in. I am delighted that he graduated from stuffing leaflets into newspapers at 13 to stuffing Tory leaflets through letterboxes at 45; he has certainly gone a long way. I, too, had a newspaper run when I was younger, a morning run, which I hated—it was underpaid, too long and too early in the morning—although apart from that, I loved everything about it.

Local media provides a vital and unique service to our communities in its provision of trustworthy—which I emphasise—public interest journalism. Local journalism fosters a range of social benefits, much wider than that itself, empowering local communities and reflecting the issues that matter to us. The hon. Gentleman was absolutely right when he said at the start of his contribution

that many people would want to pop up to talk about their local titles. I agree that that might not make a blind bit of difference to the way in which we are treated as a local MP in our local newspapers, but it was nice to hear.

**Charlie Dewhirst** (Bridlington and The Wolds) (Con): Does the Minister agree that excellent local titles such as the *Bridlington Echo*, the *Driffield & Wolds Weekly* and *The Holderness & Hornsey Gazette* need support? We need to ensure that the income stream from local authority statutory notices continues, so that such thriving local titles continue into the future.

**Ian Murray:** One hundred per cent, and the hon. Gentleman has just secured a column.

We heard from many Members, including the shadow Minister, the hon. Member for Isle of Wight East (Joe Robertson), about the *Isle of Wight County Press*, the *Island Echo*, the *Isle of Wight Observer* and *OnTheWight*. He hates getting calls from the editors of those newspapers to clarify things, but I am sure his relationship for leaking stuff back to them is rather strong.

We also heard about the *Hampshire Chronicle*, the *Bromley News Shopper*, the *Biggin Hill News Shopper*, the *Stranraer and Wigtownshire Free Press*, the *Meon Valley Times*, the *Bournemouth Echo*, *Bournemouth One*, the *Greater Nunthorpe News*, *The Oxford Times*, the *Epping Forest Guardian*, *Everything Epping Forest* online and *The Comet*. We heard about *The Independent Melksham News*, *Talk of The Town*, *Coastal View & Moor News*, *The Yorkshire Post*, *Yorkshire Radio*, the *York Press*, the *Bedford Independent*, the *Bedford Today*, *Coast & County*, *BBC Yorkshire and Tees*, the *Witney Gazette*, *The Scarborough News*, the *Farnham Herald*.

The hon. Member for Strangford (Jim Shannon) mentioned the editor of his local newspaper, Paul Symington, but did not tell us the name of the newspaper, but I believe it is the *Newtownards Chronicle*—they might pronounce “Newtownards” differently in the east of Scotland. My hon. Friend the Member for Stirling and Strathallan (Chris Kane) talked about local radio—Radio Forth, Central FM and Radio Clyde, such that I thought he was going to burst into a jingle at one point with his experience—and the *Stirling Observer*.

We heard about the *Somerset Western Gazette*, *The Somerset Leveller* and the *Bath Chronicle*. My hon. Friend the Member for Oldham West, Chadderton and Royton (Jim McMahon) mentioned the *Oldham Evening Chronicle*, *The Oldham Times*, the *Oldham Reporter* and the *Manchester Evening News*. He even went on to talk about ITV regional news.

I am not going to get involved in the childishness and churlishness of mentioning all our local newspapers, so I will not mention the *Edinburgh Evening News*, *The Edinburgh Reporter* or *Edinburgh Live*. All that shows us, however, the impact that local newspapers have on our life, locally and across the country.

**John McDonnell:** Will the Minister give way?

**Ian Murray:** I am happy to give way—did I forget yours, sorry?

**John McDonnell:** No, I never mentioned it; don't worry. Does the Minister agree about the sense of urgency in this debate? I will give an example from my

constituency. We had those demonstrations outside the asylum hotels, largely fuelled not by local people, but by organisations, quite ruthless ones, with masked men trying to break into the hotels and all the rest. Also, on social media, we have had allegations made against asylum seekers that are completely untrue, but specifically designed to sow division in our community.

We lack a very locally focused newspaper, so people have no access to finding out what the truth really is. They get beguiled and misled by that social media, which is deliberate, because those social media clicks become clickbait, and those individuals make money from it. That is the significance of local media, in particular local press, at the moment when our society is under such threat from those individuals and far-right organisations.

**Ian Murray:** I could not agree more with my right hon. Friend. In fact, he pre-empted what I was about to say on the way in which it is more important now than ever for our local news to be part of the ecosystem of how people digest current affairs and what is happening.

We saw the division and tensions that were created in Southport. Thankfully, those were headed off at the pass because of local people turning to local news outlets, such as the *Liverpool Echo*, the *Southport Visiter* and others, where they could trust that the news they were picking up—either in a newspaper or online—was truthful, up to date and in the best interests of local people. Those examples, as well as the ones my right hon. Friend gave, show how important it is to have trusted local news to deal with mis and disinformation.

**Rachael Maskell:** I was certainly referring to such an example in my speech, but I am particularly concerned about the influence that disinformation is having on this place and on the policies of Governments over time, which have been brought out in response to that social, unregulated space. Is that not all the more reason for the urgency behind ensuring that a properly regulated environment is put in place, so that we do not have those influences, and we instead pull on the real stories and evidence out there?

**Ian Murray:** That is really part of the Government's response to this challenge, as I will lay out in my contribution. The Government are committed to devolving more power and funding to local leaders and communities to bring decision making closer to the people it affects. That, of course, allows local journalism and local news to exercise that transparency and hold power to account by being in the public interest and having that strong accountability. Those are all essential in the examples that we heard in the previous two interventions.

Local media plays a key role in all this—not only in helping to build a more socially cohesive country and providing trustworthy information at that local level, but in countering the false and divisive narratives that are percolating through all our communities, and in helping to keep communities informed, scrutinising local decision making and fostering civic engagement. These are all things that hon. Members have covered in their contributions.

At the same time, never before has this role been so endangered. We have also heard from many hon. Members about the dangers and the challenges. The way that we

[*Ian Murray*]

consume news has transformed—people say over the past 20 years, but actually it has been transforming daily. The way that people consume the news of tomorrow will be different from the news of yesterday.

**Rebecca Long Bailey:** I understand the importance of involving those at the coalface in the Government's deliberations on the upcoming media strategy. Would he agree to meet the National Union of Journalists and consult it on the local media strategy?

**Ian Murray:** I will come on to that, but yes—I will lay out later what the local media strategy has done so far, how we have been consulting through the roundtables we have undertaken, and where the Secretary of State has been taking a leading role.

As we know, people are increasingly looking to their mobile phones rather than their local newspaper. I do not know when hon. Members last actually bought their local newspaper—picked it up off a shelf and paid for the physical copy. Across news publishing, local TV and radio, these changes have prompted significant financial challenges, as traditional business models for local journalism are under more pressure than ever. Those pressures are more acute for local news publishers, both in print and online, although many local outlets are now moving online.

Around 300 local newspapers, as we have heard already, have closed since 2005—equivalent to as much as a third of the sector—and the number of journalists employed by the three largest news providers, which have 60% of the market, fell from around 9,000 to 3,000 between 2007 and 2022. Over that 15-year period, revenue for those three publishers fell from nearly £2.5 billion to a little more than half a billion. We can see the challenge of revenue for our local newspapers.

The effect has been an overall decline in the provision of high-quality local media across the country. More than 40% of UK citizens who are interested in local news do not consider that their local news needs are being met. As many as 38 local authority districts now have no print, online, TV or radio dedicated specifically to that area, leaving up to 4.7 million citizens in local news deserts. That is why the Government are committed to the local media strategy.

**Jess Brown-Fuller:** Does the Minister recognise that, while we are talking about the struggles local media outlets are facing—and that huge drop in revenue over 15 years—taking away £32 million by removing the opportunity for them to carry advertisements for licence changes could have a huge impact?

**Ian Murray:** I will come on to examine that point in more detail, but it is well made and certainly understood by Government. That is why we have committed to the local media strategy—to address all of the issues, but particularly those around sustainability—because our vision is for a thriving local media that can continue to play an invaluable role as a key channel of trustworthy information at local level, reporting on the issues that matter to communities, reflecting their contributions and perspectives, and telling their stories at that local level. The Government also want to empower local media to hold local public services to account, to help foster a self-confident nation in which everyone feels

that their contribution is part of an inclusive national story, and, of course, to counter damaging mis and disinformation.

To achieve that, the Government intend to support local media in three key ways. In the short to medium term, we will help the sector, particularly local news publishers, to innovate and transition to sustainable online-focused business models. Over the longer term, we will help the industry to adapt to changing online audience habits and to foster a collaborative and complementary relationship with those that have most influence over citizens' news diets, particularly big tech—as we have heard—and the BBC, with the important role that it plays. Finally, we will make it easier for journalists to scrutinise local public services and other institutions, conduct investigative journalism and report without fear or favour. Innovation funding is part of that. We have not ruled out the option of financial support being a key part of the local media strategy, bearing in mind the fiscal constraints in which we currently operate.

**Jim McMahon:** I get the Government's intention, which I strongly support, and I credit the Minister for the work that he is doing, but none of us would accept a member of the public going into a newsagents, taking a newspaper off the rack and walking out without paying for it, yet that is exactly what is taking place with these online giants. They are taking the news off the rack without any payment, commercialising it and making billions in the process. That is what we need to consider. I hear the arguments about whether local authorities should continue with statutory notices—I have a different view; I am not sure that we should hold on to something from the past if it is not adding real value that can be demonstrated from the public investment—but we need to move to a modern way of funding a sustainable local press. Surely that requires a bigger intervention from the Government.

**Ian Murray:** I will come on to that, because the AI copyright issue is a key part of what we are trying to determine. As my hon. Friend will know, under the legislation, the Government are preparing to publish the report and impact assessment required by sections 135 and 136 of the Data (Use and Access) Act 2025. That must be laid before the House by 12 December.<sup>1</sup> The impact assessment will include an assessment of each of the options put forward in the Government's consultation on copyright and AI, including the economic impact of each option on copyright owners and AI developers. That will include the publishing and the news sectors.

In the meantime, the Secretaries of State at the Department for Science, Innovation and Technology and at DCMS have jointly shared three meetings with representatives of both the AI and the creative sectors. We are convening expert working groups and parliamentary working groups to consider all the options. We are dedicated to protecting our world-class creative industries and to ensuring that they thrive in the age of AI. Our creative industries sector plan is all part of making sure that that sector flourishes. I am interested in what my hon. Friend said about that British news co-operative model, which might be able to be used as a collecting agency for those kind of issues.

That assessment will be reported to the House by Christmas.<sup>1</sup> There will be great interest in that and I hope that my hon. Friend will be able to supply some

1.[*Official Report*, 8 December 2025; Vol. 777, c. 2WC.](Correction)

more information on those particular industries. We are very much dedicated to protecting our world-leading creative industries. I hope that gives him some assurance.

On the local media strategy, in the spring we had a roundtable with the Secretary of State for Culture, Media and Sport and local news editors. We set up an industry working group to consider the issues in more detail and explore areas for collaboration. I have not dealt with the roundtable yet, being relatively new to this role—I do not know whether the National Union of Journalists is part of it but I will check and inform my hon. Friend the Member for Salford (Rebecca Long Bailey) whether it is. If not, we will make sure that it has input into that working group. That roundtable has been meeting since June and has been invaluable in shaping our approach. We thank all those journalists who have given their time to help us shape that work.

A whole host of other things are happening. Let me touch on a few that address some of the issues that have been raised. Many hon. Members raised concerns about the recent Government proposal to relax statutory requirements—this goes to some of the interventions—to publish and print applications for alcohol licences in local newspapers. That proposal is being explored as part of a wider set of licensing reforms that aim to create a modern, proportionate and enabling system that supports economic growth, revitalises high streets first, as vibrant communities, and helps local authorities. The call for evidence closed in November. We are carefully considering the responses and will take forward the final decision as part of that local media strategy. Of course, the contributions that hon. Members have made in this debate, and others on this topic, will be taken into account in that process.

Many hon. Members have mentioned the English Devolution and Community Empowerment Bill. Councils are currently required to place a notice in one or more newspapers circulating in their area; that Bill would enable councils to decide how best to publish any relevant information. In practice that provision will apply to very few councils, since over 80% in England already operate a leader and cabinet model and will therefore not be required to make any changes to their governance models. The DCMS and the Ministry of Housing, Communities and Local Government are considering how that measure interacts with the forthcoming statutory notices review that sits alongside it.

At the same time, the Government recognise that statutory notices of all types are important in helping to inform the public of decisions made by the council that affect the quality of their lives, local services and amenities or their property, and the impact that has on the financing of local media. A separate part of the strategy will look ahead to the long-term future of local media. It is important that we consider the role of the BBC as part of that, as many hon. Members have mentioned. As the charter review approaches, the Green Paper will be published soon. That is an opportunity to consider how the BBC can best support and defend local news through its work.

In that context, as the shadow Minister mentioned, the local democracy reporting service plays a key role in helping communities and local businesses to scrutinise decisions that impact them and in holding public services to account through fact-based local reporting. We will

look to extend and improve that service as part of the licence charter period. The BBC underpins a lot of local reporting and the local news ecosystem.

We are taking action through the digital markets regime, which came into force at the beginning of the year and which should help rebalance the relationship between the biggest tech firms and news publishers. The issue of big tech companies not being subject to the rules was raised in the debate. We welcome the progress made by the Competition and Markets Authority, in particular in designating Google's and Apple's services as being subject to its rules. Measures in the Online Safety Act 2023 on the treatment of journalists' content will add a further layer of protection for the industry against the erroneous takedown of content by social media platforms, especially at the height of the news cycles that we have seen, once implemented by Ofcom. The local media strategy will explore whether further action may be needed to support local media in adapting to changing audience habits online, and guaranteeing public access to high-quality local journalism, particularly in the context of AI-generated news summaries and aggregators.

On Government advertising expenditure, we are committed to ensuring we make the best use of local media in Government advertising campaigns. My Department has been working closely with the Cabinet Office on that as part of the local media strategy, because we know local media provides that trustworthy environment for those kinds of governmental issues, and is a vital source of revenue. We are working on taking that forward.

I will refer quickly to a point made by my right hon. Friend the Member for Hayes and Harlington (John McDonnell) about the Government establishing a journalism foundation to co-ordinate support. The Cairncross review recommended something similar. Our local media strategy will seek to achieve the same ends by co-ordinating support for this vital industry. That possibility is on the cards and I look forward to working with him to see that happen.

The Enterprise Act 2002 (Amendment of Section 58 Considerations) Order 2025, which passed in the summer, extends public interest considerations to further protect plurality in our system; there are public interest considerations about the need for a sufficient plurality of persons with control of media enterprises. The statutory instruments about control by a single publisher, which was also mentioned by many hon. Members, have gone through.

I will finish by talking about the protection of journalists, which is hugely important. They need to be protected from harassment, abuse and threats, whether online or offline, of an illegal nature. As co-chair of the National Committee for the Safety of Journalists, alongside the Minister for Safeguarding and Violence Against Women and Girls, my hon. Friend the Member for Birmingham Yardley (Jess Phillips), I welcome the delivery of many of the group's commitments to ensure that journalists can operate free from such threats. The NUJ has been very involved in that hugely important process. That includes the work of the National Police Chiefs' Council, which confirmed in September that each police force across the UK now has an appointed single point of contact for journalists to reassure them that they can operate in the field and online with a direct point of contact to the police should any issues arise.

[Ian Murray]

We are committed to a plural, trustworthy and independent media landscape. Our local media strategy will play a key role in fostering that at a local level. More will be announced on the strategy in the coming months. I look forward to working with right hon. and hon. Members to ensure that the local media strategy delivers for all our local newspapers.

10.58 am

**Peter Fortune:** I do not have enough time to thank everybody individually, so please take it that all are thanked and loved, especially the people who gathered outside to beep in support of the Westminster Hall debate.

One of my heroes, George Orwell, believed that local journalism should reflect lived experiences, and that it is often overlooked by the national media in what he called a “reporting deficit”. He talked of good journalism being about honesty, clear language and exposing lies, and he used those principles to write “The Road to Wigan Pier”, one of his many great works. Society and civilisation are fragile and, when news can be weaponised, the clarity and trust provided by local media are vital to holding our communities together. I ask the Minister please to remember that and support it.

*Question put and agreed to.*

*Resolved,*

That this House has considered the future of local media.

## Veterinary Medicines: Northern Ireland

11 am

**Dr Rosena Allin-Khan (in the Chair):** I will call Robin Swann to move the motion. I will then call the Minister to respond. I remind other Members that they may make a speech only with prior permission from the Member in charge of the debate and the Minister. There will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

**Robin Swann (South Antrim) (UUP):** I beg to move,

That this House has considered the supply of veterinary medicines to Northern Ireland.

It is a pleasure to serve under your chairmanship, Dr Allin-Khan. Before I begin, I direct Members to my entry in the register of interests.

As we approach the end of the year, Northern Ireland’s farming, veterinary and animal welfare sectors are facing a potential crisis that can no longer be ignored. On 31 December, the veterinary medicines grace period is due to end. Without a clear, workable plan from Government, the supply of hundreds of essential veterinary medicines is set to be disrupted. Last Friday, my party colleague, Robbie Butler, the chair of the Northern Ireland agricultural committee, met with the Department for Environment, Food and Rural Affairs Minister, Baroness Hayman, to press the urgency of securing a long-term solution.

**Mr Gregory Campbell (East Londonderry) (DUP):** I congratulate the hon. Gentleman on securing the debate. Does he agree that the continuing uncertainty is driving the problem and causing issues for the medical profession and consumers in Northern Ireland, and that it has to be clarified and resolved immediately?

**Robin Swann:** I thank the hon. Gentleman for the first of several interventions. At that meeting, we made it clear to the Minister that a solution must be in place by the end of this year. If it is not, the consequences for animal health, human health and our agrifood economy could be severe. Time is running out—we have only four weeks to go.

This issue has been known about for some time. In February of this year, I hosted an event with the British Veterinary Association in Parliament to highlight the concerns and to urge Government to act while there was still plenty of time. That was 10 months ago. Since then, the warnings have grown louder. Recently, more than 19,000 vets from across the United Kingdom signed a joint letter to Government stressing the importance of protecting Northern Ireland’s access to veterinary medicines.

**Alex Easton (North Down) (Ind):** I thank the hon. Member for securing this debate. Given that the National Office of Animal Health has warned that, in a worst-case scenario, up to 50% of veterinary medicines could be withdrawn from Northern Ireland, with serious consequences for animal health and agrifood, should the UK Government commit to urgent, targeted support for farmers and vets, who are heavily reliant on those products?

**Robin Swann:** I agree. The potential loss of veterinary medicines in Northern Ireland threatens animal health and welfare. Essential vaccines and treatments may become harder to obtain, increasing disease risk and undermining herd and flock health. Our vets and farmers would be forced into reactive treatment, adding strain to veterinary capacity and raising the risk of avoidable animal suffering and public health impacts.

Pet owners will also be negatively impacted, particularly in filling veterinary prescriptions from online veterinary pharmacies, which are currently based in Great Britain and, for many, are more cost effective.

**Jim Shannon** (Strangford) (DUP): While it is always lovely to see the Minister here, there is a role for the Secretary of State, who seems to be avoiding all the questions and letters that we sent him. I have been contacted by some of my constituents about the online pharmacies, regarding not only veterinary medicines, but specific types of dog food that their pets must eat. There is no doubt that greater clarity is needed on this subject. Does the hon. Member agree that there must be greater understanding of how dog food will be impacted and of the exact provisions surrounding online pharmacies?

**Robin Swann:** The hon. Member raises another valid point. Northern Ireland is exposed because of the divergence caused by the terms of the Windsor framework. Our supply chains, unlike those elsewhere in the United Kingdom, are subject to the additional EU rules.

**Carla Lockhart** (Upper Bann) (DUP): I commend the hon. Gentleman for bringing this issue forward. He is right in saying that it affects not just us, but vets, distributors and manufacturers. Over eight major organisations are saying that. Does he agree that there has been secrecy and a lack of transparency on the part of the Government and the Secretary of State, and that the Secretary of State needs to stop pretending that this is manageable and publish the full details? Over 40% of key products and pack sizes will be impacted, and that will ultimately affect animal health. Does the hon. Gentleman agree that it is not sufficient to say, “Stockpile and see how it goes”? The Government should deal with the issue immediately and unilaterally.

**Robin Swann:** I agree with the hon. Member. It is not just the politicians who are saying that: the British Veterinary Association has said:

“From 1 January 2026, the supply of veterinary medicines in Northern Ireland will be thrown into uncertainty on account of the end of a post-Brexit grace period. The issue of veterinary medicines was not sufficiently addressed in the Windsor Framework, and in the absence of a veterinary agreement between the UK and the EU, the supply of critical products like vaccines for production animals, companion animals and horses, cannot be guaranteed.”

In June 2025, the Government announced the veterinary medicine health situation scheme, which was meant to permit the use of suitable alternative products from outside Northern Ireland through exemptions but, with only weeks to go, the definition of exemption is still unclear. It was also announced that the veterinary medicines internal market scheme will enable vets to use, when needed, specific individual medicines that are not authorised or available in Northern Ireland. Again, the process for accessing those is still unclear.

It has been reported that between 10% and 15% of drugs and pack sizes are expected to be discontinued in Northern Ireland, and we know that 20 of those have no suitable alternative available on the Northern Ireland market. If manufacturers find it unviable to continue supplying Northern Ireland, vets, farmers and pet owners will be left with far fewer options.

Ministers have informed me that they are working with four online retailers to ensure a continued supply of veterinary medicines in the new year. Animal owners with a prescription from a vet will be able to order medicines through one of those sites, but there is still no clarification as to who will be able to order and when—or even which medicines will be available—through what is, for many, a way of accessing affordable veterinary medicines.

It is important to note that, even if any of the four retailers comes online, not all drugs currently used by animal owners may be available. In some cases, alternatives or substitutes will need to be found, sometimes at very short notice, and unfortunately substitutes are not a fix-all solution. Allergies, intolerances and other sensitivities mean that some animals will not be able to use those alternatives. That highlights the ongoing risks and the need for a long-term solution.

Marketing authorisation for a product does not necessarily mean that it will continue to be supplied. Indeed, manufacturers are still finalising their decisions, which they may or may not communicate in advance of January. Northern Ireland farmers are already under pressure from the threat of disease, rising costs and the introduction of the farm family inheritance tax. Losing access to essential veterinary medicines would make it far harder to maintain healthy livestock and sustainable family businesses. Not only will pet owners feel the impact, with everyday treatments potentially becoming scarce or expensive, but animal rescue charities, which already operate on tight budgets, fear that the disruption could prevent them from providing for the animals in their care.

As a former Health Minister, I know that any threat to animal health is also a threat to human health. Effective disease control in animals underpins food safety, public health and the security of our agrifood sector, and antimicrobial resistance is a real threat to both humans and animals.

**Gavin Robinson** (Belfast East) (DUP): I congratulate the hon. Member on securing the debate. He is right to invoke the issue of human health, because it was the European Union that went as far as to invoke article 16 to frustrate the supply of covid vaccines in Northern Ireland, before it realised that doing so was politically inappropriate. On this issue, the EU wishes to prioritise its single market, but the fundamental failure is that our Government are not prepared to stand up and ensure the protection of our single market. The European Union will talk about food chain supplies, but when it comes to domestic animals, I have young owners coming to me now complaining about the lack of availability of online supplies for their dog. Can we have a recognition that there are a lot of domestic animals that receive online veterinary medicines that will never enter the supply chain—and that it would be illegal if they did?

**Robin Swann:** The right hon. Member makes a very valid point. I remember well the Saturday when the EU tried to use article 16 of the protocol for covid vaccinations.

At that point much work was done for human medicines, but that was a number of years ago. It was done between the Department of Health in Northern Ireland, the Cabinet Office and, indeed, the European Union. I am still at a loss as to why the same emphasis was not applied to animal medicines at that point in time, because it was not as if the challenges were not known back then.

Human medicines can be licensed by the UK's Medicines and Healthcare products Regulatory Agency for use in Northern Ireland, allowing the same provisions for medicines in both Northern Ireland and Great Britain, but the same is not true for veterinary medicines. Once the grace period ends on 31 December this year, any veterinary medicine that comes directly from GB to Northern Ireland will be treated as a non-EU import into Northern Ireland and subject to additional red tape.

We have seen the grace period extended multiple times, but extensions are not a solution. We need certainty. The Government's commitment to provide timely advice and information during the transition period is welcome, but that engagement alone will not secure supply chains in the long term.

**Jim Allister** (North Antrim) (TUV): Is it not a fact that one of the most appalling aspects of this is that our Government have been so shy and so much in deference to the EU that they refuse to stand up for Northern Ireland farmers and pet owners and are allowing the EU belligerently to enforce its laws as a demonstration of just how superior it is in controlling Northern Ireland? There is no logic in it. Our EU veterinary medicines in most cases come from the EU, but under these regulations they are no longer allowed to pass through GB to come to Northern Ireland. Therein is a diversion of trade, which is supposed to be prevented by article 16 of the Windsor framework but which this Government are absolutely blind and tone-deaf to.

**Robin Swann:** That was part of the reason for bringing forward this debate today. Any Minister or any organisation I have spoken to that has been involved with the committee on veterinary medicines regulations, which was established under the last Government, seem to be doing a lot of talking and engagement, but there does not seem to be much proof of what is going to happen come 31 December in regards to the continuation of veterinary medicine supply to Northern Ireland. It is another example of how this Government are treating farmers across the United Kingdom—seeing them as a second set of industry—and how they do not seem to grasp the concerns and real effects that their decisions are having.

There are four core concerns that remain around this issue. One is confidence. The Government estimate that the number of products under supply and discontinuation threats is actually extremely low. However, there is limited transparency around the evidence base, which raises questions about the reliability of that claim. The second concern is communication. Despite the impending deadline, vets have been provided with limited guidance on the practical application of lease schemes. The lack of urgency and targeted messaging risks disruption, confusion and concerns about liability.

The third concern is that of cost. Divergent legislation and bureaucracy in a smaller market like Northern Ireland's will raise the cost of veterinary medicines. Those pressures could flow through practices to pet owners as well as farmers, with a potential knock-on effect to the agrifood economy. The fourth concern is criminality. There is a concern that a threat or complication to supply will lead to a move to replace a legitimate supply chain with black market or indeed illegal supply chains.

Northern Ireland cannot be left exposed. A secure settlement on veterinary medicines is essential for animal health, human health, and the future of our agrifood sector. I, along with others, have made the argument, and it is now up to the Government to act to protect the health of our animals and farms. Will the Minister answer three specific questions? Can she confirm when clear professional guidance will be issued to veterinary professionals and farmers in Northern Ireland regarding the continuity of access to veterinary medicines post 31 December? Will the Department work closely with organisations such as the BVA and National Office of Animal Health to ensure guidance is practical, accurate and communicated effectively to all relevant stakeholders? And will she outline what mechanisms will be put in place to ensure that vets and farmers receive timely updates on any changes to access, prescribing routes or fallback options? To date, those questions remain unanswered.

11.15 am

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Emma Hardy):** It is such a pleasure to serve under your chairmanship, Dr Allin-Khan, and to respond to the debate. I thank the hon. Member for South Antrim (Robin Swann) for securing this debate on a highly important matter and for his continued commitment to the veterinary medicine supply in Northern Ireland. He might have noticed I am not the farming Minister, but I am pleased to be here to respond on her behalf.

I recognise how important this issue is to the people of Northern Ireland and all the communities the hon. Gentleman represents. He has raised many important issues with me today; I will endeavour to address as many as possible. Baroness Hayman was in Northern Ireland just last week meeting the hon. Gentleman and many of our organisations. She met vets, the Minister of Agriculture, Environment and Rural Affairs, the permanent secretary, and the Northern Ireland Business Brexit Working Group to demonstrate how important the issue is to the UK Government. Those channels of dialogue remain open.

I thank industry stakeholders for their ongoing support and work to make the changes necessary to continue supply to Northern Ireland. We have done extensive work with industry, which has given us the confidence in the arrangements we have put in place to manage a smooth transition into 2026. Before responding to specific questions raised in the debate, I want first to outline the Government's view on veterinary medicine in Northern Ireland.

Safeguarding the supply of veterinary medicine in Northern Ireland after the grace period ends remains a core Government priority. We are committed to ensuring that the health and welfare of all animals is maintained

in all circumstances. We are aware of concerns raised about pack size, discontinued products and the potential for increased costs, and we take those concerns extremely seriously. We have engaged extensively with stakeholders on those issues. Based on the evidence available to us through this engagement, our view remains that disruption at the end of the grace period will be limited and the arrangements we have in place will manage supply into 2026.

**Gavin Robinson:** I am grateful to the Minister for taking the intervention. Does she accept that the fundamental flaw in the Government's approach is to accept the premise that the European Union controls what access there should be from one part of our United Kingdom to another and that we are accepting that there should be a chink in the UK internal market? Does she understand that when the grace period comes to an end, the European Union cannot and will not be able to demonstrate any detriment to their single market because of the ongoing availability until the end of this year. There has not been any detriment to their single market because of the availability of veterinary medicines from GB to Northern Ireland; and nor will there be, so all this is wholly disproportionate and unnecessary.

**Emma Hardy:** I thank the right hon. Member. He will recognise that it is important for the UK to be legally compliant with all of our international agreements. We take seriously the Windsor framework and the rules that it gave our country. I would not want to be part of a Government who disregard international agreements, but I completely understand his concerns around veterinary medicines.

We expect 10% to 15% of currently licensed veterinary medicines in Northern Ireland to be discontinued, but most are either dormant and not sold in Northern Ireland or have multiple alternatives available. We have analysed each discontinuation against multiple criteria to determine the position. However, we appreciate we can never have perfect data and that situations change. That is why we have also announced the veterinary medicines internal market scheme and the veterinary medicine health situation scheme: to help to address any gaps, should they arise.

The veterinary medicines internal market scheme removes administrative burdens from vets moving medicine that are not vaccines from Great Britain to Northern Ireland when, in their clinical judgment, that is needed. It is based on the existing cascade procedure, with which vets are very familiar. These simplifications allow the scheme to be as responsible as possible when managing supply issues.

The veterinary medicine health situation scheme allows the Government to temporarily authorise an alternative medicine when a discontinuation is expected to lead to a health situation. It is designed to provide a dedicated supply mechanism to address supply issues, should they arise.

**Jim Allister:** Sadly, we live under EU law, and the EU law that governs these matters says that only where there is exceptional breakdown can there be alternative arrangements. Have the Government obtained permission from their EU masters for the two schemes to which

the Minister refers? According to the Government, they are going to be routine, rather than for exceptional breakdowns.

**Emma Hardy:** I thank the hon. and learned Gentleman; of course, I reject the phrase "EU masters". These schemes are really important to make sure that the vets or those who require the medicine have the medicine that they need in Northern Ireland.

I want to take this opportunity to make a few further remarks about our assessment on discontinuations. In June, the Government said that "fewer than 20 products" are expected to be discontinued where there was risk of "significant adverse impacts" if not addressed through our schemes. I am pleased to announce that further analysis has reduced that figure to six. Following extensive engagement and detailed analysis, we are now satisfied that none of these discontinuations would lead to a health situation or other significant adverse impacts.

In some cases, the products will no longer be discontinued; in others, there are sufficient alternatives available in Northern Ireland or from the EU. However, we will of course continue to monitor the list and any new discontinuations, and we welcome stakeholder feedback. On divergence, the veterinary medicines regulations for Great Britain were updated in 2024 to reflect the comparable EU regulations 2019/6 and 2019/4, thereby basically bringing Great Britain and Northern Ireland into closer alignment.

These are the regulations that will apply in Northern Ireland from the end of the grace period. Divergence between Great Britain and Northern Ireland veterinary medicine regulation is minimal, and is something that the Veterinary Medicines Directorate monitors closely in considering where alignment may be beneficial.

I will now address some of the other concerns raised. We have heard that stakeholders are concerned about insufficient pack sizes being available and about that leading to cost increases and issues with dispensing veterinary medicines. However, based on our extensive engagement, we have no evidence that pack size changes are a systematic issue. Where pack size changes occur, we expect the most popular sizes to remain, but of course, if the situation changes or if new evidence comes to light, we will look to use the schemes we have in place.

More broadly on costs, we have had positive reassurance from a number of pharmaceutical companies that they will not increase prices, but we will closely monitor the situation into 2026.

**Robin Swann:** With regard to market surveillance to look at costs, what powers do the Government have, should a pharmaceutical supplier decide to increase costs? That would be interfering with the commercial market, and I do not see where the Government have the powers to do what they say they want to do, or may do, in that instance.

**Emma Hardy:** The hon. Gentleman raises an important point. We would of course look at whatever powers we have at our disposal, but as a Government we do not want to see costs unfairly increased for Northern Ireland customers. That is the important principle that we are trying to address by doing this. We hope that that will not be the case, but if it is, we would need to work

[Emma Hardy]

closely and carefully with all stakeholders in Northern Ireland, and we would of course follow up with meetings with representatives from Northern Ireland about that.

We are not complacent. The Government's position is based on our assessment of the best possible evidence available, and we take stakeholder concern extremely seriously. As I mentioned at the beginning, Baroness Hayman was in Northern Ireland just last week for a couple of days, meeting with people about this very issue. I know that it is something she cares about and sees as incredibly important.

Our view is based on what we can see. The transition to new arrangements at the end of the year will be manageable, but if there are unexpected problems, we have our two schemes to manage that. I also note that there will not be a cliff edge on supply at the end of the year. All medicines supplied to Northern Ireland before the end of this year will remain available, and some of those products have long shelf lives. We have advised businesses to take prudent action, but that is just in case. We have put in many different mitigations to try and resolve this issue. We will continue to monitor the situation closely, and we will respond rapidly if issues arise. As I mentioned at the beginning of my speech, we want to continue and maintain open dialogue with all representatives.

**Robin Swann:** The Minister has been gracious in taking interventions. One issue that she has not touched on yet is pet owners with a prescription who buy medication online from GB suppliers. What reassurance can she give us there? I have heard everything that she has said to date, but I have not heard her address that issue.

**Emma Hardy:** Through our engagement, we are aware of multiple companies that are either being established in Northern Ireland or planning to set up as online retailers there. That is expected to ensure that medicines will remain available through online channels. The Government appreciate that access to online retailers for pet owners to obtain veterinary medicines for their pets is of great importance, so this is something we are monitoring closely. Of course, it would be a positive outcome if those companies were setting up as online retailers in Northern Ireland. As a pet owner myself, I recognise how important it is for pet owners to be able to get the medication their beloved pets need.

We will continue to monitor the situation closely and will respond rapidly. We welcome feedback from stakeholders on specific issues and will continue to work with industry as we have done.

**Carla Lockhart:** Forgive us for not looking at this through the rose-tinted glasses that the Minister has presented today. I feel that what we have heard is another Minister with their head in the sand, utterly tone deaf to what industry, manufacturers and distributors are saying in the public domain. They have put their

heads above the parapet. Will the Minister today commit to publishing the list? No one has seen it or has any understanding of it. Will the Minister actually engage with those industry leaders and not just the Department in Northern Ireland, which also seems to have its head in the sand? These industry leaders are saying that we will be at crisis point come the end of this year.

**Emma Hardy:** With respect to the hon. Lady, I refute the idea that this Government have their head in the sand. If we had, we would not have just sent a Minister, Baroness Hayman, to Northern Ireland for two days to meet with everybody there and speak to them, and maintain the extensive engagement that we have. I completely recognise that this is an issue that the hon. Lady is concerned about, and I know how important it is to her. I do not want to be seen to not be taking it seriously, when we absolutely are taking it seriously. As I have tried to outline—because I know that this is an important issue—if there are things about which the hon. Lady remains concerned after the transition period ends in 2026, then the door is open to continue those conversations.

**Carla Lockhart:** Will the Minister give way?

**Emma Hardy:** I will just answer the hon. Lady about the list and then I will.

As to why the list has not been published, it is because of commercial confidentiality. We are unable to share businesses' supply intentions. Businesses are increasingly providing clarity to their customers, and we encourage those who have not done so to do so.

**Carla Lockhart:** The Minister just talked about what to do if I need to continue to raise my concerns. We need the message to go back very clearly that there has been a veterinary medicines working group and it has been absolutely useless when it comes to raising concerns. No concerns are taken on board by the very same Minister who this Minister just said went to Northern Ireland in the last few days. They have listened but not acted. There is no mechanism to raise concerns or for them to be taken seriously.

**Emma Hardy:** I hold the Minister, Baroness Hayman, in the highest of regard, and I am sure that she is doing absolutely everything she can to listen carefully to concerns and will continue to do so.

I thank the hon. Member for South Antrim for securing this debate and allowing us to discuss the importance of medicine in Northern Ireland. Let us continue to discuss this and continue to talk if any issues are raised. I hope that will not be the case, but if issues are raised, let us work together on that as representatives of our fantastic United Kingdom.

*Question put and agreed to.*

11.29 am

*Sitting suspended.*

## Oxford to Cambridge Growth Corridor

2.30 pm

**Daniel Zeichner** (Cambridge) (Lab): I beg to move,

That this House has considered the Oxford to Cambridge Growth Corridor.

It is, as ever, a pleasure to serve with you in the Chair, Sir Jeremy. It is also a pleasure to lead a debate on plans that have been talked about for many years and that seem, finally, to be coming to fruition. I should declare at the outset that I am a council member of Innovate Cambridge.

In this debate, I will first outline my experiences of the growth corridor project over the decade I have been in this place, to illustrate the stop-start nature of the previous Government's approach. I will then make some broader points, particularly from a Cambridge perspective—I am sure that others will wish to make points from other perspectives—and conclude by seeking assurances from the Minister that the next decade will be very different from the last, and that we will actually make this happen.

Before that, I would like to thank many of the people who contacted me to raise points in advance of the debate or whose advice I have sought. They include Cameron Holloway, the leader of Cambridge city council; Dan Thorpe of Cambridge Ahead; Peter Freeman of the Cambridge Growth Company; the University of Cambridge; Andy Williams and the Oxford-Cambridge Supercluster Board; the ever watchful Harriet Jones of Universities UK; Marshall in Cambridge; England's Economic Heartland; Luton airport; and those who speak on behalf of motorsport and Formula 1—to name but some. There is a lot of interest in this issue and in this debate, and I welcome that.

Let me start with a bit of history. When I was first elected, back in 2015, the idea of recognising that the area between Cambridge and Oxford could become something rather special had been talked about before, but I have to admit that in Cambridge—the same may well have been true in Oxford—support was somewhat lukewarm. The focus was on links to London and the wider world. Yes, there was a hankering after the old Oxford-Cambridge railway line, and yes, people bemoaned how long it took by road, but the real driving force when I came into Parliament was coming from Milton Keynes, where people could understandably see real advantages. Over time, though, I and many others have become completely converted to the position not only that this is an idea whose time has come, but that we need to get on with it and make it happen.

It is so frustrating to me to look back at all the false starts and missed opportunities of the last, lost decade. At first, the Conservative Government talked of a new road, calling it a super-highway. A huge amount of time, money and discussion went into a project that was rightly described at the time by the then chief executive of the sub-regional transport body England's Economic Heartland as a 20th-century solution to a 21st-century problem. In my view he was right, and, as a shadow Transport Minister, I secured a promise from the Labour Front-Bench team at the time that we would scrap it. We did not win the election, but we had won the argument—alongside, I have to say, some very effective campaigners—and the plan for the road was dropped.

In the meantime, plans for the rail link ebbed and flowed, with a distinct lack of clarity about what it was for. Was it a link between the two cities? Or was it a way of getting people in and out of those cities, opening up desperately needed housing and avoiding situations such as Cambourne near Cambridge, where major developments were allowed to go ahead without proper transport links—a legacy that is still argued over today? Was it a freight line? Was it going to be electrified? Over the years, at the annual conferences regularly devoted to the subject, local government leaders came together with other interested parties and were, frankly, pretty amazed to hear that large numbers of civil servants were allocated to the project, beavering away, yet it seemed that little tangible output was coming through. I remember complaining bitterly about this one year. I felt rather badly about the senior civil servant I was tearing a strip off, but it just felt so frustrating.

The following year, I found myself at the same conference extracting a promise from the then chief executive of East West Rail. He promised me that not a litre of diesel fuel would be purchased, although I did wonder whether that might have been because the rail line was never going to get built. Ironically, of course, the technology has completely changed and moved on in the years that have passed, so the choice is now much less binary than it was then. We could spend a long time this afternoon discussing the rail line—I know that some have a view on it—which remains controversial in the areas where, of course, any new rail line is disruptive.

**Richard Fuller** (North Bedfordshire) (Con) *rose—*

**Daniel Zeichner:** I thought the hon. Gentleman might want to intervene.

**Richard Fuller:** I congratulate the hon. Member on securing this debate. He is right to talk about the torrid history of East West Rail, but he misses some crucial points. First, the railway loses taxpayers an enormous amount of money. Secondly, East West Rail chose a long, hilly, environmentally damaging route that it did not need to choose. Thirdly, the railway brings with it the fundamental question of how it will be propelled. The hon. Member talked about the problems of a 20th-century technology; railways are a 19th-century technology. Does he accept that the Oxfordshire part of the railway has been built on the assumption it would be diesel, and now we are looking to retrofit that with a 21st-century technology? This is still a terrible mess, is it not?

**Daniel Zeichner:** I was expecting an intervention from the hon. Gentleman because we have discussed this issue before. I absolutely disagree with him, not on some of the points of detail, but on the benefits that railways bring. This is absolutely the right approach, although we can argue about the details. There are people in this room who are more expert than I am on the battery technologies that are now available, which I think will be the solution.

Partly due to the hon. Gentleman's hard work, this whole project came close to being scrapped a few years ago. I remember well that the then Transport Secretary, Grant Shapps, in a famous intervention—possibly by Zoom—gave a thumbs down to the project, which was

[Daniel Zeichner]

widely taken to be the end of it at the time. I now have to praise a leading Conservative politician, the then Chancellor, the right hon. Member for Godalming and Ash (Sir Jeremy Hunt), who got the argument about how important this was, not just for the arc but for the wider economy. I remember having a number of coded exchanges with him across the Chamber, and being greatly reassured.

So the project survived, much to the disappointment of the hon. Member for North Bedfordshire (Richard Fuller). I was delighted to join the Minister for Rail, Lord Hendy, in Cambridge a couple of weeks ago to unveil the latest stage in the process. It feels that we are getting past the debate about whether it is going to happen and moving on to how we make it happen. To go from concept to action will, of course, take some years yet, but we are building a piece of transport infrastructure that will be transformational.

There is so much more to the corridor debate than the rail line. The housing opportunities are significant and the knowledge clusters that are likely to emerge are exciting. There were times when the previous Government seemed enthusiastic. I remember MPs along what was then described as the arc being invited to attend a drop-in at the Minister's office. I turned up, expecting a healthy queue of people, only to find a slightly bemused Minister, who shall remain nameless, looking amazed that anyone showed up, doing his constituency correspondence. We had a perfectly civilised conversation and I queried who they were thinking of appointing as the recently announced business tsar. It was clear that insufficient preparatory work had been done, because he gently asked if I knew anyone who might interested. I came away fairly convinced that there was a lack of grip associated with the project.

Others were more organised. When the project was under threat, the University of Cambridge put on its best Rolls-Royce operation and got involved, with some excellent work from the then pro-vice-chancellor, Andy Neely. That was instrumental in keeping the project alive at a key moment. With others, it then helped to bring together universities along the corridor to pool their efforts. Much more could be said on that, and there are many other players to be acknowledged, but I hope, Sir Jeremy, you get my drift: this has been long in gestation.

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

**Daniel Zeichner:** Absolutely, although I am puzzled as to the relationship between Ox-Cam and Northern Ireland.

**Jim Shannon:** The relationship is that I want to thank the hon. Gentleman for coming to Portavogie in my constituency when he was the fisheries Minister. He left a great impression on the people and was greatly loved. I came here to support him in what he is trying to achieve: a better economy, better jobs and better research. What do we need for all those things? It is housing. Does he agree that there must be housing to meet the demands of the economy and for jobs?

**Sir Jeremy Wright (in the Chair):** I was worried when the hon. Gentleman was not on my list.

**Daniel Zeichner:** I am very grateful; the hon. Member for Strangford (Jim Shannon) never disappoints. He is absolutely right that housing is important everywhere and is a key part of this project.

I was thrilled with the appointment of Lord Vallance as the Minister and leader of this project. I think we are now finally getting into gear. Last year's Budget identified it as a key priority for the Government, and the Chancellor's publication of the prospectus is a statement of intent. I hope that the Minister can report on the progress that is being made.

I would like to make some brief observations from the Cambridge end of the corridor. Recent announcements about revving up the Cambridge Growth Company are very welcome, but could the Minister give an assurance that the funding announced will be made available quickly? That will mean that the very best chief executive officer can be sought with a green light that the funds are readily available, and will give investors the confidence they need. Could he also comment on his preferred approach on land value capture, including on direct Government purchase?

The Supercluster Board, which covers this whole area, includes some of the country's leading FTSE 100 and privately owned companies, including AstraZeneca, GSK, Airbus and AVEVA, and other investors and Britain's top universities. They have welcomed the ambition to double the economy of the Oxford-Milton Keynes-Cambridge region by 2035. Among their key asks is for what they describe as "taskforce-led governance", modelled after the successful vaccine taskforce, which would embed a permanent partnership between Government—local and national—funding bodies, industry and academia to co-ordinate delivery. They want the taskforce to provide consistent decision making across Government that prioritises the growth corridor in national-level policy areas, and to be empowered to instruct Departments to act where existing rules prevent delivery. That is a very big ask, as I well know, but the governance issues really do matter. I well remember Sir John Armitt from the National Infrastructure Commission reflecting on how hard it is to co-ordinate when dealing with some 22 local government bodies along the corridor.

The University of Cambridge points out that together the universities of Oxford and Cambridge have produced over 400 spin-outs, which is the highest of any UK academic institution, and that in the last decade the University of Cambridge has curated no less than nine unicorn businesses. Its spin-out companies have also raised over £3 billion of investment in private venture capital.

The university also highlights the need for skills, seeking collaboration across the corridor to ensure that a pipeline of talent is available and that those living across the corridor benefit from the opportunities that it will provide. It wants to ensure that there is provision for training the highly skilled technicians who are needed to support world-leading research; they are critical to everything that the university does and vital to support emerging spin-outs. Can the Minister spell out what the Government are doing with local authorities and employers to develop a strategic skills plan to deliver infrastructure

both in the corridor and the wider east, and how they will use this plan to raise outcomes and incomes for local people?

My local authority, Cambridge city council, rightly highlights the need for sustained and meaningful engagement with local residents and significant investment in social housing, including council housing. It also highlights the need for investment in skills to provide opportunity for local young people, and it supports having a wider talent pool for local businesses. It highlights the need for the corridor to be environmentally sustainable and seeks support for a doubling nature target. When the Minister was in Cambridge at the Innovate Cambridge event a few weeks ago, there was widespread welcome for his announcement of a new forest. Perhaps he could say more about that today.

The organisation Cambridge Ahead highlights the existing challenges that have to be tackled, including the way in which the infrastructure gap is constraining growth in the corridor. That includes issues around the fresh water supply, waste water treatment capacity, electricity grid capacity constraints, and intracity regional transport connectivity. It is worth asking what reassurances the Minister can provide about infrastructure-enabled capacity through to 2050 at least being in scope for the Ox-Cam project.

England's Economic Heartland tells me that delivering an integrated transport system in the corridor should not be a choice for Government, because that is absolutely essential—and it is right. The global significance of the Oxford to Cambridge growth corridor means that it should be matched with a world-class transport offer, embedding the principles of the imminent integrated national transport strategy from the outset. It makes economic sense to do so, and the corridor should be an exemplar for that strategy.

Many others along the corridor will have similar asks and stories, and I am looking forward to hearing them. The Formula 1 sector tells me that the Formula 1 ecosystem employs over 6,000 people directly in the UK, and its teams work with 3,500 British-based companies that support approximately 41,000 jobs, including 25,000 highly skilled engineers. In total, the Formula 1 industry contributes more than £12 billion annually to the UK economy, and the key point is that from 2026 onwards, nine of the 11 Formula 1 teams will have bases within the Oxford-Cambridge growth corridor, alongside a dense supply chain of advanced engineering firms. This cluster supports tens of thousands of local jobs and positions the region as a global centre of excellence for motorsport engineering and innovation.

Similarly, London Luton airport, which I am sure we will hear more about today, is well placed to serve the corridor and has an important role to play in Universal's plans to build its first European theme park near Bedford. The airport's location and growth are both potentially key factors in the company's decision to choose a location within the Oxford-Cambridge corridor.

I am conscious that I have been speaking for a while now. There is much more to be said and I suspect that many hon. Members will take the opportunity to raise their own issues. However, I hope that the Minister gets a sense of the enthusiasm that exists along the corridor and a sense of the huge opportunity that exists, not just for the area in question but for the UK economy in general.

I leave the Minister with the question that I posed at the beginning of my remarks. Will this be the decade when we move to action and, if it is, can he set out exactly the plans to make that happen?

**Several hon. Members** rose—

**Sir Jeremy Wright (in the Chair):** Order. I am grateful to the hon. Gentleman for opening the debate. I remind Members that they should stand if they wish to be called. Members can see the level of interest that there is in this debate. If everyone keeps their speeches to between three and four minutes, I hope we will get everybody in, but I will not impose an actual time limit yet.

2.46 pm

**Calum Miller** (Bicester and Woodstock) (LD): It is a pleasure to serve with you in the Chair, Sir Jeremy, and I thank the hon. Member for Cambridge (Daniel Zeichner) both for securing this debate and for laying out so well so many of the issues that relate to the Oxford-Cambridge growth corridor.

I am proud to represent a dynamic centre of innovation, growth and job creation in Bicester, Kidlington and Woodstock, which is rightly at the heart of the Government's growth ambitions and at the heart of the Oxford-Cambridge corridor. The hon. Member for Cambridge referred to the Government's prospectus on the corridor, and I will take this early opportunity to say gently to the Minister that this area would love to be recognised as a hub in the next prospectus, given that we host leading firms, such as Oxford Ionics, YASA, Airbus, Sauber and NewPower among many others, and contribute significantly to the new creation of growth and opportunity in the region.

My part of Oxfordshire is central to this Government's plan to drive national productivity and housing delivery. However, such growth is being undermined by fragmented decision making, lack of a cohesive plan and chronic underfunding of infrastructure. Communities such as those in my constituency are willing to support growth. Parents want houses for their children and people want good job opportunities, but they also want to see the Government play their part in delivering infrastructure first, not as an afterthought.

Too often we see major projects approved in silos, each one through a separate Department, and planning routes that do not take into account the cumulative impact of different projects on an area. This lack of cross-Government co-ordination leads to delays in projects, higher costs and—most importantly—a loss of public trust in the whole process.

I will divide such projects into two different categories. First, we have some projects in my area where there has been a lack of co-ordination on specific initiatives. For example, there is the London Road in Bicester, where East West Rail will result in the closure of a level crossing. There has been a five-year campaign by the local community to ensure that the impact of that closure locally is fully recognised and that the Government step up to play their part in maintaining connectivity.

In Woodstock, another part of my constituency, the surgery provides for only 38% of the growing population, based on the numbers set out in NHS guidance. It has been extremely hard to work with the valuation office to

[Calum Miller]

have it realistically assess rental values in the area, which is necessary to build the financial model that would allow for a new surgery to be developed.

In north-west Bicester, the Government want to support local plans for up to 9,000 new homes. However, those homes cannot be built because of a lack of grid capacity and supply to the area, which is halting the development of homes that have been consented, leading to real difficulties for Cherwell district council when it comes to its local housing land supply. Recently at the Botley West solar farm in the west of my constituency we have seen a very extensive process by the National Infrastructure Commission and the Planning Inspectorate, with relatively poor engagement by the developer. It has not engaged with local people in the way that would be expected in order to build the consent for such a project.

The second category relates to areas where we have multiple national projects with relatively poor co-ordination. At the end of September, I attended a meeting convened by local councillor Gareth Epps with over 30 local parish councils that are concerned about the proposals for four separate major national projects within a three-mile area. None appears in the local plan, all were to have significant impacts and each is sponsored by a different national Government Department: the Ministry of Housing, Communities and Local Government in the case of a new town, the Department for Transport for a strategic rail freight interchange, and the Department for Culture, Media and Sport for a major new tourist attraction, with the local district council sponsoring new warehousing.

Local people are saying, “We are open for growth, and want to see the creation of housing and job opportunities, but we need the Government to step forward and help with the co-ordination, so that this is done in a structured way.” I gently invite the Minister to respond with regard to how best the Government think this can be developed. Will the Government look at the concepts of spatial delivery boards, or similar, that can be stood up in areas where there is a significant set of proposals beyond local plans? Will the Minister say more about the Government’s plans in this area?

2.50 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): It is a pleasure to be part of this important debate.

I very much share the assessment given by my hon. Friend the Member for Cambridge (Daniel Zeichner): after many years of rhetoric, we are finally starting to see delivery for the growth corridor under a Labour Government. Recent months have seen so many announcements and so much practical action, including the creation of the Oxford growth commission, under the excellent Neale Coleman, on top of local financial commitments—with money, at last, for the reopening of the Cowley branch line. I am pleased to see that East West Rail is powering ahead, and there are new towns, artificial intelligence growth zones and reservoirs as well. Now is the time to drive this forward.

I will focus my remarks on areas where we need to see even more action, particularly so that we can realise Oxford’s potential for contributing to the corridor and to economic, scientific, social and cultural growth. First,

local government reorganisation has to align with the goal of inclusive growth, not push against it. It is imperative that LGR delivers a greater Oxford, rather than the growth-sapping, democracy-reducing option of a great Oxfordshire or a split of the county into two. Research from Volterra shows that by focusing growth on Oxford city, Oxfordshire-wide annual gross value added could increase by 70%.

Housing is critical, as has already been mentioned. Oxford has extreme housing need, for a range of reasons, from the under-bounded nature of our city to the anti-housing approach of neighbouring local authorities. We are the least affordable city in the whole UK, with average wages at 68% of average rent levels and average house prices 13.6 times the average wage. As was mentioned, there is an overwhelming need for social housing, as well as genuinely affordable homes, as part of the corridor.

The duty to co-operate, such as it is, will cease to apply from early next year, so it is really important that LGR leads to a greater Oxford, not an anti-growth unitary Oxfordshire, and that that is confirmed quickly so that the city can be in control of housing delivery. We also need a homelessness prevention grant that is based on genuine needs, not on inaccurate proxies such as claimant count, and there must be no dilution of the ability for high-demand areas such as Oxford to impose conditions on developers for genuinely affordable and social homes. I would be grateful if the Minister could refer to that in his response.

We also need inclusive growth. I was encouraged by the launch of Equinox by the University of Oxford. The clue is in the name: Equitable Innovation Oxford. Some amazing companies are already delivering on this locally, and the city council has been pushing the Oxford living wage.

We have heard about motorsport. BMW Cowley is a jewel in the crown of advanced manufacturing not just in Oxfordshire, but nationally. We need the changes in industrial energy to speed ahead as quickly as possible to support production, including at BMW Cowley. We also need a campaign to show the public that electric vehicles are still cheaper. We must recognise that, although our country will need luxury electric cars in the future, it will also need affordable ones, such as those produced at BMW Cowley.

We need to tackle educational inequality. Sadly, some of the schools in my area of Oxford have some of the worst results in the whole country. We are trying to deal with London-style problems with a shire’s budget. That needs to end.

Finally, we need transport infrastructure that matches the challenge. That means getting the Kennington bridge sorted out so that the Oxford flood alleviation scheme can be unblocked. [Interruption.] I am pleased to see the Minister smiling; I know that he will persuade his Department for Transport colleagues to also smile, and to give it the green light.

2.54 pm

**Blake Stephenson** (Mid Bedfordshire) (Con): It is a pleasure to serve under your chairmanship, Sir Jeremy. I congratulate the hon. Member for Cambridge (Daniel Zeichner) on securing this important debate. Many today may claim the same, but my constituency sits right at the heart of the Oxford-Cambridge growth

corridor. We are home to Cranfield University, world renowned for cutting-edge research and technology and some of the most innovative companies in Britain, growing our economy and delivering high-value jobs for our communities. Subject to planning approval—I do not seek to influence the Minister’s decision in any way—we will soon be home to the Universal UK theme park. Universal will welcome more than 8 million visitors to our part of Bedfordshire every year, bringing in £50 billion to the UK economy.

Mid Bedfordshire is a constituency full of potential. That includes potential to contribute to the Government’s growth agenda, and potential to connect the growth corridor through East West Rail, which will run along the Marston Vale line and the midland main line, providing easy connectivity to the soon-to-be-expanded Luton airport, to London and right across the region. Our local economy already benefits from easy access to the M1, with major multinationals such as Amazon calling Mid Bedfordshire home. The Millbrook Proving Ground in my constituency is one of the largest vehicle testing centres in Europe, and we are a hotspot for defence technology, with the Lockheed Martin site at Ampthill delivering the next generation of equipment to keep Britain secure.

To fulfil our potential, we need the Government to support Mid Bedfordshire’s role in the growth corridor. Junction 13 of the M1 desperately needs to be upgraded. It is a key point of access for Cranfield University, Millbrook Proving Ground, Amazon, the future Marston Valley development and so many other local employment centres, but without an upgrade, we risk the only sustained growth in Mid Bedfordshire unfortunately being the time stuck in traffic jams. To ensure that our rural lanes are not overwhelmed by traffic as our areas grow, we need Government assistance to unlock the long-promised M1 to A6 link road. That project will alleviate the growing problem of HGVs using rural lanes as a cut-through, and support the delivery of central Bedfordshire’s local plan. At this point, I declare an interest as a councillor on Central Bedfordshire council.

My communities are desperate for new infrastructure to ensure that housing growth does not mean growing waiting lists for local services. That particularly includes a GP surgery for the new town of Wixams, for which I have campaigned since I was elected to Parliament.

**Richard Fuller:** On the point of cross-Bedfordshire roads, we will have potentially Tempsford new town in my constituency and an entirely new railway being drawn across the area, in addition to Universal Studios and the expansion of Luton airport. Over time, that will all create enormous internal pressure. To amplify the point about co-ordination, does my hon. Friend agree that local councils will be overwhelmed without clear support from the Government?

**Blake Stephenson:** That was a very helpful intervention. Local councillors in our area are crying out for Government support to deliver the growth that the Government want in our area. It would be very useful if the Minister could respond to that.

To take the most advantage from Universal, our county needs to join the majority of others in establishing a local visitor economy partnership. Without an LVEP, we risk missing out on the level of local expertise

needed to direct growth and reap the rewards that the significant new tourism will attract. It cannot be right for one of the largest tourist attractions in Europe to be opened in one of the only places without a tourism strategy. We also have the opportunity to deliver another fantastic local tourist attraction—the Bedford to Milton Keynes waterway park—but we need Government investment to unlock it. I know that Members representing Milton Keynes and Bedford might comment on that.

Finally, my communities need to be assured that rail infrastructure on East West Rail and the midlands main line is fit for the needs of a growing economy—the heart of our growth corridor. That means delivering step-free access at Flitwick and Harlington stations and on the Marston Vale East West Rail line in time for Universal to open. I would welcome an opportunity to meet the Minister to discuss how we can work together on a cohesive plan that delivers for my constituents and the Government.

2.59 pm

**Rachel Hopkins** (Luton South and South Bedfordshire) (Lab): I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this important debate. I welcome the Labour Government’s commitment to the Oxford-Cambridge corridor. After years of underfunding and neglect from the previous Conservative Government in constituencies such as mine, this investment will reap significant economic benefits for my constituency and the wider region, with the proposals forecast to contribute £78 billion to our economy by 2035.

I also welcome the further £500 million investment package recently committed by my right hon. Friend the Chancellor to deliver growth in the Oxford to Cambridge corridor and cement its status as a global innovation hub. Working people in my constituency will benefit from access to thousands of new jobs, improved regional connectivity and more opportunities.

As has been mentioned, Luton is located at the heart of the golden triangle of London, Oxford and Cambridge. My hon. Friend the Member for Cambridge and others have noted that the publicly owned London Luton airport is a key entity in ensuring economic growth in our region, contributing £1.8 billion to the UK economy each year and £830 million annually to Luton.

The airport also has the most densely populated catchment area of any UK airport. It serves London, the midlands and the east of England, and is one of the best connected airports by rail and road. Its prime location will help to support the delivery of other regional projects, including the East West Rail line. It is one of the most significant transport projects and of course links into the proposals for the Universal UK theme park near Bedford in the constituency of the hon. Member for Mid Bedfordshire (Blake Stephenson), with Luton airport acting as a key driving factor in Universal’s decision to invest in Bedfordshire.

There are also significant redevelopment and regeneration projects under way in Luton. The football club’s new stadium at Power Court, which will be based in the heart of our town centre, includes plans for a 25,000-capacity stadium, as well as an adjacent hotel, music venue and housing development. Work on the Stage development at the old Bute Street car park will also soon be under way; it will be a major mixed-use destination with nearly 300 flats alongside commercial units, a

[Rachel Hopkins]

multi-purpose food and events venue and new public garden square. The delivery of the Oxford-Cambridge growth corridor will be key in widening the reach and impact of redevelopment projects in Luton, drawing more footfall to our town as a hub for sporting and leisure events and contributing further to economic growth there.

Crucially, Luton is a thriving and young town—in fact, the third youngest in the UK—

**Rosie Wrighting** (Kettering) (Lab): Will my hon. Friend give way?

**Rachel Hopkins:** I will happily give way to my hon. and young Friend.

**Rosie Wrighting:** I will take that. The Bedford College Group has campuses in both of our constituencies. Does my hon. Friend agree that that is crucial in delivering the high-quality technical skills needed to deliver the growth corridor?

**Rachel Hopkins:** I thank my hon. Friend for making a brilliant point about the contribution that further education colleges make to the agenda for skills, apprenticeships and ultimately good jobs for our young people.

The delivery of East West Rail, improving connectivity with Oxford and Cambridge as world-class education and innovation hubs, will be vital in providing more opportunities for young people in my constituency for study, apprenticeships and jobs that previously would have been out of reach.

**Sir Jeremy Wright (in the Chair):** We have 10 speakers to come and I have to start Front-Bench speeches at about 3.30 pm, so speeches will need to be nearer three minutes, I am afraid. I call Pippa Heylings.

3.3 pm

**Pippa Heylings** (South Cambridgeshire) (LD): It is a pleasure to serve under your chairship, Sir Jeremy. I thank my neighbour and colleague, the hon. Member for Cambridge (Daniel Zeichner), for securing this important debate.

Over the last 20 years our region has experienced unprecedented change and growth. According to the latest Office for National Statistics census analysis, the population of my constituency alone has risen by 21.6% since 2011—one of the fastest increases of any area outside of London. In what used to be a semi-rural constituency, schools, GP practices, hospitals, utilities and roads built for a much smaller population are now supporting tens of thousands more people than they were designed for and delivering well beyond their capacity—and the growth is not stopping. Local projections show that South Cambridgeshire's numbers will increase the most out of all of Cambridgeshire and Peterborough, expected to rise by 22.1% by 2031 and as much as 37.2% by 2041.

**Charlie Maynard** (Witney) (LD): Will my hon. Friend give way?

**Pippa Heylings:** No, I will continue, if that is all right.

Across Cambridgeshire almost 50,000 additional homes are forecast by 2041. The reason for this growth is that greater Cambridge, which constitutes the constituency of the hon. Member for Cambridge and mine of South Cambridgeshire, is one of the most economically dynamic regions of the country, with an annual turnover of £30 billion, employing more than 110,000 people.

Although Cambridge is the brand, my constituency includes the largest biomedical campus in Europe. It is home to the global headquarters for AstraZeneca, the Addenbrooke's, Rosie and Royal Papworth hospitals, and the Laboratory of Molecular Biology, whose researchers have won 12 Nobel prizes. We have the Wellcome Genome Campus, one of the world's largest concentrations of genomics and biodata, and the Babraham Institute and Granta Park, home to the European headquarters of Illumina—I am just saying that a very small rural constituency is a great partner within the corridor. But with that, as we have heard, comes chronic underfunding, and under successive Governments growth has not kept pace with infrastructure.

Take healthcare: the A&E department of Addenbrooke's hospital was built to serve only a quarter of the patients it now sees, and the Cambridge University hospitals trust operates with a deficit of around 162 acute beds. The new acute strategy has been developed as a design, but there has not yet been any decision on a new A&E hospital.

Transport tells the same story, as Members from across the Chamber have said. The appalling public transport options currently available and the commuting gridlock damages the quality of life of all residents. I join the east of England all-party parliamentary group and my hon. Friend the Member for Ely and East Cambridgeshire (Charlotte Cane) in calling for the Ely and Haughley junction to be improved to manage freight, to get lorries off the road and to enable more passenger trains.

East West Rail purports to have resolved some of the transport connectivity issues across the corridor, but in my constituency it has been dogged by problems from the very start. There has been really poor community engagement, and nothing has been offered except huge infrastructure going through it. I repeat my invitation to the Rail Minister to come to my constituency to answer the questions of my constituents. The proposed Cambridge east station is in my constituency, not in Cambridge, so it would be very good to have the Minister there.

This cannot just be about house building. The Greater Cambridge shared planning service has just won an award for being one of the best planning authorities in the country, because it does strategic planning and community engagement. Let us keep water and nature—the deal breakers in this—sustainable. Would the Minister convene with Lord Vallance to deliver joined-up infrastructure, together with all the relevant authorities?

3.6 pm

**Alex Mayer** (Dunstable and Leighton Buzzard) (Lab): I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this important debate about a place where innovation really happens, but which is also a great place to live. The whole idea of the

Oxford-Cambridge growth corridor is fantastic, but the name is absolutely terrible: politicians love the word “growth”, but the public at large are scared by the idea of growth. They think it is going to ruin their way of life—and then “corridor”? I mean, that just sounds like a place we never want to be in. It is somewhere that gets people from A to B, but what about that bit in the middle? To me, it just conjures up the Tories running down the NHS and being stuck in a corridor in a hospital.

However, it is the right place to be focusing on. We can already see that, because the universities play such a good role and businesses invest there all the time. There are more than 8,000 high-tech firms in the wider area already. Given that it is thriving already, we might ask what the role for Government is? We do not want to mess it up at all; we want to try to improve it. I would argue that there are still bucket-loads of potential, and the three areas where the Government can add value are governance, transport and a sense of place.

Let us start with governance. For investors wanting to invest in the Oxford-Cambridge growth corridor, particularly those from overseas, it is really difficult to know who to pick up the phone and call. Regional devolution will help with that, particularly with the duty in the Bill for mayors to co-operate with each other. However, we need to get to a position where the whole area has mayors, and we cannot allow some councils, such as the one in my area, to block that progress. We also need to make sure that devolution means that mayors have genuine powers, because sometimes I think there can be an overemphasis on co-operation and consensus, which actually gives us stasis and stalemate.

On transport, I absolutely welcome the £2.5 billion the Government have invested in East West Rail. In recent weeks, it has felt as though we are ramping up on that. East West Rail matters to all the stations along the route and those that are nearby—I made that point to the East West Rail chair the other day. It is less than 10 minutes from Leighton Buzzard to Bletchley, and that opens up a world of opportunities for people in Bletchley as well.

Finally, on a sense of place, when I used to think about the wider east of England region and what on earth linked it, I sometimes thought it was only our fantastic local broadcaster “Look East”—

**Rachel Hopkins:** But was it “Look East (West)” or “Look East (East)”?

**Alex Mayer:** Indeed. It is so important to make sure that we have things that link us, and I think Universal will make a real difference on that. I very much urge the Minister to make sure that Paddington Bear is a key feature—what an ambassador for our region that would be! The forest is also fantastic news for us; I finish by urging my hon. Friend the Member for Cambridge to agree with me that the national forest really is a tremendous opportunity.

3.10 pm

**Ian Sollom** (St Neots and Mid Cambridgeshire) (LD): It is a pleasure to serve with you in the Chair, Sir Jeremy. I congratulate the hon. Member for Cambridge (Daniel Zeichner) on securing the debate.

The Oxford-Cambridge growth corridor has had something of a tortured history. For nearly two decades, various iterations of the vision have promised transformational change, only to be shelved, rebranded or, as was reported in 2022, flushed down the toilet in mime by a previous Secretary of State, who is fortunately no longer here. As we discuss the growth corridor, I hope that the knowledge and experience of constituencies such as mine and others represented in the debate, which are already living with rapid growth, can inform a better approach this time.

This really does matter in my constituency, sitting as we do immediately to the west of Cambridge. St Neots is a genuinely strategic location, at the intersection of the east coast main line that runs north to south, the planned East West Rail connection, the A1 running north and south, and the new A428 running east to west. The new towns taskforce has identified the Tempsford area just to the south for a new settlement of potentially 40,000 homes. That area sits at the confluence of multiple local authority boundaries—different authorities with different, overlapping responsibilities.

The complexity I have outlined makes integrated transport planning in particular essential from the outset. Sustainable transport connections between existing towns and villages and new railway stations at Cambourne and Tempsford on East West Rail need to be a key focus from the very beginning of planning. I hope the Minister can commit to that.

There is some understandable uneasiness about the Tempsford proposal. There are worries about local schools and GP practices being stretched, and concerns about water scarcity and flooding issues. How healthcare infrastructure grows is a particular concern, and one with which my constituents are well familiar. Northstowe in my constituency is said to be the UK’s largest new town since Milton Keynes, with 10,000 homes by 2040. Its first residents moved in eight years ago, yet there is still no permanent GP surgery. That places enormous strain on surrounding village practices.

The pattern has been clear: houses get built, but the health infrastructure lags behind. Will the Minister assure my constituents that he is actively working with colleagues in the Department of Health and Social Care to pump-prime healthcare services for new developments, ensuring that services are built to grow sustainably alongside the new communities they serve?

I had much more to say about skills and education—which have already been talked about—and about the environment. The Fens 2100+ programme is grappling with the reality that parts of Cambridgeshire are below sea level and face increasing flood risks. That should be considered.

The growth corridor project is a genuine opportunity, but it will be realised only by genuine cross-governmental working. No single Department can deliver what is needed. We need to ensure that communities such as St Neots can actively participate in and benefit from growth, rather than simply absorbing its pressures.

**Several hon. Members** *rose*—

**Sir Jeremy Wright (in the Chair):** Order. I am trying to avoid setting a formal time limit, but people will need to help me; I am afraid speeches will need to be sub-three minutes.

3.13 pm

**Mohammad Yasin** (Bedford) (Lab): I thank my hon. Friend the Member for Cambridge (Daniel Zeichner) for securing the debate, and the East of England all-party parliamentary group for its report “Opportunity East: One Year On”, which rightly highlights our region’s huge potential.

The Oxford-Cambridge arc is already an innovation engine, home to world-class universities, leading research institutions and a dynamic private sector. Universal Studios’ proposed multibillion-pound investment in Bedfordshire offers a once-in-a-generation boost to jobs, tourism and long-term growth. East West Rail will better connect our research, technology and business clusters, thereby spreading opportunities far beyond the line itself. Yet alongside the potential, I must again record my opposition to the demolition of homes in my constituency for the East West Rail project. Residents’ concerns must be heard and decisions made with transparency and fairness.

The report is right to note deep-rooted challenges such as housing shortages, but I want to focus on one issue that particularly concerns me: water. The east of England is the UK’s driest region, receiving barely two thirds of average rainfall, and Water Resources East warns of a shortfall of 800 million litres a day by 2050.

Housing targets matter, but water and sewage capacity must be central to planning from day one. Water pollution, mentioned only once in the report, is a major concern to my constituents. I welcome the Government’s action to hold polluters, including Anglian Water, to account and to modernise infrastructure, but we need stronger protections against over-abstraction. I oppose building on the flood plain in Kempston, and I believe we must invest in rivers and waterways across Bedford, Milton Keynes and the arc so that they become the natural and economic assets they should be.

The Opportunity East report makes it clear that our region is ready to deliver green energy, growth, research, skills and new homes for the whole UK, but only if our basic infrastructure is secured, with water treated as a strategic priority. The water industry needs root-and-branch reform, and I hope the forthcoming White Paper and water reform Bill set out a credible path to deliver the improvements our region urgently needs.

3.16 pm

**Layla Moran** (Oxford West and Abingdon) (LD): It is a pleasure to serve under your chairship, Sir Jeremy. I thank the hon. Member for Cambridge (Daniel Zeichner) for securing this important debate.

It is a joy to represent the city of Oxford, particularly the university bits that I have inherited from my neighbour, the right hon. Member for Oxford East (Anneliese Dodds). I am glad she got to keep her own college, though; that just felt right. As such, I am able to wax lyrical about our university—a powerhouse of innovation at the centre of a hub of science and technology businesses, with the highest concentration of science research centres in western Europe. Irene Tracey, its new vice-chancellor, is a personal example of Oxfordshire’s potential. Born in Oxford and educated at a local comprehensive in Kidlington, she is herself a powerhouse in the life

sciences, and she has a vision for the university as a global leader of innovation, while recognising its rootedness in our community.

Oxfordshire, as a county, is one of the most productive regions in the UK. In 2025, the global innovation index ranked Oxfordshire fifth globally for the most innovation-intensive clusters relative to population density. In order to build on that, like so many others, we need the infrastructure and, in particular, connectivity. Oxfordshire county council’s OxRAIL 2040 plan sets out an ambitious but realistic programme of investment to support sustainable growth and link homes with key employment sites across the county. It started with the Cowley branch line, which was a huge achievement, and I was delighted that it was realised. However, that must be only the start, because what we need to do is connect people with jobs and with homes, and create communities as we go.

It is for those reasons that I am sorry to say that I profoundly disagree with the right hon. Member for Oxford East and her assessment of what is right for local government reorganisation, because to divorce Oxford University and the city from the rest of the area fails to understand the interconnectivity of our county. I will give one example. Under the current Greater Oxford plan, it cuts off Abingdon from Culham. At one point, Abingdon had the highest number of PhDs per square kilometre in Europe because of the Culham Science centre, yet the two would be artificially cut off even though they are absolutely adjacent. It makes no sense.

The better, more practical approach, with fewer barriers, is to focus on the county as a whole and make sure that, when we look at where we put jobs and drive innovation, we create communities across the whole county. Otherwise, we will find ourselves in the same position again, looking at a constrained city centre and a constrained greater Oxford, wanting to expand ever more. I hope that the Government look coolly at the numbers. I am sure they will be convinced that the “One Oxfordshire” vision for the whole county, with the city and the university at its centre, is the right way to go.

3.19 pm

**Mike Reader** (Northampton South) (Lab): It is a pleasure to serve under your chairmanship, Sir Jeremy. The Chancellor said that the Ox-Cam growth corridor has £78 billion of potential for our economy, but only if we get housing and infrastructure right. However, I would argue that it is much more than just housing and infrastructure that is needed to get the connected core of Ox-Cam absolutely right.

The south-east midlands local industrial strategy recognised that without the core of Northampton, Milton Keynes, Bedford and Luton working together, we cannot drive the growth that the Government need now. The south midlands region is the home of advanced logistics, manufacturing, the automotive—as has been mentioned—agritech, food and drink and growing digital, creative and tourism industries. To deliver the growth that we want to see through the Ox-Cam growth corridor, we have to get a functioning central spine in the area right.

There are already great building blocks that we can build on here. The south midlands authorities have worked together to create a shared economic strategy.

They were moving towards devolution, but unfortunately some local gerrymandering and faffing about meant that we did not get the devolution deal. There is now an opportunity to look at how we move forward to deliver something that works for the region.

There is already transport connectivity through England's economic heartland and people are getting back to work through the Department for Work and Pensions' south midlands programme for Connect to Work. There is regional infrastructure connectivity. The south midlands distribution network operator ran out of my constituency, and the DNO is critical for regional energy planning. There are businesses working together for the South Midlands Business Board, led by the fantastic Jason Longhurst.

There is connected work in education. As well as the Arc Universities Group in Northampton, we now have a group including the University of Northampton, led by Anne-Marie Kilday; Northampton college, led by Jason Lancaster; and Moulton college, led by Oliver Symons. They are working together to create a skills strategy that delivers the Government industrial strategy at a local level for the benefit of the south midlands corridor.

We used to have the pan-regional partnerships. Although I disagree with the Government closing those down en masse, I can understand the reasons—many were bloated, but ours was efficiently run and worked well for the region. Whether it is the taskforce that was recommended by my hon. Friend the Member for Cambridge (Daniel Zeichner), or other ways of doing it, I think a designated economic area that starts to put those building blocks in place for the south midlands region as we work towards devolution in the future is how we give the region proper teeth, ensure investment is focused across the region and join up all the things that already exist to create a great, vibrant central spine for the growth corridor.

3.22 pm

**Matt Rodda** (Reading Central) (Lab): It is a pleasure to serve under your chairship, Sir Jeremy. I thank my hon. Friend the Member for Cambridge (Daniel Zeichner) for securing today's important debate. I want to make three brief points in the time that is available to me. First, I will provide some support for the wider principle of investment in rail infrastructure, based on my experience of the benefits of the Elizabeth line in Berkshire. Secondly, I will talk about the potential enhanced benefits for a wider geographical area just beyond the current concept. Thirdly, I will make an appeal to the Minister on exactly that point.

It is fair to say that the benefits we have noticed across Berkshire and the other 80-mile stretch covered by the Elizabeth line provide a compelling argument for investment in rail infrastructure. It had £18 billion of capital investment, and after three years, according to the best study on it, generated £42 billion of economic growth—that is in housing, business development and greater connectivity. That can clearly be seen in the Reading area.

My constituency, which includes the town centre of Reading, has benefited enormously. We have had a number of business relocate to what were unutilised sites near our station. We have had over £1 billion of

investment in the Station Hill redevelopment, which was opened this summer by the leader of our local council. Companies such as Ericsson have moved from out-of-town industrial estates where there are huge problems with traffic and transport into an area of better rail connectivity.

A number of Members have mentioned the problem of congestion on country lanes and other related issues. It is worth remembering that one train on the Elizabeth line can transport 800 people. That is the scale of what we are talking about—and something similar is being envisaged for the growth corridor. It allows large numbers of workers to move between different employment centres—whether that is a university or an industrial complex—and from an employer's point of view, it provides an appealing pool of skilled workers. Ericsson specifically told me they moved to Reading and away from a site in Surrey because of the greater connectivity and the greater pool of skilled workers to work in telecoms. That is a very important point.

I strongly support this debate, and I think it is absolutely wonderful to have so many hon. Members here. The one thing I regret is that we are not sat in the order of stations that would benefit, which would have been quite nice—I obviously would have to be at one end, and my hon. Friend the Member for Cambridge would be at the other.

I will briefly talk about the area south of Oxford and towards Reading. The train from Reading to Oxford takes 25 minutes. A number of my constituents work at Oxford University, Harwell, Culham and various other centres of employment along that route, and equally vice-versa. As the hon. Member for Oxford West and Abingdon (Layla Moran) described, there is a travel corridor south of Oxford. Opening up the wider line and promoting it would have huge benefits for the wider Thames valley region, and possibly for other routes heading north towards Warwickshire. There is a wider shoulder of the main central core of this project that could benefit significantly, including as far away as Reading. It would be wonderful for that to be emphasised.

I appreciate that I am out of time, so my brief request to the Minister is that when officials consider this, they talk to some of the business groups within the Thames valley and think about the wider benefits. Obviously, the core of the line will benefit most, but there is clearly an argument for areas towards the edges to also benefit from the wider connectivity and the shift towards regenerating areas around stations, where there is often a lot of brownfield land and lots of scope for new industrial and business employment. I ask for that to be at the heart of the Government's thinking.

3.25 pm

**Chris Curtis** (Milton Keynes North) (Lab): It is a pleasure to serve under your chairmanship, Sir Jeremy. I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this debate. The limited time means that I will not focus too heavily on the importance of the region, which has been covered by my colleagues, but as the first MP proud to have been born and grown up in the new town of Milton Keynes I want to remind everyone that it is the largest and most economically significant city in the corridor.

[Chris Curtis]

Our economy is roughly the same size as Oxford and Cambridge combined. In fact, Milton Keynes is now the seventh largest city economy in England outside London, and we are on track to continue climbing that league table. One in three jobs in Milton Keynes is already in the technology sector, generating £3.4 billion a year. We are now home to national security engineering at His Majesty's Government Communications Centre, global firms such as Santander UK and Red Bull Racing and hundreds of cutting-edge small and medium enterprises. Over 12,000 businesses call our city home.

I set that out because, from time to time, it has been frustrating that the conversation about the corridor has been dominated by either end, with not enough focus on the middle. I can quietly live with Milton Keynes being dropped from the name—the National Infrastructure Commission first described the corridor as the Cambridge-Milton Keynes-Oxford arc in 2016—although I do feel it is a little odd to remove the largest economy from the title. It is a bit like renaming J. K. Rowling's books "Hermione Granger and Ron Weasley". I will allow my hon. Friends to decide which is which.

It is not just about branding; even since the relaunch of the project, there are concrete examples of how that policy skew has played out in practice. Take the Chancellor's announcement in Oxford last year on the new plans for the growth corridor: the press release that followed mentioned Cambridge 39 times, Oxford 25 times and Milton Keynes just four times. Two of those references were about how the Government would make it quicker for people to get from Milton Keynes to Oxford or Cambridge, despite the fact that far more people commute into my city than out of it every day.

The recently released investment prospectus for the corridor barely mentioned any projects outside Oxford and Cambridge. My council submitted several high-impact Milton Keynes projects for inclusion—all of them were cut from the final draft. In the run-up to the Budget, the only corridor-related investments were for Oxford and Cambridge. Let me be clear: investment in those cities is welcome and necessary. They are world-class centres of research, talent and innovation. However, that skew is frustrating.

The easiest way to correct that skew is through devolution. We had an oven-ready devolution deal across Bedfordshire, Luton and Milton Keynes—a deal that would have supercharged growth across our region and allowed us to get the many national infrastructure projects already planned delivered quickly. Will the Department work with us to get the BLMK devolution deal across the line as quickly as possible?

3.28 pm

**Callum Anderson** (Buckingham and Bletchley) (Lab): I have drawn the short straw here. I congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this debate. I felt compelled to join the debate this afternoon because I wanted to underscore the point, which has been made by others, that if we want to make the Oxford-Cambridge growth corridor a success, we cannot ignore the roles of the towns and cities that lie between them. My hon. Friend the Member for Milton Keynes North (Chris Curtis) articulately

explained the vitality of the MK economy. All I will add to what he said is that I am particularly proud that Pulsar, Envisics and Starship Technologies call Bletchley home.

I particularly welcome East West Rail, as Bletchley and Winslow will host East West Rail stations. I cannot wait for passenger services to start, hopefully as soon as possible. I intend to use the Bletchley investment taskforce that I set up in the spring to catalyse more investment, businesses, jobs and apprenticeships in our town, so that we can realise the full promise of the Oxford-Cambridge growth corridor.

I have little time remaining, but as the only Buckinghamshire MP able to participate in the debate, I want to shed light on Silverstone's contribution to the east-west corridor, as articulated by my hon. Friend the Member for Cambridge. My constituency is home to a high-performance technology cluster in Silverstone Park, which already has 60 advanced companies, including Mercedes, Aston Martin and Andretti. If we can get the proposed Silverstone incubator village over the line, we can further demonstrate the region's expertise in net zero propulsion, aerodynamics, meteorology and lightweight materials.

I echo the comments made by my hon. Friend the Member for Milton Keynes North about the importance of coherent, strategic and joined-up leadership across the Oxford-Cambridge growth corridor. I know that hon. Members from across the Bedford, Luton and Milton Keynes region would value more conversations about that.

**Sir Jeremy Wright (in the Chair):** I am grateful to all the hon. Members who spoke for their co-operation. We now come to the Front-Bench spokespeople. I call the spokesperson for the Liberal Democrats.

3.31 pm

**Charlotte Cane** (Ely and East Cambridgeshire) (LD): It is a pleasure to serve under your chairship, Sir Jeremy. I refer Members to my entry in the Register of Members' Financial Interests as an East Cambridgeshire district councillor. I congratulate the hon. Member for Cambridge (Daniel Zeichner) on securing this important debate and on his excellent speech. I thank all hon. Members for their strong contributions to the debate.

It is good to see cross-party recognition that the Oxford-Cambridge growth corridor will play a critical role in the years ahead in growing the UK economy. To achieve that growth sustainably, we need it to go hand in hand with investment in housing and vital infrastructure. First and foremost, we need a land-use framework in place. The consultation closed in April, but there has still not been a Government response. We cannot plan for housing and the infrastructure needed without that framework, because it is that framework that will ensure we have allocated enough land to nature and to all our needs. Will the Minister tell us when the land-use framework will be published?

The Liberal Democrats believe that growth without corresponding investment in local infrastructure risks leaving communities behind.

**Charlie Maynard:** East West Rail is a huge project and will bring a lot of benefits, but my hon. Friend's constituency of Ely and East Cambridgeshire is at the

far end in Cambridgeshire and my constituency of Witney is at the far end in the west. Does she agree that such projects need to be spread county-wide? We desperately need transport infrastructure, such as rebuilding the railway line that links Oxford, Eynsham, Witney and Carterton, to support the 18,000 houses that are coming our way.

**Charlotte Cane:** I agree that we need to have the wider transport network, and I will touch on that later in my remarks.

Local communities must have a genuine voice in infrastructure decisions that affect them. As we have heard, big projects like East West Rail benefit them in some way, but what would really help communities like Bicester, Cottenham and Milton is investment in proper local bus routes and road upgrades, which would provide an obvious benefit and improvement in people's everyday lives. As my hon. Friend the Member for Oxford West and Abingdon (Layla Moran) said, connecting people to each other and to work, education and leisure is vital.

At the same time as we are going for growth between Oxford and Cambridge, there needs to be investment to ensure that we have good water supplies; waste water and sewage are managed so our rivers are clean; people can get to see a GP; electricity grid capacity is increased; and people can easily access more active travel and public transport options. My hon. Friend the Member for St Neots and Mid Cambridgeshire (Ian Sollom) was right to highlight the need for GPs, schools and shops to grow as our communities grow.

The Liberal Democrats have long campaigned for the rail project along the A40 corridor to Witney and Carterton, for electrification from Didcot to Oxford and along the whole of East West Rail, and for the redevelopment of Oxford station to be finally completed, along with other important rail improvements. We know that rail is the key to growth, and that it can bring opportunities if we invest in it properly.

I thank my hon. Friend the Member for South Cambridgeshire (Pippa Heylings) for supporting my calls for the Ely junction upgrade but, in this speech, I am going to make a different request for rail investment. I would like East West Rail to extend at least to Newmarket, allowing for more frequent, reliable trains through Dullingham into Cambridge and beyond.

I welcome plans for a Cambridge east station, and ask that the current Waterbeach station is kept open. Between the new station in north Waterbeach, the current Waterbeach station, Cambridge North, Cambridge, the soon to be completed Cambridge south and the proposed Cambridge east, we have the makings of a metro-style transport network that could help reduce congestion and improve air quality in Cambridge.

When undertaking such significant rail projects, it is vital that we ensure that they actually deliver tangible benefits for the communities they serve. As my hon. Friend the Member for Bicester and Woodstock (Calum Miller) told us, the London Road level crossing in Bicester is due to be closed by East West Rail. While the project will indeed have wide benefits, we should do something to support the local community and ensure that that infrastructure benefits them. For example, the Government could commit to a motorised underpass to keep the town connected, and I hope the Minister will do so today.

Recent research revealed that Brexit is costing taxpayers £90 billion a year in lost tax revenue. Let us think how much of that we could invest in the ambitious businesses in the Oxford-Cambridge growth corridor if we joined the single market. The hon. Member for Cambridge talked about the knowledge clusters, which would be so much stronger with Europe-wide participation.

Since being elected, I have had the pleasure of visiting many exciting and dynamic companies in Ely and East Cambridgeshire, including Xampla, Pragmatic, Hologic UK, the Royal Society of Chemistry and Cambridge Future Tech, all of which want to see the full potential of the Oxford-Cambridge corridor unlocked for new investors and for businesses to join that thriving ecosystem. I am proud to be an MP for such a dynamic, innovative and flourishing region. I am fascinated every time I visit one of those local businesses, and I am struck by their ambition not just for themselves but for our region and our country. They need the Government to follow through on their ambition, and work with them and local communities to deliver a sustainable Oxford-Cambridge growth corridor.

3.37 pm

**Paul Holmes (Hamble Valley) (Con):** It is a pleasure to serve under your chairmanship, Sir Jeremy. I congratulate the hon. Member for Cambridge (Daniel Zeichner) on securing this important debate on the Oxford-Cambridge growth corridor, an area of enormous potential, world-class institutions and a genuine capacity to drive innovation and national prosperity. He is a dedicated campaigner and champion for his constituency—he has been for a number of years—and that emanated from his speech this afternoon.

I would like to mention a few speeches from Members on both sides of the House who have spoken passionately on behalf of their constituencies. The first is my hon. Friend the Member for Mid Bedfordshire (Blake Stephenson), who gave us a wonderful tour of his constituency. I know that the Minister will take away, through officials, his plea for junction 13 of the M1 to be upgraded. We know that north Bedfordshire, like many areas in the community in which he serves, has had a huge expansion.

Whatever the hon. Member for South Cambridgeshire (Pippa Heylings) had for breakfast, I would like some too, because we had a very rapid constituency tour, quite rightly explaining to us why her constituency is special. She was right about the infrastructure needs, and particularly the nature and environmental concerns. Her party and mine have been very concerned about some of the retrograde steps that the Government have taken in terms of planning and infrastructure regarding nature and the environment.

The hon. Member for Oxford West and Abingdon (Layla Moran) quite rightly gave her view, as she is perfectly entitled to do, on local government reform. In this Chamber we actually heard a disagreement between two Members; I know that my hon. Friend the Member for Mid Bedfordshire has strong concerns about LGR when it comes to a Milton Keynes–Bedfordshire–Luton mayor. That is something that we, again, are concerned about, where local authorities are being forced to reorganise come what may. Projects such as the one we are talking about today suffer as a result and come secondary to a needless reorganisation.

[Paul Holmes]

The Liberal Democrat spokesman, the hon. Member for Ely and East Cambridgeshire (Charlotte Cane), managed to bring up Brexit in this debate, which I was slightly surprised by. I am never astounded by the tenacity of the Liberal Democrats, even if it does make me wonder why “Democrats” is in their party’s name.

The Oxford-Cambridge growth corridor, sometimes called the Oxford-Cambridge arc, is not a new idea, as the hon. Member for Cambridge said. Its origins go back to the early 2000s when three regional development agencies came together with an ambition

“to create one of the most successful knowledge-based economies in Europe.”

That ambition was renewed in 2016 when the National Infrastructure Commission was tasked to consider how best to maximise the potential of what is indisputably one of the most exciting, knowledge-intensive economic clusters anywhere in the world. The facts speak for themselves. Within the arc, there are at least 10 major higher education institutions, including Cranfield University, with its world-leading strengths in aerospace and automotive engineering; the Open University; and of course the globally renowned universities of Oxford and Cambridge. Those are institutions that any country would be proud to host, yet this Government’s economic policies are stifling their progress, and the progress of the corridor project.

That is the crux of the problem: the Chancellor wrote, in her foreword to the Government’s policy paper on the Oxford-Cambridge growth corridor, that

“Economic growth is the number one mission of this government and remains at the heart of all we do.”

If this is what it looks like when growth is at the heart of what the Government do, I dread to imagine what they would do if they decided it was not a priority. That statement is not the experience of the institutions, businesses and local communities that work tirelessly to ensure that the corridor remains a leading hub of innovation, productivity and opportunity.

We know that the Chancellor believes that the corridor could add up to £78 billion to the UK economy and we agree, but that number becomes a reality only if the Government provide the environment, the confidence and the long-term stability that private investors need. Instead, they have hiked taxes, raised business rates and plunged the markets into uncertainty. The Government’s own announcements, dropped somewhat sporadically and often without clarity, speak to their confusion. In October, Ministers published a press release promising jobs, homes and better transport links across the corridor. We heard about water infrastructure investment, a proposed new town at Tempsford, £400 million of initial funding to kick-start development in Cambridge and £15 million for the University of Cambridge innovation hub.

All of those things sound encouraging, but this Government have become experts in making announcements while failing to deliver the underlying conditions that make delivery possible. They talk of homes but their housing targets will not be achieved. They talk of infrastructure but cannot secure long-term investment. They talk of growth but have presided over an economy with its growth revised downwards again and again, meaning that long-term problems will be

incurred in the progress of this much-needed project. Before the 2024 election, the Chancellor told British people that she would raise taxes by £7 billion. Instead, at last year’s autumn Budget she raised them by £40 billion and at this year’s autumn Budget by another £26.6 billion.

Economic forecasters have not been fooled. Since the Chancellor took office, the Office for Budget Responsibility, the Bank of England, the International Monetary Fund and the CBI have all downgraded the UK’s growth prospects. The OBR’s growth forecast for 2026 fell from 1.9% to 1.4%; inflation, which stood at just 2.2% on election day, has risen to 3.8%; the unemployment rate has hit 5%; and the deficit is set to double by ’28-29. The UK now has the fastest rising tax burden in the G7. That does not encourage growth, business investment or the stability that businesses and organisations need to get this project off the ground.

In her 2025 Budget, the Chancellor invoked the Oxford-Cambridge growth corridor as an example of a long-term national priority, but what message does it send to the businesses, universities and investors of the corridor when the Government cannot even be transparent about their own growth projections? In this debate, speaker after speaker has rightly emphasised the immense economic, scientific and social value of this region, but potential alone is not enough. Potential needs partnership, consistent leadership and a Government who understand the scale of the opportunity, but everything emanating from the Government has made the aspirations for the corridor more difficult. That is why this debate matters.

This corridor is not just about the south-east or the east of England; it is important to the whole country. It is a showcase for the very best of British innovation, where research excellence meets commercial opportunity, where new technologies are born and where global investment sees a home. The Oxford-Cambridge growth corridor is a once-in-a-generation opportunity. With the right leadership it could drive economic growth, technological advancement and prosperity for decades to come.

Can the Minister tell us how the Government intend to give the corridor the long-term stability, investment confidence and strategic backing it urgently needs to realise its economic potential? Will he commit to setting out a clear, accountable plan for how the Government will support the institutions, businesses and communities of the growth corridor, so that they can contribute fully to the UK’s future growth, rather than being held back by uncertainty and delay?

3.45 pm

**The Minister for Housing and Planning (Matthew Pennycook):** It is a pleasure to see you in the Chair, Sir Jeremy. I warmly congratulate my hon. Friend the Member for Cambridge (Daniel Zeichner) on securing this debate. I thank him for his enthusiasm: despite the shadow Minister’s attempt to cast doom and gloom on the situation, there is a huge amount to be positive about in the Ox-Cam corridor. Not only is my hon. Friend a powerful advocate for the interests of his city, but he has long recognised the huge potential in the Oxford-Cambridge corridor and the high-potential growth sectors within it, as evidenced by his opening remarks. It is therefore fitting that it is he who has given hon. Members the opportunity to discuss this vital matter.

I also thank the many other hon. Members who have spoken. I am really pleased that it has been such a well-attended debate. I have heard lots of bids for recognition of any kind, including from my hon. Friends the Members for Reading Central (Matt Rodda) and for Milton Keynes North (Chris Curtis), and support for funding. Support is undoubtedly required when it comes to things like planning capacity and capability, an issue raised by the hon. Members for North Bedfordshire (Richard Fuller) and Mid Bedfordshire (Blake Stephenson). There were also requests, as I expected, for various grant funding pots across Government. I cannot respond to each request directly, but I assure hon. Members that I will make sure that my ministerial colleagues in the relevant Departments are made aware of them.

In the time available, I will respond to as many as possible of the thematic and broad issues that have been raised. I will start by outlining why the Government are so focused on supercharging growth in the Ox-Cam corridor as part of our ambitious plan for change. As we have heard today, the Oxford-Cambridge region is already an economic powerhouse. It is home to world-leading universities, to globally renowned science and technology firms and to some of the most dynamic innovation clusters in Europe. For a region of 3.5 million people, it punches well above its weight by contributing £143 billion annually to the UK economy.

As this debate has evidenced, the corridor is not just a stretch of land between two cities with world-class universities; its strength lies in the combined economic power of the entire region. With its highly productive and thriving tech sector, Milton Keynes, which my hon. Friend the Member for Milton Keynes North rightly raised, is a magnet for innovation and investment. Silverstone contributes advanced manufacturing capabilities. Luton brings global connectivity through its international airport and its strong Eurospace and engineering cluster. Culham is now a thriving centre for research, innovation and a world-recognised fusion technology cluster. I could go on—there are many other examples of places that are doing fantastic things. Together, these and other places within the corridor form an interconnected economy that is driving growth, attracting talent and delivering benefits for those places and for the UK as a whole.

However—and there is strong consensus across the Chamber on this point—we have not yet realised the region's full potential. It has the potential to become one of the most innovative and economically dynamic areas in the entire world, but as things stand, numerous constraints, from inadequate transport connections to a lack of affordable housing, are preventing it from realising its true potential. That is why the Government are determined to do what is necessary and apply clarity and consistency to drive sustainable economic growth in the region, to the benefit of local communities and national prosperity.

As has been said, there are numerous constraints preventing the corridor from realising its potential. We have had a couple of examples today, and I could add to them. It currently takes two and a half hours to travel by train from Oxford to Cambridge; there is no way to commute by rail directly to Cambridge from places such as Bedford and Milton Keynes; and the lack of affordable housing across the region is a major barrier to securing the world-class talent on which world-class companies depend.

As my hon. Friend the Member for Cambridge rightly argued, it is now imperative that, after several false starts, we do what is necessary to drive the growth that we need in the region. That is why the Chancellor made it clear in January that the Ox-Cam corridor would be an economic priority for the Government; it is why she appointed Lord Vallance as the ministerial champion for the region.

If we are to drive the growth we need in the region, we must improve its infrastructure. As hon. Members will know, we have reaffirmed our commitment to deliver East West Rail in full. That will provide a direct rail line between Oxford, Milton Keynes, Bedford and Cambridge, reconnecting businesses and communities and increasing opportunities for people who live and work in the corridor.

More recently, at the end of October, we committed £120 million to reopen the Cowley branch line in Oxford. That unlocked significant private investment from the Ellison Institute of Technology, which has committed more than £10 billion in science and technology as it expands its Oxford site over the next decade. All of that is on top of our existing projects to improve wider transport infrastructure across the region, such as the upgrade to the A428, which is central to boosting connectivity between Cambridge and Milton Keynes. We are also supporting greater international links for the corridor through our championing of the expansion of Luton airport.

As my hon. Friend the Member for Cambridge set out, we need to develop a clear plan for infrastructure in its widest sense. We are therefore working actively across Whitehall and with local partners to consider the region's needs in areas such as energy and water provision.

**Layla Moran:** I absolutely agree that the Cowley branch line is amazing, but I underline the point that the right hon. Member for Oxford East (Anneliese Dodds) made about the Kennington bridge problem: there is a £70 million hole there. That matters, because the Oxford flood alleviation scheme will protect the Thames valley floodplain, the largest unprotected floodplain in Europe. If the problem is not addressed, the scheme will get held up, which in turn will stifle growth across the region. It is really important—small, but important.

**Matthew Pennycook:** I have already had a conversation with my right hon. Friend the Member for Oxford East (Anneliese Dodds) about the importance of Kennington bridge to supporting growth and the transformation of Oxford's west end, and I recognise the significant interdependencies with the Oxford flood alleviation scheme. The hon. Lady should be in no doubt, and my right hon. Friend is in no doubt, that I have made the point to Ministers in the DFT, as my right hon. Friend has done directly. We recognise the importance of the project.

Another key priority for the corridor is affordable housing, which obviously falls within the responsibilities of my Department. We need to deliver ambitious housing with a strong sense of place, creating sustainable communities with a high quality of life. That is why we are taking a strong place-based focus through the work of my Department in Cambridge and Oxford in particular.

[Matthew Pennycook]

As my hon. Friend the Member for Cambridge mentioned, we have established the Cambridge Growth Company, which is chaired by Peter Freeman, whom I met again this morning, to drive forward plans for nationally significant growth in greater Cambridge. We are committing up to £400 million to this work to deliver more homes, commercial space and jobs, and have recently announced our intention to consult next year on a centrally led development corporation for the area. As my hon. Friend also mentioned, appointing a high-calibre chief executive to that work will be vital. I can assure him that the search for an exceptional candidate will begin shortly.

I appointed regeneration expert Neale Coleman CBE to lead work on the Oxford growth commission, which is supporting a programme of work to unlock stalled development sites and deliver much-needed housing, including social housing. My right hon. Friend the Member for Oxford East will be aware that 60% of our £39 billion social and affordable homes programme is targeted at social rented homes. We encourage providers in Oxford and across the corridor to put in ambitious bids when the programme opens in February.

The corridor could also benefit from our wider work on the new towns programme, with three of the 12 areas highlighted by the new towns taskforce—Tempsford, Milton Keynes and Heyford Park in Oxfordshire—identified as potential sites for development. Looking at the opportunities at the sites will be a key priority for my Department in the coming months. As hon. Members are aware, we have already commenced a strategic environmental assessment to explore the programme as a whole and the most appropriate sites to take forward.

We are also putting innovation first by combining public and private investment to unlock growth and support essential infrastructure. That is why we established the UK's first AI growth zone in Culham, and why we have been able to support the reopening of the railway at Cowley to fully connect Oxford's innovation districts. As I think the shadow Minister mentioned, that has enabled us to invest £15 million for the Cambridge innovation hub, creating a world-class space for science and entrepreneurship.

The corridor is already a huge focus for international investment. Lord Stockwood is the Minister who leads on investment in the ministerial delivery group, and his door is always open for any investors who want to look at opportunities in the corridor. I am sure that hon. Members will be aware of Universal's plans to open a world-class theme park and resort in Bedfordshire, which we believe will generate a £50 billion boost for the economy and create approximately 28,000 jobs. That is an example of the Government's growth mission in practice and of our realising the opportunities for growth, despite the shadow Minister's pessimism on that front.

We want to go further, however, and to be ambitious in our support for more investment across the region. I was really pleased that the Chancellor launched our new investment prospectus for the corridor at the regional investment summit in October. It showcased a range of significant opportunities across the region and will be key to our ongoing work to attract inward investment and drive job creation across the corridor.

Before I wind up, I want to stress the importance of the environment. As we drive forward our ambitions for the region, it is essential to address environmental constraints and promote sustainable growth. Water scarcity is a key risk to growth in the region. The Government are determined to ensure that we get the infrastructure in place so that businesses and communities can grow and thrive. As I hope hon. Members are aware, we have fast-tracked plans for two new reservoirs in Oxfordshire and Cambridgeshire as part of a £104 billion private sector funding package. We are also implementing innovative approaches to water efficiency in Cambridge.

**Pippa Heylings:** I applaud the Government for confirming and recommitting to those new reservoirs. Will the Minister confirm that the Government understand that the new fens reservoir is enough only for the existing ambitions within the emerging local plan, not for the additional thousands of homes that are being considered by the new development corporation? We need to get the water scarcity group working together now to think about other options. Otherwise, water is a deal breaker.

**Matthew Pennycook:** I assure the hon. Lady that I understand the potential constraint that water may provide. The Cambridge Growth Company, working with local partners in Greater Cambridge, is looking at solutions that can be taken forward. As I say, water efficiency, as well as investment, is needed for infrastructure of the kind that she mentions.

We are recognising the importance of the natural environment by confirming that a new national forest will be established in the corridor to support nature recovery, create green jobs and ensure access to nature for local communities. That is currently in the planning phase, but further details will be released next year.

Lord Vallance cannot respond as the ministerial champion for the corridor, but I stress that this is an example of what mission-led Government means in practice. We have a cross-Whitehall ministerial delivery group that brings together all interested Departments and ministerial champions to ensure that our approach across the region is consistent, joined up and ambitious.

The hon. Members for Bicester and Woodstock (Calum Miller) and for South Cambridgeshire (Pippa Heylings), among others, asked how we are to bring together and co-ordinate infrastructure and investment. There are nationally significant projects, such as East West Rail, but key in my mind on the planning side are the spatial development strategies that will be enabled through the Planning and Infrastructure Bill on a sub-regional level—high-level infrastructure frameworks for investment and housing growth that can pull together and co-ordinate cross-boundary in the way we need, supplementing national interventions.

I conclude by thanking my hon. Friend the Member for Cambridge once again for securing the debate and for all the points that he made. I am more than happy to take up land value capture, skills and issues of interest to him. Given the number of meeting requests that I have had, it is probably time for another. Lord Vallance held some engagement sessions for hon. Members earlier this year; I am happy to facilitate, with him, the scheduling of another drop-in session so that hon. Members get the chance to raise specific issues.

The Government are going further and faster to deliver growth. The Oxford-Cambridge growth corridor is not a distant aspiration; it is happening now. It will happen in this decade, to address the point my hon. Friend made in opening the debate. We are building the homes and the infrastructure, delivering the opportunities that the region's communities deserve and ensuring the corridor becomes a world-class innovation supercluster, driving prosperity for generations to come.

3.58 pm

**Daniel Zeichner:** I thank my hon. Friend the Minister for his continuing support and interest, and I thank all colleagues for their contributions today. I think that there was sufficient interest to suggest that we reconvene once a year to have this discussion. We also heard a number of bids for the centre of the corridor. As we approach the quantum future, it may be possible to have more than one centre at once—who knows?

The key theme that has come through is the need for co-ordination and the fact that infrastructure has to come first. I am delighted that Peter Freeman of the Cambridge Growth Company has stressed that that will be his approach. That leads me to my conclusion, which is that it is important to maintain public support for this project. That will only happen if people can see that there is something in it for them. Better transport and environmental gain are key to that.

Thank you, Sir Jeremy, for chairing the debate in such a splendid way. I look forward to further engagement with colleagues.

*Question put and agreed to.*

*Resolved,*

That this House has considered the Oxford to Cambridge Growth Corridor.

## Advanced Ceramics Industry: North Staffordshire

4 pm

**Sir Jeremy Wright (in the Chair):** I will call Dr Allison Gardner to move the motion and then I will call the Minister to respond. I remind other Members who are present that they may make a speech only with the prior permission of both the Member in charge of the debate and the Minister; subject to the discretion of the Minister and the Member in charge, they may of course make an intervention. There will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

4.1 pm

**Dr Allison Gardner** (Stoke-on-Trent South) (Lab): I beg to move,

That this House has considered Government support for the advanced ceramics industry in north Staffordshire.

It is a pleasure to serve under your chairship, Sir Jeremy. I thank the House for allowing this debate today. Although the ceramics industry is typically known for producing bespoke mugs and saucers, the advanced ceramics industry plays a critical but often discreet role in the manufacture of specialist components for key industries. We cannot manufacture steel, aluminium, glass, bricks or cement without ceramics or refractories. Materials such as zirconia, silicon nitride, alumina and silicon carbide are hidden components that form a critical part of the supply chain for high-tech industries, including defence, nuclear energy, electronics and aerospace.

I was delighted when ceramics was recognised as a foundational sector in the industrial strategy. The contribution that our local companies make to the IS-8 critical sectors is remarkable. North Staffordshire is a recognised cluster for advanced ceramics. It is home to world-leading companies such as Mantec, Ross Ceramics and Lucideon. Our local industry is particularly important for defence capability. I have been working with the Ministry of Defence to highlight the importance of advanced ceramics to procurement, particularly for small and medium-sized enterprises such as Mantec.

Mantec produces for Rolls-Royce ceramic molten metal filters that remove impurities from molten turbine blades used in civil aviation and defence, and it is asking how SMEs can access defence funding projects to bolster their expertise. Will the Minister outline what practical steps SMEs such as Mantec can take to access SME support from the Department for Business and Trade and the Ministry of Defence, and who they can contact for guidance?

Advanced ceramics is the only class of materials capable of enabling hypersonic weapons for defence. Silicon carbide, boron carbide and alumina are used in ballistic-resistant armour and military vehicles. Advanced ceramics are used in antennae and sensors for defence communication and surveillance, and in jet engine coatings for civil and defence aerospace. Without ceramic coatings, aero engines would not be able to operate. Ultra high-temperature ceramics have some of the highest melting points of any material and are used in rocket nozzles and nose cones, and on the leading edge of wings and stabilisers on hypersonic missiles and thrust diverters.

[Dr Allison Gardner]

For example, Ross Ceramics in Trentham, which is part of Rolls-Royce, manufactures complex geometry ceramic cores used in the investment casting of gas turbine engine components. Lucideon, which is based in the constituency of the right hon. Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson), specialises in high-tech applications of advanced ceramics in aerospace, nuclear energy and construction. I have been working with Lucideon on its proposal to establish sovereign capability for the development of ceramic matrix composites, or CMCs.

**David Williams** (Stoke-on-Trent North) (Lab): My hon. Friend makes a really important point about sovereign capability. Does she agree that a nation of Britain's standing simply cannot depend on foreign powers for materials critical to our defence and our energy security?

**Dr Gardner:** Yes, sovereign capability is vital to ensure this nation's security.

CMCs are essential as lightweight replacements for alloys in high-temperature aggressive environments, such as turbine engines and exhaust systems. They are vital to maintaining technical advantage and capability in defence, offering high temperature resistance, low weight and superior durability. Carbon matrix and silicon carbide matrix composites will be needed in fusion energy systems, hypersonic vehicles, space vehicles and defence infrastructure.

At present, the UK has no sovereign CMC manufacturing capability, and there is no sovereign supply for critical raw materials such as silicon carbide fibres and precursors. The Rolls-Royce CMC factory is in California, and it can only supply some civil aerospace requirements, leaving UK defence turbines vulnerable to export controls, US supply chains and tariffs.

Lucideon wishes to create a UK manufacturing facility to produce CMC materials and components, including oxide and non-oxide composites. Those products would be world leading. They would replace heavy metal rotating parts in high-temperature turbines on jet engines, making them lighter and able to run at higher temperatures. They would significantly reduce fuel burn on aero engines, giving UK aerospace a huge commercial advantage.

**Jim Shannon** (Strangford) (DUP): I talked to the hon. Lady before we came into the Chamber, and it would be really good if we could advance the ceramics industry, as she has argued. It would also be good to give opportunities to young people through apprenticeships and education in science, technology, engineering and maths. Does she see that as a critical aspect as we move forward? I congratulate her and the whole Stoke team on how well they work together.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): And Leicestershire.

**Jim Shannon:** Sorry—and Leicestershire.

**Adam Jogee** (Newcastle-under-Lyme) (Lab): And Newcastle-under-Lyme.

**Dr Gardner:** I thank the hon. Member for his intervention. Absolutely, this is an industry connecting our heritage with our future, and it is vital that young people can see that and get support to help them with apprenticeships.

Lucideon's proposed site is near the AMRICC—Applied Materials Research, Innovation and Commercialisation Company—centre at Keele University science park in the constituency of my hon. Friend the Member for Newcastle-under-Lyme (Adam Jogee), where the existing Government-funded centre of excellence for advanced ceramics would be relocated. That would cement north Staffordshire as a cluster for advanced ceramics, boosting local research and development and high-value jobs, all while positioning the UK as a leader in high-growth advanced material technology. I thank the Minister and the Department for engaging with me and Lucideon on the proposal. The Minister previously suggested that the National Wealth Fund could support such a proposal, given its alignment with its objectives. Will he outline what practical steps Lucideon should take as it seeks to secure that investment?

I have also been consulting with the Henry Royce Institute, which notes the importance of reduced reliance on imported critical materials, including CMCs. Securing sovereign capability would also support our investment in nuclear power generation. As well as its use in armour, boron carbide is critical to neutron absorption—it is the modifier that controls nuclear reactor reaction rates. China owns 81% of the world's production of boron carbide, leaving UK supply chains vulnerable. To secure our progress in the small modular reactor scheme, we must invest in domestic production.

Advanced ceramics are used in nuclear fission reactors as coating for accident-tolerant pellets, ceramic coatings are applied to small modular reactors, and ceramics are needed in fuel particle coatings, reflectors and control rods. Will the Minister liaise with colleagues in the Department for Energy Security and Net Zero to ensure that advanced ceramics companies in north Staffordshire receive investment as part of the SMR scheme?

**Adam Jogee:** I am grateful to my hon. Friend and constituency neighbour for securing this debate. I want to add my voice, and those of thousands of people back home in Newcastle-under-Lyme, in support of the excellent case she made that there is no better place to invest than our part of the world. The Minister knows this because I put it to him earlier today, but when the Government look to ensure that we are competitive and seizing the opportunities before us, north Staffordshire must be at the forefront of everything they do.

**Dr Gardner:** I heartily agree with my hon. Friend. The people of north Staffordshire really are ready and waiting to offer their skills and energy, and that history of technology, to our advancement.

We must be forward-thinking and establish the UK as a leader in advanced ceramics manufacturing. The UK's share of the global market in 2024 was 6% and worth roughly £4.5 billion. There is huge potential for further growth, as supporting advanced ceramics will attract investment in other high-tech manufacturing industries. As noted by the Henry Royce Institute, the electronics industry is expected to increase demand for electroceramics, which can handle higher fields and

temperatures. In healthcare, biocompatible ceramics are being used for dental implants, bone replacements and spinal correction segments. The application of advanced ceramics is also being explored in waste disposal. Mantec manufactures ceramic cross membrane filters, which can separate solids from liquids to de-water valuable materials and extract critical minerals, ensuring environmental compliance when wastewater is discharged. These issues are often cross-departmental, so will the Minister outline how he is working with colleagues across all Departments to support innovation in this sector?

Economic growth in Stoke-on-Trent and north Staffordshire has lagged behind other regions, yet there is real potential to establish north Staffordshire as a cluster for advanced ceramics. The AMRICC centre already provides testing space for new ceramic technologies and products. Lucideon's CMC proposal would greatly expand R&D in critical materials at Keele University. Combined with the growing engineering expertise at the University of Staffordshire and Keele University, this would build a cluster aligned with our modern industrial strategy. Traditional ceramics drove industrialisation and wealth in north Staffordshire, led by pioneers such as Josiah Wedgwood. Will the Minister ensure that advanced ceramics becomes the flagship for our modern industrial renewal?

I must also give credit to our beloved tableware industry. Our pottery is our heritage, and beloved household names like Wedgwood and Duchess China have produced bespoke products for hundreds of years, including the tableware used in this House. Cross-working between traditional and advanced ceramics is growing, with traditional ceramics creating a skills pipeline into advanced ceramics. I know of an excellent example in the constituency of my hon. Friend the Member for Amber Valley (Linsey Farnsworth) between Denby and Ross Ceramics. Investment in advanced ceramics will support our traditional industries, which, as Members will know, have been struggling with energy costs.

**David Williams:** I am really pleased that my hon. Friend has talked about tableware as well as advanced ceramics. She mentioned Wedgwood, and in my constituency we have names such as Moorcroft that are known the world over. They have been saddled with high energy costs. Does she agree that the Government must look at all the levers they can pull, whether it is gas costs or anything else, to ensure that those companies have a level playing field and can compete globally?

**Dr Gardner:** I absolutely agree with my hon. Friend.

Members will know that the ceramics industry has been struggling with rising energy costs. Alongside my hon. Friends the Members for Stoke-on-Trent North (David Williams) and for Stoke-on-Trent Central (Gareth Snell), I have had sustained discussions with DBT and DESNZ about a support package for industry gas and electricity costs. Ceramics production is incredibly energy intensive, and it is the hardest energy-intensive industry to decarbonise; gas-fired tunnel kilns cannot be converted to electric plants without significant capital. I have been working with the TUC and the GMB on a proposal to develop a decarbonisation innovation fund, which would offer capital loans and grants to invest in decarbonisation technologies. As I have raised with the

Minister previously, there is further potential to offer innovation vouchers to SMEs and tableware companies to access scaling and testing facilities at larger sites.

**Amanda Hack** (North West Leicestershire) (Lab): I thank my hon. Friend for securing this important debate. I am interested in the energy intensity of the sector. Does she agree that any innovation in advanced ceramics could be shared much more broadly?

**Dr Gardner:** I am grateful to my hon. Friend for that well-made point, which is central to my argument. Any benefits we see in advanced ceramics will be felt more widely, not just in heritage tableware ceramics but in the broader field.

SMEs cannot afford to use facilities at other sites, nor can they shoulder the risks of testing hydrogen, electric kilns or process optimisation alone. Some firms are developing more efficient firing methods; for example, in the brick industry, using lightweight insulating materials for kiln cars allows more heat to go into products using less energy. These innovations could deliver real energy savings, but replacing existing equipment requires major capital, and without collaborative R&D, SMEs cannot shoulder the risks of testing new technologies. Production is sensitive: one kiln failure can destroy an entire batch worth tens of thousands of pounds. With collaborative testing environments and access to innovation vouchers, SMEs and tableware companies could access the facilities at AMRICC and Lucideon to trial hydrogen, electrification and other low-carbon processes.

Alongside decarbonisation technologies, there is real potential for AI to reduce energy consumption. Lucideon has trialled using AI to identify efficiency savings in kilns and reduce kiln gas consumption—evidence that innovation can deliver savings. I have discussed these proposals with the Minister, and I am grateful for his suggestion to work with Innovate UK. I would greatly welcome the opportunity to convene colleagues from the Department for Science, Innovation and Technology and DBT to discuss whether Innovate grants could support this proposal, or whether an alternative scheme could establish innovation vouchers.

With the right investment in innovation, infrastructure and skills, north Staffordshire could become a world-leading growth hub for advanced ceramics. Given its foundation in so many sectors, supporting advanced ceramics requires cross-departmental working. I invite the Minister to attend a roundtable with local advanced ceramics companies to discuss a working road map and a practical support package for the sector. I also invite him to meet us—including my hon. Friend the Member for Stoke-on-Trent Central, who is chair of the newly founded ceramics all-party parliamentary group—and Ceramics UK for further conversations. I look forward to continuing to work together. Will the Minister please ensure that proper investment follows the Government's clear recognition of the vital role that both traditional and advanced ceramics play in local and national growth?

4.15 pm

**The Parliamentary Under-Secretary of State for Business and Trade (Chris McDonald):** It is a pleasure to serve under your chairmanship, Sir Jeremy. I am very grateful to my hon. Friend the Member for Stoke-on-Trent

[Chris McDonald]

South (Dr Gardner) for securing this debate. She knows how much I care about the ceramics industry and how much I appreciate any opportunity to talk about ceramics. I am grateful we have had that opportunity today. Stoke-on-Trent and north Staffordshire have much to be proud of in their rich and diverse ceramics industry. Stoke-on-Trent is the historic home of the UK ceramics industry, but the sector spans so much of our country and is important to the lives of numerous communities.

I know that this year has been a difficult year for the ceramics industry. I was deeply saddened to learn of the closure of ceramics firms such as Royal Stafford and Moorcroft, as I am sure many of my colleagues were. I think not only of the loss of great brands and great capabilities, but of what it will mean to the workforce and the local community, who have taken such pride in their production of ceramics products from those factories over so many years.

Although ceramics encompass decorative and tableware, advanced ceramics are essential as well, as my hon. Friend the Member for Stoke-on-Trent South outlined. For Members who are not so familiar with the ceramics industry, they have the opportunity to go downstairs to the Westminster Hall fair and buy a very fine teapot from Moorlands, as I did earlier. It will replace a cracked teapot in the Department for Business and Trade of unknown origin—I have been informed that it may be from Turkey. I am very pleased that I will be able to replace it with a British teapot today.

Every time I drink my tea in the Department, I will be reminded of the ceramics industry in the UK, and every time anyone picks up their mobile phone, they could think about the advanced ceramics in it. As we have heard, advanced ceramics are also present in medical devices such as hip replacements and in the space industry. Advanced ceramics are providing essential components for defence, energy and our advanced technology industries. That includes companies such as Mantec, which produces advanced filter technology, as my hon. Friend mentioned.

As set out in the industrial strategy, ceramics, particularly advanced and technical ceramics, are a key input in the advanced manufacturing and clean energy sectors. I reiterate that ceramics is an essential sector, as was highlighted by my hon. Friend the Member for Stoke-on-Trent North (David Williams). The support that I will set out will help the sector to play a key role in kick-starting economic growth in the country, which is the central mission of this Government.

I commend my hon. Friend the Member for Stoke-on-Trent South on her continued advocacy and championing of the sector and on her vision of the establishment of a sovereign advanced ceramics manufacturing facility in north Staffordshire. In this geopolitically uncertain world, security of critical supply chains is essential, and I encourage her to continue the conversations that she is having with Innovate UK on that subject.

The Government understand that businesses face numerous challenges day to day, particularly the price of electricity. That is why we recently announced an uplift to the network charging compensation scheme from 60% to 90%.

**Gareth Snell:** The Minister mentioned electricity prices. I have repeatedly asked the Government to consider the expansion of the supercharger scheme for current industrial use by the ceramics sector. That would be a massive help before the British industrial competitiveness scheme comes online. I know the Minister is going to outline a series of significant things that he believes the Government could do to support the ceramics sector. I encourage him to consider working with the APPG on a bespoke ceramics strategy that would be cross-departmental and cross-Government, so that the support that I know he desperately wants to offer us can be replicated across Government, so that when we have these debates in the future, we can talk about how we implement the help that we need rather than talk about the help we hope we can get.

**Chris McDonald:** Although the compensation scheme I outlined is delivering £1.7 million to eight ceramics firms, I am acutely aware that it does not cover the vast majority of the sector. I met today with the chief executive of Ceramics UK. We discussed this issue and the fact that eligibility for the scheme is up for review in 2026. I have committed to working closely with him to see what opportunity there will be to extend the scheme to other ceramics firms and to ensure that the review takes every opportunity to see whether there is the potential for greater eligibility for ceramics firms. I am always happy to work with the APPG. Perhaps we can take my hon. Friend's suggestion further and have further discussions about that.

**Adam Jogee:** I want to add my voice to that of my constituency neighbour, my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell). A bespoke ceramics strategy would do wonders for our part of the world—in Newcastle-under-Lyme, in neighbouring Stoke-on-Trent and further afield into the east midlands. I want to reassure the Minister that a number of us would make that case, and make it strongly.

**Chris McDonald:** I know that my hon. Friend will be familiar with the benefit that sector strategies have had in other areas through his work as the vice-chair of the international trade and investment all-party parliamentary group. I take his comments very seriously and will absolutely consider them.

Last week, we launched a consultation for the British industrial competitiveness scheme. That is an opportunity for many thousands more additional manufacturing businesses to benefit from reduced electricity prices. I encourage the ceramics industry to participate in the consultation for that scheme. The Government are committed to ensuring that our electricity price support schemes continue to be targeted, effective and proportionate, and represent value for money for the British taxpayer. However, we are not stopping there.

I recognise that many ceramics businesses do not benefit from our electricity price support schemes due to their gas-intensive nature. For some of those businesses, electrification is possible, although it will require capital investment. For other businesses, there are currently no electrification options. Through our engagement with trade bodies, trade unions and businesses, we are working to consider all possible options for how we can help ceramics businesses further. I look forward to working

with my hon. Friend the Member for Stoke-on-Trent South and other hon. Members as we develop that work over the coming months.

Trade has benefited the UK, and we continue to go from strength to strength in negotiating trade deals. The Government are proud of the work that went into the India free trade agreement and the ongoing work on our free trade agreement with the Gulf Co-operation Council. The UK-India free trade agreement will see the immediate or staged removal of tariffs on ceramic exports to India, opening up access to India's large and growing middle class for producers of consumer ceramics, as well as to India's many infrastructure projects and manufacturing opportunities for UK businesses in the advanced ceramics sector.

The agreement will also include a comprehensive trade remedies chapter. That chapter, as well as reaffirming existing safeguard provisions, includes a bilateral safeguard mechanism that will allow the UK or India to temporarily increase tariffs or suspend tariff concessions if there is a surge of imports causing injury or threat of serious injury to domestic industry as a result of the tariff liberalisation set out in the agreement.

The UK has been negotiating a modern and ambitious free trade agreement with the Gulf Co-operation Council that will boost economic growth and increase investment in the UK. That deal will help to grow our economy and bring benefits to communities across the country.

**Dr Gardner:** Do I take it from the Minister's response that we will have some help to prevent china-dumping? GMB and great campaigners such as Sharon Yates have been campaigning to stop the huge foreign imports that are coming in and damaging our locally and British-made products.

**Chris McDonald:** By elucidating the trade deal with India and the deal that we hope to strike with the Gulf Co-operation Council, I am hoping to outline the fact that there is not only a commitment to trade that will enable UK producers to access markets, but a commitment to fair trade. That is far easier done within the bounds of a free trade agreement where there are existing mechanisms in place. That is why our Department is working so hard to ensure that we get additional coverage of free trade agreements through various jurisdictions around the world.

Turning back to the Gulf Co-operation Council agreement, the UK is currently a net importer of ceramics from the Gulf states. Reducing UK tariffs has been identified as one of the GCC's priorities. Our objective is to secure provisions that support competitiveness and growth across the UK while safeguarding UK manufacturing interests.

I understand that there is more work to be done to support our local ceramics firms that may be at risk from cheap imports from abroad. The standard response to this—I will give it and then qualify it, if that is acceptable—is to encourage ceramics companies to engage with the Trade Remedies Authority. However, I am aware of the significant burden that imposes in terms of cost and time, so I would encourage hon. Members who are in touch with ceramics companies in their areas—I will continue my engagement with Ceramics UK—to carefully monitor the ability of those companies to engage with the Trade Remedies Authority and to ensure that it is

possible for their issues to be raised. If there are concerns about time and cost, I would appreciate it if they were raised with me directly.

**Gareth Snell:** If the Minister is looking at the Trade Remedies Authority, perhaps he could also look at the lesser duty rule, under which a product imported from China or the EU would face a higher tariff under their remedies than it does in the UK, because we have deliberately set our system to apply the lesser duty rather than the injury duty. It is technical, but it would make a big difference if he could consider that.

**Chris McDonald:** It is a very technical issue, and I have thought of little else since my hon. Friend explained it to me in great detail a few days ago. I will certainly commit to continuing to think about it, and I thank him for bringing it to my attention and placing it on the record.

**Dr Gardner:** Regarding trade, exporting to the EU is particularly challenging, and I look forward to any trade deals we may see from there to help with that.

**Chris McDonald:** Yes, I recognise that. Any further improvements in relation to our nearest and largest market would certainly be welcome.

Clearly, decarbonisation will require further innovation, and I commend industry and academia on the groundbreaking research they have conducted, which I know my hon. Friend has vigorously supported. I recognise the work of Lucideon; it is an organisation I know well, and it is indeed a world-leading developer of research and innovation for the ceramics sector. I also recognise the work of its AMRICC centre—the Applied Materials Research, Innovation and Commercialisation centre—and the Midlands Industrial Ceramics Group, which have benefited from direct grant support. My hon. Friend also asked about engagement with the National Wealth Fund. I will be happy for my office to provide contact details for a direct conversation to take place.

My hon. Friend made a point about increasing UK capability for defence. She and the ceramics industry may consider responding to a consultation launched by the Ministry of Defence on 23 October on its offset regime, which has the potential to ensure that we get greater investment in industries such as ceramics in our defence supply chains. The Government, particularly through UK Research and Innovation, work with and support such stakeholders to accelerate that kind of research and propel decarbonisation.

I agree with my hon. Friend the Member for North West Leicestershire (Amanda Hack) that it is important that we share innovation across multiple sectors. I am thinking particularly of the Foundation Industries Sustainability Consortium, for instance, which shows that there is great opportunity for furnace technology and so on to be shared across the foundation industries.

I very much echo the remarks of my hon. Friend the Member for Newcastle-under-Lyme (Adam Jogee) that north Staffordshire is well placed to attract further investment and to continue to go from strength to strength and become the UK centre for ceramics. In response to the specific request about attending a roundtable, I would be very happy to do that and to have further

[Chris McDonald]

discussions with the industry. I believe I have a couple of engagements with the ceramics industry already in my diary in the period after Christmas, and I would be happy to attend a roundtable, either separately or as part of one of those events.

**Adam Jogee:** I thank the Minister for acknowledging the points about Newcastle-under-Lyme and north Staffordshire. We are happy to host that meeting, so if he can let us know the best way to get it into the diary, we will get it done sooner rather than later.

**Chris McDonald:** I thank my hon. Friend. Far be it from me to adjudicate between a bunch of Stokies as to where the meeting should be—I will leave that to hon. Members themselves to figure out—but I remain ready to travel to the area to take part in the meetings, or to host the meeting at the Department if that is preferred.

Whether it is decorative or tableware, bricks, tiles or pipes, advanced ceramics or sanitaryware—as has been raised with me so many times by my hon. Friend the Member for Lichfield (Dave Robertson)—or even refractories, probably the area I know best, advanced ceramics are essential for the delivery of our industrial strategy. I would be happy to work with hon. Members and the companies in their areas to ensure that the ceramics industry gets the best chance it can to continue to be a great British industry.

*Question put and agreed to.*

## Terminal Illness: Mental Health Support

4.30 pm

**Mr Connor Rand** (Altrincham and Sale West) (Lab): I beg to move,

That this House has considered mental health support for people with terminal illnesses.

It is a pleasure to serve under your chairmanship, Sir Jeremy. I am here today because of my constituent Mike, who I am pleased to say is in the Gallery to watch the debate. In 2019, Mike experienced the devastating grief of losing a partner, but out of the trauma he is pushing for change and campaigning for better mental health support for those with terminal cancer. I pay tribute to Mike: he is a remarkable man. I thank him for bravely sharing his story with me, and I will try my best to do it justice today.

In 2016, Mike's wife, Sarah, started to suffer with terrible pain in her back, and by the end of that year she was in constant agony. In early 2017, they found out that Sarah had lung cancer, which had spread to her spine, and she was given six months to live. A course of gruelling treatment followed, including major spinal reconstruction surgery and targeted therapy. In September 2019, Sarah succumbed to her illness, passing away a week before her 53rd birthday.

Sarah lived more than a year longer than doctors had initially predicted, and in that sense her treatment was a success, but that does not tell the whole story. There was a gaping hole in Sarah's treatment: the lack of appropriate mental health support. Not having that support had a huge impact on Sarah's quality of life, as well as her family and her family's quality of life. Following her terminal diagnosis, as the devastating impact of cancer started to take its toll on her body, Sarah became deeply depressed and suffered with anxiety.

We know about the physical symptoms of cancer, such as nausea, crippling pain or a loss of mobility, and just how horrendous those symptoms are, but we talk less about the mental health effects, even though they are as common and sometimes the most crushing consequence of this awful illness. That was certainly the case with Sarah. A previously happy, outgoing and vibrant woman, who loved design, gardening and reading books, she became a shell of her former self—unwilling to go outside, not even to sit in the garden she had so lovingly cared for. She cried every day, sometimes all day, and could not eat, could not read a book and did not know what pleasure felt like. As Mike said to me the very first time we met, "Sarah disappeared into herself." I cannot begin to imagine how hard that was or the toll it took on Sarah, Mike, her entire family and her friends.

Shamefully, Sarah never saw a psychologist or psychiatrist, and she never had a serious or rigorous mental health assessment. Sarah was offered counselling and cognitive behavioural therapy by Macmillan Cancer Support and local NHS services, but we all know the issues with those services. Waiting lists can be months long, and when Sarah did get therapy, it was often for just a few weeks at a time, before she was back on another waiting list.

Too often, as in this case, the kind of therapy offered is not appropriate for the needs of the patient. Sarah would leave her CBT sessions clutching leaflets that she was supposed to go away and read, even though she

could not even look at a newspaper. She was once told to go and do some gardening when the debilitating effects of her cancer had already taken that big joy out of her life. What was needed was treatment by a psycho-oncologist—someone who would offer specialist psychological care for someone affected by cancer—but the one psycho-oncologist at her local hospital was badly overstretched and the appointment never came.

As Mike has so eloquently said, this is not a criticism of our dedicated NHS or care staff. They are not to blame for a health culture that has always been more interested in the physical than in the psychological. That deficiency, in reality, is unlikely to change without more scientists and funding bodies devoting time and cash to researching therapies to support the mental health of those with terminal illnesses. From my perspective, there seems to be precious little work being done in this area; I spoke to Macmillan and other charities ahead of this debate, and they said the same. That deficiency is despite the fact that 17% of cancer patients will be diagnosed with depression and anxiety, but almost half will not receive the treatment that they need—that must change.

I ask the Minister to seriously consider the policy suggestions made by Mike: more funding to map service provision across the national health service to identify good and bad practice, including an assessment of the effectiveness of current National Institute for Health and Care Excellence guidelines on mental health support for the terminally ill; more funding to recruit more psycho-oncologists to work in our palliative care system; a commitment to an immediate baseline mental health assessment for patients upon their diagnosis with a terminal illness and, if needed, a clear pathway for referral to an experience psycho-oncologist on diagnosis of terminal illness. I believe that those are practical and, I hope, achievable steps that could make a real difference to cancer patients.

**Edward Morello (West Dorset) (LD):** I thank the hon. Member for giving us an opportunity to talk about this incredibly important issue. I agree 100% with the recommendations that he is making. I also point to the important work that hospices do. A lot of hospices, such as Weldmar and Julia's House in West Dorset, provide mental health-led hospice services to communities, yet, at the same time, are under extraordinary funding pressures. Weldmar has a £1 million deficit; Julia's House gets just 8% of its funding from the NHS, yet it is relieving pressure on the NHS. Does the hon. Member think that, along with his recommendations, a sustainable funding model for hospices providing the kind of care that he is talking about is important?

**Mr Rand:** I am sure that there is recognition on both sides of the House of the incredibly important work that hospices do to support patients in our communities. I am sure that the hospices that the hon. Member mentioned will be grateful for the recognition of their important work. Of course we need to ensure sustainable funding. As he will be aware, this Government have already invested a significant amount in hospice care, but I appreciate the pressures that many hospices still find themselves under.

I would be grateful if the Minister would meet Mike and me to discuss Mike's policy recommendations in more detail and to see if they could form part of the

Government's welcome review of palliative care services and the framework that has been announced. It feels particularly pressing at this juncture, as the Terminally Ill Adults (End of Life) Bill progresses through Parliament. Although I support that legislation, I worry about the prospects of those with a terminal diagnosis. I am sure that the Minister will want to reflect on that in his response.

**Amanda Hack (North West Leicestershire) (Lab):** I thank my hon. Friend for sharing the story of Sarah and Mike—he did it justice. It is really important to think about the whole care of people going through a terminal diagnosis—both the patient and their loved ones. We should make sure that the mental health of those people who are supporting the person going through a terminal illness is also considered in this conversation.

**Mr Rand:** I could not agree more that throughout treatment we need a whole-person approach. It is the stated aim of the Government to develop that offer in our communities and in our national health service. The extraordinary toll it takes on friends and families is something that our health system should think more about, and we should give more consideration to.

The issue is so important that if we do not get it right, as I think Members across the House would reflect, the consequences may be tragic for people going through their most difficult times and experiences. For Sarah and Mike and the countless other people touched by cancer, I urge the Minister to work with me and Mike on improving mental health support for those with a terminal diagnosis.

**Sir Jeremy Wright (in the Chair):** I am grateful to the hon. Gentleman for opening the debate. I say this mostly for the benefit of those in the Public Gallery, but we are expecting votes in the main Chamber soon. If that happens, I will suspend the sitting and we will reconvene when the votes are complete. I call Jim Shannon.

4.41 pm

**Jim Shannon (Strangford) (DUP):** It is always a pleasure to serve under your chairship, Sir Jeremy. I want to say a big thank you to the hon. Member for Altrincham and Sale West (Mr Rand) for setting the scene so very well. He obviously has the necessary compassion and understanding. We recognise the pain that he referred to, which is suffered by many across the whole of the United Kingdom.

I am my party's health spokesperson, so these issues are important to me. The lasting mental impact of a diagnosis of a terminal illness must never be underestimated. Definitions can differ, but have more or less the same meaning. Terminal illness is defined as a progressive, incurable disease not expected to be cured, where medical opinion is that death can reasonably be expected within roughly a year. I know there are exceptions. Some people live for six weeks and some for six years after getting a diagnosis. When someone is given a terminal illness diagnosis, they right away look at their whole life and those around them. I cannot imagine the feeling of being told that news and where the mind must go to. The reality is much more frightening than the thought.

[Jim Shannon]

A study by Marie Curie found that nine in 10 frontline staff supporting dying patients reported that patients were lonely—I think that was referred to earlier. A similarly high proportion report loneliness among end-of-life carers. The same report shows that loneliness at the end of life is strongly linked to worse physical health and mental ill health.

I remember a couple of occasions when I had to go and see people I knew who had been given a terminal illness diagnosis. One lady came back from holiday and was not feeling her best, so she went to see the doctor. The doctor told her she had liver cancer, and that lady did not last six weeks. I pay tribute to all the charities that do great work, Marie Curie in particular. The people are so compassionate, understanding and loving, and are always there when people need them most.

Queen's University Belfast in Northern Ireland stated that there are high levels of death illiteracy in Northern Ireland, meaning that those diagnosed with a terminal illness often have a true lack of understanding about how to access end-of-life and bereavement support, because they are so consumed—I am speaking in a generic way—by what is happening in their life and around them. This can be deeply worrying in terms of the mental turmoil of individuals and the people caring for them in their darkest times. There is a belief in taking the pressure off and knowing what the next steps are. More work must be undertaken to ensure there are no barriers to accessing care and to ensure people are aware of their options for end-of-life and palliative care.

There is no doubt whatsoever that restricting such information will worsen mental health symptoms. That is the nature of life. A person of faith will realise they are only here for a short time and they are going to a better place. For those who do not have faith, perhaps the Minister could suggest that people with a terminal diagnosis could talk to faith ministers for advice and succour.

We must also, I believe, do everything to empower patients and their families. It is not just the person who has been diagnosed with the terminal illness who is travelling on that path; the whole family is travelling with them, and they suffer, because their lives focus on what is happening as well. We must ensure that they receive the best care and access all available support, not only from our wider healthcare trusts, but from the communities in which they live.

I will conclude, as I am conscious of the time and of others wanting to speak. If we are serious about compassion and genuine care, we must be serious about better mental health support for those living with terminal illnesses. Whether someone has faced advanced cancer, motor neurone disease, heart failure or chronic respiratory illness, they deserve more than medication and medical charts; they deserve the highest emotional support and compassion and a reassurance that they are not alone. I look forward to seeing what more we can do to be better. I look forward very much to the response, from a Minister who understands the issues and who can give us the succour and support that we need.

4.45 pm

**Irene Campbell** (North Ayrshire and Arran) (Lab): It is a pleasure to serve under your chairship, Sir Jeremy. I thank my hon. Friend the Member for Altrincham and Sale West (Mr Rand) for securing this important debate and for his excellent speech sharing Sarah and Mike's experience.

As a former manager in the NHS, I was shocked to read the recent report by the Health and Social Care Alliance Scotland, which described how thousands of people with terminal illnesses spend their final months in poverty, and how the situation is particularly severe in North Ayrshire. In my constituency, high rates of socioeconomic deprivation worsen the quality of life for many people, let alone for those with a terminal illness. Sadly, people in their final months of life are experiencing not only health inequalities, but economic inequalities, exacerbating the need for good, timely and appropriate specialist mental health support.

I recognise the excellent work undertaken by Ayrshire hospice, such as its community-based "living well" hubs and clinics. However, more must be done to support those in need of specialist mental health support, especially at such a traumatic time for not only the person, but their family, friends and wider circle.

New figures from National Records of Scotland show that people in North Ayrshire have the lowest healthy life expectancy in Scotland, at 52.6 years for men and 52.5 years for women. That is about 14 years shorter than for people in areas with the highest healthy life expectancies, and it cannot be allowed to continue.

The Mental Health Foundation stated in its manifesto recommendations for next year:

"Scotland is in the grip of a public mental health emergency, characterised by lengthening waiting lists for diagnoses and treatment, extended absences from work and a mental health workforce stretched towards breaking point."

That situation makes it particularly challenging to focus on those with a terminal illness.

Finally, it is important, when we speak about mental health support for those with terminal illnesses, that we recognise that it must be delivered in a timely and effective way, to ensure that people have the best support available at the most difficult time, when they absolutely require it.

4.48 pm

**Iqbal Mohamed** (Dewsbury and Batley) (Ind): It is a pleasure to serve under your chairship, Sir Jeremy. I thank the hon. Member for Altrincham and Sale West (Mr Rand) for bringing this important topic for debate.

When we talk about mental health, we often picture everyday stress, anxiety or the long waits for talking therapies, but there is a group of people whose mental health needs are profound, urgent and too often invisible: people living with a terminal illness. That is not a topic that we often think about in the grand scheme of mental health provision, but the need for emotional and mental support in that medical situation is momentous—a need that I hope none of us here ever experience.

Mental health services and support in our country are at breaking point. More than 1.5 million adults in England—not necessarily suffering from a terminal illness, but just adults generally—are waiting for mental health

support and treatment, and more than 500,000 children. Patients are eight to 12 times more likely to wait for mental health treatment than they are for physical health support. While waiting, approximately 42% of patients deteriorate and seek further assistance through A&E and other NHS services, increasing the burden on our already stretched NHS.

For people with a terminal illness, the situation is even grimmer and bleaker; it brings fear, grief, uncertainty and, for many, isolation. Those feelings affect not just the person who is diagnosed, but partners, children and family members, who carry the emotional weight of uncertainty and the news they have just received. Yet mental health support at the end of life is still inconsistent, still underfunded and still far too dependent on location and charity rather than on rights and entitlements. Right now, access to mental health support at the end of life is a postcode lottery—one of the most troubling parts of this whole issue. In some areas, people can receive specialist psychological support, family counselling or bereavement services as part of their palliative care; in other areas, those services simply do not exist.

Whether someone receives help often comes down to the resources of their local hospice, the strength of its fundraising base or the priorities of an overstretched local health system. That creates a deep and unacceptable inequality. Families in the most deprived communities—such as those in my Dewsbury and Batley constituency and in wider Kirklees—already at higher risk of poor health outcomes, are often those with the least access to emotional and mental health support at the end of life. Wealthier areas can sometimes raise the funds to keep services going; poorer areas cannot.

A person's final moments should not be shaped by how affluent their postcode is or whether their local hospice can afford another counsellor that year. If we are serious about dignity in palliative care, then we must be serious about ending that inequality. Mental health support should be a guaranteed part of end-of-life care everywhere, not a privilege that depends on geography or charity fundraising.

A few weeks ago, I attended a meeting with Forget Me Not hospice in West Yorkshire here in Parliament with other MPs from Kirklees. Forget Me Not staff spoke powerfully about what it means to support people to live well until the end of life, and to die with dignity, comfort and emotional support. They welcome the recent £100 million capital funding, which will allow them to keep operating or to repair their facilities, but they are still short of revenue funding to maintain the staffing levels that they had. This coming year, they have had to cut £1 million from their budget, reducing the number of spaces available for treatment in their two hospices by 800 out of 2,100. The impact on Kirklees and my constituents is severe.

I believe that the Government guaranteed three years of funding for revenue costs for hospices, but £25 million is a drop in the ocean. I ask the Minister to set out what the Government will do to address the huge shortfall in funding for hospices across our country. Without that additional funding, hospices are reducing staff or cannot plan staffing beyond three years now—before it was for one year. They cannot provide specialist therapy or mental health provision with certainty. Yet hospices are the very places offering the kind of care our NHS simply cannot replicate: time, counselling, bereavement

support and a community that wraps around the entire family. They are asked to do more every single year, with less stability to do it.

People with terminal illnesses need more than medication and pain management; they need psychological support to process what is happening to them. They need space to talk about fear, leaving family behind and loss of identity. Families—often the forgotten grievers—need support too. No one should spend their final months fighting for the counselling that might help them face the end of life with peace rather than fear. Believing in dignity at the end of life comes hand in hand with mental health support as a core part of palliative care that we should recognise in policy and fund in practice. We owe people living with terminal illness and their families who love them nothing less.

4.54 pm

**Dr Danny Chambers** (Winchester) (LD): It is an honour to serve under your chairmanship, Sir Jeremy. I thank the hon. Member for Altrincham and Sale West (Mr Rand) for securing this debate and for speaking so movingly and emotively.

I can only imagine the mixture of emotion someone feels when they receive a terminal diagnosis. We know that around six in 10 people referred for hospice care have significant psychological support needs, but there is a lack of good, standardised mental health provision for people receiving hospice care. More than 10% of suicides in the UK are in some way linked to either chronic or terminal physical illnesses, so there is a mental health undercurrent running through the heart of end-of-life care.

Like many other Members, I want to pay tribute to the extraordinary hospices in my constituency. I have visited them and taken part in local fundraising events for them. I did 12 hours of exercise for Winchester hospice—I was doing boxing around midnight, and I can still feel it now, even though it was about a week ago. The inspiration I got from seeing so many members of the community raising money for Winchester hospice, or for children's hospices Naomi House and Jackspace, is unbelievable; so is the dedication of the staff and the volunteers, working in some of the most emotive jobs possible. It is a lifeline for the families affected by having a relative or a child with a terminal illness.

Hospices across the UK are under immense strain, and only 16% of people attending them believe that their psychological support is adequate. Too many people approaching the end of life are pushed towards the overstretched NHS mental health services. If someone ends up on the conventional mental health path, they may be put on a waiting list that is more than a year long—and, I am sorry to say, they may not have that long to live. We must also recognise the quiet heroism of unpaid carers. They give up work, rest and any sense of normality to care for someone they love, and most of them receive no formal bereavement support at all. Their contribution is vast, but their support is minimal.

As an aside, since many Members here have an interest in hospice and medical care, and a couple are doctors, one of the best books I have read on the subject is Atul Gawande's "Being Mortal". It is about the wishes of people who receive terminal diagnoses, how they want to die, the experiences they want to have while they are on that journey, and the amount of fulfilling

[Dr Danny Chambers]

experiences and the sense of purpose that they can have while suffering from sometimes incredibly painful diseases.

As the Government develop the new modern service framework for palliative and end-of-life care, we want to ensure that mental health is absolutely at its core. That means regular mental health assessments throughout a person's illness, embedding psychological support in palliative care teams and creating a sustainable, long-term funding model for hospices so that they can plan with certainty. It also means real support for family carers, paid carer's leave, guaranteed respite and proper access to bereavement services.

This debate is not about dying badly; it is about helping people to live really well and to live really fulfilled until the end. If we truly believe that every life has worth, that worth does not diminish in someone's final months or days, so mental health support must be built into palliative care, and not bolted on as an afterthought.

4.58 pm

**Dr Luke Evans** (Hinckley and Bosworth) (Con): The old adage we often hear is that there are two certainties in life—taxes and death. We spend a lot of time in this House talking about the former and very little time speaking about the latter, even though we know it will affect us; I have argued that both as a doctor and in this House since I was elected.

I take my hat off to the hon. Member for Altrincham and Sale West (Mr Rand) for securing this debate. It is so important and it will affect all of us. We are informed by the work of our constituents, so I also put on record my thanks to Mike for his incredible story and for the memory of Sarah that he has brought to this place, at the highest level, so that we can have this debate about how we can improve the condition of those in their time of greatest need.

In the few minutes I have, I will distil this debate into three areas: first, the location of mental health care, secondly, the workforce and, thirdly, the plan. On the first point—I have raised this with the Minister before—hospices often provide a lot of mental health support, but they are struggling. Many are closing beds and many are in deficit. Together for Short Lives estimates that the national insurance contributions increase costs an average hospice at least £130,000. After a previous debate on hospices, I asked the Government in a letter of 10 November, to which I have not yet had a response, whether they will consider an impact assessment on the state of hospices.

The National Audit Office's report into hospices states:

“DHSC and NHS England do not know what proportion of the total amount of palliative and end-of-life care provided in England is delivered by the independent adult hospice sector, and therefore how reliant they are on the sector.”

That is an important point in understanding the fabric and make-up of provision, as well as the postcode lottery in provision, which the hon. Member for Dewsbury and Batley (Iqbal Mohamed) pointed out. If we want to improve provision, we need to understand what is there in the first place.

To do so, we need to provide a workforce, as I also said in the letter. A letter I received from the Government on the topic of hospices stated:

“This summer, we will publish a refreshed NHS long-term workforce plan to deliver the transformed health service we will build over the next decade so that patients can be treated on time again.”

I raised this issue in the November debate. We are now into December, and winter, and we still do not know when the NHS workforce plan will come forward. I would be grateful if the Minister could respond to that point. It is especially important given that, in the last Budget, the Government cut the proportion of spending on mental health care. At the time, the president of the Royal College of Psychiatrists said:

“It is illogical that the share of NHS funding for mental health services is being reduced at a time of soaring need and significant staff shortages.”

The previous Government brought in the mental health investment standard, but it is not clear whether this Government are adhering to it or keeping it in place. It will be important in ensuring that we have the investment to provide both the places and the workforce.

I welcome the bringing forward of the palliative care framework, which Opposition Members and many others on both sides of the House have asked for. I am pleased that the Government have set that out, because it will be the framework that provides the care we need across the country. It is also timely, given that the Terminally Ill Adults (End of Life) Bill is going through Parliament. An amendment to the Bill, which was nodded through with support from both sides of the House, will ensure that there is a financial plan for what palliative care should look like. It will be imperative that considerations about mental health care for the terminally ill are involved in that framework.

In his November debate, the hon. Member for Strangford (Jim Shannon) raised the issue of a 24/7 palliative care helpline, which many across the House and many charities have asked for. In the debate—before we had heard about the framework—I asked whether that would be looked at as part of the framework, because that 24/7 point of contact could form part of the mental health support that families get when they are struggling and in their time of need. I would be grateful if the Government would consider that.

I appreciate that this is not in the Minister's brief, but I would also be grateful if he could set out how the palliative care framework will be put together. Who are the stakeholders? How can people like Mike and interested Members contribute to ensuring that we get it right? We want this House to do it only once; we want to get the framework right for England, and hopefully across the home nations as well, so it will be incredibly important that all stakeholders are involved.

We in this House need to ensure that others can hold what those who are struggling find too heavy to hold. That is the essence of what we are trying to do, whichever side of the House we are on or whether, like Mike, we are outside this House. We are trying to make sure that when someone is in their time of need, and when they feel the burden is too heavy, they can hand it on to someone else, who will help to carry that load.

5.4 pm

**The Parliamentary Under-Secretary of State for Health and Social Care (Dr Zubir Ahmed):** It is a pleasure to serve under your chairmanship, Sir Jeremy, and I start by sincerely thanking my hon. Friend the Member for Altrincham and Sale West (Mr Rand) for securing this debate. I also welcome Mike and his family to the Public Gallery, and pay tribute to Mike for all his efforts.

My hon. Friend raises an important issue that can affect so many people—all people perhaps, at some point—about ensuring that when someone is diagnosed with a terminal illness, they can receive the mental and emotional support that they need in the place that they need it. We want to be a society where every person receives high-quality, compassionate and personalised care from diagnosis through to the end of life. The Government are determined to shift more healthcare out of hospitals into the community to ensure that patients receive personalised care in the most appropriate setting.

Palliative care and end-of-life care services, including those provided by hospices, have a big role to play in that shift. Palliative care services are included in the list of services that an integrated care board must commission, promoting a more consistent national approach and supporting commissioners to prioritise palliative care and end-of-life care. To support that process, NHS England has published statutory guidance stating that ICBs must work to ensure that there is sufficient provision of care services to meet the needs of their local population. It also includes references to mental health, wellbeing and support for those with palliative care and end-of-life care needs.

Of course, there are many examples of voluntary initiatives, such as grief or bereavement cafés, or the Good Grief community, which aims to support people at the end of their life and their families through a programme of events and courses, and the provision of resources that often include pre-bereavement advice and support.

I know that my hon. Friend the Member for Altrincham and Sale West feels passionately about mental health support for those with palliative care and end-of-life care needs, and that he has been supporting Mike's campaign for improved mental health services and support. I offer him my deep appreciation, as well as a meeting with the Minister for Care and end-of-life care officials, so that we can engage him around the palliative care and end-of-life care modern service framework that was recently announced, which we hope to publish in the spring.

The Government are also transforming the current mental health system, ensuring that people get access to the right care at the right time in the right place. That is why we are increasing our investment in mental health support by £688 million in cash terms.

The hon. Member for Hinckley and Bosworth (Dr Evans), who spoke for the official Opposition, talked about impact assessments. I gently say to him, in the context of this convivial and constructive debate, that when we came into office we had an impact assessment by virtue of the Darzi review, which highlighted in stark terms the difficulties that the NHS in its totality is under after 14 years—the difficulties that we inherited. I also point out that our real-terms investment of £26 billion

is an increase to the NHS budget that will translate into, among many other things, a new national cancer plan. That will examine not only the process of getting the best treatments to patients, but improving communication, improving pathways, and instilling better and more bespoke mental wellbeing support into some of those pathways.

**Dr Evans:** The Minister is indeed right to say that there was an injection of cash, but the proportion of funding being spent on mental health was actually cut. The written ministerial statement is very clear that that proportion went from 8.78% to 8.71%, which the royal college said was about £300 million of investment. Can he confirm from the Dispatch Box—if he cannot, he can write to me later—whether the Government are still committed to the mental health investment standard, or is that commitment going to change? Currently, it is unclear whether they are still committed.

**Dr Ahmed:** The mental health investment standard is something that we expect ICBs to meet. I will gently push back on what the hon. Gentleman is saying because, as we have been so succinctly reminded in this debate, investing in mental wellbeing is about more than just headline figures. For instance, we need psychology in oncology, in children's health, and in other forms of cancer care. The provision of such services is not always recorded in the way that the hon. Gentleman would wish it to be recorded, but there are still formats and sub-types of mental health support.

The Government are also keen to press ahead with our 10-year plan, and we are setting out ambitious plans to boost mental health support across the country while delivering the shift from hospital to community. As part of that process, we wish to open around 85 mental health emergency departments, reducing pressure on busy A&E services, which are the last places that people with mental health needs should be, and ensuring that people have the right support they need in a calm, compassionate environment.

We will also use new integrated health organisations to break down barriers between services, which I also think is really important in the context of this debate, and to ensure integrated and holistic care, addressing both physical and mental healthcare needs, with more freedom to determine how best to meet the needs of those local populations. That will build on the work that has already begun to bring down waiting lists. As I said, we are investing an extra £688 million this year to transform mental health services. On staffing, I am pleased to say that almost 7,000 extra mental health workers have been recruited since July 2024, against our target of 8,500 by the end of this Parliament.

We are also expanding talking therapies, and we have committed to continuing that expansion over the coming years. More adults already benefit from better access to those therapies, and the aim is for over 900,000 people to complete a course of treatment with improved effectiveness and quality of services by March 2029. Anyone who develops a common mental health condition, such as anxiety or depression, in any context, including terminal illness, can self-refer to talking therapies. *[Interruption.]*

**Sir Jeremy Wright (in the Chair):** Order. I am sorry to interrupt the Minister, but a Division has been called. I am very much in the Minister's hands at this point,

*[Sir Jeremy Wright (in the Chair)]*

and I am conscious that there may be more he wishes to say. If he has only a minute or two of his speech remaining, I gather there will be several Divisions, so I do not want to force everyone to come back for just that. If he has more to say, there is of course more time for him to take, and the same applies to the hon. Member for Altrincham and Sale West. I am in the Minister's hands; does he wish to conclude now, or would he rather come back?

**Dr Ahmed:** I am grateful for your direction, Sir Jeremy. I need one minute to conclude my remarks, and I will then pass on to my hon. Friend the Member for Altrincham and Sale West.

**Sir Jeremy Wright (in the Chair):** Order. I am afraid that we will now need to suspend as the Division is active. I will suspend the sitting for 15 minutes for the first Division and for 10 minutes for any subsequent Divisions. I gather that there may be several Divisions, so I apologise to the Minister and all other Members who will have to wait.

**Jim Shannon:** On a point of order, Sir Jeremy. We have 15 minutes to go and vote for the first Division. I am not telling you what to do, but if we need only two minutes, can we conclude the debate? There will be four votes; the first will take 15 minutes, and the other three will take 10 minutes each, which means it will be 45 minutes before we can come back.

**Sir Jeremy Wright (in the Chair):** I do not want to compress the debate, as I appreciate it is a very sensitive subject. If the Minister can complete what he has to say in less than a minute, I will allow him to do so. If he needs longer, I will allow that after the Divisions.

**Dr Ahmed:** Thank you, Sir Jeremy. Can I reassure all Members participating in this debate of the Government's commitment to deliver on the issues that have been raised? We will work constructively with everyone, including patients and their families, as we develop the framework that Members have already outlined. We will also work with other mental health partners, local authorities and charities so that everyone can be assured that the Government are playing their part in delivering a better standard of access to care for not only palliative care but mental health care in that context.

**Sir Jeremy Wright (in the Chair):** The hon. Member for Altrincham and Sale West may have a very brief word.

**Mr Rand:** I thank everyone who has contributed to the debate in a really constructive way, and I hope that we can work together on both sides of this House to tackle this important issue. I am incredibly grateful to the Minister for his response, and for offering a meeting with myself and Mike. Of course, my last thanks go to Mike for sharing his story with me in such a personal and considered way.

**Sir Jeremy Wright (in the Chair):** I am very grateful to the hon. Member.

*Question put and agreed to.*

*Resolved,*

That this House has considered mental health support for people with terminal illnesses.

5.14 pm

*Sitting adjourned.*

# Written Statements

Wednesday 3 December 2025

## DEFENCE

### Armed Forces: HIV policy

**The Minister for Defence Readiness and Industry (Luke Pollard):** I am pleased to announce to the House that the UK is now the first NATO nation to allow people living with HIV to serve and fully deploy in all roles—supporting the UK Government’s mission to break down barriers to opportunity and our goal of ending new HIV cases by 2030.

Following a comprehensive review, Defence is lifting restrictions that previously prevented people living with HIV from working in military aviation as aircrew or controllers across the Royal Navy, British Army and Royal Air Force, ensuring they can pursue any career path within the armed forces based on their skills and abilities.

Personnel and all those wishing to join the military who take treatment for HIV, and whose blood tests show no detectable virus, have been recognised as able to serve in almost all roles since June 2022. Today’s policy update now includes the remaining three professions: aircrew and air traffic controllers in all services and Royal Navy divers.

The review, conducted in partnership with the Terrence Higgins Trust and the British HIV Association, has resulted in policy changes across all three services:

*Royal Navy:* The review confirmed that military divers face no HIV-specific additional barriers, with no evidence of discrimination.

*British Army:* Defence policy has been updated to remove the indirect medical restriction on people living with HIV serving in the Parachute Regiment and airborne forces.

*Royal Air Force and aviation:* Restrictions in place for people living with HIV have been lifted for both current and potential aircrew and air traffic controllers.

I want to thank people living with HIV, Terrence Higgins Trust and the British HIV Association for their partnership in this review.

This is a landmark moment for our armed forces and for equality in military service. By lifting these final restrictions, we are ensuring that anyone living with HIV can serve their country in any role they choose, based on their talent and dedication, not on outdated policies.

This change is not just about updating policy—it is about changing culture, challenging stigma, and ensuring our armed forces remain a modern, inclusive employer that attracts the best talent from across our nation.

Four years ago, we became the first NATO nation to welcome people living with HIV into uniformed service. Today, we are leading again by becoming the first to allow them to serve and fully deploy in all roles.

[HCWS1127]

## FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

### Death of Harry Dunn: Review of Government Response

**The Secretary of State for Foreign, Commonwealth and Development Affairs (Yvette Cooper):** The Government have today published the report from the independent review of the UK Government’s response to the death of Harry Dunn, and the support offered to the family by the Foreign and Commonwealth Office. This is available on gov.uk, and a copy will be placed in the Library.

Harry Dunn was 19 when he was killed on 27 August 2019, following a head-on collision with a vehicle near RAF Croughton in Northamptonshire. The vehicle was being driven on the wrong side of the road by Mrs Anne Sacoolas, the wife of a US State Department official who was working at RAF Croughton.

This independent review was commissioned by the former Foreign Secretary, my right hon. Friend the Member for Tottenham (Mr Lammy), following his engagement with the family of Harry Dunn, and in response to concerns they had expressed about the handling of the case by the UK Government, and in particular by the Foreign and Commonwealth Office (FCO, now FCDO), in the months immediately following Harry’s death. The review was conducted by Dame Anne Owers DBE.

There have been a number of legal proceedings related to the Harry Dunn’s death, including civil proceedings in the United States, the criminal prosecution of Mrs Sacoolas, a coroner’s inquest and a judicial review of the FCDO’s decision making and position on Mrs Sacoolas’s immunity. The terms of reference for the review, which are included as an annex to the report, mandated an explicit focus on the support given to the family by the FCO in the four-month period following the death of Mr Dunn, from August to December 2019, and did not seek to revisit any previous reviews or judgments.

HMG supported the process in full, during which Dame Anne examined a significant amount of documentary evidence, and interviewed a wide range of stakeholders, including many FCO officials who worked on the issue at the time. She also engaged with the family of Harry Dunn, the Victims Commissioner, Crown Prosecution Service and others.

The report provides a comprehensive assessment of the handling of the case by the FCO, and makes 12 recommendations, 10 of which are specific to the FCDO. It finds that failings and omissions were made in response to the incident, including a failure to recognise the family as allies in achieving justice for Harry. I have accepted all the recommendations, and, with my Department, I am committed to ensuring that any similar case in future will be handled with the benefit of improved practices in the light of the review, in particular with regards to family engagement and support for victims. No family facing a crisis of this kind should have to fight for the support they deserve like Harry’s did.

Dame Anne met with me on 27 November formally to present and discuss her conclusions and recommendations. I thank her for diligence and her service to the public and public services in carrying out the review and

providing her recommendations. I have also met with the family of Harry Dunn and shared the report directly with them. Nothing will bring Harry back, but I hope that the review and this statement to the House provides them some measure of comfort.

[HCWS1126]

## HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

### Pride in Place Programme Prospectus

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Miatta Fahnbulleh):** In September, we announced the Pride in Place programme, providing up to £5 billion to drive change that people can see from their doorsteps. Today, I have published the programme prospectus, so that local neighbourhoods can get on with delivering that change.

This prospectus will kick-start transformation across the country, leading to the establishment of 169 neighbourhood boards made up of local people—residents, grassroots activists, faith and business leaders—committed to making their neighbourhood a better place. They will join 75 communities, from Grimsby to Jarrow, who have already come together to agree a plan for the future of their neighbourhoods.

Neighbourhood boards, led by an independent chair, will drive change in their community over the next decade, and this prospectus gives them what they need to make this happen. Each chair must be genuinely representative of the community, with a deep connection to their local area, and the support of both the local authority and the MP to champion their neighbourhood and provide leadership. The chair must get the right people around the table to come up with a plan that delivers the change people want to see. They will be responsible for appointing a wider board of residents, local businesses, grassroots campaigners, workplace representatives, and faith and community leaders, who will sit alongside the local MP and councillor. The local authority and the local MP must also approve the final board selection. These must be in place by 17 July 2026, but we strongly encourage boards to confirm their membership earlier if they can.

Each neighbourhood board will work with the wider community to develop a Pride in Place plan, setting out how the £20 million will transform the local area. The plan must reflect the change that local people want to see, and the board must be guided by the wider community to ensure that. The prospectus sets out how boards can and should collaborate with the surrounding community to co-design the Pride in Place plan over the 10 years of the programme. No funding will be given for the implementation of the plan unless the board can prove that it will deliver the change the neighbourhood wants. The local MP, as a member of the board, will play a critical role in helping to convene every part of their community to make this happen.

In each of the 244 neighbourhoods, the plan must explain how they will invest up to £20 million over the next decade—split 63% capital, 37% revenue—to deliver three objectives: thriving places, stronger communities and taking back control. Today, we also published a revised list of indicative interventions to help boards

develop these plans—such as visual improvements and new places to meet—in order to provide examples of how the funding may be spent.

This programme aims to deliver lasting change beyond the 10 years of investment. The prospectus sets out an expectation that each board must transition towards a community-led model by year 3 of the programme. This might mean an established local community organisation acting as an anchor institution, or the board transitioning to become a co-operative, community interest company or charity. A communities delivery unit in the Ministry of Housing, Communities and Local Government will support the transition.

We know that Britain's neighbourhoods are impatient for change. When the decline in pride in place so often stems from a “we know best” attitude from those at the top, the answer must be to put communities in control. The programme prospectus we published today is the next step towards that.

[HCWS1125]

## JUSTICE

### Sexual Offence Prosecutions: Use of Evidence

**The Parliamentary Under-Secretary of State for Justice (Alex Davies-Jones):** Today, I am pleased to announce that this Government will be bringing forward legislation to prevent the misuse of evidence in sexual offence prosecutions.

These changes follow a comprehensive report published by the Law Commission entitled “Evidence in sexual offences prosecutions: a final report”. This report specifically considered how myths and misconceptions about sexual violence permeate the trial process and influence jurors' deliberations. Its recommendations aim to improve the treatment and experience of victims at court, while ensuring that defendants receive a fair trial. I would like to take this opportunity to thank the Law Commission for its detailed work on this complex matter.

First, we will create a clear statutory threshold for admitting “victim bad character” evidence. Where a defendant seeks to rely on an allegation that a victim has previously lied about being a victim of a sexual offence, that allegation must have a proper evidential basis before it can be admitted as evidence in criminal proceedings. The fact that a previous allegation was not reported, or did not lead to charge or conviction, will not be sufficient to reach this threshold.

Secondly, we will introduce legislation providing a higher admissibility threshold for victims' compensation claim evidence in trials concerning sexual offences, providing that this evidence cannot be admitted unless it has substantial probative value. The fact that a victim has made a claim, and the outcome of this claim, are not sufficient grounds to insinuate that someone is bringing a case for the purposes of financial gain. This measure recognises that all victims of crime have a right seek compensation, and should not be unfairly stigmatised for doing so.

Thirdly, we will amend the threshold for the admissibility of sexual behaviour evidence. We want to ensure that the legislative threshold is clear, and can be consistently applied. New legislation will continue to provide that SBE should not as a rule be admitted, but if it is to be, it must have substantial probative value or be important

explanatory evidence. Legislation will also ask judges to consider factors such as the risk that the evidence relies on myths and misconceptions.

In addition, we know that domestic abuse can take many forms, can escalate within a relationship or can present differently with different victims. Currently, unlike with certain categories of offences, legislation does not specify that domestic abuse convictions of any kind can demonstrate a propensity to commit further domestic abuse offences—especially if the previous offence was not the same type of offence as that which they are currently charged with. It means that, for example, evidence of a previous common assault may not be brought before the jury in a sexual offence case, even if both are occasions of partner abuse. We do not think this is right in the context of domestic abuse. We will ensure that domestic abuse offences of any type can be admitted to demonstrate a propensity for further offending in a domestic abuse context, against any victim—whether that is a conviction of coercive control followed by sexual offending, or physical abuse turned to economic abuse.

Recognising how daunting it can be for victims to give evidence, we will further strengthen the support available at court by bringing forward legislation on the use of special measures. This will allow witnesses to be accompanied by a companion when giving evidence, and will clarify the circumstances in which the court can exclude intimidating individuals from the public gallery or combine special measures, so that witnesses can give their best evidence. Our reforms will also clarify courtroom screens' role in shielding witnesses from view of the defendant when they give evidence, allow victims to use special measures when reading their victim personal statement and enshrine in law the court's power to edit pre-recorded evidence so it is suitable for use in proceedings and free from inadmissible or irrelevant material.

I hope that these changes will give victims the confidence that they will be treated fairly in court, while preserving judicial independence and the right to a fair trial.

I would like to thank all of those who have campaigned on these issues over recent months and years. I look forward to bringing these important changes to legislation before the House.

[HCWS1124]



## Written Correction

*Wednesday 3 December 2025*

### Ministerial Correction

#### WORK AND PENSIONS

##### **Young People not in Education, Employment or Training**

*The following extract is from the Westminster Hall debate on young people not in education, employment or training on 26 November 2025.*

**Andrew Western:** The Liberal Democrat spokesperson, the hon. Member for Torbay (Steve Darling), mentioned the challenges facing sectors including hospitality—I know

that he has a particular interest in that sector, given the constituency he represents—and their inability to hire young people. I appreciate the challenges that he set out, but I hope that he will be pleased to hear that the new foundation apprenticeships will have a particular focus on sectors including hospitality and will be fully funded.

[*Official Report*, 26 November 2025; Vol. 776, c. 199WH.]

*Written correction submitted by the Under-Secretary of State for Work and Pensions, the hon. Member for Stretford and Urmston (Andrew Western):*

**Andrew Western:**...I appreciate the challenges that he set out, but I hope that he will be pleased to hear that the new foundation apprenticeships **have** a particular focus on sectors **like construction** and **apprenticeships in SMEs** will be fully funded **for eligible young people**.



# ORAL ANSWERS

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Wednesday 10 December 2025**

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